



CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT and AFFIDAVIT
Related to Contract/Amendment/Solicitation
EDS # 174469

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting the EDS:

Motorola Solutions, Inc

Enter d/b/a if applicable:

The Disclosing Party submitting this EDS is:

the Applicant

B. Business address of the Disclosing Party:

500 W. Monroe
Chicago, IL 60661
United States

C. Telephone:

847-561-0275

Fax:

312-614-4295

D. Name of contact person:

Anup Bhattarai

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains:

Radio Communications Equipment and Compatibility for Parts, Repairs, Software, Installation Services and Accessories

G. Which City agency or department is requesting this EDS?

DEPT OF PROCUREMENT SERVICES

Specification Number

1191270

Contract (PO) Number

311043

Revision Number

0

Release Number

0

User Department Project Number

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

Publicly registered business corporation

Is the Disclosing Party incorporated or organized in the State of Illinois?

No

State or foreign country of incorporation or organization:

Delaware

Registered to do business in the State of Illinois as a foreign entity?

Yes

B. DISCLOSING PARTY IS A LEGAL ENTITY:

1.a.1 Does the Disclosing Party have any directors?

Yes

1.a.3 List below the full names and titles of all executive officers and all directors, if any, of the entity. Do not include any directors who have no power to select the entity's officers.

Officer/Director:	Mr. Gregory Q. Brown
Title:	Chairman and Chief Executive Officer
Role:	Both

Officer/Director:	Ms. Judy C. Lewent
Title:	Director
Role:	Director

Officer/Director:	Mr. Gregory Mondre
Title:	Director
Role:	Director

Officer/Director:	Mr. Jack Molloy
Title:	Chief Operating Officer
Role:	Officer

Officer/Director:	Ms. Kristin Kruska
Title:	Vice President and Corporate Secretary
Role:	Officer

Officer/Director:	Clayton M Jones
Title:	Director
Role:	Director

Officer/Director:	Mr. Kenneth D. Denman
Title:	Director
Role:	Director

Officer/Director:	Mr. Joseph M. Tucci
Title:	Director
Role:	Director

Officer/Director:	Mr. Rajan Naik
Title:	Senior Vice President

Role:	Officer
Officer/Director:	Ms. Cynthia Yazdi
Title:	Senior Vice President
Role:	Officer
Officer/Director:	Mr. Jason Winkler
Title:	Chief Financial Officer
Role:	Officer
Officer/Director:	Kathi Moore
Title:	Senior Vice President
Role:	Officer
Officer/Director:	Jim Niewiara
Title:	Senior Vice President
Role:	Officer
Officer/Director:	Mahesh Saptharishi
Title:	Senior Vice President
Role:	Officer
Officer/Director:	Nicole Anasenes
Title:	Director
Role:	Director
Officer/Director:	Dr. Ayanna Howard
Title:	Director
Role:	Director
Officer/Director:	Elizabeth Mann
Title:	Director
Role:	Director

2. Ownership Information

Please provide ownership information concerning each person or entity that holds, or is anticipated to hold (see next paragraph), a direct or indirect beneficial interest in excess of 7.5% of the Applicant. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate, or other similar entity. Note: Each legal entity below may be required to submit an EDS on its own behalf.

Please disclose present owners below. Please disclose anticipated owners in an attachment submitted through the "Additional Info" tab. "Anticipated owner" means an individual or entity in existence at the time application for City action is made, which is not an applicant or owner at such time, but which the applicant expects to assume a legal status, within six months of the time the City action occurs, that would render such individual or entity an applicant or owner if they had held such legal status at the time application was made.

- The Vanguard Group, Inc. - 12.22% - EDS 174532
- BlackRock, Inc. - 9.24% - EDS 174533

Owner Details

Name	Business Address
BlackRock, Inc.	40 East 52nd Street New York, NY United States
The Vanguard Group, Inc.	100 Vanguard Blvd. Malvern, PA United States

SECTION III -- INCOME OR COMPENSATION TO, OR OWNERSHIP BY, CITY ELECTED OFFICIALS

A. Has the Disclosing Party provided any income or compensation to any City elected official during the 12-month period preceding the date of this EDS?

No

B. Does the Disclosing Party reasonably expect to provide any income or compensation to any City elected official during the 12-month period following the date of this EDS?

No

D. Does any City elected official or, to the best of the Disclosing Party's knowledge after reasonable inquiry, any City elected official's spouse or domestic partner, have a financial interest (as defined in [Chapter 2-156 of the Municipal Code](#) ("MCC")) in the Disclosing Party?

No

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist (as defined in [MCC Chapter 2-156](#)), accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

1. Has the Disclosing Party retained or does it anticipate retaining any legal entities in connection with the Matter?

Yes

2. List below the names of all legal entities which are retained parties.

Name:	Chicago Communications LLC
Anticipated/Retained:	Retained
Business Address:	200 Spangler Ave Elmhurst, IL 60126 United States
Relationship:	Subcontractor - MWDBE
Fees (\$\$ or %):	10%
Estimated/Paid:	Estimated

Name:	Sierra Public Safety
Anticipated/Retained:	Retained
Business Address:	515 W Wrightwood Suite 513 Chicago, IL 60614 United States
Relationship:	Subcontractor - MWDBE
Fees (\$\$ or %):	10%
Estimated/Paid:	Estimated

3. Has the Disclosing Party retained or does it anticipate retaining any persons in connection with the Matter?

No

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under [MCC Section 2-92-415](#), substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage of any child support obligations by any Illinois court of competent jurisdiction?

Not applicable because no person directly or indirectly owns 10% or more of the Disclosing Party

B. FURTHER CERTIFICATIONS

1. [This certification applies only if the Matter is a contract being handled by the City's Department of Procurement Services.] In the 5-year period preceding the date of this EDS, neither the Disclosing Party nor any [Affiliated Entity](#) has engaged, in connection with the performance of any public contract, the services of an integrity monitor, independent private sector inspector general, or integrity compliance consultant (i.e. an individual or entity with legal, auditing, investigative, or other similar skills, designated by a public agency to help the agency monitor the activity of specified agency vendors as well as help the vendors reform their business practices so they can be considered for agency contracts in the future, or continue with a contract in progress).

I certify the above to be true

2. The Disclosing Party and its Affiliated Entities are not delinquent in the payment of any fine, fee, tax or other source of indebtedness owed to the City of Chicago, including, but not limited to, water and sewer charges, license fees, parking tickets, property taxes and sales taxes, nor is the Disclosing Party delinquent in the payment of any tax administered by the Illinois Department of Revenue.

I certify the above to be true

3. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II(B)(1) of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, during the 5 years before the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in subparagraph (b) above;
- d. have not, during the 5 years before the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, during the 5 years before the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

I certify the above to be true

4. The Disclosing Party understands and shall comply with the applicable requirements of MCC [Chapter 2-56 \(Inspector General\)](#) and [Chapter 2-156 \(Governmental Ethics\)](#).

I certify the above to be true

5. Neither the Disclosing Party, nor any [Contractor](#), nor any [Affiliated Entity](#) of either the Disclosing Party or any [Contractor](#), nor any [Agents](#) have, during the 5 years before the date of this EDS, or, with respect to a [Contractor](#), an [Affiliated Entity](#), or an [Affiliated Entity](#) of a [Contractor](#) during the 5 years before the date of such [Contractor's](#) or [Affiliated Entity's](#) contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in subparagraph (a) or (b) above that is a matter of record, but have not been prosecuted for such conduct; or

- d. violated the provisions referenced in [MCC Subsection 2-92-320\(a\)\(4\)\(Contracts Requiring a Base Wage\)](#); [\(a\)\(5\)\(Debarment Regulations\)](#); or [\(a\)\(6\)\(Minimum Wage Ordinance\)](#).

I certify the above to be true

6. Neither the Disclosing Party, nor any [Affiliated Entity](#) or [Contractor](#), or any of their employees, officials, [agents](#) or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of

- bid-rigging in violation of [720 ILCS 5/33E-3](#);
- bid-rotating in violation of [720 ILCS 5/33E-4](#); or
- any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

I certify the above to be true

7. Neither the Disclosing Party nor any [Affiliated Entity](#) is listed on a Sanctions List maintained by the United States Department of Commerce, State, or Treasury, or any successor federal agency.

I certify the above to be true

8. [FOR APPLICANT ONLY]

- i. Neither the Applicant nor any "controlling person" [[see MCC Chapter 1-23, Article I](#) for applicability and defined terms] of the Applicant is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any "sister agency" ; and
- ii. the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City.

NOTE: If [MCC Chapter 1-23, Article I](#) applies to the Applicant, that Article's permanent compliance timeframe supersedes 5-year compliance timeframes in this Section V.

I certify the above to be true

9. [FOR APPLICANT ONLY] The Applicant and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed as having an active exclusion by the U.S. EPA on the [federal System for Award Management](#) ("SAM")

I certify the above to be true

10. [FOR APPLICANT ONLY] The Applicant will obtain from any contractors/ subcontractors hired or to be hired in connection with the Matter certifications equal in

form and substance to those in Certifications (2) and (9) above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Applicant has reason to believe has not provided or cannot provide truthful certifications.

I certify the above to be true

11. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the date of this EDS, an employee, or elected or appointed official, of the City of Chicago.

None

12. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$25 per recipient, or (iii) a political contribution otherwise duly reported as required by law.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

The Disclosing Party certifies, as defined in [MCC Section 2-32-455\(b\)](#), the Disclosing Party

is not a "financial institution"

D. CERTIFICATION REGARDING FINANCIAL INTEREST IN CITY BUSINESS

Any words or terms defined in [MCC Chapter 2-156](#) have the same meanings if used in this Part D.

1. In accordance with [MCC Section 2-156-110](#): To the best of the Disclosing Party's knowledge after reasonable inquiry, does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

No

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

If the Disclosing Party cannot make this verification, the Disclosing Party must disclose all required information in the space provided below or in an attachment in the "Additional Info" tab. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

I can make the above verification

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

Is the Matter federally funded? For the purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

Yes

A. CERTIFICATION REGARDING LOBBYING

1.a Are there any persons who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter?

No

1.c. Are there any legal entities who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter?

No

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in paragraph A(1) above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

I certify to the above.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A(1) and A(2) above.

I certify to the above.

4. The Disclosing Party certifies that either:

- i. it is not an organization described in [section 501\(c\)\(4\) of the Internal Revenue Code of 1986](#) or
- ii. it is an organization described in [section 501\(c\)\(4\) of the Internal Revenue Code of 1986](#) but has not engaged and will not engage in "Lobbying Activities," as that term is defined in the [Lobbying Disclosure Act of 1995](#), as amended.

I certify to the above.

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A(1) through A(4) above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

I certify to the above.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See [41 CFR Part 60-2](#).)

Yes

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Reports not required

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes

SECTION VII - FURTHER ACKNOWLEDGMENTS AND CERTIFICATION

The Disclosing Party understands and agrees that:

- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. The City's Governmental Ethics Ordinance, [MCC Chapter 2-156](#), imposes certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of this ordinance and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with this ordinance.

I acknowledge and consent to the above

The Disclosing Party understands and agrees that:

- C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other City transactions. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.
- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided in, and appended to, this EDS may be made publicly available on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.
- E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to MCC [Chapter 1-23](#), Article I (imposing PERMANENT INELIGIBILITY for certain specified offenses), the

information provided herein regarding eligibility must be kept current for a longer period, as required by [MCC Chapter 1-23](#) and [Section 2-154-020](#).

I acknowledge and consent to the above

APPENDIX A - FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5%. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under [MCC Section 2-154-015](#), the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a, if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5% ownership interest in the Disclosing Party.

"Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

No

APPENDIX B - BUILDING CODE SCOFFLAW/PROBLEM LANDLORD CERTIFICATION

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5% (an "Owner"). It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

1. Pursuant to [MCC Section 2-154-010](#), is the Applicant or any Owner identified as a building code scofflaw or problem landlord pursuant to [MCC Section 2-92-416??](#)

No

2. If the Applicant is a legal entity publicly traded on any exchange, is any officer or director of the Applicant identified as a building code scofflaw or problem landlord pursuant to [Section 2-92-416 of the Municipal Code](#)?

No

APPENDIX C-PROHIBITION ON WAGE & SALARY HISTORY SCREENING

This Appendix is to be completed only by an Applicant that is completing this EDS as a "contractor" as defined in [MCC Section 2-92-385](#). That section, which should be consulted (www.amlegal.com), generally covers a party to any agreement pursuant to which they: (i) receive City of Chicago funds in consideration for services, work or goods provided (including for legal or other professional services), or (ii) pay the City money for a license, grant or concession allowing them to conduct a business on City premises.

On behalf of an Applicant that is a contractor pursuant to [MCC Section 2-92-385](#), I hereby certify that the Applicant is in compliance with [MCC Section 2-92-385\(b\)\(1\)](#) and (2), which prohibit: (i) screening job applicants based on their wage or salary history, or (ii) seeking job applicants' wage or salary history from current or former employers. I also certify that the Applicant has adopted a policy that includes those prohibitions.

This certification shall serve as the affidavit required by [MCC Section 2-92-385\(c\)\(1\)](#).

Yes

ADDITIONAL INFO

Please add any additional explanatory information here. If explanation is longer than 1000 characters, you may add an attachment below. Please note that your EDS, including all attachments, becomes available for public viewing upon contract award.

Your attachments will be viewable "as is" without manual redaction by the City. You are responsible for redacting any non-public information from your documents before uploading.

Attached are the Form ADV for The Vanguard Group and the 10K for Blackrock Inc. which are provided in lieu of each owners EDS.

List of vendor attachments uploaded by City staff

None.

List of attachments uploaded by vendor

Blackrock 10k
Motorola 10K
Vanguard ADV
Blackrock Attachment
Vanguard

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS, and all applicable appendices, on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS, and all applicable appendices, are true, accurate and complete as of the date furnished to the City. Submission of this form constitutes making the oath associated with notarization.

/s/ 09/22/2025
Alex Anklam
Sr. Account Manager
Motorola Solutions, Inc

This is a printed copy of the Economic Disclosure Statement, the original of which is filed electronically with the City of Chicago. Any alterations must be made electronically, alterations on this printed copy are void and of no effect.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549
FORM 10-K

(Mark One)

- ☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2024
or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____
Commission File No. 001-42297

BlackRock

BlackRock, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

99-1116001
(I.R.S. Employer
Identification No.)

50 Hudson Yards, New York, NY 10001
(Address of Principal Executive Offices)
(212) 810-5800

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$.01 par value	BLK	New York Stock Exchange
Securities registered pursuant to Section 12(g) of the Act:		
None		

Indicate by check mark if the registrant is a well-known, seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒
Non-accelerated filer ☐

Accelerated filer ☐
Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting common stock held by nonaffiliates of the registrant as of June 30, 2024 was approximately \$118 billion.

As of January 31, 2025, there were 155,253,443 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference herein:

Portions of the definitive Proxy Statement of BlackRock, Inc. to be filed pursuant to Regulation 14A of the general rules and regulations under the Securities Exchange Act of 1934, as amended, for the 2025 annual meeting of stockholders ("Proxy Statement") are incorporated by reference into Part III of this Form 10-K.

BlackRock, Inc.

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PART I

Item 1. Business

OVERVIEW

BlackRock, Inc. (together, with its subsidiaries, unless the context otherwise indicates, “BlackRock” or the “Company”) is a leading publicly traded investment management firm with \$11.6 trillion of assets under management (“AUM”) at December 31, 2024. With approximately 21,100 employees in more than 30 countries who serve clients in over 100 countries across the globe, BlackRock provides a broad range of investment management and technology services to institutional and retail clients worldwide. On October 1, 2024, BlackRock completed the acquisition of 100% of the issued and outstanding limited liability company interests of Global Infrastructure Management, LLC (“GIP” or the “GIP Transaction”). As a result of the closing of the GIP Transaction, BlackRock, Inc. (formerly known as BlackRock Funding, Inc. (“BlackRock Funding”)) (“New BlackRock”) became the ultimate parent company of BlackRock Finance, Inc. (formerly known as BlackRock, Inc.) (“Old BlackRock”), GIP and their respective subsidiaries. See Note 1, *Business Overview* and Note 3, *Acquisitions*, in the notes to the consolidated financial statements contained in Part II, Item 8 for additional information.

BlackRock’s diverse platform of alpha-seeking active, private markets, index and cash management investment strategies across asset classes enables the Company to offer choice and tailor investment and asset allocation solutions for clients. Product offerings include single- and multi-asset portfolios investing in equities, fixed income, private markets, liquid alternatives and money market instruments. Products are offered directly and through intermediaries in a variety of vehicles, including open-end and closed-end mutual funds, iShares® exchange-traded funds (“ETFs”), separate accounts, collective trust funds and other pooled investment vehicles. BlackRock also offers technology services, including the investment and risk management technology platform, Aladdin®, Aladdin Wealth™, eFront®, and Cachematrix®, as well as advisory services and solutions to a broad base of institutional and wealth management clients. The Company is highly regulated and manages its clients’ assets as a fiduciary. The Company does not engage in proprietary trading activities that could conflict with the interests of its clients.

BlackRock serves a diverse mix of institutional and retail clients across the globe. Clients include tax-exempt institutions, such as defined benefit and defined contribution pension plans, charities, foundations and endowments; official institutions, such as central banks, sovereign wealth funds, supranationals and other government entities; taxable institutions, including insurance companies, financial institutions, corporations and third-party fund sponsors, and retail intermediaries.

BlackRock maintains a significant global sales and marketing presence that is focused on establishing and maintaining retail and institutional investment management and technology service relationships by marketing its services to investors directly and through third-party distribution relationships, including financial professionals and pension consultants.

BlackRock is an independent, publicly traded company, with no single majority shareholder and over 80% of its Board of Directors consisting of independent directors.

Management seeks to deliver value for stockholders over time by, among other things, capitalizing on BlackRock’s differentiated competitive position, including:

- the Company’s longstanding model of client choice, through which it offers a wide range of index, active, private markets, and whole portfolio solutions across broad markets, themes, regions, and investment styles;
- the Company’s focus on strong investment performance, seeking the best risk-adjusted returns for client portfolios, within the mandates given by clients, to help them meet their investment objectives;
- the Company’s research, data and analytics, which are at the center of BlackRock’s investment approach and processes. They inform BlackRock’s pursuit of the best risk-adjusted returns, and underpin product creation and innovation;
- the Company’s global reach and commitment to best practices around the world, with approximately 59% of employees outside the United States (“US”) serving clients locally and supporting local investment capabilities. Approximately 35% of total AUM is managed for clients domiciled outside the US;
- the Company’s differentiated client relationships and fiduciary focus, which enable effective positioning toward changing client needs and industry trends including the secular shift to ETFs; growing allocations to private markets, such as infrastructure and private credit; increasing demand for outsourcing and whole portfolio solutions using index, active and private markets products; anticipated re-allocations to fixed income; demand for high-performing active strategies; interest in sustainable investment strategies; and a continued focus on income and retirement; and
- the Company’s longstanding commitment to innovation, technology services and the continued development of, and increased interest in, BlackRock technology products and solutions, including Aladdin, Aladdin Wealth, eFront, and Cachematrix. This commitment is further extended by minority investments in financial technology and digital distribution providers, data and whole portfolio capabilities including Securitize, Upvest, Avaloq, Human Interest, Circle, Clarity AI, Envestnet, Acorns, Scalable Capital and iCapital.

BlackRock operates in a global marketplace impacted by changing market dynamics and economic uncertainty, factors that can significantly affect earnings and stockholder returns in any given period.

The Company’s ability to increase revenue, earnings and stockholder value over time is predicated on its ability to generate new business, including business in Aladdin and other technology products and services. New business efforts depend on BlackRock’s ability to achieve clients’ investment objectives, in a manner consistent with their risk preferences, to deliver excellent client service and to innovate in technology to serve clients’ evolving needs. All of these efforts require the commitment and contributions of BlackRock employees. Accordingly, the ability to attract, develop and retain qualified professionals is critical to the Company’s long-term success.

FINANCIAL HIGHLIGHTS

(in millions, except per share data)

GAAP:	2024	2023	2022	2021	2020
Total revenue	\$ 20,407	\$ 17,859	\$ 17,873	\$ 19,374	\$ 16,205
Operating income	\$ 7,574	\$ 6,275	\$ 6,385	\$ 7,450	\$ 5,695
Operating margin	37.1 %	35.1 %	35.7 %	38.5 %	35.1 %
Nonoperating income (expense) ⁽¹⁾	\$ 578	\$ 706	\$ 89	\$ 419	\$ 475
Net income attributable to BlackRock, Inc.	\$ 6,369	\$ 5,502	\$ 5,178	\$ 5,901	\$ 4,932
Diluted earnings per common share	\$ 42.01	\$ 36.51	\$ 33.97	\$ 38.22	\$ 31.85

(in millions, except per share data)

As adjusted ⁽²⁾ :	2024	2023	2022	2021	2020
Operating income	\$ 8,110	\$ 6,593	\$ 6,711	\$ 7,747	\$ 6,433
Operating margin	44.5 %	41.7 %	42.8 %	46.8 %	46.0 %
Nonoperating income (expense) ⁽¹⁾	\$ 533	\$ 648	\$ 89	\$ 419	\$ 353
Net income attributable to BlackRock, Inc.	\$ 6,612	\$ 5,692	\$ 5,391	\$ 6,254	\$ 5,352
Diluted earnings per common share	\$ 43.61	\$ 37.77	\$ 35.36	\$ 40.51	\$ 34.57

(1) Net of net income (loss) attributable to noncontrolling interests (redeemable and nonredeemable).

(2) BlackRock reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP"); however, management believes evaluating the Company's ongoing operating results may be enhanced if investors have additional non-GAAP financial measures.

Beginning in the first quarter of 2022, BlackRock updated the definitions of operating income, as adjusted, operating margin, as adjusted, and net income attributable to BlackRock, Inc., as adjusted, to include new adjustments. Such measures have been recast for all prior periods to reflect the inclusion of such new adjustments. In addition, beginning in the first quarter of 2023, BlackRock updated the definitions of its non-GAAP financial measures to exclude the impact of market valuation changes on certain deferred cash compensation plans which the Company began economically hedging in 2023. For further information on non-GAAP financial measures and for as adjusted items for 2024 and 2023, see Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures*. For further information on non-GAAP financial measures and for as adjusted items for 2022, 2021 and 2020, see Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures*, of the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

ASSETS UNDER MANAGEMENT

The Company's AUM by product type for the years 2020 through 2024 is presented below.

(in millions)	December 31,					5-Year CAGR ⁽¹⁾
	2024	2023	2022	2021	2020	
Equity	\$ 6,310,191	\$ 5,293,344	\$ 4,435,354	\$ 5,342,360	\$ 4,419,806	11 %
Fixed income	2,905,669	2,804,026	2,536,823	2,822,041	2,674,488	5 %
Multi-asset	992,921	870,804	684,904	816,494	658,733	12 %
Alternatives	421,807	275,984	266,210	264,881	235,042	19 %
Long-term	10,630,588	9,244,158	7,923,291	9,245,776	7,988,069	9 %
Cash management	920,663	764,837	671,194	755,057	666,252	11 %
Advisory	—	—	—	9,310	22,359	—
Total	\$ 11,551,251	\$ 10,008,995	\$ 8,594,485	\$ 10,010,143	\$ 8,676,680	9 %

(1) Percentage represents compound annual growth rate ("CAGR") over a five-year period (December 31, 2019 – December 31, 2024).

Component changes in AUM by product type for the five years ended December 31, 2024 are presented below.

(in millions)	December 31, 2019	Net inflows (outflows)	Acquisitions ⁽¹⁾	Market change	FX impact	December 31, 2024
Equity	\$ 3,820,329	\$ 469,857	\$ 45,398	\$ 2,134,992	\$ (160,385)	\$ 6,310,191
Fixed income	2,315,392	944,834	—	(220,628)	(133,929)	2,905,669
Multi-asset	568,121	276,730	—	180,410	(32,340)	992,921
Alternatives	178,072	116,114	72,051	60,258	(4,688)	421,807
Long-term	6,881,914	1,807,535	117,449	2,155,032	(331,342)	10,630,588
Cash management	545,949	361,995	—	19,205	(6,486)	920,663
Advisory	1,770	(2,423)	—	636	17	—
Total	\$ 7,429,633	\$ 2,167,107	\$ 117,449	\$ 2,174,873	\$ (337,811)	\$ 11,551,251

(1) Amounts include the following: (a) net AUM from the acquisition of Aperio Group, LLC ("Aperio Transaction") in February 2021, (b) net AUM from the acquisition of Kreos Capital (the "Kreos Transaction") in August 2023, (c) net AUM from the acquisition of SpiderRock Advisors (the "SpiderRock Transaction") in May 2024 and (d) net AUM from the GIP Transaction in October 2024.

AUM represents the broad range of financial assets managed for clients on a discretionary basis pursuant to investment management and trust agreements that are expected to continue for at least 12 months. In general, reported AUM reflects the valuation methodology that corresponds to the basis used for determining revenue (for example, net asset value). Reported AUM does not include assets for which BlackRock provides risk management or other forms of nondiscretionary advice, or assets that the Company is retained to manage on a short-term, temporary basis.

Investment management fees are typically earned as a percentage of AUM. BlackRock also earns performance fees on certain portfolios relative to an agreed-upon benchmark or return hurdle. On some products, the Company also may earn securities lending revenue. In addition, BlackRock offers its proprietary Aladdin investment system as well as risk management, outsourcing, advisory and other technology services, to institutional investors and wealth management intermediaries. Revenue for these services may be based on several criteria including value of positions, number of users, implementation go-lives and software solution delivery and support.

At December 31, 2024, total AUM was \$11.6 trillion, representing a CAGR of 9% over the last five years. AUM growth during the period was achieved through the combination of net market valuation gains, net inflows and acquisitions, including the net AUM impact from the Aperio Transaction, which added \$41 billion of AUM in February 2021, the Kreos Transaction, which added \$2 billion of AUM in August 2023, the SpiderRock Transaction, which added \$4 billion of AUM in May 2024, and the GIP Transaction, which added \$70 billion of AUM in October 2024. BlackRock's AUM mix encompasses a broadly diversified product range, as described below.

The Company considers the categorization of its AUM by client type, product type, investment style, and client region useful to understanding its business. The following discussion of the Company's AUM will be organized as follows:

Client Type	Product Type	Investment Style	Client Region
• Retail • ETFs • Institutional	• Equity • Fixed Income • Multi-asset • Alternatives • Cash Management	• Active • Index and ETFs	• Americas • Europe, the Middle East and Africa ("EMEA") • Asia-Pacific

CLIENT TYPE

BlackRock serves a diverse mix of institutional and retail clients across the globe, with a regionally focused business model. BlackRock leverages the benefits of scale across global investment, risk and technology platforms while at the same time using local distribution presence to deliver solutions for clients. Furthermore, the Company's structure facilitates strong teamwork globally across both functions and regions in order to enhance BlackRock's ability to leverage best practices to serve our clients and continue to develop our talent.

Clients include tax-exempt institutions, such as defined benefit and defined contribution pension plans, charities, foundations and endowments; official institutions, such as central banks, sovereign wealth funds, supranationals and other government entities; taxable institutions, including insurance companies, financial institutions, corporations and third-party fund sponsors, and retail intermediaries.

ETFs are a growing component of both institutional and retail client portfolios. However, as ETFs are traded on exchanges, complete transparency on the ultimate end-investor is unavailable. Therefore, ETFs are presented as a separate client type below, with investments in ETFs by institutions and retail clients excluded from figures and discussions in their respective sections.

AUM by investment style and client type at December 31, 2024 is presented below.

(in millions)	Retail		ETFs		Institutional		Total
Active	\$	733,907	\$	—	\$	2,136,749	\$ 2,870,656
Non-ETF index		281,920		—		3,247,637	3,529,557
ETFs		—		4,230,375		—	4,230,375
Long-term		1,015,827		4,230,375		5,384,386	10,630,588
Cash management		12,247		—		908,416	920,663
Total	\$	1,028,074	\$	4,230,375	\$	6,292,802	\$ 11,551,251

Retail

BlackRock serves retail investors globally through a wide array of products across the investment spectrum, including separate accounts, open-end and closed-end funds, unit trusts and private investment funds. Retail investors are served principally through intermediaries, including broker-dealers, banks, trust companies, insurance companies and independent financial advisors. Technology solutions, digital distribution tools and a shift toward portfolio construction are increasing the number of financial advisors and end-retail investors using BlackRock products.

Retail represented 10% of long-term AUM at December 31, 2024 and 28% of long-term investment advisory and administration fees (collectively "base fees") and securities lending revenue for 2024.

ETFs have a significant retail component but are shown separately below. With the exclusion of ETFs, the majority of retail AUM is comprised of active mutual funds. In the aggregate, active and index mutual funds totaled \$738 billion, or approximately 75%, of retail long-term AUM at year-end, with the remainder invested in private investment funds and separately managed accounts. Approximately 70% of retail long-term AUM is invested in active products.

Component changes in retail long-term AUM for 2024 are presented below.

(in millions)	December 31, 2023	Net inflows (outflows)	Acquisitions ⁽¹⁾	Market change	FX impact	December 31, 2024
Equity	\$ 435,734	\$ 15,285	\$ 4,074	\$ 54,257	\$ (4,232)	\$ 505,118
Fixed income	312,799	11,671	—	1,483	(7,312)	318,641
Multi-asset	139,537	(2,328)	—	14,420	(651)	150,978
Alternatives	41,627	(261)	—	69	(345)	41,090
Total	\$ 929,697	\$ 24,367	\$ 4,074	\$ 70,229	\$ (12,540)	\$ 1,015,827

(1) Amounts include AUM attributable to the SpiderRock Transaction.

The retail client base is diversified geographically, with 70% of long-term AUM managed for investors based in the Americas, 25% in EMEA and 5% in Asia-Pacific at year-end 2024.

- **US retail** long-term net inflows of \$19 billion were driven by \$9 billion of net inflows into both fixed income and equity. Fixed income net inflows were primarily into active mutual funds, while equity net inflows reflected demand for Aperio, BlackRock's customized index equity solution.
- **International retail** long-term net inflows of \$6 billion reflected equity and fixed income net inflows of \$6 billion and \$2 billion, respectively. Equity net inflows were driven by wealth outsourcing solutions, and fixed income inflows were led by active mutual funds.

ETFs

BlackRock is the leading ETF provider in the world with \$4.2 trillion of iShares ETF AUM as of December 31, 2024. BlackRock generated ETF net inflows of \$390 billion in 2024. The Company offers both index-tracking ETFs, which seek to replicate the performance of a specific index, and active ETFs. Active ETFs are managed by professional portfolio managers who actively select and adjust the fund's holdings in an effort to outperform the market, deliver a specific outcome or gain exposure to hard-to-index markets.

Equity ETF net inflows of \$236 billion were driven by flows into core ETFs, as well as continued client use of BlackRock's broad-based precision exposure ETFs to express risk preferences and make tactical allocation changes. Fixed income ETF net inflows of \$112 billion were diversified across exposures, led by flows into treasury, core and corporate credit ETFs. Alternative ETFs had net inflows of \$41 billion, driven by the launch of cryptocurrency exchange-traded products ("ETPs") in the year.

ETFs represented 40% of long-term AUM at December 31, 2024 and 45% of long-term base fees and securities lending revenue for 2024.

Component changes in ETFs AUM for 2024 are presented below.

(in millions)	December 31, 2023	Net inflows (outflows)	Market change	FX impact	December 31, 2024
Equity	\$ 2,532,631	\$ 236,357	\$ 359,322	\$ (21,912)	\$ 3,106,398
Fixed income	898,403	112,341	(16,291)	(8,801)	985,652
Multi-asset	9,140	1,025	841	(272)	10,734
Alternatives ⁽¹⁾	59,125	40,710	27,919	(163)	127,591
Total	\$ 3,499,299	\$ 390,433	\$ 371,791	\$ (31,148)	\$ 4,230,375

(1) Amounts include cryptocurrency and commodity ETFs and ETPs.

BlackRock's ETF product range offers investors a precise, transparent and efficient way to gain exposure to a full range of asset classes and global markets that have been difficult for many investors to access, as well as the liquidity required to make adjustments to their exposures quickly and cost-efficiently.

- **US ETF** AUM ended 2024 at \$3.1 trillion with \$280 billion of net inflows, led by net inflows into core equity, fixed income, cryptocurrency and other precision exposure ETFs.
- **International ETF** AUM ended 2024 at \$1.1 trillion with \$110 billion of net inflows, diversified across product categories, and led by net inflows into core equity, fixed income and precision exposure ETFs.

* Regional ETF amounts based on jurisdiction of product, not underlying client.

Institutional

BlackRock serves institutional investors on six continents in sub-categories including: pensions, endowments and foundations, official institutions, and financial institutions; institutional AUM is diversified across product and region.

Component changes in institutional long-term AUM for 2024 are presented below.

(in millions)	December 31, 2023	Net inflows (outflows)	Acquisition ⁽¹⁾	Market change	FX impact	December 31, 2024
Active:						
Equity	\$ 186,688	\$ 5,380	\$ —	\$ 30,876	\$ (4,096)	\$ 218,848
Fixed income	836,823	(2,843)	—	16,885	(10,537)	840,328
Multi-asset	717,182	54,887	—	72,798	(16,828)	828,039
Alternatives	171,980	7,023	69,875	3,618	(2,962)	249,534
Active subtotal	1,912,673	64,447	69,875	124,177	(34,423)	2,136,749
Index:						
Equity	2,138,291	(31,454)	—	420,860	(47,870)	2,479,827
Fixed income	756,001	42,500	—	(5,068)	(32,385)	761,048
Multi-asset	4,945	(1,906)	—	204	(73)	3,170
Alternatives	3,252	234	—	165	(59)	3,592
Index subtotal	2,902,489	9,374	—	416,161	(80,387)	3,247,637
Total	\$ 4,815,162	\$ 73,821	\$ 69,875	\$ 540,338	\$ (114,810)	\$ 5,384,386

(1) Amounts include AUM attributable to the GIP Transaction.

Institutional active AUM ended 2024 at \$2.1 trillion, reflecting \$64 billion of net inflows, driven by the funding of several significant outsourcing mandates and continued growth in BlackRock's *LifePath*® target-date and private markets platforms.

Multi-asset net inflows of \$55 billion reflected continued growth from significant pension outsourcing mandates and *LifePath* target-date offerings. Fixed income net outflows of \$3 billion were impacted by an approximately \$20 billion active fixed income redemption in the second quarter from a large insurance client linked to M&A activity. Equity net inflows of \$5 billion were primarily into quantitative equity strategies.

Alternatives net inflows of \$7 billion were led by infrastructure, private credit and private equity. Excluding return of capital and investment of \$13 billion, alternatives net inflows were \$20 billion. At year-end, BlackRock had approximately \$45 billion of non-fee paying, unfunded, uninvested commitments to deploy for institutional clients, which is not included in AUM.

Institutional active represented 20% of long-term AUM and 21% of long-term base fees and securities lending revenue for 2024.

Institutional index AUM totaled \$3.2 trillion at December 31, 2024, reflecting \$9 billion of net inflows, driven by fixed income.

Institutional index represented 30% of long-term AUM and 6% of long-term base fees and securities lending revenue for 2024.

The Company's institutional clients consist of the following:

- Pensions, Foundations and Endowments BlackRock is among the world's largest managers of pension plan assets with \$3.4 trillion, or 63%, of long-term institutional AUM managed for defined benefit, defined contribution and other pension plans for corporations, governments and unions at December 31, 2024. The market landscape continues to shift from defined benefit to defined contribution, and BlackRock's defined contribution channel represented \$1.7 trillion of total pension AUM. BlackRock remains well positioned for the ongoing evolution of the defined contribution market and demand for outcome-oriented investments. An additional \$90 billion, or 2%, of long-term institutional AUM was managed for other tax-exempt investors, including charities, foundations and endowments.
- Official Institutions BlackRock managed \$294 billion, or 5%, of long-term institutional AUM for official institutions, including central banks, sovereign wealth funds, supranationals, multilateral entities and government ministries and agencies at year-end 2024.
- Financial and Other Institutions BlackRock is a top independent manager of assets for insurance companies, which accounted for \$695 billion, or 13%, of long-term institutional AUM at year-end 2024. Assets managed for other taxable institutions, including corporations, banks and third-party fund sponsors for which the Company provides sub-advisory services, totaled \$890 billion, or 17%, of long-term institutional AUM at year-end.

CLIENT TYPE AND PRODUCT TYPE

Component changes in AUM by client type and product type for 2024 are presented below.

(in millions)	December 31, 2023	Net inflows (outflows)	Acquisition ⁽¹⁾	Market change	FX impact	December 31, 2024
Retail:						
Equity	\$ 435,734	\$ 15,285	\$ 4,074	\$ 54,257	\$ (4,232)	\$ 505,118
Fixed income	312,799	11,671	—	1,483	(7,312)	318,641
Multi-asset	139,537	(2,328)	—	14,420	(651)	150,978
Alternatives	41,627	(261)	—	69	(345)	41,090
Retail subtotal	929,697	24,367	4,074	70,229	(12,540)	1,015,827
ETFs:						
Equity	2,532,631	236,357	—	359,322	(21,912)	3,106,398
Fixed income	898,403	112,341	—	(16,291)	(8,801)	985,652
Multi-asset	9,140	1,025	—	841	(272)	10,734
Alternatives	59,125	40,710	—	27,919	(163)	127,591
ETFs subtotal	3,499,299	390,433	—	371,791	(31,148)	4,230,375
Institutional:						
Active:						
Equity	186,688	5,380	—	30,876	(4,096)	218,848
Fixed income	836,823	(2,843)	—	16,885	(10,537)	840,328
Multi-asset	717,182	54,887	—	72,798	(16,828)	828,039
Alternatives	171,980	7,023	69,875	3,618	(2,962)	249,534
Active subtotal	1,912,673	64,447	69,875	124,177	(34,423)	2,136,749
Index:						
Equity	2,138,291	(31,454)	—	420,860	(47,870)	2,479,827
Fixed income	756,001	42,500	—	(5,068)	(32,385)	761,048
Multi-asset	4,945	(1,906)	—	204	(73)	3,170
Alternatives	3,252	234	—	165	(59)	3,592
Index subtotal	2,902,489	9,374	—	416,161	(80,387)	3,247,637
Institutional subtotal	4,815,162	73,821	69,875	540,338	(114,810)	5,384,386
Long-term	9,244,158	488,621	73,949	982,358	(158,498)	10,630,588
Cash management	764,837	152,730	—	10,606	(7,510)	920,663
Total	\$ 10,008,995	\$ 641,351	\$ 73,949	\$ 992,964	\$ (166,008)	\$ 11,551,251

(1) Amounts include AUM attributable to the GIP Transaction and the SpiderRock Transaction.

Long-term product offerings include active and index strategies. BlackRock's active strategies seek to earn attractive returns in excess of a market benchmark or performance hurdle while maintaining an appropriate risk profile and leverage fundamental research and quantitative models to drive portfolio construction. In contrast, index strategies seek to closely track the returns of a corresponding index, generally by investing in substantially the same underlying securities within the index or in a subset of those securities selected to approximate a similar risk and return profile of the index. Index products include both BlackRock's non-ETF index products and iShares ETFs.

Although many clients use both active and index strategies, the application of these strategies may differ. For example, clients may use index products to gain exposure to a market or asset class or may use a combination of index strategies to target active returns. In addition, institutional non-ETF index assignments tend to be very large (multi-billion dollars) and typically reflect low fee rates. Net flows in institutional index products generally have a small impact on BlackRock's revenues and earnings.

Equity

Year-end 2024 equity AUM totaled \$6.3 trillion, reflecting net inflows of \$226 billion. Net inflows included ETF net inflows of \$236 billion, partially offset by net outflows of \$6 billion and \$4 billion from active and non-ETF index, respectively.

BlackRock's effective fee rates fluctuate due to changes in AUM mix. Approximately half of BlackRock's equity AUM is tied to international market strategies, including emerging markets, which tend to have higher fee rates than US equity strategies. Accordingly, fluctuations in international equity markets, which may not consistently move in tandem with US markets, have a greater impact on BlackRock's equity revenues and effective fee rate.

Equity represented 60% of long-term AUM and 54% of long-term base fees and securities lending revenue for 2024.

Fixed Income

Fixed income AUM ended 2024 at \$2.9 trillion, reflecting net inflows of \$164 billion. Net inflows included \$112 billion, \$42 billion and \$9 billion into ETFs, non-ETF index and active, respectively. Fixed income ETF net inflows of \$112 billion reflected the benefit of BlackRock's diverse product offering and included strong flows into treasury, core and corporate credit ETFs.

Fixed income represented 27% of long-term AUM and 25% of long-term base fees and securities lending revenue for 2024.

Multi-Asset

BlackRock manages a variety of multi-asset funds and bespoke mandates for a diversified client base that leverages the Company's broad investment expertise in global equities, bonds, and private markets, and the Company's extensive risk management capabilities. Investment solutions may include a combination of long-only portfolios and private markets investments as well as tactical asset allocation overlays.

Multi-asset represented 9% of long-term AUM and 8% of long-term base fees and securities lending revenue for 2024.

Component changes in multi-asset AUM for 2024 are presented below.

(in millions)	December 31, 2023	Net inflows (outflows)	Market change	FX impact	December 31, 2024
Target date/risk	\$ 489,136	\$ 30,388	\$ 66,679	\$ (4,661)	\$ 581,542
Asset allocation and balanced	246,127	21,494	16,428	(6,920)	277,129
Fiduciary	135,541	(204)	5,156	(6,243)	134,250
Total	\$ 870,804	\$ 51,678	\$ 88,263	\$ (17,824)	\$ 992,921

Multi-asset net inflows reflected ongoing institutional demand for BlackRock's solutions-based advice with \$53 billion of net inflows coming from institutional clients, including the funding of several significant outsourcing mandates. Defined contribution plans remained a significant driver of flows and contributed \$24 billion to institutional multi-asset net inflows in 2024, primarily into target date and target risk product offerings.

The Company's multi-asset strategies include the following:

- Target date and target risk strategies generated net inflows of \$30 billion. Institutional investors represented 90% of target date and target risk AUM, with defined contribution plans representing 81% of AUM. Flows were driven by defined contribution investments across BlackRock's *LifePath* franchise, including BlackRock's *LifePath Paycheck* offering launched in 2024. *LifePath* products utilize a proprietary active asset allocation model that seeks to balance risk and return over an investment horizon based on the investor's expected retirement timing. Underlying investments are primarily index products.
- Asset allocation and balanced strategies generated \$21 billion of net inflows. These strategies combine equity, fixed income and private markets components for investors seeking a tailored solution relative to a specific benchmark and within a risk budget. In certain cases, these strategies seek to minimize downside risk through diversification, derivatives strategies and tactical asset allocation decisions. Flows in this category included pension outsourcing mandates that funded during the year. Flagship products also include BlackRock's Global Allocation and Multi-Asset Income fund families.
- Fiduciary management services are complex mandates in which pension plan sponsors or endowments and foundations retain BlackRock to assume responsibility for some or all aspects of investment management, often with BlackRock acting as outsourced chief investment officer. These customized services require strong partnership with the clients' investment staff and trustees in order to tailor investment strategies to meet client-specific risk budgets and return objectives.

Alternatives

BlackRock alternatives focus on sourcing and managing high-alpha investments with lower correlation to public markets and developing a holistic approach to address client needs in alternatives investing. The Company's alternatives products fall into three main categories — (1) private markets, (2) liquid alternatives, and (3) currency (including cryptocurrency) and commodities. Private markets include offerings in infrastructure, private credit, private equity, real estate and multi-alternative solutions. Liquid alternatives include offerings in direct hedge funds and hedge fund solutions (funds of funds).

In 2024, private markets generated \$9 billion of net inflows, or \$22 billion excluding return of capital / return on investment of \$13 billion. The largest contributors to return of capital / return on investment were private equity, private credit and infrastructure. Net inflows were driven by infrastructure, private credit and private equity. At year-end, BlackRock had approximately \$45 billion of non-fee paying, unfunded, uninvested commitments, which are expected to be deployed in future years; these commitments are not included in AUM or flows until they are fee-paying. Liquid alternatives saw net outflows of \$3 billion driven by hedge fund solutions. Currency and commodities saw \$41 billion of net inflows, primarily into cryptocurrency ETPs.

Private markets continue to see increasing allocations from institutional and wealth investors, and BlackRock's highly diversified franchise is well positioned to continue to meet growing demand. The closing of the GIP transaction added \$116 billion of client AUM and \$70 billion of fee-paying AUM in October. In addition to GIP, the Company's planned acquisitions of Preqin and HPS Investment Partners ("HPS"), each position its platform ahead of evolving client needs and structural industry trends. The private markets capabilities the Company expects to add through these transactions will allow it to serve clients even more comprehensively and position the Company to raise significant private capital.

Alternatives represented 4% of long-term AUM and 13% of long-term base fees and securities lending revenue for 2024.

Component changes in alternatives AUM for 2024 are presented in the table below.

(in millions)	December 31, 2023	Net inflows (outflows)	Acquisition ⁽¹⁾	Market change	FX impact	December 31, 2024	Memo: return of capital/ investment ⁽²⁾	Memo: committed capital ⁽³⁾
Private markets:								
Infrastructure	\$ 35,701	\$ 5,633	\$ 69,875	\$ (586)	\$ (1,017)	\$ 109,606	\$ (3,089)	\$ 28,821
Private equity	35,208	771	—	490	(142)	36,327	(5,492)	6,986
Private credit	31,128	2,629	—	(620)	(712)	32,425	(3,209)	5,561
Real estate	27,558	314	—	(1,190)	(535)	26,147	(370)	630
Multi-alternatives	7,314	110	—	103	(58)	7,469	(713)	3,167
Total private markets	136,909	9,457	69,875	(1,803)	(2,464)	211,974	(12,873)	45,165
Liquid alternatives:								
Direct hedge fund strategies	46,318	(28)	—	2,769	(285)	48,774	—	—
Hedge fund solutions	27,915	(2,581)	—	2,713	(431)	27,616	—	—
Total liquid alternatives	74,233	(2,609)	—	5,482	(716)	76,390	—	—
Currency and commodities ⁽⁴⁾	64,842	40,858	—	28,092	(349)	133,443	—	—
Total	\$ 275,984	\$ 47,706	\$ 69,875	\$ 31,771	\$ (3,529)	\$ 421,807	\$ (12,873)	\$ 45,165

(1) Amounts include AUM attributable to the GIP Transaction.

(2) Return of capital/investment is included in outflows.

(3) Amount represents client assets that are uninvested commitments, which are currently non-fee paying and are not included in AUM. These commitments are expected to generate fees and will be counted in AUM and flows as the capital is deployed over time.

(4) Amounts include cryptocurrency and commodity ETFs and ETPs.

Private Markets

The Company's private markets strategies include the following:

- **Infrastructure** includes offerings across equity, debt and solutions, which totaled \$110 billion in AUM. Net inflows were \$6 billion, or \$9 billion excluding return of capital / return on investment. In 2024, the GIP transaction added \$70 billion to AUM.
- **Private Equity** AUM of \$36 billion included AUM of \$28 billion in private equity solutions, and \$8 billion in a direct private equity strategy. Private equity net inflows were \$1 billion, or \$6 billion excluding return of capital / return on investment.
- **Private Credit** primarily represents direct lending, opportunistic and venture debt strategies, with AUM of \$32 billion at December 31, 2024. Net inflows were \$3 billion, or \$6 billion excluding return of capital / return on investment. Private credit does not include private credit assets included in infrastructure and real estate debt, as well as assets in private placements and multi-strategy credit funds, which are reported within fixed income and multi-asset.
- **Real Estate** had \$26 billion in AUM at December 31, 2024.
- **Multi-Alternatives** represents highly customized portfolios of alternative investments, with \$7 billion in AUM at December 31, 2024.

Liquid Alternatives

The Company's liquid alternatives products' net outflows of \$3 billion reflected redemptions from hedge fund solutions. Direct hedge fund strategies includes a variety of single- and multi-strategy offerings.

In addition, the Company manages \$90 billion in liquid credit strategies which is included in active fixed income.

Currency and Commodities

The Company's currency and commodities products include a range of active and index products, including cryptocurrency ETPs.

Currency and commodities products had \$41 billion of net inflows, primarily from ETPs. Cryptocurrency and commodities ETPs represented \$55 billion and \$73 billion of AUM, respectively, and are not eligible for performance fees.

Cash Management

Cash management AUM totaled a record \$921 billion at December 31, 2024, reflecting \$153 billion of net inflows. Cash management products include taxable and tax-exempt money market funds, short-term investment funds and customized separate accounts. Portfolios are denominated in US dollars, Canadian dollars, Australian dollars, euros, Swiss francs, New Zealand dollars or British pounds.

CLIENT REGION

BlackRock's footprints in the Americas, EMEA and Asia-Pacific regions reflect strong relationships with intermediaries and an established ability to deliver the Company's global investment expertise in funds and other products tailored to local regulations and requirements.

AUM by product type and client region at December 31, 2024 is presented below.

(in millions)	Americas	EMEA	Asia-Pacific	Total
Equity	\$ 4,377,383	\$ 1,490,961	\$ 441,847	\$ 6,310,191
Fixed income	1,835,652	756,127	313,890	2,905,669
Multi-asset	715,826	212,174	64,921	992,921
Alternatives	287,347	99,946	34,514	421,807
Long-term	7,216,208	2,559,208	855,172	10,630,588
Cash management	645,638	259,850	15,175	920,663
Total	\$ 7,861,846	\$ 2,819,058	\$ 870,347	\$ 11,551,251

Component changes in AUM by client region for 2024 are presented below.

(in millions)	December 31, 2023	Net inflows (outflows)	Acquisition ⁽¹⁾	Market change	FX impact	December 31, 2024
Americas	\$ 6,728,310	\$ 406,091	\$ 71,308	\$ 685,291	\$ (29,154)	\$ 7,861,846
EMEA	2,478,810	207,459	112	203,851	(71,174)	2,819,058
Asia-Pacific	801,875	27,801	2,529	103,822	(65,680)	870,347
Total	\$ 10,008,995	\$ 641,351	\$ 73,949	\$ 992,964	\$ (166,008)	\$ 11,551,251

(1) Amounts include AUM attributable to the GIP Transaction and the SpiderRock Transaction.

Americas

Americas net inflows of \$406 billion were driven by net inflows into equity, fixed income, cash, multi-asset, and cryptocurrency products of \$139 billion, \$108 billion, \$90 billion, \$23 billion, and \$41 billion, respectively. During the year, BlackRock served clients through offices across the US as well as in Mexico, Canada, Brazil, Colombia, Chile, the Dominican Republic, and Peru.

The Americas represented 68% of total AUM and 65% of total base fees and securities lending revenue for 2024.

EMEA

EMEA net inflows of \$207 billion were driven by equity, cash, fixed income, and multi-asset net inflows of \$102 billion, \$59 billion, \$37 billion, and \$9 billion, respectively, while alternatives added modest inflows. Offerings include fund families in the United Kingdom ("UK"), the Netherlands, Luxembourg and Dublin and ETFs listed on stock exchanges throughout Europe, as well as separate accounts and pooled investment products.

EMEA represented 24% of total AUM and 29% of total base fees and securities lending revenue for 2024.

Asia-Pacific

Asia-Pacific net inflows of \$28 billion were driven by fixed income and multi-asset net inflows of \$20 billion and \$19 billion, respectively. These were partially offset by equity net outflows of \$16 billion. Clients in the Asia-Pacific region are served through offices in India, Singapore, Hong Kong, Japan, Australia, China, Taiwan, Korea and New Zealand.

Asia-Pacific represented 8% of total AUM and 6% of total base fees and securities lending revenue for 2024.

INVESTMENT PERFORMANCE

Investment performance across active and index products as of December 31, 2024 was as follows:

	One-year period	Three-year period	Five-year period
Fixed income:			
<i>Actively managed AUM above benchmark or peer median</i>			
Taxable	69%	79%	82%
Tax-exempt	69%	42%	45%
<i>Index AUM within or above applicable tolerance</i>	97%	99%	98%
Equity:			
<i>Actively managed AUM above benchmark or peer median</i>			
Fundamental	47%	44%	64%
Systematic	93%	89%	93%
<i>Index AUM within or above applicable tolerance</i>	94%	99%	100%

Performance Notes

Past performance is not indicative of future results. Except as specified, the performance information shown is as of December 31, 2024 and is based on preliminary data available at that time. The performance data shown reflects information for all actively and passively managed equity and fixed income accounts, including US registered investment companies, European-domiciled retail funds and separate accounts for which performance data is available, including performance data for high net worth accounts available as of November 30, 2024. The performance data does not include accounts terminated prior to December 31, 2024 and accounts for which data has not yet been verified. If such accounts had been included, the performance data provided may have substantially differed from that shown.

Performance comparisons shown are gross-of-fees for institutional and high net worth separate accounts, and net-of-fees for retail funds. The performance tracking shown for index accounts is based on gross-of-fees performance and includes all institutional accounts and all iShares funds globally using an index strategy. AUM information is based on AUM available as of December 31, 2024 for each account or fund in the asset class shown without adjustment for overlapping management of the same account or fund. Fund performance reflects the reinvestment of dividends and distributions.

Performance shown is derived from applicable benchmarks or peer median information, as selected by BlackRock. Peer medians are based in part on data either from Lipper, Inc. or Morningstar, Inc. for each included product.

TECHNOLOGY SERVICES

BlackRock offers investment management technology systems, risk management services, and wealth management and digital distribution tools on a fee basis. Aladdin is the Company's proprietary technology platform, providing an end-to-end, SaaS solution for investment and risk management for both BlackRock and a growing number of institutional and retail investors around the world. BlackRock offers risk reporting capabilities via Aladdin Risk, as well as investment accounting capabilities. Aladdin Provider is a tool used by asset servicers, connecting them to the platform used by asset managers and owners to add operational efficiency. In 2019, BlackRock acquired eFront, a leading end-to-end alternative investment management software and solutions provider to enable clients to manage portfolios and risk across public and private asset classes on a single platform. eFront is offered to clients both as a standalone offering and as part of an integrated "Whole Portfolio" solution that provides transparency across clients' public and private assets. Through the Company's Cachematrix platform, BlackRock is also a leading provider of financial technology which simplifies the cash management process for banks and their corporate clients in a streamlined, open-architecture platform.

BlackRock offers a number of wealth management technology tools offering personalized digital advice, portfolio construction capabilities and risk analytics for retail distributors. These tools include Aladdin Wealth, which provides wealth management firms and their financial professionals with institutional-quality business management, portfolio construction, modeling and risk analytics capabilities.

At year-end, BlackRock technology services clients included banks, insurance companies, official institutions, pension funds, asset managers, asset servicers, retail distributors and other investors across North America, South America, Europe, the Middle East, Asia, Africa and Australia.

Technology services revenue of \$1.6 billion was up 8% year-over-year, and annual contract value ("ACV") increased 12% year-over-year. ACV growth was driven by strong net sales of Aladdin in 2024, with over half of new client mandates spanning multiple Aladdin products. Aladdin assignments are typically long-term contracts that provide recurring revenue. At the end of any period, BlackRock generally has recurring revenue contracts in place for a large portion of total annual revenue. BlackRock measures the fees related to these agreements and refers to this as ACV. For further information on ACV, see Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures*.

Aladdin, which represented the majority of technology services revenue for the year, continues to benefit from trends favoring global platform and multi-asset risk solutions across public and private markets. Approximately 25% of Aladdin's revenue was denominated in non-US currencies. In addition, while Aladdin is a multi-asset system, the majority of positions managed on the platform are fixed income. Revenue growth in 2024 reflected the successful onboarding of a number of new clients and expanding relationships with existing clients. 2024 revenue growth also reflects the prior year revenue impact of several clients' renewals of eFront "on-premises" licenses.

BlackRock is focused on enhancing Aladdin, with continued investment into areas such as whole portfolio, private markets, wealth and sustainable investing solutions. BlackRock continues to evolve and enable clients to further simplify their operating infrastructure with Aladdin. Clients increasingly want to tailor how they use Aladdin to meet their specific needs, and BlackRock is providing them with choice and flexibility. BlackRock is empowering clients with data and opening Aladdin by creating connectivity with ecosystem providers and third-party technology solutions, which include asset servicers, cloud providers, digital asset platforms, trading systems and others. This connectivity helps clients work in their Aladdin environments with a more customized and seamless end-to-end experience.

In addition, BlackRock has made minority investments in financial technology and digital distribution providers, data and whole portfolio capabilities including Securitize, Upvest, Avaloq, Human Interest, Circle, Clarity AI, Envestnet, Acorns, Scalable Capital and iCapital. BlackRock records its share of income related to certain minority investments accounted for under the equity method within nonoperating income (expense) beginning in the first quarter of 2024 and within other revenue in 2023. In addition, BlackRock records gains and losses related to changes in value of other minority investments in nonoperating income (expense).

In June 2024, BlackRock announced that it had entered into a definitive agreement to acquire Preqin, a leading independent provider of private markets data, for £2.55 billion (or approximately \$3.2 billion based on the GBP/USD foreign exchange rate at December 31, 2024) in cash. The Company believes bringing together Preqin's data and research tools with the complementary workflows of Aladdin and eFront in a unified platform will create a preeminent private markets technology and data provider. The Preqin Transaction is anticipated to close in the first quarter of 2025, subject to customary closing conditions.

SECURITIES LENDING

Securities lending is managed by a dedicated team, supported by quantitative analysis, proprietary technology and disciplined risk management. BlackRock receives both cash (primarily for US domiciled portfolios) and noncash collateral under securities lending arrangements. The cash management team invests the cash received as collateral for securities on loan in other portfolios. Fees for securities lending for US domiciled portfolios can be structured as a share of earnings, or as a management fee based on a percentage of the value of the cash collateral or both. The value of the securities on loan and the revenue earned are captured in the corresponding asset class being managed. The value of the collateral is not included in AUM.

Outstanding loan balances ended the year at approximately \$412 billion, up from \$359 billion at year-end 2023. More demand for general collateral securities resulted in higher balances year-over-year. Intrinsic lending spreads decreased, and cash reinvestment spreads increased year-over-year.

BlackRock employs a conservative investment style for cash and securities lending collateral that emphasizes quality, liquidity, and interest rate risk management. Disciplined risk management, including a rigorous credit surveillance process, is an integral part of the investment process. BlackRock's Cash Management Credit Committee has established risk limits, such as aggregate issuer exposure limits and maturity limits, across many of the products BlackRock manages, including over all of its cash management products. In the ordinary course of BlackRock's business, there may be instances when a portfolio may exceed an internal risk limit or when an internal risk limit may be changed. No such instances, individually or in the aggregate, have been material to the Company. To the extent that daily evaluation and reporting of the profile of the portfolios identify that a limit has been exceeded, the relevant portfolio will be adjusted. To the extent a portfolio manager would like to obtain a temporary waiver of a risk limit, the portfolio manager must obtain approval from the credit research team, which is independent from the cash management portfolio managers. While a risk limit may be waived temporarily, such waivers are infrequent.

RISK AND QUANTITATIVE ANALYSIS

Across all asset classes, in addition to the efforts of the portfolio management teams, the Risk and Quantitative Analysis (“RQA”) group at BlackRock draws on extensive analytical systems and proprietary and third-party data to identify, measure and manage a wide range of risks. RQA provides risk management advice and independent risk oversight of the investment management processes, identifies and helps manage counterparty and enterprise risks, coordinates standards for firm wide investment performance measurement and determines risk management-related analytical and information requirements. Where appropriate, RQA will work with portfolio managers and developers to facilitate the development or improvement of risk models and analytics.

COMPETITION

BlackRock competes with investment management firms, mutual fund complexes, insurance companies, banks, brokerage firms, financial technology providers and other financial institutions that offer products that are similar to, or alternatives to, those offered by BlackRock. In order to grow its business, BlackRock must be able to compete effectively for AUM. Key competitive factors include investment performance track records, the efficient delivery of beta for index products, investment style and discipline, price, client service and brand name recognition. Historically, the Company has competed principally on the basis of its long-term investment performance track record, its investment process, its risk management and analytic capabilities and the quality of its client service.

HUMAN CAPITAL

With approximately 21,100 employees in more than 30 countries as of December 31, 2024, BlackRock provides a broad range of investment management and technology services to institutional and retail clients in more than 100 countries across the globe. As an asset manager, BlackRock’s long-term success depends on its people and how it manages its workforce.

Culture and Principles

BlackRock believes that maintaining a strong corporate culture is an important component of its human capital management practices and critical to the firm’s long-term success. BlackRock’s culture is underpinned by five core principles that unify its workforce and guide how it interacts with its employees, its clients, the communities in which it operates and its other stakeholders: (1) We are a fiduciary to our clients; (2) We are One BlackRock (1BLK); (3) We are passionate about performance; (4) We take emotional ownership; and (5) We are committed to a better future.

Connectivity and Inclusivity

BlackRock’s approach to building a connected and inclusive culture is aligned with the firm’s business priorities and long-term objectives. Delivering for the firm’s clients requires attracting the best people from across the world. BlackRock is committed to creating an environment that supports top talent and fosters diverse perspectives to avoid groupthink. Creating a connected and inclusive culture where people with new ideas and fresh perspectives can thrive is core to our 1BLK principle. These values have been fundamental to BlackRock since its founding 37 years ago.

In 2024, BlackRock continued to focus on (1) supporting its talent and culture across the globe, (2) expanding investment choices and business partnership opportunities for interested clients, and (3) helping more and more people experience financial wellbeing through BlackRock philanthropy and employee-led volunteer efforts. Last year also marked the start of a significant period at BlackRock as the firm prepared to welcome thousands of new colleagues through acquisitions. These employees will play a crucial role in driving the firm’s success forward, and a connected and inclusive culture is imperative to enabling that objective.

Since 2020, BlackRock has published annual SASB-aligned disclosure and EEO-1 reports, which provide information about the firm’s workforce, including workforce composition. Of the Company’s approximately 21,100 employees as of December 31, 2024, 43% were based in the Americas, 31% were based in EMEA, and 26% were based in the Asia-Pacific region.

Board Oversight of Human Capital Management

BlackRock’s Board of Directors (the “Board”) plays an important role in the oversight of human capital management and devotes one Board meeting annually to an in-depth review of BlackRock’s culture, talent development, retention and recruiting initiatives, human capital management strategy, leadership and succession planning and employee feedback. Moreover, the Board’s Management Development and Compensation Committee periodically reviews efforts and developments related to the firm’s human capital management strategy.

Succession planning for BlackRock’s Chief Executive Officer and other senior executives is a key part of the Board’s annual review of human capital management issues. As part of this review, the Board focuses on whether BlackRock has the right people in place to execute the Company’s long-term strategic plans, and on BlackRock’s ability to identify, attract, develop, promote and retain future senior executives. An important element of the succession planning across the organization is a commitment to building leadership from within.

Employee Engagement

BlackRock values continuous dialogue with its employees to better understand their experiences at the firm and assess the efficacy of its human capital management practices. The Company uses several employee engagement mechanisms, including: (1) global employee opinion surveys; (2) interactive events and communications; (3) the sponsorship of employee networks; and (4) local community involvement. The employee opinion pulse surveys, which BlackRock conducts throughout the year, provide the Company with actionable feedback for its teams and for the Company as a whole. Additionally, BlackRock uses ongoing lifecycle surveys to collect feedback at various points along the employee journey. BlackRock works to keep employees informed and engaged through a regular cadence of communications and events, including newsletters, global and local townhalls and messages from leaders with timely business and organizational updates and culture-building opportunities.

BlackRock believes that employees value opportunities to give back to their communities. Through local, employee-led BlackRock Gives committees, the Company supports nonprofit organizations nominated by employees in the communities where it operates. In addition, the Company has a matching gifts program that matches an employee’s donations to IRS qualified charitable organizations for up to \$10,000 a year. BlackRock also matches volunteer time with eligible charities and full-time employees may take up to two paid volunteer days.

Compensation, Wellness and Benefits

BlackRock is committed to responsible business practices and believes that investing in the physical, emotional, mental and financial well-being of its employees is a critical component of the firm's human capital management strategy. To that end, the Company designs its compensation and benefits practices to: (1) attract, motivate and retain talented employees; (2) align employee incentives and risk-taking with that of the firm and the interests of its clients; and (3) support employees and their families across many aspects of their lives. The Company has a strong pay-for-performance culture and an annual compensation process that takes into consideration firmwide results, individual business results and employee performance, as well as market benchmarks. BlackRock also offers a wide range of benefits that it regularly reviews in accordance with market practices and the local requirements of its offices, including, where applicable, retirement savings plans, a Flexible Time Off ("FTO") policy and flexible working arrangements, parental leave and family forming benefits, such as fertility benefits, adoption and surrogacy assistance, and backup elder and childcare benefits. The Company provides comprehensive healthcare and mental-health benefits to eligible employees, including medical, dental and vision coverage, health savings and spending accounts, counseling services, an employee assistance program and access to telemedicine services, where available. The Company also offers a Mental Health Ambassador program that is comprised of global volunteers across office locations who are trained in empathetic listening skills and direct interested colleagues to benefits, tools and resources to support mental health.

BlackRock prioritizes protecting the rights of its workforce. The Company has implemented policies related to harassment prevention and compliance with applicable equal employment opportunity and overtime regulations. BlackRock is also committed to providing a safe and healthy work environment for its workforce. To do this, it designs global programs, including environmental and occupational health and safety programs, to meet or exceed local requirements. Moreover, BlackRock encourages all of its employees to raise issues of concern and assures employees that they may do so without fear of retaliation.

Recruiting, Training and Development

BlackRock recognizes that, like all companies, it is operating in an increasingly competitive environment. As such, the Company engages in efforts to reach top talent. In the spirit of attracting talent from broad backgrounds, BlackRock also provides formal recruiting programs for Veterans (former service members transitioning to civilian careers) and Returners (individuals who have taken a career break of 18 months or more).

BlackRock is also committed to innovation, learning and reinvention in all areas of its business and believes that developing the capabilities of its employees is integral to delivering long-term value. To that end, the Company's human capital management practices are designed to provide opportunities for employees to learn, innovate and enhance their skillsets at every stage of their career. One example is the BlackRock Academies, the firm's online suite of interactive resources and courses, which enable employees to build skills in specific facets of BlackRock's business and purpose. The Company believes these opportunities play an important role in engaging BlackRock's employees.

In addition, BlackRock believes that a critical driver of its future success is its ability to grow strong leaders and people managers. The Company invests in leadership development programs designed to foster career growth. People managers have access to coaching and the Managing at BlackRock program to assist in building foundational skills.

REGULATION

Virtually all aspects of BlackRock's business are subject to various laws and regulations around the world, some of which are summarized below. These laws and regulations are primarily intended to protect investment advisory clients, investors in registered and unregistered investment companies, and trust and other fiduciary clients of BlackRock Institutional Trust Company, N.A. ("BTC"). Under these laws and regulations, agencies that regulate investment advisers, investment funds and trust banks and other individuals and entities have broad administrative powers, including the power to limit, restrict or prohibit the regulated entity or person from carrying on business if it fails to comply with such laws and regulations. Possible sanctions for significant compliance failures include the suspension of individual employees, limitations on engaging in certain lines of business for specified periods of time, revocation of investment adviser and other registrations or bank charters, censures and fines both for individuals and BlackRock. The rules governing the regulation of financial institutions and their holding companies and subsidiaries are very detailed and technical. Accordingly, the discussion below is general in nature, does not purport to be complete and is current only as of the date of this report.

BlackRock's business may be impacted by numerous regulatory reform initiatives occurring around the world. Any such initiative, or any new laws or regulations or changes to, or in the enforcement of, existing laws or regulations, could materially and adversely impact the scope or profitability of BlackRock's business activities, lead to business disruptions, require BlackRock to alter its business or operating activities and expose BlackRock to additional costs (including compliance and legal costs) as well as reputational harm. BlackRock's profitability also could be materially and adversely affected by modification of the rules and regulations that impact the business and financial communities in general, including changes to the laws governing banking, securities, taxation, antitrust regulation and electronic commerce.

GLOBAL REGULATORY REFORM

Policymaking workstreams focused on the financial services sector led by global standard setters, such as the Financial Stability Board ("FSB") and International Organization of Securities Commissions ("IOSCO"), may lead to or inform new regulations in multiple jurisdictions in which BlackRock operates. Such workstreams have focused on areas such as money market funds ("MMFs"), open-ended funds ("OEFs") and sustainability regulations.

Macroprudential Policies for Asset Managers

Concerns about liquidity and leverage risks in the asset management industry and wider market-based finance sector have prompted a broad review of existing regulations globally, including an assessment of the adequacy of certain structural market components in mitigating risks, by the FSB, IOSCO, the US Securities and Exchange Commission (the “SEC”) and the Financial Stability Oversight Council (“FSOC”). In November 2022, the SEC proposed amendments to rules governing OEF liquidity risk management. The EU launched a consultation on macroprudential policies in 2024, including enhanced requirements for liquidity management tools, which may lead to new restrictions on management of OEFs. The UK proposed introducing liquidity facilities to certain asset owners, which could result in regulatory burdens on asset managers. If any of these regulatory or policy actions result in broad application of macroprudential tools to OEFs or require changes to structural features of certain OEFs, it could limit BlackRock’s ability to offer products to certain clients and/or result in clients altering their investment strategies or allocations in a manner that is adverse to BlackRock.

Global MMF Reforms

Following the market events of March 2020, US, UK and EU authorities initiated a review of existing regulatory frameworks with the aim of improving the resilience of MMFs in market downturns. In the US, the SEC adopted changes to Rule 2a-7, the primary rule under the Investment Company Act of 1940 governing MMFs, including changes to required liquidity levels and requiring mandatory liquidity fees under certain circumstances. The UK released a consultation in December 2023 indicating their intent to change regulatory requirements for MMFs domiciled in the UK, including material increases in required liquidity levels. The EU consultation on macroprudential policies mentioned above may also result in changes to the regulations of EU-domiciled MMFs. Depending on the terms of the final UK and EU reforms, certain of BlackRock’s MMF products could be adversely impacted.

Sustainability

Sustainability has been the subject of regulatory focus across jurisdictions. Disclosure standards aligned with the International Sustainability Standards Board’s (“ISSB”) inaugural disclosure standards have been adopted by several national regulators, including in Hong Kong, Singapore and Australia, while others are expected to propose ISSB-aligned standards, such as the UK, Canada and Japan. However, in the US, final rules issued by the SEC requiring corporate issuers to make climate-related disclosures in their periodic reports are pending litigation, and as of February 2025, the SEC was revisiting its litigation position. The SEC has previously proposed rules requiring enhanced ESG disclosures by investment companies and investment advisers in fund and adviser filings, including disclosures on ESG strategies and how ESG factors are considered and GHG emissions disclosure by certain environmentally focused funds. It also increased scrutiny of disclosure and compliance issues relating to investment advisers’ and funds’ ESG strategies, policies and procedures. In addition, the US Department of Labor (“DOL”) issued final rules clarifying that Employee Retirement Income Security Act of 1974, as amended (“ERISA”) plan fiduciaries can consider the economic effects of ESG factors for purposes of investing ERISA plan assets and exercising voting rights with respect to plan investments. In 2023, California passed several laws requiring certain companies doing business in California to publish certain types of climate-related disclosures, and other states may adopt similar laws.

The EU has enacted numerous sustainability regulations, including (1) the Sustainable Finance Disclosure Regulation, requiring sustainability-related disclosures by financial market participants; (2) the EU Taxonomy Regulation, requiring asset managers to report against an EU-wide taxonomy of environmentally sustainable activities and make detailed disclosures relating to ESG characteristics of funds and portfolios; (3) the Corporate Sustainability Reporting Directive (“CSRD”), requiring enhanced sustainability reporting for EU-based and EU-listed companies, and from 2028, for a wider group of global companies; and (4) the Corporate Sustainability Due Diligence Directive (“CSDDD”), requiring in-scope EU companies and certain non-EU companies to manage actual or potential adverse impacts of their activities and their supply chains on human rights and environmental matters. The European Commission (“EC”) is reviewing and may amend aspects of the CSRD, CSDDD and EU Taxonomy Regulation. Meanwhile, the UK continues to work on implementation of its Sustainability Disclosure Requirements.

The EU and the UK Financial Conduct Authority (“FCA”) have issued rules and guidelines on the use of ESG or sustainability related terms in fund names. In addition, the EU adopted regulations on ESG rating providers applicable in mid-2026 while the UK is expected to propose new legislation on ESG rating providers. Japan and Singapore have published codes of conduct for ESG data and rating providers, with Hong Kong considering a similar approach, while India introduced a regulatory framework for ESG rating providers in July 2023.

As jurisdictions continue to develop and implement sustainability regulations and litigation challenging such regulations increases, BlackRock faces greater fragmentation risk related to local application of regulations, resulting in complex and conflicting compliance obligations and legal and regulatory uncertainty.

Taxation

BlackRock’s businesses may be directly or indirectly affected by tax legislation and regulation, or the modification of existing tax laws, by US or non-US tax authorities. Legislation at both the US federal and state level has been previously proposed to enact a financial transaction tax (“FTT”) on stocks, bonds and a broad range of financial instruments and derivative transactions. In the EU, certain Member States have also enacted similar FTTs and the European Commission (“EC”) has proposed legislation to harmonize these taxes and provide for the adoption of EU-level legislation applicable to some (but not all) EU Member States. If enacted as proposed, FTTs could have an adverse effect on BlackRock’s financial results and clients’ performance results.

The Organisation for Economic Cooperation and Development (“OECD”) has proposed certain international tax reforms, which, among other things, would (1) shift taxing rights to the jurisdiction of the consumer (“Pillar One”) and (2) establish a global minimum tax for multinational companies of 15% (“Pillar Two”). In response, EU member states and several other countries, including the UK, have since adopted laws implementing the OECD’s minimum tax rules under Pillar Two, effective starting in 2024. As a result of these developments, the tax laws of certain countries in which BlackRock does business have changed and may continue to change, and any such changes could increase its tax liabilities. The Company is continuing to monitor legislative developments and evaluate the potential impact of the Pillar Two Framework on future periods.

The application of tax regulations involves numerous uncertainties and, in the normal course of business, US and non-US tax authorities may review and challenge tax positions adopted by BlackRock. These challenges may result in adjustments to, or impact the timing or amount of, taxable income, deductions or other tax allocations, which may adversely affect BlackRock’s effective tax rate and overall financial condition. Similarly, the Company manages assets in products and accounts that have investment objectives which may conform to tax positions adopted by BlackRock or to specific tax rules. To the extent there are changes in tax law or policy, or regulatory challenges to tax positions adopted by BlackRock, the value or attractiveness of such investments may be diminished and BlackRock may suffer financial or reputational harm.

US REGULATORY REFORM

Antitrust Rules and Guidance

In October 2024, the Federal Trade Commission (“FTC”), with concurrence from the Antitrust Division of the Department of Justice (the “DOJ”) approved amendments to rules enacted under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (“HSR”) that require parties in certain transactions to provide the FTC and DOJ prior notice and observe a waiting period before consummation of such transactions. The final amendments significantly expanded the information required to be reported and documents to be submitted in connection with an HSR filing, which will likely substantially increase any pre-merger notification expenses and may delay transactions. In December 2023, the FTC and DOJ also jointly issued new merger guidelines, which could impact (1) the ability of the Company to expand its services through strategic investments or acquisitions and (2) funds that engage in transactions reportable under HSR.

Designation as a Systemically Important Financial Institution (“SIFI”)

The FSOC has the authority to designate nonbank financial institutions as SIFIs in the US under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”). In November 2023, the FSOC finalized amendments to its existing interpretive guidance to remove the prioritization of an activities-based approach over an entity-specific approach to designation in connection with addressing potential risks to financial stability, although the amendment clarified that the FSOC retained the ability to use an activities-based approach when appropriate. If BlackRock is designated as a SIFI, it could become subject to enhanced regulatory and capital requirements and direct supervision by the Federal Reserve.

SEC Rules Governing Security-Based Swaps

In 2021, the SEC proposed rules in connection with security-based swaps (“SBS”) transactions to require public reporting of large SBS positions, which, if adopted as proposed, may affect the types of transactions BlackRock may choose to execute in SBS or other SBS-related assets, introduce or increase costs relating to such transactions, and impact the liquidity in the SBS markets in which BlackRock transacts.

SEC Rules on Form PF

In 2023 and 2024, the SEC adopted new rules and amendments to Form PF for registered investment advisers requiring new disclosures, filing obligations and enhanced reporting. Implementing these rules and amendments may significantly increase BlackRock’s reporting, disclosure and compliance obligations and create operational complexity for BlackRock’s alternatives products.

US DOL Fiduciary Rule

The US DOL adopted new regulation redefining the meaning of “investment advice fiduciary” under ERISA as well as amendments to several prohibited transaction exemptions applicable to investment advice fiduciaries, which would substantially expand when a person would be considered a fiduciary subject to ERISA and could require BlackRock to revise a number of its distribution relationships, create compliance and operational challenges for BlackRock and its distribution partners, and limit BlackRock’s ability to provide certain services to applicable clients. In July 2024, federal courts issued stays on the regulation and implementation has been postponed pending further notice.

SEC US Treasury Clearing Mandate

In December 2023, the SEC adopted rules mandating central clearing of US Treasury repurchases and certain other Treasury transactions. The rules require many market participants, including a large number of BlackRock funds and accounts, to clear Treasury repurchase transactions and potentially certain cash Treasury securities transactions through a clearing agency registered with the SEC, which could increase transaction costs for BlackRock’s clients.

Proposed Rules on Equity Market Structure

In 2023, the SEC proposed equity market structure reforms that would significantly change how national market system (“NMS”) stock orders are priced, executed and reported. The reforms include: (1) a requirement for certain retail orders to be subject to order-by-order competition, (2) a best execution rule and (3) an adjustment to the tick sizes at which NMS stocks can be quoted or traded. In 2024, the SEC adopted the rule adjusting NMS tick sizes. If the other proposed rules are enacted as proposed, their collective impact may adversely affect market efficiency and execution costs, which would result in negative effects for BlackRock’s business and clients.

SEC Rules on Short Sales and Reporting of Securities Loans

In 2023, the SEC adopted a new rule requiring certain institutional managers to report short positions and activity to the SEC for publication on an aggregate basis, which could impact investment strategies and result in greater operational burdens and cost for BlackRock. The SEC also adopted a new rule requiring certain persons to report information on securities loan transactions to a registered national securities association which will then publish certain information. The rule may increase BlackRock’s operational burdens and costs.

SEC Predictive Data Analytics Rules

The SEC proposed new rules in 2023 that would require broker-dealers and investment advisers, when engaging or communicating with investors using predictive data analytics (“PDA”) and PDA-like technologies, to evaluate such technologies for conflicts of interest and, where identified, eliminate or neutralize the conflict of interest. If adopted as proposed, the rules could encompass a wide range of forward-looking uses of technology applications and impose significant operational burdens and costs.

Financial Crimes Enforcement Network Rule for Registered Investment Advisers

In August 2024, the Financial Crime Enforcement Network (“FinCEN”) issued a final rule which will require registered investment advisers to adopt new anti-money laundering requirements beginning in 2026. Under the rule, registered investment advisers will be required to establish written risk-based anti-money laundering programs and report suspicious activity to FinCEN under the Bank Secrecy Act of 1970 (the “Bank Secrecy Act”), as well as comply with Bank Secrecy Act reporting and recordkeeping requirements, which may increase BlackRock’s compliance burdens and costs.

SEC Rulemakings for US Registered Funds and Investment Advisers

The SEC has engaged in various initiatives and reviews impacting regulatory structure governing the asset management industry and registered investment companies. For example, the SEC adopted rules requiring certain funds to provide tailored fund shareholder reports, adopted final amendments to the rule governing fund names, expanding the scope of the rule to fund names including growth, value, ESG or similar terms, and proposed rules governing outsourcing of certain functions by investment advisers to service providers.

INTERNATIONAL REGULATORY REFORM

Enhanced Regulatory Scrutiny of Technology Service Providers to Financial Services Firms

The EU's Digital Operational Resilience Act ("DORA"), which focuses on direct regulation of providers and users of technology and data services, became applicable beginning in January 2025. DORA, among other things: (1) introduces additional governance, risk management, incident reporting, resilience testing and information sharing requirements to several of BlackRock's European entities and certain Aladdin clients; and (2) may potentially subject Aladdin to additional oversight. The European Supervisory Authorities will use data collected under DORA to assess which third party suppliers should be designated as critical to the EU financial system and become subject to further regulatory oversight. In 2024, the UK issued final policies regulating services provided by certain third parties designated by HMT as "critical" to the financial sector, which became effective in January 2025. Entities designated as "critical" will be required to provide additional information to financial regulators, engage in resilience testing and report major incidents like cyber-attacks, natural disasters and power outages.

Retail Investment Strategy

The EU continues to consider a proposed Retail Investment Strategy package of amendments intended to enhance protections for retail investors. When enacted, these changes could impact clients' product preferences and may increase costs for BlackRock in European markets due to additional requirements on distributors and product providers.

EMIR 3.0

The EU legislative package known as "EMIR 3.0" introduces key changes to clearing, margining and reporting requirements in the European Market Infrastructure Regulation (EMIR), including: (1) a requirement to hold an "active account" with an EU central counterparty for clearing certain euro-denominated instruments; (2) new reporting requirements for cleared trades; (3) revised clearing thresholds for financial and non-financial counterparties; and (4) amendments related to clearing to the UCITS directive. EMIR 3.0 is expected to impact EU counterparties as well as UK and non-EU entities trading with EU firms, and the collective impact of the package may increase operational complexity, necessitate a reassessment of clearing and trading strategies, and lead to higher transaction costs for BlackRock and its clients.

FSMA 2023

The Financial Services and Markets Act 2023 ("FSMA") reflects significant changes to the UK framework for financial services regulation, including changes that: (1) revoke, amend or retain EU law on financial services regulation, (2) amend the UK Markets in Financial Instruments Directive and Markets in Financial Instruments Regulation frameworks, (3) establish a new designated activities regime and (4) reform the financial promotion regime for unauthorized firms. Other reforms building upon the FSMA and potentially impacting the asset management sector include: (1) replacement of the packaged retail and insurance based investment products ("PRIIPs") Regulation; (2) review of the UK's green finance strategy, including regulation of ESG data providers, UK taxonomy and disclosure requirements; (3) review of governance through the Senior Managers and Certification Regime; (4) repeal of EU legislation on the European Long-Term Investment Fund; (5) market infrastructure reforms, including transition to T+1 settlement; (6) reassessment of the boundary between investment advice and financial guidance; (7) a new UK cryptoasset regime; and (8) continuing reforms to the UK listing regime.

Overseas Fund Regime ("OFR")

OFR, the simplified regime through which non-UK funds can register with the FCA to be marketed to UK retail investors, was enacted in February 2022 and continues to be implemented through 2025. For certain types of funds, OFR requires consumer protection regimes in EU countries where such BlackRock funds are domiciled to be found equivalent to the UK's regime in order to market the funds in the UK.

Conduct Regulation

The FCA continues to focus on conduct regulation, including the implementation of the Consumer Duty by all asset management firms, including BlackRock's UK subsidiaries. The Consumer Duty rules require firms to act to deliver good outcomes for retail customers in their manufacture and distribution of products and services, in respect of price and value, consumer understanding and consumer support. Any failure to meet the FCA's regulatory expectations could expose BlackRock to regulatory sanctions and increased reputational risk.

UK Stewardship Code Review

In 2024, the UK Financial Reporting Council released a consultation on reforms to the UK Stewardship Code, including tailored reporting requirements for proxy advisers and investment consultants, which may impact BlackRock's activities on behalf of its clients.

Regulatory Environment in China

The Company's operations in China are subject to a number of regulatory risks, including an evolving regulatory environment and complex data security and data transfer regulations. These factors may increase compliance risk and costs, limit the Company's ability to source and execute new investment opportunities and lead to impairment losses on its investments. Restrictions on transfers of certain types of onshore data of the Company's Chinese entities to offshore entities also may limit BlackRock's ability to aggregate, report and monitor such data on its global platform. In addition, a number of regulators in China have jurisdiction over BlackRock's business operations, increasing operational and regulatory engagement complexity. These risks may be further heightened by additional scrutiny by Chinese regulators of certain sectors, such as technology and other industries that might be deemed to be of national importance.

EXISTING US REGULATION — OVERVIEW

BlackRock and certain of its US subsidiaries are currently subject to extensive regulation, primarily at the federal level, by the SEC, the DOL, the Federal Reserve, the Office of the Comptroller of the Currency (“OCC”), the Financial Industry Regulatory Authority (“FINRA”), the National Futures Association (“NFA”), the FTC, the Department of Justice, the CFTC and other federal government agencies and regulatory bodies. In addition, BlackRock’s interactions with government entities, public officials, and candidates for public office are subject to federal, state, and local laws and rules.

Certain of BlackRock’s US subsidiaries are also subject to various anti-terrorist financing, privacy, anti-money laundering and economic sanctions laws and regulations established by various agencies. In addition, the Investment Advisers Act of 1940 (the “Advisers Act”) imposes numerous obligations on registered investment advisers such as certain BlackRock subsidiaries, including record-keeping, operational and marketing requirements, disclosure obligations and prohibitions on fraudulent activities. State level oversight and regulation through attorneys general, insurance commissioners and other state level agencies also applies to certain BlackRock activities.

The Investment Company Act of 1940 (the “Investment Company Act”) imposes stringent governance, compliance, operational, disclosure and related obligations on registered investment companies and their investment advisers and distributors, such as certain BlackRock subsidiaries and affiliates. The SEC is authorized to institute proceedings and impose sanctions for violations of the Advisers Act and the Investment Company Act, ranging from fines and censure to termination of an investment adviser’s registration. Investment advisers also are subject to certain state securities laws and regulations. Non-compliance with the Advisers Act, the Investment Company Act or other federal or state securities laws and regulations could result in investigations, sanctions, disgorgement, fines and reputational damage.

BlackRock’s trading and investment activities for client accounts are regulated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Securities Act of 1933, as amended and the Commodity Exchange Act, as well as the rules of various securities exchanges and self-regulatory organizations, including laws governing trading on inside information, market manipulation and a broad number of technical requirements (e.g., short sale limits, volume limitations and reporting obligations) and market regulation policies. Violation of any of these laws and regulations could result in fines or sanctions, as well as restrictions on BlackRock’s activities and damage to its reputation. Furthermore, the Dodd-Frank Act requires one of BlackRock’s subsidiaries, BTC, to register as a municipal advisor (as that term is defined in the Exchange Act) with the SEC and Municipal Securities Rulemaking Board (“MSRB”). BTC’s registration as a municipal advisor subjects BTC to additional regulation by the SEC and MSRB.

BlackRock and its subsidiaries are more broadly subject to comprehensive regulation of their derivatives businesses, including regulations promulgated by US regulators such as the CFTC, the NFA and the SEC that, among other things, impose margin requirements, public and regulatory reporting, central clearing and mandatory trading on regulated exchanges or execution facilities for certain types of swaps and security-based swaps.

BlackRock manages a variety of private pools of capital, including hedge funds, funds of hedge funds, private equity funds, collateralized debt obligations, collateralized loan obligations, real estate funds, collective trust funds, managed futures funds and hybrid funds. Congress, regulators, tax authorities and others continue to explore, on their own and in response to demands from the investment community and the public, increased regulation related to private pools of capital, including changes with respect to investor eligibility, certain limitations on trading activities, record-keeping and reporting, the scope of anti-fraud protections, safekeeping of client assets and a variety of other matters. BlackRock may be materially and adversely affected by new legislation, rulemaking or changes in the interpretation or enforcement of existing rules and regulations imposed by various regulators in this area.

The activities of certain BlackRock subsidiaries are subject to ERISA, and to regulations promulgated thereunder by the DOL, insofar as they act as a “fiduciary” under ERISA with respect to benefit plan clients that are subject to ERISA. ERISA and applicable provisions of the Internal Revenue Code, including applicable related regulations, impose certain duties on persons who are fiduciaries under ERISA, prohibit certain transactions involving ERISA plan clients (clients subject to the prohibited transaction rules under Section 975 of the Code), and, among other things, mandate certain required periodic reporting and disclosures and require certain BlackRock entities to carry bonds insuring against losses caused by fraud or dishonesty. ERISA and other applicable regulations also impose additional compliance, reporting and operational requirements on BlackRock that otherwise are not applicable to clients that are not subject to ERISA. Excise taxes and other potential penalties could apply as a result of violations of the above-described prohibitions and requirements.

BlackRock has eight subsidiaries that are registered as commodity pool operators and/or commodity trading advisors with the CFTC and are members of the NFA. The CFTC and NFA each administer a comparable regulatory system covering futures contracts and various other financial instruments, including swaps as a result of the Dodd-Frank Act, in which certain BlackRock clients may invest. In addition, two of BlackRock’s subsidiaries are registered with the SEC as broker-dealers and are member-firms of FINRA. Each broker-dealer has a membership agreement with FINRA that limits the scope of such broker-dealer’s permitted activities. The broker-dealers are also members of the MSRB and are subject to MSRB rules.

BlackRock’s business activity in California that involves the processing of personal information is subject to the California Consumer Privacy Act (“CCPA”) and the California Privacy Rights Act (“CPRA”), which provide for enhanced consumer protections for California residents. The CCPA and CPRA impose obligations on BlackRock for the handling, disclosure and deletion of personal information for California residents. In addition, several other US states have proposed or adopted similar privacy laws. Any failure by BlackRock to comply with the CCPA, CPRA or similar state privacy laws may result in fines, heightened regulatory scrutiny, litigation and/or reputational harm.

US Banking Regulation

One of BlackRock’s subsidiaries, BTC, is organized as a nationally-chartered limited purpose trust company that does not accept deposits or make commercial loans. Accordingly, BTC is examined and supervised by the OCC and is subject to various banking laws and regulations enforced by the OCC, such as laws and regulations governing capital adequacy, fiduciary activities, conflicts of interest, self-dealing, and the prevention of financial crime, including money laundering. BTC is also a member of the Federal Reserve System and is subject to various Federal Reserve regulations applicable to member institutions, such as regulations restricting transactions with affiliates. Many of these laws and regulations are meant for the protection of BTC and/or BTC’s customers rather than BlackRock, its affiliates or stockholders.

EXISTING INTERNATIONAL REGULATION — OVERVIEW

BlackRock's international operations are subject to the laws and regulations of a number of international jurisdictions, as well as oversight by numerous regulatory agencies and bodies in those jurisdictions. In some instances, these operations are also affected by US laws and regulations that have extra-territorial application.

Below is a summary of certain international regulatory standards to which BlackRock is subject. It is not meant to be comprehensive as there are parallel legal and regulatory arrangements in force in many jurisdictions where BlackRock's subsidiaries conduct business.

Of note among the various other international regulations to which BlackRock is subject, are the extensive and complex regulatory reporting requirements that necessitate the monitoring and reporting of issuer exposure levels (thresholds) across the holdings of managed funds and accounts and those of the Company.

Regulation in EMEA

The FCA currently regulates certain BlackRock subsidiaries in the UK. It is also responsible for the conduct of business regulation of the UK branch of one of BlackRock's US subsidiaries. In addition, the Prudential Regulation Authority ("PRA") regulates one BlackRock UK insurance subsidiary. Authorization by the FCA and (where relevant) the PRA is required to conduct certain financial services-related business in the UK under the Financial Services and Markets Act 2000 (the "FSMA"). The FCA's rules adopted under the FSMA govern the majority of a firm's capital and liquidity resources requirements, senior management arrangements, conduct of business and client assets requirements, interaction with clients, and systems and controls, whereas the rules of the PRA focus solely on the prudential requirements that apply to BlackRock's UK-based insurance subsidiary. The FCA supervises BlackRock's UK-regulated subsidiaries through a combination of proactive engagement, event-driven and reactive supervision and thematic reviews in order to monitor BlackRock's compliance with regulatory requirements. Breaches of the FCA's rules may result in a wide range of disciplinary actions against BlackRock's UK-regulated subsidiaries and/or its employees. The FCA's Consumer Duty requires BlackRock's UK authorized firms to act to deliver good outcomes for retail customers taking into account products and services, price and value and consumer understanding and support.

In addition, BlackRock has regulated entities in France, Germany, Ireland, Jersey, Luxembourg, the Netherlands and Switzerland. Each of these entities is required to comply with regulatory rules in the country in which it has been established, including the branches of the Netherlands entity which operate across the EU.

BlackRock's EU subsidiaries and branches must comply with the EU regulatory regime set out in MiFID II. BlackRock's UK-regulated subsidiaries and branches must comply with the UK version of MiFID II, which regulates the provision of investment services and activities in the UK. MiFID II, and the UK equivalent of MiFID II, set out detailed requirements governing the organization and conduct of business of investment firms and regulated markets. The legislation also includes pre- and post-trade transparency requirements for equity and non-equity markets and extensive transaction reporting requirements. BlackRock's UK insurance subsidiary must also comply with the UK regulation which implemented Solvency II and the Insurance Distribution Directive. In addition, relevant entities must comply with revised obligations on capital resources for certain investment firms arising out of the Investment Firms Prudential Review. These include requirements to ensure capital adequacy, as well as matters of liquidity, governance and remuneration. Relevant BlackRock entities must also comply with the requirements of the UCITS Directive and the AIFMD, as implemented in the relevant EU Member States and in the UK, which impose obligations on the authorization and capital, conduct of business, organization, transparency and marketing of retail and alternative investment funds respectively that are sold in, or marketed to, the EU. The obligations introduced through these regulations and directives (and the UK implementation and onshoring of the same) will affect certain of BlackRock's European and UK operations. Compliance with the UCITS Directives and the AIFMD (and the UK implementation and onshoring of the same) may subject BlackRock to additional expenses associated with depositary oversight and other organizational requirements. The UK Government and the FCA have also enacted the new OFR providing a fast-track framework for non-UK funds to be recognized and registered for marketing to retail investors in the UK after Brexit.

The EU has seen an increase in Common Supervisory Actions by ESMA to coordinate supervisory action by national EU regulators, most notably in areas such as sustainability-related product features and disclosures, product governance, liquidity management and fund costs and charges. BlackRock's EU operations may be affected to the extent this initiative results in formal legislation or action.

EU Member States, the UK and many other non-US jurisdictions have adopted statutes and/or regulations concerning privacy and data protection and requiring notification of personal data security breaches if certain thresholds are met. For example, the EU adopted the General Data Protection Regulation ("GDPR"), which became effective in 2018. Following Brexit, the UK onshored the GDPR into national law ("UK GDPR"), which became effective in 2021. In June 2021, the EC published a new set of standard contractual clauses, which only apply to the transfer of personal data outside of the EU to a country not approved by the EU as providing an adequate level of protection for the processing of personal data. The EU's adequacy decision with respect to the UK, which allows the continued flow of personal data from the EU to the UK, will be regularly reviewed and may be revoked if the UK diverges from its current adequate data protection laws. The UK has developed its own international data transfer agreement, which was implemented in March 2022. In June 2023, the EU-US Data Protection Framework came into force, which allows organizations to self-certify their compliance under the framework for data transfers from the EU, UK and Switzerland to the US. Saudi Arabia and Dubai have also adopted privacy and data protection regulations aligned with GDPR. GDPR and UK GDPR, as well as other statutes and/or regulations concerning privacy and data protection, increase compliance obligations, affect BlackRock's collection, processing, retention and transfer of personal data and reporting of personal data security breaches, and provide for increased penalties for non-compliance.

BlackRock also maintains two offices in the Middle East, one in Dubai, which is regulated by the Dubai Financial Services Authority, and one in Riyadh, Saudi Arabia, which is regulated by the Saudi Capital Markets Authority. Both offices are authorized to provide certain investment services and support BlackRock's provision of investment products and services in their countries of domicile. Other countries across the Middle Eastern region are serviced on a cross-border basis.

Regulation in the Asia-Pacific Region

In Japan, a BlackRock subsidiary is subject to the Financial Instruments and Exchange Act ("FIEA") and the Act on Investment Trusts and Investment Corporations. These laws are administered and enforced by the Japanese Financial Services Agency ("JFSA"), which establishes standards for compliance, including capital adequacy and financial soundness requirements, customer protection requirements and conduct of business rules. The JFSA is empowered to conduct administrative proceedings that can result in censure, fines, cease and desist orders or the suspension or revocation of registrations and licenses granted under the FIEA. This Japanese subsidiary also holds a license for real estate brokerage activities which subjects it to the regulations set forth in the Real Estate Brokerage Act.

In Australia, BlackRock's main operating entities are principally regulated under the Corporations Act 2001 (Cth) by the Australian Securities and Investments Commission ("ASIC"), which includes holding an Australian financial services license and operating registered managed investment schemes. ASIC is Australia's integrated corporate, markets, financial services and consumer credit regulator.

In New Zealand, certain BlackRock subsidiaries are primarily regulated by the Financial Markets Authority ("FMA"). The FMA is responsible for overseeing and enforcing financial markets legislation including the licensing of firms to provide certain financial products and services in New Zealand and administering anti-money laundering and terrorism financing legislation, amongst other functions.

The activities of certain BlackRock subsidiaries in Hong Kong are subject to the Securities and Futures Ordinance ("SFO"), which governs the securities and futures markets, and regulates, among others, offers of investments to the public, and provides for the licensing of intermediaries. The SFO is administered by the Securities & Futures Commission ("SFC"). The SFC is also empowered to establish standards for compliance as well as codes and guidelines. The relevant BlackRock subsidiaries and the employees conducting any of the regulated activities specified in the SFO are required to be licensed with the SFC, and are subject to the rules, codes and guidelines issued by the SFC.

BlackRock's operations in Taiwan are subject to the Securities Investment Trust and Consulting Act and other regulations, rules or guidelines thereunder (collectively, "SITE and SICE Requirements"). BlackRock's subsidiary in Taiwan is governed and regulated by the Securities & Futures Bureau ("SFB") under the Taiwan Financial Supervisory Commission, which is responsible for regulating securities markets (including the Taiwan Stock Exchange, the Taipei Exchange and the Taiwan Futures Exchange), the asset management industry, the broker and futures commission merchant sector, the banking industry and the insurance sector. The relevant BlackRock subsidiary and employees conducting regulated activities are required to be licensed with the SFB and subject to the SITE and SICE Requirements.

BlackRock's Fund Management Company in China ("BlackRock FMC") is regulated by the China Securities Regulatory Commission and is subject to the Securities Investment Fund Law and Measures for the Supervision and Administration of Mutual Fund Managers for the overall oversight from incorporation to the corporate governance and operations of fund managers and funds. BlackRock FMC is also subject to the China Securities Law and various other financial laws and regulations. BlackRock CCB Wealth Management Limited, which is BlackRock's wealth management joint venture company with CCB Wealth Management Co., Ltd. and Fullerton Management Pte Ltd. in China, is regulated by the National Financial Regulatory Administration ("NFRA", formerly known as the China Banking and Insurance Regulatory Commission). They have enacted Bank Wealth Management Supervision and Management Measures and Management Measures of Bank Wealth Management Subsidiaries and other relevant rules to regulate the setup, conduct of business and risk management of bank wealth management companies.

In Singapore, a BlackRock subsidiary is regulated by the Monetary Authority of Singapore ("MAS") and its business activities are subject to the Securities and Futures Act 2001 ("SFA"). The SFA governs the regulation of activities and institutions in the securities and derivatives industry, including fund management, dealing in capital markets products and leveraged foreign exchange trading. The MAS is Singapore's central bank and integrated financial regulator, which regulates the financial services sector in Singapore and conducts integrated supervision of financial services and financial stability surveillance. This BlackRock subsidiary and the employees conducting any of the regulated activities specified in the SFA are required to be licensed with the MAS, and are subject to the SFA and the regulations, rules, codes, notices and guidelines issued by the MAS.

In India, the Jio BlackRock joint venture entities, Jio BlackRock Asset Management Private Limited, Jio BlackRock Investment Advisers Private Limited and Jio BlackRock Trustee Private Limited, are governed by the Companies Act, 2013 and regulated by the Ministry of Corporate Affairs in India. Following approval to act as sponsors, Jio Financial Services and BlackRock through their Jio BlackRock joint venture entities have made applications to the Securities and Exchange Board of India seeking to manage and operate a licensed asset management company.

Other financial regulators oversee BlackRock subsidiaries, branches and representative offices across the Asia-Pacific region, including in South Korea. Regulators in all of these jurisdictions have authority with respect to financial services including, among other things, the authority to grant, suspend or cancel required licenses or registrations. In addition, these regulators may subject certain BlackRock subsidiaries to net capital requirements.

AVAILABLE INFORMATION

BlackRock files annual, quarterly and current reports, proxy statements and all amendments to these reports and other information with the SEC. BlackRock makes available free-of-charge, on or through its website at <https://www.blackrock.com>, the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and all amendments to those filings, as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. The Company also makes available on its website the charters for the Audit Committee, Management Development and Compensation Committee, Nominating, Governance and Sustainability Committee and Risk Committee of the Board of Directors, its Code of Business Conduct and Ethics, its Code of Ethics for Chief Executive and Senior Financial Officers and its Corporate Governance Guidelines. Further, BlackRock will provide, without charge, upon written request, a copy of the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and all amendments to those filings as well as the committee charters, its Code of Business Conduct and Ethics, its Code of Ethics for Chief Executive and Senior Financial Officers and its Corporate Governance Guidelines. Requests for copies should be addressed to Investor Relations, BlackRock, Inc., 50 Hudson Yards, New York, New York 10001. Reports, proxy statements and other information regarding issuers that file electronically with the SEC, including BlackRock's filings, are also available to the public from the SEC's website at <https://www.sec.gov>.

Item 1A. Risk Factors

As a global investment management firm, risk is an inherent part of BlackRock's business. Global markets, by their nature, are prone to uncertainty and subject participants to a variety of risks. While BlackRock devotes significant resources across all of its operations to identify, measure, monitor, manage and analyze market, operating, legal, compliance, reputational, fiduciary and investment risks, BlackRock's business, financial condition, operating results and nonoperating results could be materially adversely affected and the Company's stock price could decline as a result of any of these risks and uncertainties, including the ones discussed below.

RISKS RELATED TO MARKET AND COMPETITION

Changes in the value levels of equity, debt, real assets, commodities, foreign exchange or other asset markets, including from the impact of global trade policies and tariffs, may cause assets under management ("AUM"), revenue and earnings to decline.

BlackRock's investment management revenue is primarily comprised of fees based on a percentage of the value of AUM and, in some cases, performance fees which are normally expressed as a percentage of returns to the client. Numerous factors, including price movements in the equity, debt or currency markets, or movements in the price of real assets, commodities, digital assets or other alternative investments in which BlackRock invests on behalf of its clients, including from the impact of global fiscal, monetary and trade policies, could cause:

- the value of AUM, or BlackRock's returns on AUM, to decrease;
- client redemptions from BlackRock's products;
- client rebalancing or reallocating of assets into BlackRock products that yield lower fees;
- an impairment to the value of intangible assets and goodwill; or
- a decrease in the value of seed or co-investment capital.

These risks may also be heightened by market volatility, illiquid market conditions or other market disruptions. The occurrence of any of the above events may cause the Company's AUM, revenue and earnings to decline.

Changes in interest or foreign exchange rates and/or divergent beta may cause BlackRock's AUM and base fees to fluctuate and introduce volatility to the Company's net income and operating cash flows.

BlackRock's business is directly and indirectly affected by changes in global interest rates, as well as changes in global markets, which have experienced substantial volatility in recent years. Similarly, due to the global nature of BlackRock's operations, a portion of its business is conducted in currencies other than the United States ("US") dollar. Fluctuations in BlackRock's AUM related to its exposure to foreign exchange rates relative to the US dollar and interest rates may introduce volatility to the Company's base fees, net income and operating cash flows.

In addition, beta divergence between equity markets, where certain markets perform differently than others, may lead to an increase in the proportion of BlackRock AUM weighted toward lower fee equity products, resulting in a decline in BlackRock's effective fee rate. Divergent market factors may also erode the correlation between the growth rates of AUM and base fees.

BlackRock's investment advisory contracts may be terminated or may not be renewed by clients and fund boards on favorable terms and the liquidation of certain funds may be accelerated at the option of investors.

BlackRock derives a substantial portion of its revenue from providing investment advisory services. The advisory or management contracts BlackRock has entered into with its clients, including the agreements that govern many of BlackRock's investment funds, provide investors or, in some cases, the independent directors of applicable investment funds, with significant latitude to terminate such contracts, withdraw funds or liquidate funds, or to remove BlackRock as a fund's investment advisor (or equivalent). BlackRock also manages its US mutual funds, closed-end and exchange-traded funds under management contracts that must be renewed and approved annually by the funds' respective boards of directors, a majority of whom are independent from the Company. BlackRock's fee arrangements under any of its advisory or management contracts may be reduced (including at the behest of a fund's board of directors). In addition, shareholder activism involving closed-end funds has increased, including public campaigns to demand that a fund consider significant transactions such as a tender offer, merger or liquidation or seek other actions such as the termination of the fund's management contract. If a number of BlackRock's clients terminate their contracts, or otherwise remove BlackRock from its advisory roles, liquidate funds or fail to renew management contracts on similar terms, the fees or carried interest BlackRock earns could be reduced, which may cause BlackRock's AUM, revenue and earnings to decline.

The failure or negative performance of products offered by competitors may cause AUM in similar BlackRock products to decline irrespective of BlackRock's performance.

Many competitors offer similar products to those offered by BlackRock and the failure or negative performance of competitors' products could lead to a loss of confidence in similar BlackRock products, irrespective of the performance of such BlackRock products. Any loss of confidence in a product type could lead to withdrawals, redemptions and liquidity issues in such products, which may cause the Company's AUM, revenue and earnings to decline.

Increased competition may cause BlackRock's AUM, revenue and earnings to decline.

The investment management industry is highly competitive, and BlackRock competes based on a number of factors including: investment performance, liquidity, its technology and portfolio construction offerings, the level of fees charged, the quality and breadth of services and products provided, name recognition and reputation, and its ability to develop new investment strategies and products to meet the changing needs of investors. In addition, over the past several years, the asset management industry has continued to evolve as investors increasingly seek out firms that have the capacity to deliver broad multi-asset investment capabilities and technological expertise, including in a manner that is responsive to ever more localized needs. This evolution, together with the introduction of new technologies, as well as regulatory changes, continues to alter the competitive landscape for investment managers, which may lead to additional fee compression or require BlackRock to invest more to modify or adapt its product offerings to attract and retain customers and remain competitive with the products, services and geographic diversity offered by other financial institutions, technology companies, advisory or asset management firms. Increased competition on the basis of any of these factors, including competition leading to fee reductions on existing or new business, may cause the Company's AUM, revenue and earnings to decline.

Failure to maintain Aladdin's competitive position in a dynamic market could lead to a loss of clients and could impede BlackRock's productivity and growth.

The sophisticated risk analytics, portfolio management, trade execution and investment operations that BlackRock provides via its technology platform to support investment advisory and Aladdin clients are important elements of BlackRock's competitive success. Aladdin's competitive position is based in part on its ability to combine risk analytics with portfolio management, trading and operations tools on a single platform. Increased competition from risk analytics and investment management technology providers, including from competitors with increasingly sophisticated and comprehensive product offerings, or a shift in client demand toward standalone or internally developed solutions, whether due to price competition, perceived client market share, platform offerings or flexibility, or market-based or regulatory factors, may weaken Aladdin's competitive position and may cause the Company's revenue and earnings to decline. In addition, to the extent that Aladdin competitors are able to innovate more effectively than BlackRock or leverage delivery models that provide clients faster time to market, lower costs or the ability to more seamlessly combine or bundle with other service offerings, BlackRock may lose existing clients or fail to capture future market share, which may impede its productivity and growth. Moreover, although BlackRock takes steps to safeguard against infringements of its intellectual property ("IP"), there can be no assurance that the Company will be able to effectively protect and enforce its IP rights in Aladdin.

BlackRock may be unable to develop new products and services and the development of new products and services may expose BlackRock to reputational harm, additional costs or operational risk.

BlackRock's financial performance depends, in part, on its ability to react to changes in the asset management industry, respond to evolving client demands and technological advances, and develop, market and manage new investment products and services. The development and introduction of new products and services, including the creation of increasingly customizable products, requires continued innovative effort on the part of BlackRock and may require significant time and resources as well as ongoing support and investment. Substantial risk and uncertainties are associated with the introduction of new products and services, including the implementation of new and appropriate operational controls and procedures, shifting client and market preferences, the introduction of competing products or services, constraints on BlackRock's ability to manage growth within client mandates, compliance with regulatory and disclosure requirements and IP-related lawsuits or claims, which may not be fully evident or identified prior to the introduction of any such product or service. A growing number of BlackRock's products and services also depend on data provided by third parties as analytical inputs and are subject to additional risks, including with respect to data quality, cost, availability and provider relationships. Data sets for certain developing analytics, such as those in the sustainability space, continue to evolve and difficulties approximating gaps in the data, sourcing data from reliable sources, or validating the data could adversely impact the accuracy and effectiveness of such analytics. There can be no assurance that BlackRock will be able to innovate effectively in order to develop new products or services that address the needs of its clients on the timeline they require. Any failure to successfully develop and support new products and services, or effectively manage associated operational risks, could have an adverse impact on BlackRock's growth, harm BlackRock's reputation and expose the Company to additional costs, which may cause its AUM, revenue and earnings to decline.

Changes in the value of seed and co-investments that BlackRock owns could affect its income and could increase the volatility of its earnings.

At December 31, 2024, BlackRock's net economic investment exposure of approximately \$3.9 billion in its investments (see Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations – Investments*) primarily resulted from co-investments and seed investments in its sponsored investment funds. Movements in the equity, debt or currency markets, or in the price of real assets, commodities or other alternative investments, could lower the value of these investments, increase the volatility of BlackRock's earnings and cause earnings to decline.

BlackRock indemnifies certain securities lending clients for specified losses as a result of a borrower default.

BlackRock provides borrower default indemnification to certain of its securities lending clients. In the event of a borrower default, BlackRock may use the collateral provided by the defaulting borrower to repurchase securities out on loan to such borrower in order to replace them in a client's account. Borrower default indemnification is limited to the shortfall that occurs in the event the collateral available at the time of the borrower's default is insufficient to repurchase those securities out on loan. BlackRock requires all borrowers to mark to market their posted collateral daily to levels in excess of the value of the securities out on loan which mitigates the likelihood of the indemnity being triggered. Where the collateral is in the form of cash, the borrower default indemnification BlackRock provides does not guarantee, assume or otherwise insure the investment performance or return of any cash collateral vehicle into which that cash collateral is invested. The amount of securities on loan as of December 31, 2024 and subject to this type of indemnification was approximately \$305 billion. In the Company's capacity as lending agent, cash and securities totaling approximately \$324 billion was held as collateral for indemnified securities on loan at December 31, 2024. Significant borrower defaults occurring simultaneously with rapid declines in the value of collateral and/or increases in the value of the securities loaned may create collateral shortfalls, which could result in material liabilities under these indemnities and may cause the Company's revenue and earnings to decline.

BlackRock's decision on whether to provide support to particular investment products from time to time, or the inability to provide support, may cause AUM, revenue and earnings to decline.

While not legally mandated, BlackRock, at its option and from time to time, has and may in the future choose to seed, warehouse or otherwise support investment products through capital or credit support for commercial or other reasons. Any decision by BlackRock on whether to support products may utilize capital and liquidity that would otherwise be available for other corporate purposes. BlackRock's ability to seed, warehouse or otherwise support certain products may be restricted by regulation or by the Company's failure to have or make available sufficient capital or liquidity. Moreover, inherent constraints arising from the business models of certain asset managers, including BlackRock, may during periods of market volatility result in BlackRock having fewer options for accessing liquidity than asset managers with alternate business models, which may adversely impact its ability to support certain products. Any decision by BlackRock to support particular investment products, or its inability or unwillingness to provide such support, may result in losses or affect BlackRock's capital or liquidity, which may cause AUM, revenue and earnings to decline.

Geopolitical unrest and other events outside of BlackRock's control could adversely affect the global economy or specific international, regional and domestic markets, which may cause BlackRock's AUM, revenue and earnings to decline.

Geopolitical risks, including those arising from trade tension and/or the imposition of trade tariffs, terrorist activity or acts of civil or international hostility, could have an adverse impact on BlackRock. For instance, the Ukraine-Russia and Middle East conflicts have and may continue to result in geopolitical instability and adversely affect the global economy, supply chains, specific markets and operations. Strategic competition between the US and China and resulting tensions and heightened levels of political polarization have also contributed to uncertainty in the geopolitical and regulatory landscapes. Similarly, other events outside of BlackRock's control, including the impact of natural disasters, climate-related events, pandemics or health crises may arise from time to time and be accompanied by governmental actions that may increase international tension or impact the US or global economy in ways that are uncertain. Any such events and responses, including regulatory developments, may cause significant volatility and declines in the global markets, disproportionate impacts to certain industries or sectors, disruptions to commerce (including to economic activity, travel and supply chains), loss of life and property damage, and may adversely affect the global economy or capital markets, as well as the Company's products, operations, clients, vendors and employees, which may cause BlackRock's AUM, revenue and earnings to decline. BlackRock's exposure to geopolitical risks may be heightened to the extent such risks arise in countries in which BlackRock currently operates or seeks to expand its presence.

Climate-related risks could adversely affect BlackRock's business, products, operations and clients, which may cause BlackRock's AUM, revenue and earnings to decline.

BlackRock's business and those of its clients could be impacted by climate-related risks. Climate-related risks may impact BlackRock through changes in the physical climate or from the process of transitioning to a low-carbon economy. Climate-related physical risks arise from the direct impacts of a changing climate in the short- and long-term. Such risks may include the risks of extreme weather events and changes in temperature, which may damage infrastructure and facilities, including BlackRock's physical assets, as well as disrupt connectivity or supply chains. Climate-related transition risks arise from exposure to the transition to a low-carbon economy through policy, regulatory, technology and market changes. For instance, divergent existing and future climate regulations or guidance, as well as differing perspectives of stakeholders regarding climate impacts, have affected and may continue to affect BlackRock's business activities and reputation, increase scrutiny and complicate compliance requirements.

Climate-related physical and transition risks could also impact BlackRock's business both directly and indirectly through adverse impacts to its clients' investments, including as a result of declines in asset values, changes in client preferences, increased regulatory and compliance costs and significant business disruptions. Any of these risks may cause the Company's AUM, revenue and earnings to decline.

RISKS RELATED TO INVESTMENT PERFORMANCE

Poor investment performance could lead to the loss of clients and may cause AUM, revenue and earnings to decline.

The Company's management believes that investment performance, including the efficient delivery of beta, is one of the most important factors for the growth and retention of AUM. Poor investment performance relative to applicable portfolio benchmarks, aggregate fee levels or competitors may cause AUM, revenue and earnings to decline as a result of:

- client withdrawals in favor of better performing products offered by competitors;
- client shifts to products that charge lower fees;
- the diminishing ability to attract additional funds from existing and new clients;
- reduced, minimal or no performance fees;
- an impairment to the value of intangible assets and goodwill; or
- a decrease in the valuations of seed and co-investment capital.

Performance fees may increase volatility of both revenue and earnings.

A portion of BlackRock's revenue is derived from performance fees on investment advisory assignments. Performance fees represented \$1.2 billion, or 6%, of total revenue for the year ended December 31, 2024. Generally, the Company is entitled to a performance fee only if the agreement under which it is managing the assets provides for one and if returns on the related portfolio exceed agreed-upon periodic or cumulative return targets. If these targets are not exceeded, a performance fee for that period will not be earned and, if targets are based on cumulative returns, the Company may not earn performance fees in future periods. The volatility of the Company's future revenue and earnings may also be affected due to private markets becoming an increasing component of the overall composition of the Company's performance fee generating assets, including from the Company's acquisition of GIP (the "GIP Acquisition") and its proposed acquisition of HPS (the "HPS Acquisition"). In particular, the Company expects that as it manages more private markets products, its performance fees will generally be recognized over substantially longer multi-year periods than those associated with more liquid products.

Failure to identify errors in the quantitative models BlackRock utilizes to manage its business could adversely affect product performance and client relationships.

BlackRock employs various quantitative models to support its investment processes, including those related to risk assessment, portfolio management, trading and hedging activities and product valuations. Any errors or limitations in the underlying models, model inputs or assumptions, including those from third-party sources, as well as any failure of BlackRock's governance, approval, testing, validation and monitoring standards in respect of such models, model inputs or assumptions, the failure to timely update such models, model inputs or assumptions or errors in how such models are used, could have adverse effects on BlackRock's business and reputation. These risks may be heightened by the rapid growth and complexity of new models, evolving data sets and standards, and market volatility.

TECHNOLOGY AND OPERATIONAL RISKS

A failure in, or disruption to, BlackRock's operations, systems or infrastructure, including business continuity plans, could adversely affect operations, damage the Company's reputation and cause BlackRock's AUM, revenue and earnings to decline.

BlackRock's infrastructure, including its technological capacity, data centers and office space, is vital to the competitiveness of its business. Moreover, a significant portion of BlackRock's critical business operations is concentrated in a limited number of geographic areas, including San Francisco, New York, London, Edinburgh, Budapest, Atlanta, Gurgaon, Mumbai and Belgrade. The failure to maintain an infrastructure commensurate with the size and scope of BlackRock's business, or the occurrence of a business outage or event outside BlackRock's control, including a major earthquake, hurricane, fire, terrorist act, pandemic, health crisis or other catastrophic event, or the actions of individuals or groups seeking to disrupt BlackRock's operations in any location at which BlackRock maintains a major presence, could materially impact operations, result in business disruption or impede the Company's growth.

Despite BlackRock's efforts to ensure business continuity, if it fails to keep business continuity plans up-to-date or if such plans, including secure back-up facilities and systems and the availability of back-up employees, are improperly implemented or deployed during a disruption, the Company's ability to operate could be adversely impacted which may cause AUM, revenue and earnings to decline or impact the Company's ability to comply with regulatory obligations or contractual obligations leading to reputational harm, legal liability, regulatory fines and/or sanctions.

A cyber-attack or a failure to implement effective information and cybersecurity policies, procedures and capabilities could disrupt operations and lead to financial losses and reputational harm, which may cause BlackRock's AUM, revenue and earnings to decline.

BlackRock is dependent on the effectiveness of the information and cybersecurity policies, procedures and capabilities it maintains to protect its computer and telecommunications systems and the data that resides on or is transmitted through them, including data provided by third parties that is significant to portions of BlackRock's business and products. An information security incident or disruption, such as a cyber-attack including social engineering, deepfakes, phishing scams, business email compromise, malware, denial-of-service or ransomware attacks, or failures to control access to sensitive systems, could materially interrupt business operations or cause disclosure or modification of sensitive or confidential client or competitive information. Moreover, developments in BlackRock's use of process automation and artificial intelligence ("AI"), as well as the use of remote access by employees and mobile and cloud technologies, heightens these and other operational risks, as certain aspects of the security of such technologies may be complex, unpredictable or beyond BlackRock's control. BlackRock's growing exposure to the public Internet, as well as reliance on mobile or cloud technology or any failure by mobile technology and cloud service providers to adequately safeguard their systems and prevent cyber-attacks, could disrupt BlackRock's operations and result in misappropriation, corruption or loss of personal, confidential or proprietary information or third-party data. In addition, there is a risk that encryption and other protective measures may be circumvented, particularly to the extent that new computing technologies including quantum computing increase the speed and computing power available.

The financial services industry has been the subject of cyber-attacks involving the dissemination, theft and destruction of corporate information or other assets, as a result of failure to follow procedures by employees or contractors or as a result of actions by third parties, including nation state actors, terrorist organizations, cyber criminals and hacktivists. BlackRock has been and continues to be the target of cyber-attacks, as well as the co-opting of its brand, and continues to monitor and develop its systems to protect its technology infrastructure and data from misappropriation or corruption, as the failure to do so could disrupt BlackRock's operations and cause financial losses. Advances in technology, including generative AI, and use of such technology by malicious actors heightens these risks. Although BlackRock has implemented policies and controls, and takes protective measures involving significant expense, to help prevent and address potential data breaches, inadvertent disclosures, increasingly sophisticated cyber-attacks and cyber-related fraud, there can be no assurance that any of these measures proves fully effective. In addition, given the evolving nature of cyber threat actors and the increasing sophistication of cyber-attack methodology, a successful cyber-attack may persist for an extended period of time before being detected, and it may take a considerable amount of time for an investigation to be completed and the severity and potential impact to be known. Moreover, due to the complexity and interconnectedness of BlackRock's systems, the process of upgrading or patching the Company's protective measures could itself create a risk of security issues or system disruptions for the Company, as well as for clients who rely upon, or have exposure to, BlackRock's systems.

In addition, due to BlackRock's interconnectivity with third-party vendors, advisors, central agents, exchanges, clearing houses and other financial institutions, BlackRock or any such third-party may be adversely affected if any of them (or their service providers) is subject to a successful cyber-attack or other information security event, including those arising due to the use of mobile technology or a third-party cloud environment. BlackRock also routinely transmits and receives personal, confidential or proprietary information by email and other electronic means. The Company collaborates with clients, vendors and other third parties to develop secure transmission capabilities and protect against cyber-attacks. However, BlackRock or such third parties may not have all appropriate controls in place to protect the confidentiality of such information.

Any information security incident or cyber-attack against BlackRock or third parties with whom it is connected, including any interception, mishandling or misuse of personal, confidential or proprietary information or failure to disclose or communicate a cybersecurity incident appropriately, could result in material financial loss, loss of competitive position, regulatory fines and/or sanctions, breach of client contracts, reputational harm or legal liability, which, in turn, may cause BlackRock's AUM, revenue and earnings to decline. In addition, BlackRock's cybersecurity insurance may not cover all losses and damages from such events and BlackRock's ability to maintain or obtain sufficient insurance coverage in the future may be limited.

Failure or unavailability of third-party dependencies may adversely affect Aladdin operations, which could cause reputational harm, lead to a loss of clients and impede BlackRock's productivity and growth.

BlackRock must maintain effective infrastructure, including a robust and secure technological framework, in order to maximize the benefit of the Aladdin platform. In so doing, it relies in part on certain third-party service providers, including for cloud hosting and technologies supporting cloud-based operations. For example, Aladdin's data architecture depends on third-party providers of technology solutions, including the ability of such parties to scale and perform in response to Aladdin's growth. In addition, the analytical capabilities of Aladdin depend on the ability of a number of third parties to provide data and other information as inputs into Aladdin's analytical calculations. Although BlackRock has implemented internal controls and procedures and maintains a robust vendor management program designed to perform diligence and monitor third parties that support the Aladdin platform, there can be no assurance that these measures will prove effective. Any failure by third parties to maintain infrastructure that is commensurate with Aladdin's size and growth, or provide the data or information required to support its varying capabilities, could compromise Aladdin's resilience, result in operational difficulties, cause reputational harm and adversely impact BlackRock's ability to provide services to its investment advisory and Aladdin clients.

Continuing enhancements to Aladdin's capabilities, as well as the expansion of the Aladdin platform into new markets and geographies, have led to significant growth in Aladdin's processing scale, which may expose BlackRock to reputational harm, increased regulatory scrutiny and heightened operational, data management, cyber- and information-security risks.

The operation of BlackRock's Aladdin platform routinely involves updating existing capabilities, configuration change management, developing, testing and rolling out new functionalities and expanding coverage into new markets and geographies, including in connection with inorganic transactions or to address client or regulatory requirements. These updates and expansion initiatives, which have led to significant growth in Aladdin's processing scale, frequently occur on accelerated time frames and may expose BlackRock to additional cyber- and information-security risks, as well as increased execution, operational and data management risks. If BlackRock is unable to manage the pace of, or provide the operational resiliency and stability for, the expansion of Aladdin and associated growth of its processing scale, BlackRock may experience client attrition, reduced business, increased costs, reputational harm or regulatory fines and/or sanctions, which may cause BlackRock's AUM, revenue and earnings to decline.

In addition, the highly regulated business activities of many Aladdin clients may expose BlackRock to heightened regulatory scrutiny. For example, the changing political and regulatory environment in certain jurisdictions in which Aladdin clients are based has required BlackRock to open new data centers in those jurisdictions in order to host client data in the client's home location. Operating new data centers in foreign jurisdictions may expose BlackRock to increased operational complexity, as well as additional regulatory risks associated with the compliance requirements of such jurisdictions. In addition, there has been increased regulatory scrutiny globally on technology and information providers, which may impact Aladdin and certain functionalities and tools.

A failure to effectively manage the development and use of AI, combined with an evolving regulatory environment, could have an adverse effect on BlackRock's growth, reputation or business.

BlackRock uses machine learning and AI in its business and expects to continue to expand its AI capabilities, including through generative AI. AI methods are complex and rapidly evolving, and the introduction of AI into new or existing processes may result in new or enhanced governmental or regulatory scrutiny, IP or other litigation, data protection, confidentiality or information security risks, social or ethical concerns, competitive harm or other complications. For example, the use of datasets to develop and test AI models, the content generated by AI systems, or the application of AI systems may be found to be insufficient, biased or harmful, or lead to adverse business decisions or operating errors. AI technologies, including generative AI, may create content that appears correct but is factually inaccurate or flawed. In addition, IP ownership and license rights, including copyright, surrounding AI technologies are still being developed and have not been fully addressed by US courts or federal, state or non-US laws or regulation. Furthermore, regulatory scrutiny of AI technologies and controls continues to evolve globally with new and forthcoming laws and regulations. Efforts around use of these technologies require additional investment in operational controls and procedures, development and implementation of appropriate protections and safeguards for handling the use of data with AI, including with respect to data leakage, fraud prevention and regulatory compliance costs. AI technologies may also disrupt the competitive landscape for investment management and technology services, including in commercial and operational areas such as data aggregation and quantitative models. Any failure to successfully integrate AI technologies, respond to client or market demands, accurately communicate AI initiatives, comply with AI-related regulations, identify or address any legal or regulatory issues associated with AI or effectively manage the related risks could harm BlackRock's growth and reputation, adversely impact product offerings, client interactions or business initiatives, and expose the Company to legal and regulatory liabilities and additional costs, including regulatory fines or sanctions, which may cause its AUM, revenue and earnings to decline.

Failure to maintain adequate corporate and contingent liquidity may cause BlackRock's AUM, liquidity and earnings to decline, as well as harm its prospects for growth.

BlackRock's ability to meet anticipated cash needs depends upon a number of factors, including its creditworthiness and ability to generate operating cash flows. In addition, while BlackRock, Inc. is not subject to regulatory capital or liquidity requirements, certain of its subsidiaries are subject to regulatory capital and liquidity frameworks as well as certain other prudential requirements and standards, which require them to maintain certain levels of capital and liquidity. Failure to maintain adequate liquidity could lead to unanticipated costs and force BlackRock to revise existing or future strategic and business initiatives. BlackRock's access to equity and debt markets and its ability to issue public or private debt, or obtain lines of credit or commercial paper back-up lines, on reasonable terms may be limited by adverse market conditions, a reduction in its long- or short-term credit ratings, or changes in government regulations, including tax and interest rates. Failure to obtain funds and/or financing, or any adverse change to the cost of obtaining such funds and/or financing, may cause BlackRock's AUM, liquidity and earnings to decline, curtail its operations and limit or impede its prospects for growth.

Operating risks associated with BlackRock's securities lending program may result in client losses.

BlackRock lends securities to banks and broker-dealers as agent on behalf of certain of its clients. In these securities lending transactions, the borrower is required to provide and maintain collateral at or above regulatory minimums. Securities on loan are marked to market daily to determine if the borrower is required to provide additional collateral. BlackRock must manage this process and is charged with mitigating the associated operational risks. The failure of BlackRock's controls to mitigate such operational risks could result in financial losses for the Company's clients that participate in its securities lending programs (separate from any losses related to the risks of collateral investments), and BlackRock may be held liable for any failure to manage such risks.

Inorganic transactions may harm the Company's competitive or financial position if they are not successful.

BlackRock employs a variety of organic and inorganic strategies intended to enhance earnings, increase product offerings, deliver whole-portfolio solutions, access new clients, leverage advances in technology and expand into new geographies. Inorganic strategies have included hiring smaller-sized investment teams, making minority investments in early- to mid-stage technological and other ventures, entering into strategic joint ventures and acquiring investment management and technology businesses, analytics, models and other IP. Inorganic transactions involve a number of financial, accounting, tax, regulatory, geographical and operational challenges and uncertainties, including in some cases, the assumption of pre-existing liabilities, which must be managed in order for BlackRock to realize the benefit of such transactions, and such transactions may be the subject of unanticipated liabilities arising from commercial, client or other disputes, information security vulnerabilities or breaches and IP or other legal claims.

The success of BlackRock's inorganic strategy also depends in large part on its ability to integrate the workforce, operations, strategies, technologies and other components of a target business following the completion of an acquisition. BlackRock may be required to commit significant management time, as well as create new, or grow existing, operational and support functions, to facilitate the integration of acquired businesses, manage combined future growth and maintain a cohesive corporate culture. There can be no assurance that BlackRock will be able to successfully integrate acquired businesses, retain associated talent, scale support functions, effectively manage growth or realize other intended benefits of its inorganic strategy in the timeframe BlackRock expects, or at all. Moreover, the challenges associated with BlackRock's inorganic strategy may be heightened when inorganic transactions are in new geographic locations, involve new markets, products, business lines or early stage investments or are delivered via technology and systems that differ from those employed by BlackRock or that overlap with existing BlackRock businesses. In addition, in the case of minority investments and joint ventures, including BlackRock's joint venture to provide investment solutions in India, BlackRock may be subject to risks due to reputational harm, liability or loss resulting from, or relating to operating systems, risk management controls, and employees that are outside of BlackRock's control, risks related to the jurisdictions or markets in which such investees or joint ventures operate and risks related to the joint venture partners and investees. Any failure to identify and mitigate the risks associated with acquisitions, joint ventures or minority investments through due diligence, governance or oversight rights, indemnification provisions and/or operational expertise, or to manage the integration of acquisitions effectively, could result in losses or impairments related to such transactions and have an adverse effect on BlackRock's reputation or cause its AUM, revenue and earnings to decline, which may harm the Company's competitive position in the investment management industry.

BlackRock is subject to risks associated with its recent and proposed acquisitions, including completion of proposed acquisitions in the anticipated timeframes or at all, and any failure to realize anticipated benefits of such acquisitions.

In October 2024, BlackRock completed the GIP Acquisition. BlackRock also previously announced (1) its proposed acquisition of Preqin (the "Preqin Acquisition") which is currently expected to close in the first quarter of 2025, subject to customary closing conditions and (2) the HPS Acquisition (together with the Preqin Acquisition, the "Proposed Acquisitions") which is currently expected to close in mid-2025, subject to regulatory approvals and customary closing conditions. BlackRock is subject to risks and uncertainties associated with the Proposed Acquisitions, including the risk that a condition to closing may not be satisfied or waived, the possibility of failure to obtain any outstanding necessary regulatory approvals, which may be outside the control of BlackRock or the acquired company, or the possibility that a Proposed Acquisition does not close in the anticipated timeframe or at all. BlackRock may not be able to realize the anticipated benefits of GIP Acquisition or the Proposed Acquisitions, including synergies, value creation or other benefits of such acquisition, fully or at all, or on the timeline BlackRock expects. At times, the resources of BlackRock and the acquired companies or the attention of certain members of their management may be focused on completion and integration of the acquisition and diverted from day-to-day business operations, which may disrupt ongoing business. In addition, the process of integrating each acquired company may have an adverse impact on the Company, including from risks related to significant transaction and integration costs, unknown liabilities, employee turnover, divergence of management attention, litigation and/or regulatory actions related to the acquisition or if the acquired business does not perform as expected, which may cause BlackRock's AUM, revenue and earnings to decline.

BlackRock's alternatives products include investments in early-stage companies, private equity portfolio companies and real assets, such as real estate, infrastructure and energy assets, which expose BlackRock and its funds and accounts to new or increased risks and liabilities, as well as reputational harm.

BlackRock's alternatives products include investments in early-stage companies, private equity portfolio companies and real assets, including real estate, infrastructure and energy assets, which expose BlackRock and its funds and accounts to increased risks and liabilities that are inherent in the ownership and management of such investments and portfolio companies. These include:

- risks related to the potential illiquidity, valuation and disposition of such investments;
- risks related to emerging and less established companies that have, among other things, short operating histories, new technologies and products, nascent control functions, quickly evolving markets and limited financial resources;
- construction risks, including as a result of force majeure, labor disputes or work stoppages, shortages of material or interruptions to the availability of necessary equipment;
- accidents, pandemics, health crises or catastrophic events, such as explosions, fires or terrorist activity beyond BlackRock's control;
- climate-related risks, including greater frequency or intensity of adverse weather and natural disasters;
- personal injury or property damage;
- failures on the part of third-party servicers and operators, including managers and contractors, appointed in connection with investments or projects to adequately perform their contractual duties or operate in accordance with applicable laws;
- risks related to investments in emerging markets, including economic and political risks and differences in legal or regulatory environments, which may make enforcement of legal obligations more difficult;
- exposure to stringent and complex non-US, federal, state and local laws, ordinances and regulations, including those related to financial crime, permits, government contracting, conservation, exploration and production, tenancy, occupational health and safety, foreign investment and environmental protection;
- environmental hazards, such as natural gas leaks, product and waste spills, pipeline and tank ruptures, and unauthorized discharges of products, wastes and other pollutants;
- changes to the supply and demand for properties and/or tenancies or fluctuations in the price of commodities;
- risks related to the availability, cost, coverage and other limitations on insurance;
- risks related to governance and oversight, including board oversight, of portfolio companies;
- the financial resources of tenants; and
- contingent liabilities on disposition of investments.

The above risks may expose BlackRock's funds and accounts to additional expenses and liabilities, including costs associated with delays or remediation, and increased legal or regulatory costs, all of which could impact the returns earned by BlackRock's clients. These risks could also result in direct liability for BlackRock by exposing BlackRock to losses, regulatory sanctions or litigation, including claims for compensatory or punitive damages. Similarly, market conditions may change during the course of developments or projects in which BlackRock invests and those changes may make such developments or projects less attractive than at the time they were commenced and potentially harm the investment returns of BlackRock's clients. These risks may be heightened as the Company expands its alternative products, including through the GIP Acquisition. The occurrence of any such events may expose BlackRock to reputational harm, divert management's attention away from BlackRock's other business activities or cause its AUM, revenue and earnings to decline.

Operating in international markets increases BlackRock's operational, political, regulatory and other risks.

As a result of BlackRock's extensive international operations, the Company faces associated operational, regulatory, reputational, political and foreign exchange rate risks, many of which are outside of the Company's control. Operating outside the US may also expose BlackRock to increased compliance risks, as well as higher costs to comply with US and non-US anti-corruption, anti-money laundering and sanctions laws and regulations. Similarly, certain jurisdictions in which BlackRock operates may not have comparable levels of protection for corporate assets, such as IP, and client information and records, to the US. As a result, there may also be heightened information security or privacy risks in those jurisdictions. Any theft or unauthorized use of data, technology or IP may negatively impact BlackRock's business operations and reputation. In addition, changes to the political or regulatory environment in a jurisdiction in which BlackRock operates, including increased restrictions or scrutiny, may adversely impact BlackRock's business or operating activities. The failure of the Company's systems of internal control to mitigate such risks, or of its operating infrastructure to support its global activities, could result in operational failures and regulatory fines and/or sanctions and impede the Company's growth, which may cause the Company's AUM, revenue and earnings to decline.

RISKS RELATED TO HUMAN CAPITAL

The potential for human error in connection with BlackRock's operational systems could disrupt operations, cause losses, lead to regulatory fines or damage the Company's reputation and may cause BlackRock's AUM, revenue and earnings to decline.

Many of BlackRock's operations are highly complex and are dependent on the Company's ability to process and monitor a large number of transactions, many of which occur across numerous markets and currencies at high volumes and frequencies. Although BlackRock expends considerable resources on systemic controls, supervision, technology and training in an effort to ensure that such transactions do not violate client guidelines, applicable rules and regulations or information barriers, or adversely affect clients, counterparties or the Company, BlackRock's operations are dependent on its employees. From time-to-time, employees make mistakes that are not always immediately detected by systems, controls, policies and procedures intended to prevent and detect such errors. These can include calculation errors, errors in software implementation or development, failure to ensure data security, follow processes, patch systems or timely report issues, or errors in judgment. Such risks may be exacerbated in times of increased market volatility, high trading volumes, significant changes in operation or business offerings, and workforce turnover (including turnover related to acquisitions). Human errors, even if promptly discovered and remediated, may disrupt operations or result in regulatory fines and/or sanctions, breach of client contracts, reputational harm or legal liability, which, in turn, may cause BlackRock's AUM, revenue and earnings to decline.

Fraud, the circumvention of controls or the violation of risk management and workplace policies could have an adverse effect on BlackRock's reputation, which may cause the Company's AUM, revenue and earnings to decline.

BlackRock seeks to foster a positive workplace culture, has adopted a comprehensive risk management framework and continues to enhance various controls, procedures, policies and systems to monitor and manage risks. Notwithstanding these measures, BlackRock cannot ensure that its workplace culture or such controls, procedures, policies and systems will successfully identify and manage internal and external risks, and BlackRock employees have in the past engaged in improper conduct. In addition, BlackRock is subject to the risk that its employees, contractors or other third parties may in the future deliberately or recklessly seek to circumvent established controls to commit fraud, pay or solicit bribes or otherwise act in ways that are inconsistent with the Company's controls, policies, procedures, workplace culture or principles. This risk may be heightened as BlackRock expands into new markets, increases the breadth of its business offerings and integrates acquisitions, all of which introduce additional complexity to its risk management program. The changing nature of the office environment, such as return to office arrangements and remote and alternative work models, could cause employees to become disconnected with corporate culture and policies, which may increase operational issues. Persistent attempts to circumvent policies and controls or repeated incidents involving fraud, conflicts of interests or transgressions of policies and controls could have an adverse effect on BlackRock's reputation, cause adverse publicity, and result in litigation, regulatory inquiries, fines and/or sanctions, which may cause the Company's AUM, revenue and earnings to decline.

The failure to recruit, train and retain employees and develop and implement effective executive succession could lead to the loss of clients and may cause AUM, revenue and earnings to decline.

BlackRock's success is largely dependent on the talents and efforts of its highly skilled workforce and the Company's ability to plan for the future long-term growth of the business by identifying and developing those employees who can ultimately transition into key roles within BlackRock. The global market for qualified fund managers, investment analysts, technology and risk specialists and other professionals is highly competitive. Factors that affect BlackRock's ability to attract, train and retain highly qualified employees include the Company's reputation and workplace culture, the immigration and public health policies in the jurisdictions in which BlackRock has offices, its approach to remote and alternative work models, the compensation and benefits it provides, the impact of acquisitions and its commitment to effectively managing executive succession, including the development and training of qualified individuals.

In addition, BlackRock pays certain of its employees in deferred compensation that is tied to the Company's share price or through incentive fees and carried interest related to certain investment funds. As such, decreases in BlackRock's share price or poor performance of the investment funds related to the incentive fees and carried interest could impair the retention value of such deferred compensation. There can be no assurance that the Company will continue to be successful in its efforts to recruit and retain employees and effectively manage executive succession. If BlackRock is unable to offer competitive compensation or otherwise attract, develop and retain talented individuals, or if it fails to effectively manage executive succession, the Company's ability to compete effectively and retain its existing clients may be materially impacted.

RISKS RELATED TO KEY THIRD-PARTY RELATIONSHIPS

The impairment or failure of third parties may negatively impact the performance of products and accounts that BlackRock manages, which may cause BlackRock's AUM, revenue and earnings to decline.

BlackRock's investment management activities expose the products and accounts it manages for its clients to many different industries and counterparties, including distributors, brokers and dealers, commercial and investment banks, clearing organizations, mutual and hedge funds, and other institutional clients. Transactions with counterparties expose BlackRock's clients to credit risk in the event the applicable counterparty defaults. Although BlackRock regularly assesses risks posed by its counterparties, such counterparties may be subject to sudden swings in the financial and credit markets that may impair their ability to perform or they may fail to meet their obligations. Counterparties may also experience lapses in their internal controls or risk management systems or expose BlackRock and/or its clients to losses resulting from employee malfeasance, negligence or human error. In addition, the concentration of certain financial institutions that BlackRock uses to facilitate securities and derivatives transactions for its clients, including clearing organizations, exchanges and central agents, increases the risk that a technical or operational issue at, or default by, one such institution could introduce operational issues or delays impacting multiple BlackRock clients. Any such operational issue, impairment or failure could negatively impact the performance of products that BlackRock manages for its clients, which may lead to client attrition and, in turn, cause BlackRock's AUM, revenue and earnings to decline.

The failure of key third-party providers to BlackRock to fulfill their obligations or a failure by BlackRock to maintain its relationships with key third-party providers could have a material adverse effect on BlackRock's growth, reputation or business, which may cause the Company's AUM, revenue and earnings to decline.

BlackRock depends on a number of key third-party providers for various fund administration, accounting, custody, market and environmental, social and governance ("ESG") data, market indices, insurance, technology and AI, cloud hosting and transfer agent roles and other distribution and operational needs. Further, BlackRock relies upon a relatively concentrated group of third-party index providers to deliver services that are integral to its clients' investment decisions. The index provider industry is characterized by large vendors and the use of long-term contracts remains the market standard. This industry structure may limit BlackRock's ability to renegotiate its index provider contracts on favorable terms or at all. While BlackRock performs focused diligence on its vendors in an effort to ensure they operate in accordance with expectations and required obligations, to the extent any significant deficiencies are uncovered, there may be few, or no, alternative vendors available. In addition, BlackRock's operations and processes rely on commercially available data provided by third parties as well as providers of services, including technology services, and operating errors, process delays and failures or failures to comply with data usage requirements with respect to these service providers may adversely impact BlackRock. Data providers commonly disclaim the accuracy and completeness of data and BlackRock does not have the ability to validate or verify the accuracy and completeness of commercially sourced datasets. Moreover, in situations where BlackRock has limited access to alternative vendors, or where the nature of BlackRock's arrangement with a vendor requires a long term-commitment, BlackRock may be dependent on such vendor for continuous operational reliability and may incur additional costs if such vendor introduces required upgrades to its services.

BlackRock may from time to time transfer key contracts from one third-party provider to another. Key contract transfers may be costly and complex and expose BlackRock to heightened operational and legal risks. Any failure to mitigate such risks could result in reputational harm as well as financial losses to BlackRock and its clients. The failure or inability of BlackRock to diversify its sources for key services or the failure of any key third-party provider to fulfill its obligations could result in activities inconsistent with clients' investment management or other agreements, have an adverse financial impact on BlackRock products or lead to operational, legal and regulatory issues for the Company, which could result in reputational harm or legal liability, fines and/or sanctions and may cause BlackRock's AUM, revenue and earnings to decline.

Any disruption to the Company's distribution channels may cause BlackRock's AUM, revenue and earnings to decline.

BlackRock relies on a number of third parties to provide distribution, portfolio administration and servicing for certain BlackRock investment management products and services through their various distribution channels. BlackRock's ability to maintain strong relationships with its distributors may impact the Company's future performance, and its relationships with distributors are subject to periodic renegotiation that may result in increased distribution costs and/or reductions in the amount of BlackRock products and services being marketed or distributed. Moreover, new fiduciary regulations could lead to significant shifts in distributors' business models and more limited product offerings, potentially resulting in reduced distribution and/or marketing of certain of the Company's products and services and fee compression. If BlackRock is unable to distribute its products and services successfully or if it is unable to replace or renew existing distribution arrangements, BlackRock's AUM, revenue and earnings may decline. In addition, improper activities, as well as inadequate anti-money laundering and sanctions diligence conducted by third-party distributors, could create reputational and regulatory harm to BlackRock.

Key technology partnerships may expose BlackRock to increased regulatory oversight, as well as migration, execution, technology and operational risks.

BlackRock has a number of key strategic partnerships, including with Microsoft. For instance, the Aladdin infrastructure and environment for BlackRock and its external Aladdin clients are hosted on Microsoft Azure. BlackRock has also migrated certain systems that support its corporate functions to cloud-based platforms. The benefits of cloud-based platforms are significant and BlackRock has adopted a robust risk-based approach to its migration strategies. However, these partnerships also introduce new risks, including: (1) risks associated with relying on third-parties for aspects of infrastructure reliability and stability; (2) software and information security risks arising from the use of cloud technology; (3) operational and execution risks; and (4) risks related to increased regulatory oversight and new compliance obligations, which risks may be further exacerbated as BlackRock and the Aladdin platform continue to grow. A prolonged global failure of cloud services could also impact BlackRock's other systems. Failures by BlackRock to manage these risks, and/or risks associated with future technology partnerships, may result in escalating costs, financial loss, client dissatisfaction or attrition, regulatory fines and/or sanctions, reputational harm or legal liability, which, in turn, may cause BlackRock's AUM, revenue and earnings to decline.

Disruption to the operations of third parties whose functions are integral to BlackRock's exchange-traded fund ("ETF") platform may adversely affect the prices at which ETFs trade, particularly during periods of market volatility.

BlackRock is the largest provider of ETFs globally. Shares of ETFs trade on stock exchanges at prices at, above or below the ETF's most recent net asset value ("NAV"). The NAV of an ETF is calculated at least once daily, generally at the end of each business day, and fluctuates with changes in the market value of the ETF's holdings. The trading price of the ETF's shares fluctuates continuously throughout trading hours. The creation/redemption feature and arbitrage mechanism of an ETF are designed to make it more likely that the ETF's shares normally will trade at prices close to the NAV. Notwithstanding these features, exchange prices have in the past deviated measurably from the NAV of certain ETFs and may under certain circumstances do so in the future. ETF market prices are subject to numerous potential risks, including trading halts invoked by a stock exchange, and the inability or unwillingness of market makers, authorized participants, settlement systems or other market participants to perform functions necessary for an ETF's arbitrage mechanism to function effectively. These risks may be heightened as a result of significant market volatility, the growth of the ETF industry combined with increased market activity, as well as the complexity associated with certain products or asset classes, such as digital assets. Moreover, if market events lead to incidents where ETFs trade at prices that deviate meaningfully from an ETF's NAV, or trading halts are invoked by the relevant stock exchange or market, investors may lose confidence in ETF products and redeem their holdings, which may cause BlackRock's AUM, revenue and earnings to decline.

LEGAL, REGULATORY AND REPUTATIONAL RISKS

BlackRock is subject to extensive regulation around the world, which increases its cost of doing business.

BlackRock's business is subject to extensive regulation around the world. These regulations subject BlackRock's business activities to an array of increasingly detailed operational requirements, compliance with which is costly and complex.

In addition, many of BlackRock's legal entities are subject to laws and regulations aimed at preventing corruption, money laundering, inappropriate employment practices, illegal payments and engaging in business activities with certain individuals, countries or groups, including but not limited to the US Foreign Corrupt Practices Act, the USA PATRIOT Act, the Bank Secrecy Act, the EU Anti-Money Laundering Directives, the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017, the UK Bribery Act, sanctions imposed by the US Treasury's Office of Foreign Assets Control, the United Nations and the EU and its member states, as well as those imposed by other countries in which BlackRock operates, such as His Majesty's Treasury's ("HMT") Office of Financial Sanctions Implementation.

BlackRock is also subject to certain risk retention rules and regulation, as well as regulatory capital requirements, which require the Company to maintain capital to support certain of its businesses. Furthermore, many jurisdictions in which BlackRock operates have laws and regulations relating to data privacy, cybersecurity and protection of personal information, including the GDPR and UK GDPR, which impose stringent data protection rules for individuals within the European Economic Area ("EEA") and UK, respectively, and for personal data exported outside the EEA and UK.

BlackRock is additionally subject to scrutiny from various government agencies that focus on antitrust and competition laws and regulations within the US and internationally, including in connection with merger control proceedings and proposed investments. Any determination of a failure to comply with any such laws or regulations could result in fines and/or sanctions against the Company, as well as reputational harm. Moreover, to the extent that these laws and regulations become more stringent, or if BlackRock is required to hold increased levels of capital to support its businesses, the Company's financial performance or plans for growth may be adversely impacted.

BlackRock may also be adversely affected by a failure to comply with existing laws and regulations or by changes in the interpretation or enforcement of such laws and regulations, including those discussed above. Challenges associated with interpreting regulations issued in numerous countries in a globally consistent manner may add to such risks if regulators in different jurisdictions have inconsistent views or provide only limited regulatory guidance. In particular, violation of applicable laws or regulations could result in fines and/or sanctions, temporary or permanent prohibition of certain activities, reputational harm and related client terminations, suspensions of employees or revocation of their licenses, suspension or termination of investment adviser, broker-dealer or other registrations, or suspension or termination of BTC's bank charter or other sanctions, which could have a material adverse effect on BlackRock's reputation or business and may cause the Company's AUM, revenue and earnings to decline. For a more extensive discussion of the laws, regulations and regulators to which BlackRock is subject and regulated by, see Item 1, *Business – Regulation*.

New regulations informed by global standard setters and/or developed by various national authorities may expose BlackRock to increasing regulatory scrutiny and compliance costs in the jurisdictions in which it operates.

Policymaking workstreams focused on the financial services sector led by global standard setters, such as the Financial Stability Board ("FSB") and International Organization of Securities Commissions ("IOSCO"), may lead to or inform new regulations in multiple jurisdictions in which BlackRock operates. Such workstreams have focused on areas such as money market funds ("MMFs"), open-ended funds ("OEFs") and sustainability regulations. BlackRock is, and may become, subject to increasing regulation in these areas, see Item 1, *Business – Regulation*, including:

- ***Macroprudential Policies for Asset Managers:*** Concerns about liquidity and leverage risks in the asset management industry and wider market-based finance sector have prompted a broad review of existing regulations globally, including an assessment of the adequacy of certain structural market components in mitigating risks, by the FSB, IOSCO, the US Securities and Exchange Commission (the "SEC") and the Financial Stability Oversight Council ("FSOC"). In November 2022, the SEC proposed amendments to rules governing OEF liquidity risk management. The EU launched a consultation on macroprudential policies in 2024, including enhanced requirements for liquidity management tools, which may lead to new restrictions on management of OEFs. The UK proposed introducing liquidity facilities to certain asset owners, which could result in regulatory burdens on asset managers. If any of these regulatory or policy actions result in broad application of macroprudential tools to OEFs or require changes to structural features of certain OEFs, it could limit BlackRock's ability to offer products to certain clients and/or result in clients altering their investment strategies or allocations in a manner that is adverse to BlackRock.

- **Global MMF Reforms:** Following the market events of March 2020, US, UK and EU authorities initiated a review of existing regulatory frameworks with the aim of improving the resilience of MMFs in market downturns. In the US, the SEC adopted changes to Rule 2a-7, the primary rule under the Investment Company Act of 1940 governing MMFs, including changes to required liquidity levels and requiring mandatory liquidity fees under certain circumstances. The UK released a consultation in December 2023 indicating their intent to change regulatory requirements for MMFs domiciled in the UK, including material increases in required liquidity levels. The EU consultation on macroprudential policies mentioned above may also result in changes to the regulations of EU-domiciled MMFs. Depending on the terms of the final UK and EU reforms, certain of BlackRock's MMF products could be adversely impacted.
- **Sustainability:** Sustainability has been the subject of regulatory focus across jurisdictions. Disclosure standards aligned with the International Sustainability Standards Board's ("ISSB") inaugural disclosure standards have been adopted by several national regulators, including in Hong Kong, Singapore and Australia, while others are expected to propose ISSB-aligned standards, such as the UK, Canada and Japan. However in the US, final rules issued by the SEC requiring corporate issuers to make climate-related disclosures in their periodic reports are pending litigation, and as of February 2025, the SEC was revisiting its litigation position. The SEC has previously proposed rules requiring enhanced ESG disclosures by investment companies and investment advisers in fund and adviser filings, including disclosures on ESG strategies and how ESG factors are considered and GHG emissions disclosure by certain environmentally focused funds. It also increased scrutiny of disclosure and compliance issues relating to investment advisers' and funds' ESG strategies, policies and procedures. In addition, the US Department of Labor ("DOL") issued final rules clarifying that Employee Retirement Income Security Act of 1974, as amended ("ERISA") plan fiduciaries can consider the economic effects of ESG factors for purposes of investing ERISA plan assets and exercising voting rights with respect to plan investments. In 2023, California passed several laws requiring certain companies doing business in California to publish certain types of climate-related disclosures, and other states may adopt similar laws.

The EU has enacted numerous sustainability regulations, including (1) the Sustainable Finance Disclosure Regulation, requiring sustainability-related disclosures by financial market participants; (2) the EU Taxonomy Regulation, requiring asset managers to report against an EU-wide taxonomy of environmentally sustainable activities and make detailed disclosures relating to ESG characteristics of funds and portfolios; (3) the Corporate Sustainability Reporting Directive ("CSRD"), requiring enhanced sustainability reporting for EU-based and EU-listed companies, and from 2028, for a wider group of global companies; and (4) the Corporate Sustainability Due Diligence Directive ("CSDDD"), requiring in-scope EU companies and certain non-EU companies to manage actual or potential adverse impacts of their activities and their supply chains on human rights and environmental matters. The European Commission ("EC") is reviewing and may amend aspects of the CSRD, CSDDD and EU Taxonomy Regulation. Meanwhile, the UK continues to work on implementation of its Sustainability Disclosure Requirements.

The EU and the UK Financial Conduct Authority ("FCA") have issued rules and guidelines on the use of ESG or sustainability related terms in fund names. In addition, the EU adopted regulations on ESG rating providers applicable in mid-2026 while the UK is expected to propose new legislation on ESG rating providers. Japan and Singapore have published codes of conduct for ESG data and rating providers, with Hong Kong considering a similar approach, while India introduced a regulatory framework for ESG rating providers in July 2023.

As jurisdictions continue to develop and implement sustainability regulations and litigation challenging such regulations increases, BlackRock faces greater fragmentation risk related to local application of regulations, resulting in complex and conflicting compliance obligations and legal and regulatory uncertainty.

Global regulatory reforms could require BlackRock to alter its future business or operating activities, which could be time-consuming and increase costs, including costs related to regulatory compliance, result in litigation, impede the Company's growth and cause its AUM, revenue and earnings to decline. Regulatory reform may also impact BlackRock's clients, which could cause them to change their investment strategies or allocations in manners that may be adverse to BlackRock.

Regulatory reforms in the US expose BlackRock to increasing regulatory scrutiny, as well as regulatory uncertainty.

In recent years, a number of regulatory reforms have been proposed or fully or partially implemented in the US, and the level of regulatory scrutiny to which BlackRock is subject has increased. BlackRock, as well as its clients, vendors and distributors, have expended resources and altered certain of their business or operating activities to prepare for, address and meet the requirements that such regulatory reforms impose. New or proposed changes to laws, regulations, policies, initiatives and other government actions may be difficult to anticipate, which provides additional uncertainty and may heighten the Company's risks related to such actions. While BlackRock is, and may become, subject to numerous reform initiatives in the US, see Item 1, *Business – Regulation*, key regulatory reforms that may impact the Company include:

- **Antitrust Rules and Guidance:** In October 2024, the Federal Trade Commission ("FTC"), with concurrence from the Antitrust Division of the Department of Justice (the "DOJ") approved amendments to rules enacted under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR") that require parties in certain transactions to provide the FTC and DOJ prior notice and observe a waiting period before consummation of such transactions. The final amendments significantly expanded the information required to be reported and documents to be submitted in connection with an HSR filing, which will likely substantially increase any pre-merger notification expenses and may delay transactions. In December 2023, the FTC and DOJ also jointly issued new merger guidelines, which could impact (1) the ability of the Company to expand its services through strategic investments or acquisitions and (2) funds that engage in transactions reportable under HSR.
- **Designation as a Systemically Important Financial Institution ("SIFI"):** The FSOC has the authority to designate nonbank financial institutions as SIFIs in the US under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. In November 2023, the FSOC finalized amendments to its existing interpretive guidance to remove the prioritization of an activities-based approach over an entity-specific approach to designation in connection with addressing potential risks to financial stability, although the amendment clarified that the FSOC retained the ability to use an activities-based approach when appropriate. If BlackRock is designated as a SIFI, it could become subject to enhanced regulatory and capital requirements and direct supervision by the Federal Reserve.
- **SEC Rules Governing Security-Based Swaps:** In 2021, the SEC proposed rules in connection with security-based swaps ("SBS") transactions to require public reporting of large SBS positions, which, if adopted as proposed, may affect the types of transactions BlackRock may choose to execute in SBS or other SBS-related assets, introduce or increase costs relating to such transactions, and impact the liquidity in the SBS markets in which BlackRock transacts.

- **SEC Rules on Form PF:** In 2023 and 2024, the SEC adopted new rules and amendments to Form PF for registered investment advisers requiring new disclosures, filing obligations and enhanced reporting. Implementing these rules and amendments may significantly increase BlackRock's reporting, disclosure and compliance obligations and create operational complexity for BlackRock's alternatives products.
- **US DOL Fiduciary Rule:** The US DOL adopted new regulation redefining the meaning of "investment advice fiduciary" under ERISA as well as amendments to several prohibited transaction exemptions applicable to investment advice fiduciaries, which would substantially expand when a person would be considered a fiduciary subject to ERISA and could require BlackRock to revise a number of its distribution relationships, create compliance and operational challenges for BlackRock and its distribution partners, and limit BlackRock's ability to provide certain services to applicable clients. In July 2024, federal courts issued stays on the regulation and implementation has been postponed pending further notice.
- **SEC US Treasury Clearing Mandate:** In December 2023, the SEC adopted rules mandating central clearing of US Treasury repurchases and certain other Treasury transactions. The rules require many market participants, including a large number of BlackRock funds and accounts, to clear Treasury repurchase transactions and potentially certain cash Treasury securities transactions through a clearing agency registered with the SEC, which could increase transaction costs for BlackRock's clients.
- **Proposed Rules on Equity Market Structure:** In 2023, the SEC proposed equity market structure reforms that would significantly change how national market system ("NMS") stock orders are priced, executed and reported. The reforms include: (1) a requirement for certain retail orders to be subject to order-by-order competition, (2) a best execution rule and (3) an adjustment to the tick sizes at which NMS stocks can be quoted or traded. In 2024, the SEC adopted the rule adjusting NMS tick sizes. If the other proposed rules are enacted as proposed, their collective impact may adversely affect market efficiency and execution costs, which would result in negative effects for BlackRock's business and clients.
- **SEC Rules on Short Sales and Reporting of Securities Loans:** In 2023, the SEC adopted a new rule requiring certain institutional managers to report short positions and activity to the SEC for publication on an aggregate basis, which could impact investment strategies and result in greater operational burdens and cost for BlackRock. The SEC also adopted a new rule requiring certain persons to report information on securities loan transactions to a registered national securities association which will then publish certain information. The rule may increase BlackRock's operational burdens and costs.
- **SEC Predictive Data Analytics Rules:** The SEC proposed new rules in 2023 that would require broker-dealers and investment advisers, when engaging or communicating with investors using predictive data analytics ("PDA") and PDA-like technologies, to evaluate such technologies for conflicts of interest and, where identified, eliminate or neutralize the conflict of interest. If adopted as proposed, the rules could encompass a wide range of forward-looking uses of technology applications and impose significant operational burdens and costs.
- **Financial Crimes Enforcement Network Rule for Registered Investment Advisers:** In August 2024, the Financial Crime Enforcement Network ("FinCEN") issued a final rule which will require registered investment advisers to adopt new anti-money laundering requirements beginning in 2026. Under the rule, registered investment advisers will be required to establish written risk-based anti-money laundering programs and report suspicious activity to FinCEN under the Bank Secrecy Act of 1970 (the "Bank Secrecy Act"), as well as comply with Bank Secrecy Act reporting and recordkeeping requirements, which may increase BlackRock's compliance burdens and costs.
- **SEC Rulemakings for US Registered Funds and Investment Advisers:** The SEC has engaged in various initiatives and reviews impacting regulatory structure governing the asset management industry and registered investment companies. For example, the SEC adopted rules requiring certain funds to provide tailored fund shareholder reports, adopted final amendments to the rule governing fund names, expanding the scope of the rule to fund names including growth, value, ESG or similar terms, and proposed rules governing outsourcing of certain functions by investment advisers to service providers.

Regulatory reforms in the US could require BlackRock to alter its future business or operating activities, which could be time-consuming and costly, increase regulatory compliance costs, result in litigation, impede the Company's growth and cause its AUM, revenue and earnings to decline. Regulatory reform may also impact BlackRock's clients, which could cause them to change their investment strategies or allocations in manners that may be adverse to BlackRock.

International regulatory reforms expose BlackRock to increasing regulatory scrutiny, as well as regulatory uncertainty.

BlackRock's business and operating activities are subject to increasing regulatory oversight outside of the US and the Company may be affected by several proposed or implemented reform initiatives in the EMEA and the Asia-Pacific regions, as well as volatility associated with international regulatory uncertainty. While BlackRock is, and may become, subject to numerous reform initiatives internationally, see Item 1, *Business – Regulation*, key reforms in these regions include:

European Union

- **Enhanced Regulatory Scrutiny of Technology Service Providers to Financial Services Firms:** The EU's Digital Operational Resilience Act ("DORA"), which focuses on direct regulation of providers and users of technology and data services, became applicable beginning in January 2025. DORA, among other things: (1) introduces additional governance, risk management, incident reporting, resilience testing and information sharing requirements to several of BlackRock's European entities and certain Aladdin clients; and (2) may potentially subject Aladdin to additional oversight. The European Supervisory Authorities will use data collected under DORA to assess which third party suppliers should be designated as critical to the EU financial system and become subject to further regulatory oversight. In 2024, the UK issued final policies regulating services provided by certain third parties designated by HMT as "critical" to the financial sector, which became effective in January 2025. Entities designated as "critical" will be required to provide additional information to financial regulators, engage in resilience testing and report major incidents like cyber-attacks, natural disasters and power outages.
- **Retail Investment Strategy:** The EU continues to consider a proposed Retail Investment Strategy package of amendments intended to enhance protections for retail investors. When enacted, these changes could impact clients' product preferences and may increase costs for BlackRock in European markets due to additional requirements on distributors and product providers.

- **EMIR 3.0:** The EU legislative package known as “EMIR 3.0” introduces key changes to clearing, margining and reporting requirements in the European Market Infrastructure Regulation (EMIR), including: (1) a requirement to hold an “active account” with an EU central counterparty for clearing certain euro-denominated instruments; (2) new reporting requirements for cleared trades; (3) revised clearing thresholds for financial and non-financial counterparties; and (4) amendments related to clearing to the UCITS directive. EMIR 3.0 is expected to impact EU counterparties as well as UK and non-EU entities trading with EU firms, and the collective impact of the package may increase operational complexity, necessitate a reassessment of clearing and trading strategies, and lead to higher transaction costs for BlackRock and its clients.

United Kingdom

- **FSMA 2023:** The Financial Services and Markets Act 2023 (“FSMA”) reflects significant changes to the UK framework for financial services regulation, including changes that: (1) revoke, amend or retain EU law on financial services regulation, (2) amend the UK Markets in Financial Instruments Directive and Markets in Financial Instruments Regulation frameworks, (3) establish a new designated activities regime and (4) reform the financial promotion regime for unauthorized firms. Other reforms building upon the FSMA and potentially impacting the asset management sector include: (1) replacement of the packaged retail and insurance based investment products (“PRIIPs”) Regulation; (2) review of the UK’s green finance strategy, including regulation of ESG data providers, UK taxonomy and disclosure requirements; (3) review of governance through the Senior Managers and Certification Regime; (4) repeal of EU legislation on the European Long-Term Investment Fund; (5) market infrastructure reforms, including transition to T+1 settlement; (6) reassessment of the boundary between investment advice and financial guidance; (7) a new UK cryptoasset regime; and (8) continuing reforms to the UK listing regime.
- **Overseas Fund Regime (“OFR”):** OFR, the simplified regime through which non-UK funds can register with the FCA to be marketed to UK retail investors, was enacted in February 2022 and continues to be implemented through 2025. For certain types of funds, OFR requires consumer protection regimes in EU countries where such BlackRock funds are domiciled to be found equivalent to the UK’s regime in order to market the funds in the UK.
- **Conduct Regulation:** The FCA continues to focus on conduct regulation, including the implementation of the Consumer Duty by all asset management firms, including BlackRock’s UK subsidiaries. The Consumer Duty rules require firms to act to deliver good outcomes for retail customers in their manufacture and distribution of products and services, in respect of price and value, consumer understanding and consumer support. Any failure to meet the FCA’s regulatory expectations could expose BlackRock to regulatory sanctions and increased reputational risk.
- **UK Stewardship Code Review:** In 2024, the UK Financial Reporting Council released a consultation on reforms to the UK Stewardship Code, including tailored reporting requirements for proxy advisers and investment consultants, which may impact BlackRock’s activities on behalf of its clients.

Asia-Pacific

- **Regulatory Environment in China:** The Company’s operations in China are subject to a number of regulatory risks, including an evolving regulatory environment and complex data security and data transfer regulations. These factors may increase compliance risk and costs, limit the Company’s ability to source and execute new investment opportunities and lead to impairment losses on its investments. Restrictions on transfers of certain types of onshore data of the Company’s Chinese entities to offshore entities also may limit BlackRock’s ability to aggregate, report and monitor such data on its global platform. In addition, a number of regulators in China have jurisdiction over BlackRock’s business operations, increasing operational and regulatory engagement complexity. These risks may be further heightened by additional scrutiny by Chinese regulators of certain sectors, such as technology and other industries that might be deemed to be of national importance.

International regulatory reforms could require BlackRock to alter its future business or operating activities, which could be time-consuming and costly, increase regulatory compliance costs, result in litigation, impede the Company’s growth and cause its AUM, revenue and earnings to decline. Regulatory reform may also impact BlackRock’s clients, which could cause them to change their investment strategies or allocations in manners that may be adverse to BlackRock.

Legal proceedings may cause the Company’s AUM, revenue and earnings to decline.

BlackRock is subject to a number of sources of potential legal liability and the Company, certain of the investment funds it manages and certain of its subsidiaries and employees have been named as defendants in various legal actions, including arbitrations, class actions and other litigation arising in connection with BlackRock’s activities. Certain of BlackRock’s subsidiaries and employees are also subject to periodic examination, special inquiries and potential proceedings by regulatory authorities, including the SEC, Office of the Comptroller of the Currency (“OCC”), DOL, Commodity Futures Trading Commission, the FCA, Commission de Surveillance du Secteur Financier and Federal Reserve. Similarly, from time to time, BlackRock receives subpoenas or other requests for information from various US state and federal as well as non-US governmental and regulatory authorities in connection with certain industry-wide, company-specific or other investigations, proceedings or litigations. Governmental or regulatory authorities have and could in the future institute proceedings and/or seek to impose sanctions for violations. Any such action may also result in litigation by investors in BlackRock’s funds, other BlackRock clients or BlackRock’s shareholders. Such legal proceedings could harm the Company’s reputation and may cause its AUM, revenue and earnings to decline, potentially harm the investment returns of the applicable fund, or result in the Company being liable for damages.

In addition, when clients retain BlackRock to manage their assets or provide them with products or services, they typically specify contractual requirements or guidelines that BlackRock must observe in the provision of its services. A failure to comply with these guidelines or requirements could expose BlackRock to lawsuits, harm its reputation or cause clients to withdraw assets or terminate contracts.

BlackRock faces increasing focus from regulators, officials, clients and other stakeholders regarding environmental and social-related matters, which may adversely impact its reputation and business.

BlackRock faces increasing focus from regulators, officials, clients and other stakeholders regarding environmental and social-related matters. BlackRock offers choice to its clients who have a variety of goals and preferences, including those who want to increase their exposure to the low-carbon transition and those who choose not to invest in products or strategies with sustainable investment objectives. BlackRock is subject to competing demands from different stakeholder groups with divergent views on environmental and social-related matters, including in countries in which BlackRock operates and invests, as well as in countries, states and localities where BlackRock serves public sector clients. This divergence has and continues to increase the risk that any perceived or actual action or lack thereof by BlackRock on such matters on behalf of its clients will be viewed differently by various stakeholders and adversely impact BlackRock's reputation and business, including through withdrawals, redemptions, terminations or decisions not to commit or invest new capital by clients, as well as legal and governmental action and scrutiny. Some US states and state officials have adopted or proposed legislation or otherwise raised concerns about BlackRock's business practices. In certain instances, this has led them to take official positions restricting or prohibiting state government entities from doing certain business with entities identified by the state as "boycotting" or "discriminating" against particular industries or considering environmental and social factors in their investment processes and proxy voting. Other states and localities may adopt similar legislation or other environmental and social-related laws and positions that adversely impact BlackRock's business. BlackRock has previously communicated and may communicate certain initiatives and goals for its corporate activities related to the environment, human capital management, and other environmental and social-related matters. BlackRock faces criticism for the scope or nature of certain initiatives or goals and may face additional criticism for revisions thereto. If BlackRock is not able to successfully manage environmental and social-related expectations across varied stakeholder interests, it may adversely affect BlackRock's reputation, ability to attract and retain clients, employees, shareholders and business partners or result in litigation, legal or governmental action, which may cause its AUM, revenue and earnings to decline.

Damage to BlackRock's reputation may harm its business.

BlackRock's reputation is critical to its relationships with its clients, employees, shareholders and business partners. BlackRock's reputation may be harmed by, among other factors, regulatory, enforcement or other governmental actions, technology or operational failures, poor investment performance, ineffective management or monitoring of key third-party relationships, ransomware or other cybersecurity incidents, privacy incidents, employee errors or misconduct, failures to manage risks or conflicts of interest, or legal actions related to BlackRock or its products and services. In addition, BlackRock's business, scale and investments subject it to significant media coverage and increasing attention from a broad range of stakeholders. This heightened scrutiny has resulted in negative publicity and adverse actions for BlackRock and may continue to do so in the future. Any perceived or actual action or lack thereof, or perceived lack of transparency, by BlackRock on matters subject to scrutiny, such as environmental and social matters, may be viewed differently by various stakeholders and adversely impact BlackRock's reputation and business, including through redemptions or terminations by clients, and legal and governmental action and scrutiny. BlackRock's global presence and investments on behalf of its clients around the world could also lead to heightened scrutiny and criticism in an increasingly fragmented geopolitical landscape. For example, BlackRock has received criticism from some stakeholders because of its operations and investments in certain countries on behalf of clients, including China. These criticisms could adversely impact BlackRock's reputation and business. In addition, the increasing popularity of social media and non-mainstream Internet news sources may lead to faster and wider dissemination of adverse publicity, inaccurate information or disinformation campaigns about BlackRock, making effective remediation more difficult. Damage to BlackRock's reputation may impact BlackRock's ability to attract and retain clients, employees, shareholders and business partners, which may cause its AUM, revenue and earnings to decline.

A failure to effectively manage potential conflicts of interest could result in litigation or enforcement actions and/or adversely affect BlackRock's business and reputation, which may cause BlackRock's AUM, revenue and earnings to decline.

As a global investment management firm that provides investment and technology services to a diverse range of clients, the Company must routinely address and manage conflicts of interest, as well as the perception of conflicts of interest, between itself and its clients, employees or vendors. While BlackRock has policies, controls and disclosure protocols in place to manage and address potential conflicts of interest, identifying and mitigating conflicts of interest can be complex and is the subject of increasing regulatory and media scrutiny. It is possible that actual, potential or perceived conflicts could give rise to investor or client dissatisfaction, adverse publicity, litigation or enforcement actions. In particular, BlackRock's broad range of investment, advisory and technology offerings, and its focus on providing clients with whole portfolio solutions, may result in clients working with multiple BlackRock businesses and/or BlackRock being engaged by institutions that have a nexus to industries or jurisdictions in which BlackRock operates, which may increase the potential for actual or perceived conflicts of interest and improper information sharing. To the extent that BlackRock fails, or appears to fail, to deal appropriately with any conflict of interest, it may face adverse publicity, reputational damage, litigation, regulatory proceedings, client attrition, penalties, fines and/or sanctions, any of which may cause BlackRock's AUM, revenue and earnings to decline.

A subsidiary of BlackRock is subject to US banking regulations that may limit its business activities.

BlackRock's trust bank subsidiary, which is a national banking association chartered by the OCC, is subject to OCC regulation and capital requirements that may limit its business activities. The OCC has broad supervisory and enforcement authority over BlackRock's trust bank. Having a subsidiary subject to banking regulation may put BlackRock at a competitive disadvantage because certain of its competitors are not subject to the limitations imposed by such regulation.

The implications of complying with threshold limits and/or any failure to comply with ownership reporting requirements could result in harm to BlackRock's reputation, impact the performance of certain BlackRock funds and may cause its AUM, revenue and earnings to decline.

Of note among the various regulations to which BlackRock is subject are the extensive and increasingly stringent regulatory reporting requirements that necessitate the monitoring and reporting of issuer exposure levels (thresholds) across the holdings of managed funds and accounts and those of the Company. The specific triggers and the reporting methods that these threshold filings entail vary significantly by regulator and across jurisdictions. BlackRock continues to invest in technology, training and its employees to further enhance its monitoring and reporting functions. Despite these investments, the complexity of the various threshold reporting requirements combined with the breadth of the assets managed by the Company and high volume of securities trading have caused errors and omissions to occur in the past and pose a risk that errors or omissions may occur in the future. Any such errors may expose BlackRock to monetary penalties or other sanctions, which could have an adverse effect on BlackRock's reputation and may cause its AUM, revenue and earnings to decline.

Moreover, as BlackRock's business grows it is becoming subject to a greater number of regulatory, industry-level or issuer-specific threshold limits and scrutiny that may prevent BlackRock from holding positions in certain equity securities, securities convertible into equity securities or futures contracts in excess of certain thresholds. In addition, regulators are reviewing and considering changes to their regulatory frameworks on threshold limits and ownership reporting requirements. These changes may result in significant operational impacts and costs to BlackRock and its products depending on their scope. Although BlackRock is actively engaged in regulatory, issuer-specific and structural initiatives to create additional investment capacity, threshold limits may nonetheless prevent the purchase of certain securities which may, in turn, impact the performance of certain BlackRock index funds by increasing tracking error relative to the funds' benchmarks, impact the performance of certain BlackRock actively managed funds by preventing them from taking advantage of alpha generating opportunities, and impede the Company's growth.

BlackRock has been the subject of commentary citing concerns about the scale of its index investing business, as well as purported competition issues relating to the common ownership theory.

As a leader in the index investing and asset management industry, BlackRock has been the subject of commentary citing concerns about the growth of index investing and concentrated proxy voting power. Some commentators have argued that continued growth of index funds has the potential to impact stock market competitiveness by exacerbating stock price moves and market volatility. Some commentators, regulators and lawmakers have also argued that index managers have accumulated outsized influence through the proxy voting power their clients have assigned them. Some have proposed limitations on the ability of index fund managers to vote or engage on behalf of their clients, or indicated that voting and engagement on certain topics should trigger changes in regulatory status. Additional commentary focuses on the common ownership theory, an academic theory stating that minority ownership of multiple companies within a single industry by the same investor leads to anticompetitive effects. This theory purports to link aggregated equity positions in certain industries with higher consumer prices and executive compensation and lower wages and employment rates, among other things. In 2021, the FTC identified common ownership as a key enforcement area and passed a resolution empowering individual commissioners to investigate shareholder conduct in connection with common ownership. In 2023, the FTC and DOJ released new merger guidelines recognizing that common ownership may reduce competitive incentives and in 2024, the FTC and DOJ submitted a joint comment letter to the Federal Energy Regulatory Commission ("FERC") encouraging FERC to consider common ownership as a relevant factor in updating regulatory relief available to asset managers. Common ownership may be given greater consideration in regulatory investigations, studies, rule proposals, policy decisions and/or the scrutiny of mergers and acquisitions. The debate on common ownership has been on the agenda of lawmakers, policymakers and competition regulators globally, and common ownership may continue to be a consideration for the EC and European Parliament, among others. There is substantial literature casting doubt on the assumptions, data, methodology and conclusions associated with the common ownership theory, including research conducted by staff of regulatory agencies. Competition regulators, including at the FTC and UK Competition & Markets Authority ("CMA"), have acknowledged that the debate around the theory remains unsettled. Nevertheless, some commentators have proposed remedies, including limits on the ownership stakes of common owners that, if enacted into policy, could have a negative impact on the capital markets, as well as increase costs and limit the availability of products for investors. Such policy solutions could, in turn, adversely affect BlackRock.

New tax legislation or changes to existing US and non-US tax laws, treaties and regulations or challenges to BlackRock's historical taxation practices may adversely affect BlackRock's effective tax rate, business and overall financial condition.

BlackRock's businesses may be directly or indirectly affected by tax legislation and regulation, or the modification of existing tax laws, by US or non-US tax authorities. Legislation at both the US federal and state level has been previously proposed to enact a financial transaction tax ("FTT") on stocks, bonds and a broad range of financial instruments and derivative transactions. In the EU, certain Member States have also enacted similar FTTs and the EC has proposed legislation to harmonize these taxes and provide for the adoption of EU-level legislation applicable to some (but not all) EU Member States. If enacted as proposed, FTTs could have an adverse effect on BlackRock's financial results and clients' performance results.

The Organisation for Economic Cooperation and Development ("OECD") has proposed certain international tax reforms, which, among other things, would (1) shift taxing rights to the jurisdiction of the consumer ("Pillar One") and (2) establish a global minimum tax for multinational companies of 15% ("Pillar Two"). In response, EU member states and several other countries, including the UK, have since adopted laws implementing the OECD's minimum tax rules under Pillar Two, effective starting in 2024. As a result of these developments, the tax laws of certain countries in which BlackRock does business have changed and may continue to change, and any such changes could increase its tax liabilities. The Company is continuing to monitor legislative developments and evaluate the potential impact of the Pillar Two Framework on future periods.

The application of tax regulations involves numerous uncertainties, and in the normal course of business US and non-US tax authorities may review and challenge tax positions adopted by BlackRock. These challenges may result in adjustments to, or impact the timing or amount of, taxable income, deductions or other tax allocations, which may adversely affect BlackRock's effective tax rate and overall financial condition. Similarly, the Company manages assets in products and accounts that have investment objectives which may conform to tax positions adopted by BlackRock or to specific tax rules. To the extent there are changes in tax law or policy, or regulatory challenges to tax positions adopted by BlackRock, the value or attractiveness of such investments may be diminished and BlackRock may suffer financial or reputational harm.

Item 1B. Unresolved Staff Comments

The Company has no unresolved comments from the Securities and Exchange Commission (“SEC”) staff relating to BlackRock’s periodic or current reports filed with the SEC pursuant to the Exchange Act.

Item 1C. Cybersecurity

CYBERSECURITY RISK MANAGEMENT AND STRATEGY

BlackRock recognizes the importance of identifying, assessing, and managing material risks associated with cybersecurity threats. Cybersecurity represents an important component of the Company’s approach to enterprise risk management (“ERM”). The Company leverages a multi-lines-of-defense model with cybersecurity operational processes executed by global information security and other teams across the firm and dedicated internal audit technology and technology risk management (“TRM”) teams that independently review technology risks. The Company’s cybersecurity program is fully integrated into its ERM framework and is aligned with recognized frameworks, such as NIST CSF, FFIEC CAT, FedRAMP, SOC 1/2, ISO 27001/2 and others. BlackRock aims to inform and continuously improve its cybersecurity program through engagement with regulatory, client, insurer, vendor, partner, peer, government and industry organizations and associations, as well as external audit, technology risk, information security and other assessments.

BlackRock seeks to address cybersecurity risks through a global, multilayered strategy of control programs that are designed to preserve the confidentiality, integrity and availability of the information that BlackRock collects and stores by identifying, preventing and mitigating cybersecurity threats and incidents. As one of the critical elements of the Company’s overall ERM framework, BlackRock’s cybersecurity program is focused on the following key areas:

- **Governance:** As discussed in more detail under the heading “Cybersecurity Governance” below, the Board’s oversight of cybersecurity risk management is supported by the Risk Committee, which regularly interacts with the Company’s risk management function, the Company’s Chief Risk Officer (“CRO”) and Chief Information Security Officer (“CISO”), along with other members of management. In addition, technology and cybersecurity risks are formally overseen by a dedicated management risk governance committee, the Technology Risk and Cybersecurity Committee (“TRCC”), which is a sub-committee of the firmwide Enterprise Risk Committee (“ERC”).
- **Cross-Functional Approach:** The Company has implemented a global, cross-functional approach to identifying, preventing, and mitigating cybersecurity threats and incidents, while also implementing layered preventative, detective, reactive and recovery controls to identify and manage cybersecurity risks.
- **Safeguards:** The Company deploys a range of people, process and technical controls that are designed to protect the Company’s information systems from cybersecurity threats, which may include, among others: physical security controls, perimeter controls, technical assessments, firewalls, network segregation, intrusion detection and prevention, tabletop exercises, ongoing vulnerability and patch management, vendor due diligence, multi-factor authentication, device encryption, application security, code testing and penetration testing; endpoint security, including anti-malware protection, threat intel and response, managed detection and response, security configuration management, portable storage device lockdown, and restricted administrative privileges, employee awareness, training, and phishing testing, data loss prevention program and monitoring, information security incident reporting and monitoring; and layered and comprehensive access controls.
- **Incident Response and Recovery Planning:** The Company maintains incident response and recovery plans that address the Company’s response to a cybersecurity incident, including processes designed to assess, escalate, contain, investigate and remediate an incident, as well as to comply with applicable legal obligations and mitigate potential reputational damage. These plans are evaluated on a periodic basis.
- **Third-Party Risk Management:** The Company maintains a risk-based approach to identifying and overseeing cybersecurity risks presented by third parties, including vendors, service providers, counterparties and clients, as well as the systems of third parties that could significantly and adversely impact the Company’s business in the event of a cybersecurity incident affecting those third-party systems. Operational incidents can arise as a result of failures by third parties with which the Company does business, such as failures by internet, communication technology and cloud service providers or other vendors to adequately follow processes and procedures, safeguard their systems, or prevent system disruptions or cyber-attacks. Third-party risks are included within BlackRock’s ERM framework, and risk identification and mitigation are supported by the Company’s cybersecurity program. BlackRock also performs due diligence on certain third parties and monitors cybersecurity threats and risks identified through such diligence.
- **Education and Awareness:** The Company’s employees and contractors are required to complete annual information security training to equip them with effective tools to address cybersecurity threats, and receive communications on the Company’s evolving information security policies and procedures.

The Company’s global information security team, in collaboration with the technology risk and internal audit teams, engages in the periodic assessment and testing of the Company’s cyber risks and cybersecurity program. These efforts may include a wide range of activities, including audits, assessments, wargames and “tabletop” exercises, threat modeling, vulnerability testing and other exercises focused on evaluating the effectiveness of the Company’s cybersecurity measures and planning. BlackRock also participates in financial services industry and government forums in an effort to improve both internal and sector cybersecurity defense. The Company regularly engages third parties and advisors to assess its cybersecurity control environment. The results of certain program and control assessments are reported to the Risk Committee, and BlackRock adjusts its cybersecurity program as appropriate based on the information provided by these assessments.

As of December 31, 2024, BlackRock is not aware of any cybersecurity risks that have materially affected or are reasonably likely to materially affect BlackRock’s business strategy, results of operations, or financial condition. For additional information on whether and how risks from cybersecurity threats are reasonably likely to materially affect BlackRock, see “A cyber-attack or a failure to implement effective information and cybersecurity policies, procedures and capabilities could disrupt operations and lead to financial losses and reputational harm, which may cause BlackRock’s AUM, revenue and earnings to decline.” under Part I, Item 1A, *Risk Factors* herein.

CYBERSECURITY GOVERNANCE

BlackRock's Board of Directors is actively engaged in the oversight of BlackRock's risk management program. The Risk Committee assists the Board with its oversight of the Company's levels of risk, risk assessment, risk management and related policies and processes, including risks arising from cybersecurity threats. The Risk Committee receives regular reports on the Company's cybersecurity program, technology resilience risk management and related developments from members of the Company's information security team, including the CISO. The Board and the Risk Committee also receive information regarding cybersecurity incidents that meet certain reporting thresholds. On an annual basis, senior members of BlackRock's technology, risk and information security teams provide a comprehensive overview of BlackRock's cyber risk and related programs to a joint session of the Board's Risk and Audit Committees.

Technology and cybersecurity risks at BlackRock are also overseen by the TRCC, a dedicated management risk governance committee and sub-committee of the firmwide ERC. The chair of the TRCC is appointed by the head of Enterprise Risk Management at the Company and its members include the CISO as well as a broad range of senior business stakeholders across BlackRock. The TRCC is responsible for oversight of BlackRock's technology and cybersecurity risk management practices and helps ensure that technology and cybersecurity risks remain within firmwide risk tolerances and technology and cybersecurity risk issues are escalated as appropriate to the ERC and other committees.

BlackRock's cybersecurity risk management and strategy processes, which are discussed in greater detail above, are led by the Company's CISO. As of December 31, 2024, the CISO had over 30 years of experience in information technology with a 26-year concentration in information security, including previously serving as the CISO at several global financial institutions. He also holds the Certified Information Systems Security Professional certification. The CISO works closely with the leadership team and other subject matter experts in the global cybersecurity group, who collectively have extensive prior work experience in various roles involving managing information security, developing cybersecurity strategy, implementing effective information and cybersecurity programs and overseeing cybersecurity controls in technology risk and audit functions, as well as having relevant degrees and industry-leading certifications.

The CISO and members of the TRCC monitor the prevention, detection, mitigation and remediation of cybersecurity incidents through their management of, and participation in, the cybersecurity risk management processes described above, including the operation of BlackRock's incident response plan.

Item 2. Properties

BlackRock's principal office, which is leased, is located at 50 Hudson Yards, New York, New York. BlackRock leases additional office space throughout the world, including Atlanta, Belgrade (Serbia), Budapest, Edinburgh, Gurgaon (India), Hong Kong, London, Mumbai (India), Princeton (New Jersey), San Francisco and Singapore. The Company also owns an 84,500 square foot office building in Wilmington, Delaware and a 43,000 square foot data center in Amherst, New York.

Item 3. Legal Proceedings

For a discussion of the Company's legal proceedings, see Note 16, *Commitments and Contingencies*, in the notes to the consolidated financial statements contained in Part II, Item 8.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

BlackRock's common stock is listed on the NYSE and is traded under the symbol "BLK". At the close of business on January 31, 2025, there were 203 common stockholders of record. Common stockholders include institutional or omnibus accounts that hold common stock for many underlying investors.

The following table sets forth for the periods indicated the dividends declared per share for the common stock as reported on the NYSE:

	Cash Dividend Declared
2024	
First Quarter	\$ 5.10
Second Quarter	\$ 5.10
Third Quarter	\$ 5.10
Fourth Quarter	\$ 5.10
2023	
First Quarter	\$ 5.00
Second Quarter	\$ 5.00
Third Quarter	\$ 5.00
Fourth Quarter	\$ 5.00

The closing price of BlackRock's common stock as of February 24, 2025 was \$952.80.

DIVIDENDS

On January 29, 2025, the Board of Directors approved BlackRock's quarterly dividend of \$5.21 per share to be paid on March 24, 2025 to stockholders of record at the close of business on March 7, 2025.

ISSUER PURCHASES OF EQUITY SECURITIES

During the three months ended December 31, 2024, the Company made the following purchases of its common stock, which is registered pursuant to Section 12(b) of the Exchange Act.

	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs ⁽¹⁾
October 1, 2024 through October 31, 2024	5,489	\$ 942.62	—	4,180,939
November 1, 2024 through November 30, 2024	2,246	\$ 979.87	—	4,180,939
December 1, 2024 through December 31, 2024	362,622	\$ 1,046.61	358,288	3,822,651
Total	370,357	\$ 1,044.67	358,288	

(1) Consists of purchases made by the Company primarily to satisfy income tax withholding obligations of employees and members of the Company's Board of Directors related to the vesting of certain restricted stock or restricted stock unit awards and purchases made by the Company as part of the share repurchase program that the Company announced in July 2010, which initially authorized the repurchase of 5.1 million shares with no stated expiration. In January 2023, the Company announced that the Board of Directors authorized the repurchase of an additional seven million shares under the Company's existing share repurchase program, for a total of up to approximately 7.9 million shares of BlackRock common stock.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS

This report, and other statements that BlackRock may make, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act, with respect to BlackRock's future financial or business performance, strategies or expectations. Forward-looking statements are typically identified by words or phrases such as "trend," "potential," "opportunity," "pipeline," "believe," "comfortable," "expect," "anticipate," "current," "intention," "estimate," "position," "assume," "outlook," "continue," "remain," "maintain," "sustain," "seek," "achieve," and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may" and similar expressions.

BlackRock cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time and may contain information that is not purely historical in nature. Such information may include, among other things, projections and forecasts. There is no guarantee that any forecasts made will come to pass. Forward-looking statements speak only as of the date they are made, and BlackRock assumes no duty to and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

BlackRock has previously disclosed risk factors in its Securities and Exchange Commission ("SEC") reports. These risk factors and those identified elsewhere in this report, among others, could cause actual results to differ materially from forward-looking statements or historical performance and include: (1) the introduction, withdrawal, success and timing of business initiatives and strategies; (2) changes and volatility in political, economic or industry conditions, the interest rate environment, foreign exchange rates or financial and capital markets, which could result in changes in demand for products or services or in the value of assets under management ("AUM"); (3) the relative and absolute investment performance of BlackRock's investment products; (4) BlackRock's ability to develop new products and services that address client preferences; (5) the impact of increased competition; (6) the impact of recent or future acquisitions or divestitures, including the planned acquisitions of HPS Investment Partners ("HPS" or the "HPS Transaction") and Preqin Holdings Limited ("Preqin" or the "Preqin Transaction"), and the acquisition of Global Infrastructure Management, LLC ("GIP" or the "GIP Transaction" and together with the HPS Transaction and the Preqin Transaction, the "Transactions"); (7) BlackRock's ability to integrate acquired businesses successfully, including the Transactions; (8) risks related to the HPS Transaction and the Preqin Transaction, including delays in the expected closing date of the HPS Transaction or the Preqin Transaction, the possibility that either or both of the HPS Transaction or the Preqin Transaction do not close, including, but not limited to, due to the failure to satisfy the closing conditions; the possibility that expected synergies and value creation from the HPS Transaction or the Preqin Transaction will not be realized, or will not be realized within the expected time period; and the risk of impacts to business and operational relationships related to disruptions from the HPS Transaction or the Preqin Transaction; (9) the unfavorable resolution of legal proceedings; (10) the extent and timing of any share repurchases; (11) the impact, extent and timing of technological changes and the adequacy of intellectual property, data, information and cybersecurity protection; (12) the failure to effectively manage the development and use of artificial intelligence; (13) attempts to circumvent BlackRock's operational control environment or the potential for human error in connection with BlackRock's operational systems; (14) the impact of legislative and regulatory actions and reforms, regulatory, supervisory or enforcement actions of government agencies and governmental scrutiny relating to BlackRock; (15) changes in law and policy and uncertainty pending any such changes; (16) any failure to effectively manage conflicts of interest; (17) damage to BlackRock's reputation; (18) increasing focus from stakeholders regarding environmental and social matters; (19) geopolitical unrest, terrorist activities, civil or international hostilities, and other events outside BlackRock's control, including wars, natural disasters and health crises, which may adversely affect the general economy, domestic and local financial and capital markets, specific industries or BlackRock; (20) climate-related risks to BlackRock's business, products, operations and clients; (21) the ability to attract, train and retain highly qualified professionals; (22) fluctuations in the carrying value of BlackRock's economic investments; (23) the impact of changes to tax legislation, including income, payroll and transaction taxes, and taxation on products, which could affect the value proposition to clients and, generally, the tax position of BlackRock; (24) BlackRock's success in negotiating distribution arrangements and maintaining distribution channels for its products; (25) the failure by key third-party providers to fulfill their obligations to BlackRock; (26) operational, technological and regulatory risks associated with BlackRock's major technology partnerships; (27) any disruption to the operations of third parties whose functions are integral to BlackRock's exchange-traded funds ("ETFs") platform; (28) the impact of BlackRock electing to provide support to its products from time to time and any potential liabilities related to securities lending or other indemnification obligations; and (29) the impact of problems, instability or failure of other financial institutions or the failure or negative performance of products offered by other financial institutions.

OVERVIEW

BlackRock, Inc. (together, with its subsidiaries, unless the context otherwise indicates, "BlackRock" or the "Company") is a leading publicly traded investment management firm with \$11.6 trillion of AUM at December 31, 2024. With approximately 21,100 employees in more than 30 countries, BlackRock provides a broad range of investment management and technology services to institutional and retail clients in more than 100 countries across the globe. For further information see Note 1, *Business Overview*, and Note 27, *Segment Information*, in the notes to the consolidated financial statements contained in Part II, Item 8.

On October 1, 2024, BlackRock completed the acquisition of 100% of the issued and outstanding limited liability company interests of GIP for a total consideration, at close, of approximately \$3 billion in cash and 6.9 million shares, valued at \$5.9 billion. The remaining deferred consideration, all in stock, initially valued at \$4.2 billion, is subject to the satisfaction of certain post-closing events. As a result of the closing of the GIP Transaction, BlackRock, Inc. (formerly known as BlackRock Funding, Inc.) ("New BlackRock") became the ultimate parent company of BlackRock Finance, Inc. (formerly known as BlackRock, Inc.) ("Old BlackRock"), GIP and their respective subsidiaries. In addition, New BlackRock became the publicly listed company and retained the ticker symbol "BLK". References herein to BlackRock or the Company for any period (1) prior to the closing of the GIP Transaction on October 1, 2024 refer to Old BlackRock and (2) thereafter refer to New BlackRock. For additional information related to this reorganization, see Note 1, *Business Overview* and Note 3, *Acquisitions* in the notes to the consolidated financial statements contained in Part II, Item 8.

In May 2024, BlackRock completed the acquisition of the remaining equity interest in SpiderRock Advisors ("SRA"), a leading provider of customized option overlay strategies in the United States ("US") wealth market (the "SpiderRock Transaction"). This transaction expands on BlackRock's minority investment in SRA made in 2021 and reinforces BlackRock's commitment to personalized separately managed accounts.

In June 2024, BlackRock announced that it had entered into a definitive agreement to acquire Preqin, a leading independent provider of private markets data, for £2.55 billion (or approximately \$3.2 billion based on the GBP/USD foreign exchange rate at December 31, 2024) in cash. The Company believes bringing together Preqin's data and research tools with the complementary workflows of Aladdin and eFront in a unified platform will create a preeminent private markets technology and data provider. The Preqin Transaction is anticipated to close in the first quarter of 2025, subject to customary closing conditions.

In December 2024, BlackRock announced that it had entered into a definitive agreement to acquire 100% of the business and assets of HPS, a leading global credit investment manager with 100% of the consideration paid in BlackRock equity. The equity will generally be delivered in units of a wholly-owned subsidiary of BlackRock ("SubCo Units") which will be exchangeable on a one-for-one basis (subject to certain adjustments) into BlackRock common stock (accordingly, the value of each unit delivered will be based on the price of a share of BlackRock's common stock and the specific terms of the SubCo Units). Approximately 9.2 million SubCo Units and restricted stock units ("RSUs") will be paid at closing. Approximately 2.9 million SubCo Units, will be paid in approximately five years, subject to the satisfaction of certain post-closing conditions. In addition, there is potential for additional consideration to be earned of up to 1.6 million SubCo Units that is based on financial performance milestones measured and paid in approximately five years. Of the total deal consideration, up to 0.7 million units will be used to fund an equity retention pool for HPS employees. In aggregate, inclusive of all SubCo Units paid at closing, eligible to be paid in approximately five years, and potentially earned through achievement of financial performance milestones as well as BlackRock RSUs to be issued in the transaction, the maximum amount of common stock issuable upon exchange of such SubCo Units would be approximately 13.7 million shares. The Company expects the addition of HPS will create an integrated private credit platform to provide both public and private income solutions for clients across their whole portfolios. The HPS Transaction is anticipated to close in mid-2025 subject to regulatory approvals and customary closing conditions.

The following discussion includes a comparison of BlackRock's results for 2024 and 2023. For a discussion of BlackRock's results for 2022 and a comparison of results for 2023 and 2022, see Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, of the Company's Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the SEC on February 23, 2024.

Business Outlook

BlackRock's strategy continues to be guided by the Company's clients' needs and focus on the long-term, which the Company believes better enables it to deliver durable returns for shareholders and create value for all of its stakeholders. BlackRock's highly diversified multi-product platform was created to meet client needs in all market environments and provide clients with choice in how they seek to achieve their unique financial goals. BlackRock is positioned to provide alpha-seeking active, private markets, index and cash management investment strategies across asset classes and geographies. In addition, BlackRock leverages its world-class risk management, analytics and technology capabilities, including the Aladdin platform, on behalf of clients. BlackRock serves a diverse mix of institutional and retail clients across the globe, as well as investors in ETFs, maintaining differentiated client relationships and a fiduciary focus. The diversity of BlackRock's platform facilitates the generation of organic growth in various market environments, and as client preferences evolve. BlackRock's long-term strategy remains to keep alpha at the heart of BlackRock; drive growth in ETFs, private markets, and technology; be the global leader in sustainable investing; and lead as a whole portfolio advisor.

BlackRock's framework for long-term shareholder value creation is predicated on generating differentiated organic growth, leveraging scale to increase operating margins over time, and returning capital to shareholders on a consistent basis. BlackRock's diversified platform, in terms of style, product, client and geography, enables it to generate more stable cash flows through market cycles, positioning BlackRock to invest for the long-term by striking an appropriate balance between investing for future growth and prudent discretionary expense management.

BlackRock has invested to serve the full breadth of client needs. Clients increasingly want to build portfolios that are seamlessly integrated across public and private markets, and that are underpinned by data, risk management and technology. The Company is differentiated in being able to deliver across public and private markets, equity and debt, and in the way that best serves each client – from broad-based ETFs to customized whole portfolio solutions. The Company also offers its Aladdin technology to support integrated public-private portfolios.

2024 was a milestone year of organic and inorganic programmatic actions grounded in client needs, investment capability expansion, technology and scale. Clients entrusted BlackRock with a record \$641 billion of net inflows in 2024, led by two consecutive record flows quarters in the second half of the year. The Company's closing of the GIP transaction and planned acquisitions of HPS and Preqin are expected to expand and enhance private markets investment and data capabilities.

BlackRock expects 2025 to be a dynamic investing environment. Mega forces like artificial intelligence ("AI") and an ongoing evolution in debt financing are transforming economies and their long-term growth trajectories. Capital markets will play a key role in these transformations. Private markets assets are an increasingly vital part of capital markets, and blending both public and private markets will be critical in fully capturing growth opportunities.

BlackRock is well-positioned to capitalize on structural growth opportunities against a backdrop of economic and capital markets evolution. The Company has made coordinated investments to build the premier long-term capital partner and technology provider across public and private markets. The acquisition of GIP, and the planned acquisitions of Preqin and HPS, each position BlackRock's platform ahead of evolving client needs and structural industry trends.

BlackRock has built a broad private markets platform with \$212 billion of AUM across infrastructure, private credit, real estate, private equity and multi-alternatives. As of December 31, 2024, BlackRock had approximately \$45 billion of committed capital to deploy for institutional clients in a variety of private markets strategies, and remains confident in its ability to accelerate growth as a leader in private markets. BlackRock also manages \$76 billion in liquid alternatives, as well as \$90 billion in liquid credit strategies, included within fixed income AUM. With the close of the GIP transaction, and the planned acquisition of HPS, BlackRock's alternatives platform is expected to represent approximately \$600 billion in client assets making it a top five alternatives provider.

The private markets – and clients' allocations to them – are expected to continue to grow. Standardized, transparent private markets data and analytics will be increasingly important. As with Aladdin, BlackRock believes it can add even more value to Preqin as both a user and provider of private markets data and risk analytics. Aladdin expanded into new asset classes and markets as BlackRock and its clients evolved, and it expects the same for Preqin.

In addition to private markets, BlackRock is executing on a strong opportunity set across multiple growth channels. These include ETFs, whole portfolio solutions like outsourced mandates and models, and technology.

The ETF industry has been growing rapidly, driven by structural tailwinds including the use of ETFs as active tools, the migration from commission-based to fee-based wealth management, growth in model portfolios, expansion of digital wealth platforms, and the modernization of the bond market. BlackRock's ETF growth strategy is centered on increasing scale and pursuing global growth themes in client and product segments, including Core, Strategic, which includes Fixed Income, Factors, Sustainable and Thematic ETFs, and Precision Exposures. BlackRock views ETFs as a technology that facilitates investing, and ETFs have become core to asset management. The Company believes that ETFs will continue to be a structural growth area as clients turn to ETFs as the preferred vehicle for investing strategies of all types. BlackRock has been a leader in expanding the market for ETFs by making them more accessible and by delivering new asset classes like bonds or cryptocurrency and investment strategies like active. Approximately a quarter of 2024 ETF net inflows of \$390 billion were into products launched in the last five years. Active ETFs delivered \$22 billion in net inflows in 2024, while BlackRock's Bitcoin exchange-traded product ("ETP") was the largest ETF launch in history, growing to over \$50 billion of AUM in less than a year. BlackRock will continue to innovate at the product and portfolio level and accelerate distribution capabilities to deliver differentiated investment solutions.

As the asset management landscape shifts globally from individual product selection to a whole-portfolio approach, BlackRock's strategy is focused on creating outcome-oriented client solutions for both retail investors and institutions. This includes having a diverse platform of alpha-seeking active, index and private markets products, as well as enhanced distribution and portfolio construction technology offerings. Digital wealth tools are an important component of BlackRock's retail strategy, as BlackRock scales and customizes model portfolios, extends Aladdin Wealth and digital wealth partnerships globally, and helps advisors build better portfolios through portfolio construction and risk management, powered by Aladdin. BlackRock has also seen strong momentum in outsourcing solutions among institutional clients, including the funding of several significant mandates in 2024, and anticipates continued outsourcing opportunities in the future.

BlackRock continues to invest in technology services offerings, which enhance the ability to manage portfolios and risk, effectively serve clients and operate efficiently. Market volatility, growing cost pressures, and complexity in optimizing whole portfolios underscore the need for enterprise operating and risk management technology, and should continue to drive demand for holistic and flexible technology solutions. BlackRock continues to evolve and enable clients to further simplify their operating infrastructure with Aladdin. Clients increasingly want to tailor how they use Aladdin to meet their specific needs, and BlackRock is providing them with choice and flexibility. Through the integration of Aladdin and eFront, clients are able to better manage and analyze risk across their whole portfolio spanning public and private markets. BlackRock is empowering clients with data and opening Aladdin by creating connectivity with ecosystem providers and third-party technology solutions, which include asset servicers, cloud providers, digital asset platforms, trading systems and others. This connectivity helps clients work in their Aladdin environments with a more customized and seamless end-to-end experience. Investments in Aladdin AI copilots, enhancements in openness supporting ecosystem partnerships, and advancing whole portfolio solutions including private markets and digital assets are expected to further augment the value of using Aladdin. BlackRock's planned acquisition of Preqin is expected to expand capabilities beyond private markets investment management and technology to data.

Across BlackRock, many clients are focusing on the impact of sustainability factors on their portfolios. This shift has been driven by an increased understanding of how sustainability-related factors can affect economic growth, asset values, and financial markets as a whole. As a fiduciary, BlackRock is committed to providing clients with choice and then executing in accordance with their chosen objectives – for some clients, this includes investing in sustainable strategies. The Company aims to deliver the best risk-adjusted returns within the mandates clients choose, underpinned by research, data, and analytics.

BlackRock's investment management revenue is primarily comprised of fees earned as a percentage of AUM and, in some cases, performance fees, which are normally expressed as a percentage of fund returns to the client. Numerous factors, including price movements in the equity, debt or currency markets, or in the price of real assets, commodities or alternative investments in which BlackRock invests on behalf of clients, and BlackRock's ability to maintain strong investment performance, could impact BlackRock's AUM, revenue and earnings.

Central banks globally have taken actions to reduce or maintain interest rates, after a rapid rate hiking regime in 2022 and much of 2023, in an effort to moderate inflation. BlackRock's business is directly and indirectly affected by changes in global interest rates. Changes in global interest rates may cause BlackRock's AUM to fluctuate and introduce volatility to the Company's base fees, net income and operating cash flows. BlackRock's business may also be impacted by governmental changes, as well as potential regulations, foreign and trade policies and fiscal spending that may arise as a result of such changes. See Part I, Item 1A, *Risk Factors* herein for information on the possible future effects of changes in global interest rates and governmental changes on the Company's results.

BlackRock manages \$2.9 trillion in fixed income assets, nearly two-thirds of which are owned by institutions for strategic or liability-matching purposes. BlackRock believes it is well positioned for a stabilizing rate environment due to the breadth, diversification and investment performance of its fixed income platform which encompasses active, ETFs and non-ETF index fixed income products, and a range of strategies, including unconstrained, high yield, total return and short-duration.

BlackRock manages \$6.3 trillion of equity assets across markets globally. Beta divergence between equity markets, where certain markets perform differently than others, may lead to an increase in the proportion of BlackRock AUM weighted toward lower fee equity products, resulting in a decline in BlackRock's effective fee rate. Divergent market factors may also erode the correlation between the growth rates of AUM and investment advisory and administration fees (collectively "base fees") and securities lending revenue.

BlackRock believes its strategy aligns with expected future client demand and structural growth opportunities in areas including private markets, such as infrastructure and private credit; ETFs; whole portfolio solutions including outsourcing and models; and integrated public-private markets enterprise technology through Aladdin, eFront and Preqin upon the transaction's closing.

BlackRock enters 2025 with strong momentum across its franchise, including its newly enhanced private markets platform. The Company is positioned ahead of market opportunities that it believes will drive outsized growth for BlackRock in the years to come.

EXECUTIVE SUMMARY

(in millions, except per share data)

GAAP basis⁽¹⁾:

	2024	2023
Total revenue	\$ 20,407	\$ 17,859
Total expense	12,833	11,584
Operating income	\$ 7,574	\$ 6,275
Operating margin	37.1 %	35.1 %
Nonoperating income (expense), less net income (loss) attributable to noncontrolling interests	578	706
Income tax expense	1,783	1,479
Net income attributable to BlackRock	\$ 6,369	\$ 5,502
Diluted earnings per common share	\$ 42.01	\$ 36.51
Effective tax rate	21.9 %	21.2 %

As adjusted⁽²⁾:

Operating income	\$ 8,110	\$ 6,593
Operating margin	44.5 %	41.7 %
Nonoperating income (expense), less net income (loss) attributable to noncontrolling interests	\$ 533	\$ 648
Net income attributable to BlackRock	\$ 6,612	\$ 5,692
Diluted earnings per common share	\$ 43.61	\$ 37.77
Effective tax rate	23.5 %	21.4 %

Other:

Assets under management (end of period)	\$ 11,551,251	\$ 10,008,995
Diluted weighted-average common shares outstanding	151.6	150.7
Shares outstanding (end of period)	154.9	148.5
Book value per share ⁽³⁾	\$ 306.52	\$ 264.96
Cash dividends declared and paid per share	\$ 20.40	\$ 20.00

(1) Accounting principles generally accepted in the United States ("GAAP").

(2) As adjusted items are described in more detail in *Non-GAAP Financial Measures*.

(3) Total BlackRock stockholders' equity, divided by total shares outstanding at December 31 of the respective year-end.

2024 Compared With 2023

GAAP. Operating income of \$7.6 billion increased \$1.3 billion and operating margin of 37.1% increased 200 bps from 2023. Increases in operating income and operating margin reflected higher base fees, driven by the positive impact of markets on average AUM, organic base fee growth and fees on AUM acquired in the GIP Transaction, as well as higher performance fees and technology services revenue, partially offset by higher employee compensation and benefits expense, sales, asset and account expense, and general and administration expense. Expense for 2024 was impacted by the GIP Transaction, including nonrecurring retention-related deferred compensation expense, acquisition-related costs and amortization of intangible assets acquired in the GIP Transaction. In addition, expense for 2024 included a \$50 million noncash impairment charge related to certain indefinite-lived open-end management contracts. Expense for 2023 included a restructuring charge of \$61 million in connection with initiatives to reorganize specific platforms, primarily Aladdin and private markets, to stay ahead of client needs.

Nonoperating income (expense) less net income (loss) attributable to noncontrolling interests ("NCI") decreased \$128 million from 2023, driven primarily by lower mark-to-market revaluation of private equity co-investments and higher interest expense, partially offset by higher interest and dividend income, a pre-tax gain of approximately \$66 million in connection with a transaction related to a minority investment in EquiLend Holdings, LLC (the "EquiLend Transaction"), and higher mark-to-market gains on unhedged seed capital investments and certain minority investments.

Income tax expense for 2024 included discrete tax benefits of \$137 million recognized in connection with the reorganization and establishment of a more efficient global intellectual property and technology platform and corporate structure, \$63 million related to the realization of capital losses from changes in the Company's organizational tax structure, \$37 million related to vested stock-based compensation awards, and a net noncash discrete tax expense of \$14 million related to the revaluation of deferred income tax liabilities. Income tax expense for 2023 included \$242 million discrete tax net benefits related to the resolution of certain outstanding tax matters and stock-based compensation awards that vested in 2023.

Earnings per diluted common share increased \$5.50, or 15%, from 2023, primarily reflecting higher operating income, partially offset by a higher effective tax rate and lower nonoperating income.

As Adjusted. Operating income of \$8.1 billion increased \$1.5 billion and operating margin of 44.5% increased 280 bps from 2023. Earnings per diluted common share increased \$5.84, or 15%, from 2023, reflecting higher operating income, partially offset by a higher effective tax rate and lower nonoperating income. The acquisition related expenses and the noncash impairment charge of \$50 million described above have been excluded from as adjusted results for 2024. In addition, income tax expense for 2024 excluded the \$137 million of benefit and the \$14 million net noncash tax expense described above. The pre-tax restructuring charge of \$61 million described above has been excluded from as adjusted results for 2023.

See *Non-GAAP Financial Measures* for further information on as adjusted items and the reconciliation to GAAP.

For further discussion of BlackRock's revenue, expense, nonoperating results and income tax expense, see *Discussion of Financial Results* herein.

NON-GAAP FINANCIAL MEASURES

BlackRock reports its financial results in accordance with GAAP; however, management believes evaluating the Company's ongoing operating results may be enhanced if investors have additional non-GAAP financial measures. Adjustments to GAAP financial measures ("non-GAAP adjustments") include certain items management deems nonrecurring or that occur infrequently, transactions that ultimately will not impact BlackRock's book value or certain tax items that do not impact cash flow. Management reviews non-GAAP financial measures, in addition to GAAP financial measures, to assess ongoing operations and considers them to be helpful, for both management and investors, in evaluating BlackRock's financial performance over time. Management also uses non-GAAP financial measures as a benchmark to compare its performance with other companies and to enhance comparability for the reporting periods presented. Non-GAAP financial measures may pose limitations because they do not include all of BlackRock's revenue and expense. BlackRock's management does not advocate that investors consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Non-GAAP financial measures may not be comparable to other similarly titled measures of other companies.

Computations and reconciliations for all periods are derived from the consolidated statements of income as follows:

(1) Operating income, as adjusted, and operating margin, as adjusted:

<i>(in millions)</i>	2024	2023
Operating income, GAAP basis	\$ 7,574	\$ 6,275
Non-GAAP expense adjustments:		
Compensation expense related to appreciation (depreciation) on deferred cash compensation plans (a)	43	57
Amortization and impairment of intangible assets (b)	291	151
Acquisition-related compensation costs (b)	148	17
Acquisition-related transaction costs (b) ⁽¹⁾	90	7
Contingent consideration fair value adjustments (b)	(36)	3
Lease costs - New York (c)	—	14
Restructuring charge (d)	—	61
Reduction of indemnification asset (e) ⁽¹⁾	—	8
Operating income, as adjusted	\$ 8,110	\$ 6,593
Revenue, GAAP basis	\$ 20,407	\$ 17,859
Non-GAAP adjustments:		
Distribution fees	(1,273)	(1,262)
Investment advisory fees	(898)	(789)
Revenue used for operating margin measurement	\$ 18,236	\$ 15,808
Operating margin, GAAP basis	37.1 %	35.1 %
Operating margin, as adjusted	44.5 %	41.7 %

(1) Amount included within general and administration expense.

(2) Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted:

<i>(in millions)</i>	2024	2023
Nonoperating income (expense), GAAP basis	\$ 721	\$ 880
Less: Net income (loss) attributable to NCI	143	174
Nonoperating income (expense), net of NCI	578	706
Less: Hedge gain (loss) on deferred cash compensation plans (a)	45	58
Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted	\$ 533	\$ 648

(3) Net income attributable to BlackRock, Inc., as adjusted:

<i>(in millions, except per share data)</i>	2024	2023
Net income attributable to BlackRock, Inc., GAAP basis	\$ 6,369	\$ 5,502
Non-GAAP adjustments ⁽¹⁾ :		
Net impact of hedged deferred cash compensation plans (a)	(1)	(1)
Amortization and impairment of intangible assets (b)	218	114
Acquisition-related compensation costs (b)	110	12
Acquisition-related transaction costs (b)	66	5
Contingent consideration fair value adjustments (b)	(27)	3
Lease costs - New York (c)	—	11
Restructuring charge (d)	—	46
Income tax matters	(123)	—
Net income attributable to BlackRock, Inc., as adjusted	\$ 6,612	\$ 5,692
Diluted weighted-average common shares outstanding	151.6	150.7
Diluted earnings per common share, GAAP basis	\$ 42.01	\$ 36.51
Diluted earnings per common share, as adjusted	\$ 43.61	\$ 37.77

(1) Non-GAAP adjustments, excluding income tax matters, are net of tax.

(1) Operating income, as adjusted, and operating margin, as adjusted: Management believes operating income, as adjusted, and operating margin, as adjusted, are effective indicators of BlackRock's financial performance over time, and, therefore, provide useful disclosure to investors. Management believes that operating margin, as adjusted, reflects the Company's long-term ability to manage ongoing costs in relation to its revenues. The Company uses operating margin, as adjusted, to assess the Company's financial performance, to determine the long-term and annual compensation of the Company's senior-level employees and to evaluate the Company's relative performance against industry peers. Furthermore, this metric eliminates margin variability arising from the accounting of revenues and expenses related to distributing different product structures in multiple distribution channels utilized by asset managers.

- Operating income, as adjusted, includes the following non-GAAP expense adjustments:

(a) *Compensation expense related to appreciation (depreciation) on deferred cash compensation plans.* The Company excludes compensation expense related to the market valuation changes on certain deferred cash compensation plans, which the Company hedges economically. For these deferred cash compensation plans, the final value of the deferred amount to be distributed to employees in cash upon vesting is determined based on the returns on specified investment funds. The Company recognizes compensation expense for the appreciation (depreciation) of the deferred cash compensation liability in proportion to the vested amount of the award during a respective period, while the net gain (loss) to economically hedge these plans is immediately recognized in nonoperating income (expense), which creates a timing difference impacting net income. This timing difference will reverse and offset to zero over the life of the award at the end of the multi-year vesting period. Management believes excluding market valuation changes related to the deferred cash compensation plans in the calculation of operating income, as adjusted, provides useful disclosure to both management and investors of the Company's financial performance over time as these amounts are economically hedged, while also increasing comparability with other companies.

(b) *Acquisition-related costs.* Acquisition-related costs include adjustments related to amortization and noncash impairment of intangible assets, other acquisition-related costs, including professional services expense and compensation costs for nonrecurring retention-related deferred compensation, and contingent consideration fair value adjustments incurred in connection with certain acquisitions. Management believes excluding the impact of these expenses when calculating operating income, as adjusted, provides a helpful indication of the Company's financial performance over time, thereby providing helpful information for both management and investors while also increasing comparability with other companies.

(c) *Lease costs – New York.* In 2023, the Company continued to recognize lease expense within general and administration expense for both its current headquarters located at 50 Hudson Yards in New York and prior headquarters until the Company's lease on its prior headquarters expired in April 2023. The Company began lease payments related to its current headquarters in May 2023, but began recording lease expense in August 2021 when it obtained access to the building to begin its tenant improvements. Prior to the Company's move to its current headquarters in February 2023, the impact of lease costs related to 50 Hudson Yards was excluded from operating income, as adjusted. In February 2023, the Company completed the majority of its move to 50 Hudson Yards and no longer excluded the impact of these lease costs. Subsequently, from February 2023 through April 2023, the Company excluded the impact of lease costs related to the Company's prior headquarters. Management believes excluding the impact of these respective New York lease costs ("Lease costs – New York") when calculating operating income, as adjusted, is useful to assess the Company's financial performance and ongoing operations, and enhances comparability among periods presented.

(d) *Restructuring charge.* In the fourth quarter of 2023, the Company recorded a restructuring charge, comprised of severance and compensation expense for accelerated vesting of previously granted deferred compensation awards, in connection with initiatives to reorganize specific platforms, primarily Aladdin and private markets. Management believes excluding the impact of these restructuring charges when calculating operating income, as adjusted, is useful to assess the Company's financial performance and ongoing operations, and enhances comparability among periods presented.

(e) *Reduction of indemnification asset.* In connection with a previous acquisition, BlackRock recorded an \$8 million indemnification asset. Due to the resolution of certain tax matters in the third quarter of 2023, BlackRock recorded \$8 million of general and administration expense to reflect the reduction of the indemnification asset and an offsetting \$8 million tax benefit. The \$8 million general and administrative expense and \$8 million tax benefit have been excluded from as adjusted results as there was no impact on BlackRock's book value.

- Revenue used for calculating operating margin, as adjusted, is reduced to exclude all of the Company's distribution fees, which are recorded as a separate line item on the consolidated statements of income, as well as a portion of investment advisory fees received that is used to pay distribution and servicing costs. For certain products, based on distinct arrangements, distribution fees are collected by the Company and then passed-through to third-party client intermediaries. For other products, investment advisory fees are collected by the Company and a portion is passed-through to third-party client intermediaries. However, in both structures, the third-party client intermediary similarly owns the relationship with the retail client and is responsible for distributing the product and servicing the client. The amount of distribution and investment advisory fees fluctuates each period primarily based on a predetermined percentage of the value of AUM during the period. These fees also vary based on the type of investment product sold and the geographic location where it is sold. In addition, the Company may waive fees on certain products that could result in the reduction of payments to the third-party intermediaries.

(2) Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted: Management believes nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted, is an effective measure for reviewing BlackRock's nonoperating contribution to its results and provides comparability of this information among reporting periods. Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted, excludes the gain (loss) on the economic hedge of certain deferred cash compensation plans. As the gain (loss) on investments and derivatives used to hedge these compensation plans over time substantially offsets the compensation expense related to the market valuation changes on these deferred cash compensation plans, which is included in operating income, GAAP basis, management believes excluding the gain (loss) on the economic hedge of the deferred cash compensation plans when calculating nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted, provides a useful measure for both management and investors of BlackRock's nonoperating results that impact book value.

(3) Net income attributable to BlackRock, Inc., as adjusted: Management believes net income attributable to BlackRock, Inc., as adjusted, and diluted earnings per common share, as adjusted, are useful measures of BlackRock's profitability and financial performance. Net income attributable to BlackRock, Inc., as adjusted, equals net income attributable to BlackRock, Inc., GAAP basis, adjusted for certain items management deems nonrecurring or that occur infrequently, transactions that ultimately will not impact BlackRock's book value or certain tax items that do not impact cash flow.

For each period presented, the non-GAAP adjustments were tax effected at the respective blended rates applicable to the adjustments. Amounts for income tax matters in 2024 include a discrete tax benefit of \$137 million recognized in connection with the reorganization and establishment of a more efficient global intellectual property and technology platform and corporate structure. This discrete tax benefit has been excluded from as adjusted results due to the nonrecurring nature of the intellectual property reorganization. In addition, amounts for 2024 include a net noncash expense of \$14 million associated with the revaluation of deferred tax liabilities related to intangible assets and goodwill as a result of tax rate changes. This discrete tax expense has been excluded from the as adjusted results as it does not have a cash flow impact as well as to ensure comparability among periods presented.

Per share amounts reflect net income attributable to BlackRock, Inc., as adjusted, divided by diluted weighted-average common shares outstanding.

(4) Annual Contract Value ("ACV"): Management believes ACV is an effective metric for reviewing BlackRock's technology services' ongoing contribution to its operating results and provides comparability of this information among reporting periods while also providing a useful supplemental metric for both management and investors of BlackRock's growth in technology services revenue over time, as it is linked to the net new business in technology services. ACV represents forward-looking, annualized estimated value of the recurring subscription fees under client contracts, assuming all client contracts that come up for renewal are renewed, unless we have received a notice of termination, even though such notice may not be effective until a later date. ACV also includes the annualized estimated value of new sales, for existing and new clients, when we execute client contracts, even though the recurring fees may not be effective until a later date and excludes nonrecurring fees such as implementation and consulting fees.

ASSETS UNDER MANAGEMENT

AUM for reporting purposes generally is based upon how investment advisory and administration fees are calculated for each portfolio. Net asset values, total assets, committed assets or other measures may be used to determine portfolio AUM.

AUM and Net Inflows (Outflows) by Client Type and Product Type

(in millions)	AUM		Net inflows (outflows)	
	2024	2023	2024	2023
Retail	\$ 1,015,827	\$ 929,697	\$ 24,367	\$ (8,473)
ETFs	4,230,375	3,499,299	390,433	185,942
Institutional:				
Active	2,136,749	1,912,673	64,447	87,106
Index	3,247,637	2,902,489	9,374	(55,125)
Institutional subtotal	5,384,386	4,815,162	73,821	31,981
Long-term	10,630,588	9,244,158	488,621	209,450
Cash management	920,663	764,837	152,730	79,245
Total	\$ 11,551,251	\$ 10,008,995	\$ 641,351	\$ 288,695

AUM and Net Inflows (Outflows) by Investment Style and Product Type

(in millions)	AUM		Net inflows (outflows)	
	2024	2023	2024	2023
Active	\$ 2,870,656	\$ 2,621,178	\$ 62,164	\$ 59,221
Index and ETFs	7,759,932	6,622,980	426,457	150,229
Long-term	10,630,588	9,244,158	488,621	209,450
Cash management	920,663	764,837	152,730	79,245
Total	\$ 11,551,251	\$ 10,008,995	\$ 641,351	\$ 288,695

AUM and Net Inflows (Outflows) by Product Type

(in millions)	AUM		Net inflows (outflows)	
	2024	2023	2024	2023
Equity	\$ 6,310,191	\$ 5,293,344	\$ 225,568	\$ (11,490)
Fixed income	2,905,669	2,804,026	163,669	143,087
Multi-asset	992,921	870,804	51,678	82,787
Alternatives:				
Private markets	211,974	136,909	9,457	13,665
Liquid alternatives	76,390	74,233	(2,609)	(11,370)
Currency and commodities ⁽¹⁾	133,443	64,842	40,858	(7,229)
Alternatives subtotal	421,807	275,984	47,706	(4,934)
Long-term	10,630,588	9,244,158	488,621	209,450
Cash management	920,663	764,837	152,730	79,245
Total	\$ 11,551,251	\$ 10,008,995	\$ 641,351	\$ 288,695

(1) Amounts include cryptocurrency and commodity ETFs and ETPs.

The following table presents the component changes in BlackRock's AUM for 2024 and 2023.

(in millions)	2024	2023
Beginning AUM	\$ 10,008,995	\$ 8,594,485
Net inflows (outflows):		
Long-term	488,621	209,450
Cash management	152,730	79,245
Total net inflows (outflows)	641,351	288,695
Acquisitions ⁽¹⁾	73,949	2,177
Market change	992,964	1,073,550
FX impact ⁽²⁾	(166,008)	50,088
Total change	1,542,256	1,414,510
Ending AUM	\$ 11,551,251	\$ 10,008,995

(1) Amount for 2024 includes AUM attributable to the GIP Transaction and the SpiderRock Transaction. Amount for 2023 includes AUM attributable to the acquisition of Kreos Capital in August 2023 (the "Kreos Transaction").

(2) Foreign exchange reflects the impact of translating non-US dollar denominated AUM into US dollars for reporting purposes.

BlackRock has historically grown AUM through organic growth and acquisitions. Management believes that the Company will be able to continue to grow AUM organically by focusing on strong investment performance, efficient delivery of beta for index products, client service, developing new products and optimizing distribution capabilities.

Component Changes in AUM for 2024

The following table presents the component changes in AUM by client type and product type for 2024.

(in millions)	December 31, 2023	Net inflows (outflows)	Acquisition ⁽¹⁾	Market change	FX impact ⁽²⁾	December 31, 2024	Full year average AUM ⁽³⁾
Retail:							
Equity	\$ 435,734	\$ 15,285	\$ 4,074	\$ 54,257	\$ (4,232)	\$ 505,118	\$ 485,161
Fixed income	312,799	11,671	—	1,483	(7,312)	318,641	316,520
Multi-asset	139,537	(2,328)	—	14,420	(651)	150,978	147,169
Alternatives	41,627	(261)	—	69	(345)	41,090	41,087
Retail subtotal	929,697	24,367	4,074	70,229	(12,540)	1,015,827	989,937
ETFs:							
Equity	2,532,631	236,357	—	359,322	(21,912)	3,106,398	2,845,456
Fixed income	898,403	112,341	—	(16,291)	(8,801)	985,652	948,250
Multi-asset	9,140	1,025	—	841	(272)	10,734	9,451
Alternatives	59,125	40,710	—	27,919	(163)	127,591	89,331
ETFs subtotal	3,499,299	390,433	—	371,791	(31,148)	4,230,375	3,892,488
Institutional:							
Active:							
Equity	186,688	5,380	—	30,876	(4,096)	218,848	207,929
Fixed income	836,823	(2,843)	—	16,885	(10,537)	840,328	841,830
Multi-asset	717,182	54,887	—	72,798	(16,828)	828,039	774,210
Alternatives	171,980	7,023	69,875	3,618	(2,962)	249,534	191,190
Active subtotal	1,912,673	64,447	69,875	124,177	(34,423)	2,136,749	2,015,159
Index:							
Equity	2,138,291	(31,454)	—	420,860	(47,870)	2,479,827	2,333,824
Fixed income	756,001	42,500	—	(5,068)	(32,385)	761,048	759,871
Multi-asset	4,945	(1,906)	—	204	(73)	3,170	3,693
Alternatives	3,252	234	—	165	(59)	3,592	2,912
Index subtotal	2,902,489	9,374	—	416,161	(80,387)	3,247,637	3,100,300
Institutional subtotal	4,815,162	73,821	69,875	540,338	(114,810)	5,384,386	5,115,459
Long-term	9,244,158	488,621	73,949	982,358	(158,498)	10,630,588	9,997,884
Cash management	764,837	152,730	—	10,606	(7,510)	920,663	806,123
Total	\$ 10,008,995	\$ 641,351	\$ 73,949	\$ 992,964	\$ (166,008)	\$ 11,551,251	\$ 10,804,007

(1) Amounts include AUM attributable to the GIP Transaction and the SpiderRock Transaction.

(2) Foreign exchange reflects the impact of translating non-US dollar denominated AUM into US dollars for reporting purposes.

(3) Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing thirteen months.

The following table presents the component changes in AUM by investment style and product type for 2024.

(in millions)	December 31, 2023	Net inflows (outflows)	Acquisition ⁽¹⁾	Market change	FX impact ⁽²⁾	December 31, 2024	Full year average AUM ⁽³⁾
Active:							
Equity	\$ 427,448	\$ (6,333)	\$ 4,074	\$ 48,479	\$ (6,505)	\$ 467,163	\$ 461,583
Fixed income	1,123,422	9,184	—	18,516	(17,248)	1,133,874	1,133,152
Multi-asset	856,705	52,553	—	87,221	(17,478)	979,001	921,364
Alternatives	213,603	6,760	69,875	3,687	(3,307)	290,618	232,274
Active subtotal	2,621,178	62,164	73,949	157,903	(44,538)	2,870,656	2,748,373
Index and ETFs:							
ETFs:							
Equity	2,532,631	236,357	—	359,322	(21,912)	3,106,398	2,845,456
Fixed income	898,403	112,341	—	(16,291)	(8,801)	985,652	948,250
Multi-asset	9,140	1,025	—	841	(272)	10,734	9,451
Alternatives	59,125	40,710	—	27,919	(163)	127,591	89,331
ETFs subtotal	3,499,299	390,433	—	371,791	(31,148)	4,230,375	3,892,488
Non-ETF index:							
Equity	2,333,265	(4,456)	—	457,514	(49,693)	2,736,630	2,565,331
Fixed income	782,201	42,144	—	(5,216)	(32,986)	786,143	785,069
Multi-asset	4,959	(1,900)	—	201	(74)	3,186	3,708
Alternatives	3,256	236	—	165	(59)	3,598	2,915
Non-ETF index subtotal	3,123,681	36,024	—	452,664	(82,812)	3,529,557	3,357,023
Index & ETFs subtotal	6,622,980	426,457	—	824,455	(113,960)	7,759,932	7,249,511
Long-term	9,244,158	488,621	73,949	982,358	(158,498)	10,630,588	9,997,884
Cash management	764,837	152,730	—	10,606	(7,510)	920,663	806,123
Total	\$ 10,008,995	\$ 641,351	\$ 73,949	\$ 992,964	\$ (166,008)	\$ 11,551,251	\$ 10,804,007

The following table presents the component changes in AUM by product type for 2024.

(in millions)	December 31, 2023	Net inflows (outflows)	Acquisition ⁽¹⁾	Market change	FX impact ⁽²⁾	December 31, 2024	Full year average AUM ⁽³⁾
Equity	\$ 5,293,344	\$ 225,568	\$ 4,074	\$ 865,315	\$ (78,110)	\$ 6,310,191	\$ 5,872,370
Fixed income	2,804,026	163,669	—	(2,991)	(59,035)	2,905,669	2,866,471
Multi-asset	870,804	51,678	—	88,263	(17,824)	992,921	934,523
Alternatives:							
Private markets	136,909	9,457	69,875	(1,803)	(2,464)	211,974	154,597
Liquid alternatives	74,233	(2,609)	—	5,482	(716)	76,390	75,402
Currency and commodities ⁽⁴⁾	64,842	40,858	—	28,092	(349)	133,443	94,521
Alternatives subtotal	275,984	47,706	69,875	31,771	(3,529)	421,807	324,520
Long-term	9,244,158	488,621	73,949	982,358	(158,498)	10,630,588	9,997,884
Cash management	764,837	152,730	—	10,606	(7,510)	920,663	806,123
Total	\$ 10,008,995	\$ 641,351	\$ 73,949	\$ 992,964	\$ (166,008)	\$ 11,551,251	\$ 10,804,007

(1) Amounts include AUM attributable to the GIP Transaction and the SpiderRock Transaction.

(2) Foreign exchange reflects the impact of translating non-US dollar denominated AUM into US dollars for reporting purposes.

(3) Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing thirteen months.

(4) Amounts include cryptocurrency and commodity ETFs and ETPs.

AUM increased \$1.5 trillion to \$11.6 trillion at December 31, 2024 from \$10.0 trillion at December 31, 2023, driven primarily by net market appreciation, net inflows, led by flows into equity, bond and cryptocurrency products, cash management, and significant outsourcing mandates, and AUM added from the GIP Transaction, partially offset by the negative impact of foreign exchange movements.

Net market appreciation of \$993 billion was primarily driven by global equity market appreciation.

AUM decreased \$166 billion due to the impact of foreign exchange movements, primarily due to the strengthening of the US dollar, largely against the euro, the Japanese yen, the Canadian dollar and the British pound.

For further discussion on AUM, see Part I, Item 1 – *Business – Assets Under Management*.

Component Changes in AUM for 2023

The following table presents the component changes in AUM by client type and product type for 2023.

(in millions)	December 31, 2022	Net inflows (outflows)	Acquisition ⁽¹⁾	Market change	FX impact ⁽²⁾	December 31, 2023	Full year average AUM ⁽³⁾
Retail:							
Equity	\$ 370,612	\$ 2,810	\$ —	\$ 58,248	\$ 4,064	\$ 435,734	\$ 403,530
Fixed income	299,114	(2,471)	—	11,821	4,335	312,799	306,232
Multi-asset	125,168	(236)	—	14,022	583	139,537	131,236
Alternatives	48,581	(8,576)	—	1,286	336	41,627	45,319
Retail subtotal	843,475	(8,473)	—	85,377	9,318	929,697	886,317
ETFs:							
Equity	2,081,742	81,223	—	362,885	6,781	2,532,631	2,262,361
Fixed income	758,093	111,956	—	24,544	3,810	898,403	824,832
Multi-asset	8,875	(746)	—	949	62	9,140	8,024
Alternatives	60,900	(6,491)	—	4,626	90	59,125	61,439
ETFs subtotal	2,909,610	185,942	—	393,004	10,743	3,499,299	3,156,656
Institutional:							
Active:							
Equity	168,734	(13,301)	—	29,088	2,167	186,688	174,967
Fixed income	774,955	4,714	—	53,538	3,616	836,823	798,832
Multi-asset	544,469	85,665	—	79,644	7,404	717,182	642,051
Alternatives	153,433	10,028	2,177	4,925	1,417	171,980	162,871
Active subtotal	1,641,591	87,106	2,177	167,195	14,604	1,912,673	1,778,721
Index:							
Equity	1,814,266	(82,222)	—	401,047	5,200	2,138,291	1,979,704
Fixed income	704,661	28,888	—	17,774	4,678	756,001	713,802
Multi-asset	6,392	(1,896)	—	559	(110)	4,945	5,882
Alternatives	3,296	105	—	(138)	(11)	3,252	3,263
Index subtotal	2,528,615	(55,125)	—	419,242	9,757	2,902,489	2,702,651
Institutional subtotal	4,170,206	31,981	2,177	586,437	24,361	4,815,162	4,481,372
Long-term	7,923,291	209,450	2,177	1,064,818	44,422	9,244,158	8,524,345
Cash management	671,194	79,245	—	8,732	5,666	764,837	696,355
Total	\$ 8,594,485	\$ 288,695	\$ 2,177	\$ 1,073,550	\$ 50,088	\$ 10,008,995	\$ 9,220,700

(1) Amounts include AUM attributable to the Kreos Transaction.

(2) Foreign exchange reflects the impact of translating non-US dollar denominated AUM into US dollars for reporting purposes.

(3) Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing thirteen months.

The following table presents the component changes in AUM by investment style and product type for 2023.

(in millions)	December 31, 2022	Net inflows (outflows)	Acquisition ⁽¹⁾	Market change	FX impact ⁽²⁾	December 31, 2023	Full year average AUM ⁽³⁾
Active:							
Equity	\$ 392,836	\$ (26,772)	\$ —	\$ 57,431	\$ 3,953	\$ 427,448	\$ 409,687
Fixed income	1,053,083	(882)	—	64,203	7,018	1,123,422	1,080,917
Multi-asset	669,629	85,424	—	93,665	7,987	856,705	773,278
Alternatives	202,012	1,451	2,177	6,210	1,753	213,603	208,189
Active subtotal	2,317,560	59,221	2,177	221,509	20,711	2,621,178	2,472,071
Index and ETFs:							
ETFs:							
Equity	2,081,742	81,223	—	362,885	6,781	2,532,631	2,262,361
Fixed income	758,093	111,956	—	24,544	3,810	898,403	824,832
Multi-asset	8,875	(746)	—	949	62	9,140	8,024
Alternatives	60,900	(6,491)	—	4,626	90	59,125	61,439
ETFs subtotal	2,909,610	185,942	—	393,004	10,743	3,499,299	3,156,656
Non-ETF index:							
Equity	1,960,776	(65,941)	—	430,952	7,478	2,333,265	2,148,514
Fixed income	725,647	32,013	—	18,930	5,611	782,201	737,949
Multi-asset	6,400	(1,891)	—	560	(110)	4,959	5,891
Alternatives	3,298	106	—	(137)	(11)	3,256	3,264
Non-ETF index subtotal	2,696,121	(35,713)	—	450,305	12,968	3,123,681	2,895,618
Index & ETFs subtotal	5,605,731	150,229	—	843,309	23,711	6,622,980	6,052,274
Long-term	7,923,291	209,450	2,177	1,064,818	44,422	9,244,158	8,524,345
Cash management	671,194	79,245	—	8,732	5,666	764,837	696,355
Total	\$ 8,594,485	\$ 288,695	\$ 2,177	\$ 1,073,550	\$ 50,088	\$ 10,008,995	\$ 9,220,700

The following table presents the component changes in AUM by product type for 2023.

(in millions)	December 31, 2022	Net inflows (outflows)	Acquisition ⁽¹⁾	Market change	FX impact ⁽²⁾	December 31, 2023	Full year average AUM ⁽³⁾
Equity	\$ 4,435,354	\$ (11,490)	\$ —	\$ 851,268	\$ 18,212	\$ 5,293,344	\$ 4,820,562
Fixed income	2,536,823	143,087	—	107,677	16,439	2,804,026	2,643,698
Multi-asset	684,904	82,787	—	95,174	7,939	870,804	787,193
Alternatives:							
Private markets	117,751	13,665	2,177	1,885	1,431	136,909	127,655
Liquid alternatives	80,654	(11,370)	—	4,548	401	74,233	77,595
Currency and commodities ⁽⁴⁾	67,805	(7,229)	—	4,266	—	64,842	67,642
Alternatives subtotal	266,210	(4,934)	2,177	10,699	1,832	275,984	272,892
Long-term	7,923,291	209,450	2,177	1,064,818	44,422	9,244,158	8,524,345
Cash management	671,194	79,245	—	8,732	5,666	764,837	696,355
Total	\$ 8,594,485	\$ 288,695	\$ 2,177	\$ 1,073,550	\$ 50,088	\$ 10,008,995	\$ 9,220,700

(1) Amounts include AUM attributable to the Kreos Transaction.

(2) Foreign exchange reflects the impact of translating non-US dollar denominated AUM into US dollars for reporting purposes.

(3) Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing thirteen months.

(4) Amounts include commodity ETFs and ETPs.

AUM increased \$1.4 trillion to \$10.0 trillion at December 31, 2023 from \$8.6 trillion at December 31, 2022, driven primarily by net market appreciation, net inflows, led by flows into bond and equity ETFs, cash management, significant outsourcing mandates and growth in private markets.

Net market appreciation of \$1.1 trillion was primarily driven by global equity market appreciation.

AUM increased \$50 billion due to the impact of foreign exchange movements, primarily due to the weakening of the US dollar largely against the British pound and the euro, partially offset by the strengthening of the US dollar against the Japanese yen.

DISCUSSION OF FINANCIAL RESULTS

Introduction

The Company derives a substantial portion of its revenue from investment advisory and administration fees, which are recognized as the services are performed over time because the customer is receiving and consuming the benefits as they are provided by the Company. Fees are primarily based on agreed-upon percentages of AUM and recognized for services provided during the period, which are distinct from services provided in other periods. Such fees are affected by changes in AUM, including market appreciation or depreciation, foreign exchange translation and net inflows or outflows. Net inflows or outflows represent the sum of new client assets, additional fundings from existing clients (including dividend reinvestment), withdrawals of assets from, and termination of, client accounts and distributions to investors representing return of capital and return on investments. Market appreciation or depreciation includes current income earned on, and changes in the fair value of, securities held in client accounts. Foreign exchange translation reflects the impact of translating non-US dollar denominated AUM into US dollars for reporting purposes.

The Company also earns revenue by lending securities on behalf of clients, primarily to highly rated banks and broker-dealers. The securities loaned are secured by collateral in the form of cash or securities, with minimum collateral generally ranging from approximately 102% to 112% of the value of the loaned securities. Generally, the revenue earned is shared between the Company and the funds or accounts managed by the Company from which the securities are borrowed.

Investment advisory agreements for certain separate accounts and investment funds provide for performance fees based upon relative and/or absolute investment performance, in addition to base fees based on AUM. Investment advisory performance fees generally are earned after a given period of time when investment performance exceeds a contractual threshold, and when it is determined that the fees are no longer probable of significant reversal. As such, the timing of recognition of performance fees may increase the volatility of the Company's revenue and earnings. The magnitude of performance fees can fluctuate quarterly due to the timing of carried interest recognition on private market products and a greater number and size of liquid products with performance measurement periods that end in the third and fourth quarters.

The Company offers investment management technology systems, risk management services, wealth management and digital distribution tools, all on a fee basis. Clients include banks, insurance companies, official institutions, pension funds, asset managers, retail distributors and other investors. Fees earned for technology services are primarily recorded as services are performed over time and are generally determined using the value of positions on the Aladdin platform, or on a fixed-rate basis. Revenue derived from the sale of software licenses is recognized upon the granting of access rights.

The Company earns distribution and service fees for distributing investment products and providing support services to investment portfolios. The fees are primarily based on AUM and are recognized when the amount of fees is known.

The Company advises global financial institutions, regulators, and government entities across a range of risk, regulatory, capital markets and strategic services. Fees earned for advisory services, which are included in advisory and other revenue, are determined using fixed-rate fees and are recognized over time as the related services are completed.

The Company earns fees for transition management services primarily comprised of commissions recognized in connection with buying and selling securities on behalf of its customers. Commissions related to transition management services, which are included in advisory and other revenue, are recorded on a trade-date basis as transactions occur.

Beginning in the first quarter of 2024, BlackRock updated the presentation of the Company's expense line items within the consolidated statements of income by including a new "sales, asset and account expense" income statement caption. Such expense line items have been recast for 2023 to conform to this new presentation. For a recast of 2023 expense line items, see page 12 of Exhibit 99.1 to the Current Report on Form 8-K furnished on April 12, 2024. Operating expense reflects employee compensation and benefits, sales, asset and account expense, general and administration expense, and amortization and impairment of intangible assets.

- Employee compensation and benefits expense includes salaries, commissions, temporary help, incentive compensation, employer payroll taxes, severance and related benefit costs.
- Sales, asset and account expense includes distribution and servicing costs, direct fund expense, and sub-advisory and other expense. These expenses primarily vary over time with fluctuations in AUM, number of shareholder accounts, or other attributes directly related to volume of business.
 - Distribution and servicing costs, which are primarily AUM driven, include payments to third parties, primarily associated with distribution and servicing of client investments in certain Company products.
 - Direct fund expense primarily consists of third-party non-advisory expenses incurred by the Company related to certain funds for the use of index trademarks, reference data for indices, custodial services, fund administration, fund accounting, transfer agent services, shareholder reporting services, legal expense, audit and tax services as well as other fund-related expenses directly attributable to the non-advisory operations of the fund.
 - Sub-advisory and other expense is primarily related to the contracts where third-party advisors provide investment advisory services on the Company's behalf.
- General and administration expense includes marketing and promotional (including travel and entertainment expense), occupancy and office-related, portfolio services (including market data costs), technology, professional services, communications, contingent consideration fair value adjustments, product launch costs, the net impact of foreign currency remeasurement, and other general and administration expense.

Approximately 80% of the Company's revenue is generated in US dollars. The Company's revenue and expense generated in foreign currencies (primarily the euro and British pound) are impacted by foreign exchange rates. Any effect of foreign exchange rate change on revenue is partially offset by a change in expense driven by the Company's considerable non-dollar expense base related to its operations outside the US.

Nonoperating income (expense) includes the effect of changes in the valuations on investments and earnings on equity method investments as well as interest and dividend income and interest expense. The Company primarily holds seed and co-investments in sponsored investment products that invest in a variety of asset classes, including private equity, private credit, hedge funds and real assets. Investments generally are made for co-investment purposes, to establish a performance track record or for regulatory purposes, including Federal Reserve Bank stock. The Company does not engage in proprietary trading activities that could conflict with the interests of its clients.

In addition, nonoperating income (expense) includes the impact of changes in the valuations of consolidated sponsored investment products (“CIPs”). The portion of nonoperating income (expense) not attributable to the Company is allocated to NCI on the consolidated statements of income.

Revenue

The table below presents detail of revenue for 2024 and 2023 and includes the product type mix of base fees and securities lending revenue and performance fees.

(in millions)

	2024	2023
Revenue:		
Investment advisory, administration fees and securities lending revenue:		
Equity:		
Active	\$ 2,166	\$ 2,000
ETFs	5,124	4,418
Non-ETF index	784	743
Equity subtotal	8,074	7,161
Fixed income:		
Active	1,952	1,897
ETFs	1,367	1,230
Non-ETF index	369	353
Fixed income subtotal	3,688	3,480
Multi-asset	1,278	1,203
Alternatives:		
Private markets	1,196	889
Liquid alternatives	568	572
Currency and commodities ⁽¹⁾	247	185
Alternatives subtotal	2,011	1,646
Long-term	15,051	13,490
Cash management	1,049	909
Total investment advisory, administration fees and securities lending revenue⁽²⁾	16,100	14,399
Investment advisory performance fees:		
Equity	161	99
Fixed income	34	4
Multi-asset	24	28
Alternatives:		
Private markets	308	273
Liquid alternatives	680	150
Alternatives subtotal	988	423
Total investment advisory performance fees	1,207	554
Technology services revenue	1,603	1,485
Distribution fees	1,273	1,262
Advisory and other revenue:		
Advisory	49	81
Other	175	78
Total advisory and other revenue	224	159
Total revenue	\$ 20,407	\$ 17,859

(1) Amounts include cryptocurrency and commodity ETFs and ETPs.

(2) Amounts include \$615 million and \$675 million of securities lending revenue for 2024 and 2023, respectively.

The table below lists a percentage breakdown of base fees and securities lending revenue and average AUM by product type:

	Percentage of Base Fees and Securities Lending Revenue		Percentage of Average AUM by Product Type ⁽¹⁾	
	2024	2023	2024	2023
Equity:				
Active	13 %	14 %	4 %	4 %
ETFs	32 %	31 %	27 %	24 %
Non-ETF index	5 %	5 %	24 %	23 %
Equity subtotal	50 %	50 %	55 %	51 %
Fixed income:				
Active	12 %	13 %	10 %	12 %
ETFs	8 %	9 %	9 %	9 %
Non-ETF index	2 %	2 %	7 %	8 %
Fixed income subtotal	22 %	24 %	26 %	29 %
Multi-asset	8 %	8 %	9 %	9 %
Alternatives:				
Private markets	7 %	7 %	1 %	1 %
Liquid alternatives	4 %	4 %	1 %	1 %
Currency and commodities ⁽²⁾	2 %	1 %	1 %	1 %
Alternatives subtotal	13 %	12 %	3 %	3 %
Long-term	93 %	94 %	93 %	92 %
Cash management	7 %	6 %	7 %	8 %
Total AUM	100 %	100 %	100 %	100 %

(1) Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing thirteen months.

(2) Amounts include cryptocurrency and commodity ETFs and ETPs.

Revenue increased \$2.5 billion, or 14%, from 2023, primarily driven by the positive impact of market beta on average AUM, organic base fee growth, and fees on AUM acquired in the GIP Transaction, as well as higher performance fees and technology services revenue.

Investment advisory, administration fees and securities lending revenue of \$16.1 billion in 2024 increased \$1.7 billion from \$14.4 billion in 2023, primarily driven by the impact of market beta on average AUM, organic base fee growth and approximately \$230 million of fees related to AUM acquired in the GIP Transaction, partially offset by lower securities lending revenue. Securities lending revenue of \$615 million decreased \$60 million from \$675 million in 2023, primarily reflecting lower spreads, partially offset by higher average balances of securities on loan.

Investment advisory performance fees of \$1.2 billion in 2024 increased \$653 million from \$554 million in 2023, primarily driven by higher revenue from liquid alternative products, including strong performance from a single hedge fund in 2024, and higher revenue from long-only and private market products.

Technology services revenue of \$1.6 billion in 2024 increased \$118 million from \$1.5 billion in 2023, reflecting sustained demand for Aladdin technology offerings and the successful onboarding of a number of new clients.

Advisory and other revenue of \$224 million in 2024 increased \$65 million from \$159 million in 2023, reflecting the impact of presenting earnings (losses) from certain equity method minority investments within nonoperating income (expense) beginning in the first quarter of 2024 and higher transition management assignments, partially offset by lower revenue from advisory assignments.

Expense

The following table presents expense for 2024 and 2023.

(in millions)

Expense:

	2024	2023
Employee compensation and benefits	\$ 6,546	\$ 5,779
Sales, asset and account expense ⁽¹⁾ :		
Distribution and servicing costs	2,171	2,051
Direct fund expense	1,464	1,331
Sub-advisory and other	140	116
Total sales, asset and account expense	3,775	3,498
General and administration expense:		
Marketing and promotional	314	309
Occupancy and office related	421	418
Portfolio services	262	270
Technology	674	607
Professional services	277	195
Communications	39	47
Foreign exchange remeasurement	—	(6)
Contingent consideration fair value adjustments	(36)	3
Other general and administration	270	252
Total general and administration expense	2,221	2,095
Restructuring charge	—	61
Amortization and impairment of intangible assets	291	151
Total expense	\$ 12,833	\$ 11,584

(1) Beginning in the first quarter of 2024, BlackRock updated the presentation of the Company's expense line items within the consolidated statements of income by including a new "sales, asset and account expense" income statement caption. Such expense line items have been recast for 2023 to conform to this new presentation. For a recast of 2023 expense line items, see page 12 of Exhibit 99.1 to the Current Report on Form 8-K furnished on April 12, 2024.

Expense increased \$1.2 billion, or 11%, from 2023, reflecting higher employee compensation and benefits expense, sales, asset and account expense, amortization and impairment of intangible assets and general and administration expense. Expense for 2024 was impacted by the previously described expenses incurred in connection with the GIP Transaction and the \$50 million noncash impairment charge⁽¹⁾. Expense for 2023 included a previously mentioned restructuring charge of \$61 million⁽¹⁾.

Employee compensation and benefits expense of \$6.5 billion in 2024 increased \$767 million from \$5.8 billion in 2023, reflecting higher incentive compensation, primarily as a result of higher operating income and performance fees. 2024 employee compensation and benefits expense was also impacted by the GIP Transaction, including nonrecurring retention-related deferred compensation expense⁽¹⁾.

Sales, asset and account expense of \$3.8 billion in 2024 increased \$277 million from \$3.5 billion in 2023, driven by higher distribution and servicing costs and direct fund expense, primarily reflecting higher average AUM.

General and administration expense of \$2.2 billion in 2024 increased \$126 million from \$2.1 billion in 2023, primarily associated with acquisition-related costs⁽¹⁾ in connection with the GIP Transaction, including transaction costs recorded in professional services expense, and higher technology expense, partially offset by lower contingent consideration fair value adjustments.

Restructuring charge⁽¹⁾ of \$61 million, comprised of severance and compensation expense for accelerated vesting of previously granted deferred compensation awards, was recorded in 2023, as previously described.

Amortization and impairment of intangible assets⁽¹⁾ of \$291 million in 2024 increased \$140 million from \$151 million in 2023, primarily due to the amortization of intangible assets acquired in the GIP Transaction and the previously described \$50 million noncash impairment charge.

⁽¹⁾ These expenses have been excluded from the Company's as adjusted financial results under the expense adjustments for acquisition-related costs and restructuring charge, as applicable. See *Non-GAAP Financial Measures* for further information on as adjusted items. See Note 12, *Intangible Assets*, in the notes to the consolidated financial statements and *Critical Accounting Policies and Estimates* for further information on the impairment charge.

Nonoperating Results

The summary of nonoperating income (expense), less net income (loss) attributable to NCI for 2024 and 2023 was as follows:

(in millions)	2024		2023	
Nonoperating income (expense), GAAP basis	\$	721	\$	880
Less: Net income (loss) attributable to NCI		143		174
Nonoperating income (expense), net of NCI		578		706
Less: Hedge gain (loss) on deferred cash compensation plans ⁽¹⁾		45		58
Nonoperating income (expense), net of NCI, as adjusted⁽²⁾	\$	533	\$	648

(in millions)	2024		2023	
Net gain (loss) on investments, net of NCI	\$	(10)	\$	349
Private equity		14		13
Real assets		41		49
Other alternatives ⁽³⁾		127		66
Other investments ⁽⁴⁾		45		58
Hedge gain (loss) on deferred cash compensation plans ⁽¹⁾		217		535
Subtotal		132		(10)
Other income/gain (expense/loss) ⁽⁵⁾		349		525
Total net gain (loss) on investments, net of NCI		767		473
Interest and dividend income		(538)		(292)
Interest expense		229		181
Net interest income (expense)		578		706
Nonoperating income (expense), net of NCI		45		58
Less: Hedge gain (loss) on deferred cash compensation plans ⁽¹⁾		533		648
Nonoperating income (expense), net of NCI, as adjusted⁽²⁾	\$	533	\$	648

(1) Amount relates to the gain (loss) from economically hedging BlackRock's deferred cash compensation plans.

(2) Management believes nonoperating income (expense), net of NCI, as adjusted, is an effective measure for reviewing BlackRock's nonoperating results, which ultimately impacts BlackRock's book value. See *Non-GAAP Financial Measures* for further information on other non-GAAP financial measures.

(3) Amounts primarily include net gains (losses) related to credit funds, direct hedge fund strategies and hedge fund solutions.

(4) Amounts primarily include net gains (losses) related to BlackRock's seed investment portfolio, net of the impact of certain hedges.

(5) Amounts for 2024 include earnings (losses) from certain equity method minority investments, which the Company recorded within nonoperating income (expense) beginning in the first quarter of 2024 and noncash pre-tax gains (losses) related to the revaluation of certain minority investments. In addition, amount for 2024 includes a pre-tax gain of approximately \$66 million in connection with a transaction related to a minority investment in the EquiLend Transaction and a noncash pre-tax gain in connection with the SpiderRock Transaction of approximately \$19 million.

Income Tax Expense

(in millions)	GAAP		As Adjusted	
	2024	2023	2024	2023
Operating income ⁽¹⁾	\$ 7,574	\$ 6,275	\$ 8,110	\$ 6,593
Total nonoperating income (expense) ⁽¹⁾⁽²⁾	\$ 578	\$ 706	\$ 533	\$ 648
Income before income taxes ⁽²⁾	\$ 8,152	\$ 6,981	\$ 8,643	\$ 7,241
Income tax expense	\$ 1,783	\$ 1,479	\$ 2,031	\$ 1,549
Effective tax rate	21.9 %	21.2 %	23.5 %	21.4 %

(1) As adjusted items are described in more detail in *Non-GAAP Financial Measures*.

(2) Net of net income (loss) attributable to NCI.

The Company's tax rate is affected by tax rates in foreign jurisdictions and the relative amount of income earned in those jurisdictions, which the Company expects to be fairly consistent in the near term. The significant foreign jurisdictions that have different statutory tax rates than the US federal statutory rate of 21% include the UK, Germany, Canada and Ireland.

2024 Income tax expense (GAAP) reflected:

- a discrete tax benefit of \$137 million recognized in connection with the reorganization and establishment of a more efficient global intellectual property and technology platform and corporate structure;
- a discrete tax benefit of \$63 million related to the realization of capital losses from changes in the Company's organizational tax structure;
- a net discrete tax benefit of \$37 million related to stock-based compensation awards that vested in 2024; and
- a \$14 million net noncash tax expense related to the revaluation of certain deferred income tax liabilities.

The as adjusted effective tax rate of 23.5% for 2024 excluded the \$137 million discrete tax benefit due to the nonrecurring nature of the intellectual property reorganization and the \$14 million net noncash tax expense, as it does not have a cash flow impact as well as to ensure comparability among periods presented.

The Organisation for Economic Cooperation and Development (“OECD”) has proposed certain international tax reforms, which, among other things, would (1) shift taxing rights to the jurisdiction of the consumer (“Pillar One”) and (2) establish a global minimum tax for multinational companies of 15% (“Pillar Two”). In response, European Union member states and several other countries, including the United Kingdom, have since adopted laws implementing the OECD’s minimum tax rules under Pillar Two, effective starting in 2024. As a result of these developments, the tax laws of certain countries in which BlackRock does business have changed and may continue to change, and any such changes could increase its tax liabilities. The Pillar Two Framework did not have a material impact on BlackRock’s consolidated financial statements for 2024 and the Company is continuing to monitor legislative developments and evaluate the potential impact of the Pillar Two Framework on future periods.

2023 Income tax expense (GAAP) reflected:

- a discrete tax benefit of \$201 million, related to the resolution of certain outstanding tax matters; and
- a discrete tax benefit of \$41 million, related to stock-based compensation awards that vested in 2023.

STATEMENT OF FINANCIAL CONDITION OVERVIEW

As Adjusted Statement of Financial Condition

The following table presents a reconciliation of the consolidated statement of financial condition presented on a GAAP basis to the consolidated statement of financial condition, excluding the impact of separate account assets and separate account collateral held under securities lending agreements (directly related to lending separate account securities) and separate account liabilities and separate account collateral liabilities under securities lending agreements and CIPs.

The Company presents the as adjusted statement of financial condition as additional information to enable investors to exclude certain assets that have equal and offsetting liabilities or NCI that ultimately do not have an impact on stockholders’ equity or cash flows. Management views the as adjusted statement of financial condition, which contains non-GAAP financial measures, as an economic presentation of the Company’s total assets and liabilities; however, it does not advocate that investors consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

Separate Account Assets and Liabilities and Separate Account Collateral Held under Securities Lending Agreements

Separate account assets are maintained by BlackRock Life Limited, a wholly owned subsidiary of the Company that is a registered life insurance company in the UK, and represent segregated assets held for purposes of funding individual and group pension contracts. The Company records equal and offsetting separate account liabilities. The separate account assets are not available to creditors of the Company and the holders of the pension contracts have no recourse to the Company’s assets. The net investment income attributable to separate account assets accrues directly to the contract owners and is not reported on the consolidated statements of income. While BlackRock has no economic interest in these assets or liabilities, BlackRock earns an investment advisory fee for the service of managing these assets on behalf of its clients.

In addition, the Company records on its consolidated statements of financial condition the separate account collateral obtained under BlackRock Life Limited securities lending arrangements for which it has legal title as its own asset in addition to an equal and offsetting separate account collateral liability for the obligation to return the collateral. The collateral is not available to creditors of the Company, and the borrowers under the securities lending arrangements have no recourse to the Company’s assets.

Consolidated Sponsored Investment Products

The Company consolidates certain sponsored investment products accounted for as variable interest entities (“VIEs”) and voting rights entities (“VREs”). See Note 2, *Significant Accounting Policies*, in the notes to the consolidated financial statements contained in Part II, Item 8 of this filing for more information on the Company’s consolidation policy.

The Company cannot readily access cash and cash equivalents or other assets held by CIPs to use in its operating activities. In addition, the Company cannot readily sell investments held by CIPs in order to obtain cash for use in the Company’s operations.

December 31, 2024				
(in millions)	GAAP Basis	Separate Account Assets/Collateral ⁽¹⁾	CIPs ⁽²⁾	As Adjusted
Assets				
Cash and cash equivalents	\$ 12,762	\$ —	\$ 169	\$ 12,593
Accounts receivable	4,304	—	—	4,304
Investments	9,769	—	1,875	7,894
Separate account assets and collateral held under securities lending agreements	58,870	58,870	—	—
Operating lease right-of-use assets	1,519	—	—	1,519
Other assets ⁽³⁾	4,699	—	76	4,623
Subtotal	91,923	58,870	2,120	30,933
Goodwill and intangible assets, net	46,692	—	—	46,692
Total assets	\$ 138,615	\$ 58,870	\$ 2,120	\$ 77,625
Liabilities				
Accrued compensation and benefits	\$ 2,964	\$ —	\$ —	\$ 2,964
Accounts payable and accrued liabilities	1,536	—	—	1,536
Borrowings	12,314	—	—	12,314
Separate account liabilities and collateral liabilities under securities lending agreements	58,870	58,870	—	—
Contingent consideration liabilities	4,302	—	—	4,302
Deferred income tax liabilities ⁽⁴⁾	3,334	—	—	3,334
Operating lease liabilities	1,908	—	—	1,908
Other liabilities	4,032	—	318	3,714
Total liabilities	89,260	58,870	318	30,072
Equity				
Total BlackRock, Inc. stockholders' equity	47,495	—	—	47,495
Noncontrolling interests	1,860	—	1,802	58
Total equity	49,355	—	1,802	47,553
Total liabilities and equity	\$ 138,615	\$ 58,870	\$ 2,120	\$ 77,625

(1) Amounts represent segregated client assets and related liabilities, in which BlackRock has no economic interest. BlackRock earns an investment advisory fee for the service of managing these assets on behalf of its clients.

(2) Amounts represent the impact of consolidating CIPs.

(3) Amount includes property and equipment and other assets.

(4) Amount includes approximately \$4.2 billion of deferred income tax liabilities related to goodwill and intangibles. See Note 25, *Income Taxes*, in the notes to the consolidated financial statements contained in Part II, Item 8 of this filing for more information.

The following discussion summarizes the significant changes in assets and liabilities on a GAAP basis. Please see the consolidated statements of financial condition as of December 31, 2024 and 2023 contained in Part II, Item 8 of this filing. The discussion does not include changes related to assets and liabilities that are equal and offsetting and have no impact on BlackRock's stockholders' equity.

Assets. Cash and cash equivalents at December 31, 2024 included \$169 million of cash held by CIPs (see *Liquidity and Capital Resources* for details on the change in cash and cash equivalents during 2024). Accounts receivable at December 31, 2024 increased \$388 million from December 31, 2023, primarily due to higher base and performance fee receivables. Investments at December 31, 2024 increased \$29 million from December 31, 2023 (for more information see *Investments* herein). Goodwill and intangible assets, net at December 31, 2024 increased \$12.9 billion from December 31, 2023, primarily due to the GIP Transaction and the SpiderRock Transaction, partially offset by amortization of intangible assets and a \$50 million noncash impairment charge related to certain indefinite-lived intangible assets. Other assets at December 31, 2024 decreased \$261 million from December 31, 2023, primarily related to a decrease in unit trust receivables (substantially offset by a decrease in unit trust payables recorded within other liabilities), partially offset by an increase in certain minority investments.

Liabilities. Accrued compensation and benefits at December 31, 2024 increased \$571 million from December 31, 2023, primarily due to higher 2024 incentive compensation accruals. Accounts payable and accrued liabilities at December 31, 2024 increased \$296 million from December 31, 2023, primarily due to higher interest on borrowings and increased accruals, including accruals related to direct fund expense. Contingent consideration liabilities at December 31, 2024 increased \$4.2 billion from December 31, 2023, primarily due to the contingent consideration liability in connection with the GIP Transaction, which will be settled all in stock, subject to the achievement of specified performance targets (See Note 3, *Acquisitions*, in the notes to the consolidated financial statements contained in Part II, Item 8 of this filing for more information). Other liabilities at December 31, 2024 decreased \$343 million from December 31, 2023, primarily due to lower unit trust payables (substantially offset by a decrease in unit trust receivables recorded within other assets). Deferred income tax liabilities at December 31, 2024 decreased \$172 million from December 31, 2023, primarily due to the effects of temporary differences associated with the intellectual property reorganization and the GIP Transaction.

Investments

The Company's investments were \$9.8 billion and \$9.7 billion at December 31, 2024 and 2023, respectively. Investments include CIPs accounted for as VIEs and VREs. Management reviews BlackRock's investments on an "economic" basis, which eliminates the portion of investments that does not impact BlackRock's book value or net income attributable to BlackRock. BlackRock's management does not advocate that investors consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

The Company presents investments, as adjusted, to enable investors to understand the economic portion of investments that is owned by the Company as a gauge to measure the impact of changes in net nonoperating income (expense) on investments to net income (loss) attributable to BlackRock.

The Company further presents net “economic” investment exposure, net of deferred cash compensation investments and hedged exposures, to reflect another helpful measure for investors. The economic impact of investments held pursuant to deferred cash compensation plans is substantially offset by a change in associated compensation expense, and the impact of the portfolio of seed investments is mitigated by futures entered into as part of the Company’s macro hedging strategy. Carried interest capital allocations are excluded as there is no impact to BlackRock’s stockholders’ equity until such amounts are realized as performance fees. Finally, the Company’s regulatory investment in Federal Reserve Bank stock, which is not subject to market or interest rate risk, is excluded from the Company’s net economic investment exposure.

(in millions)	December 31, 2024	December 31, 2023
Investments, GAAP	\$ 9,769	\$ 9,740
Investments held by CIPs	(5,752)	(5,977)
Net interest in CIPs ⁽¹⁾	3,877	4,111
Investments, as adjusted	7,894	7,874
Investments related to deferred cash compensation plans	(185)	(264)
Hedged exposures	(1,757)	(1,771)
Federal Reserve Bank stock	(93)	(92)
Carried interest	(1,983)	(1,975)
Total “economic” investment exposure⁽²⁾	\$ 3,876	\$ 3,772

(1) Amounts included \$1.9 billion of carried interest (VIEs) at both December 31, 2024 and 2023, which has no impact on the Company’s “economic” investment exposure.

(2) Amounts do not include investments in corporate minority investments included in other assets on the consolidated statements of financial condition.

The following table represents the carrying value of the Company’s economic investment exposure, by asset type, at December 31, 2024 and 2023:

(in millions)	December 31, 2024	December 31, 2023
Equity/Fixed income/Multi-asset ⁽¹⁾	\$ 3,025	\$ 2,786
Alternatives:		
Private equity	1,199	1,491
Real assets	629	509
Other alternatives ⁽²⁾	780	757
Alternatives subtotal	2,608	2,757
Hedged exposures	(1,757)	(1,771)
Total “economic” investment exposure	\$ 3,876	\$ 3,772

(1) Amounts include seed investments in equity, fixed income, and multi-asset mutual funds/strategies.

(2) Other alternatives primarily include co-investments in credit funds, direct hedge fund strategies, and hedge fund solutions.

As adjusted investment activity for 2024 and 2023 was as follows:

(in millions)	2024	2023
Investments, as adjusted, beginning balance	\$ 7,874	\$ 6,419
Purchases/capital contributions	2,214	1,403
Sales/maturities	(1,888)	(914)
Distributions ⁽¹⁾	(466)	(111)
Market appreciation(depreciation)/earnings from equity method investments	220	607
Carried interest capital allocations/(distributions)	8	425
Other ⁽²⁾	(68)	45
Investments, as adjusted, ending balance	\$ 7,894	\$ 7,874

(1) Amount includes distributions representing return of capital and return on investments.

(2) Amount includes the impact of foreign exchange movements.

LIQUIDITY AND CAPITAL RESOURCES

BlackRock Cash Flows Excluding the Impact of CIPs

The consolidated statements of cash flows include the cash flows of the CIPs. The Company uses an adjusted cash flow statement, which excludes the impact of CIPs, as a supplemental non-GAAP measure to assess liquidity and capital requirements. The Company believes that its cash flows, excluding the impact of the CIPs, provide investors with useful information on the cash flows of BlackRock relating to its ability to fund additional operating, investing and financing activities. BlackRock's management does not advocate that investors consider such non-GAAP measures in isolation from, or as a substitute for, its cash flows presented in accordance with GAAP.

The following table presents a reconciliation of the consolidated statements of cash flows presented on a GAAP basis to the consolidated statements of cash flows, excluding the impact of the cash flows of CIPs:

(in millions)	GAAP Basis	Impact on Cash Flows of CIPs	Cash Flows Excluding Impact of CIPs
Cash, cash equivalents and restricted cash, December 31, 2022	\$ 7,433	\$ 265	\$ 7,168
Net cash provided by/(used in) operating activities	4,165	(1,519)	5,684
Net cash provided by/(used in) investing activities	(959)	(26)	(933)
Net cash provided by/(used in) financing activities	(1,992)	1,568	(3,560)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	106	—	106
Net increase/(decrease) in cash, cash equivalents and restricted cash	1,320	23	1,297
Cash, cash equivalents and restricted cash, December 31, 2023	\$ 8,753	\$ 288	\$ 8,465
Net cash provided by/(used in) operating activities	4,956	(2,311)	7,267
Net cash provided by/(used in) investing activities	(3,004)	(127)	(2,877)
Net cash provided by/(used in) financing activities	2,236	2,319	(83)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(162)	—	(162)
Net increase/(decrease) in cash, cash equivalents and restricted cash	4,026	(119)	4,145
Cash, cash equivalents and restricted cash, December 31, 2024	\$ 12,779	\$ 169	\$ 12,610

Sources of BlackRock's operating cash primarily include base fees and securities lending revenue, performance fees, technology services revenue, advisory and other revenue and distribution fees. BlackRock uses its cash to pay all operating expenses, interest and principal on borrowings, income taxes, dividends and repurchases of the Company's stock, acquisitions, capital expenditures and purchases of co-investments and seed investments.

For details of the Company's GAAP cash flows from operating, investing and financing activities, see the consolidated statements of cash flows contained in Part II, Item 8 of this filing.

Cash flows provided by/(used in) operating activities, excluding the impact of CIPs, primarily include the receipt of base fees, securities lending revenue, performance fees and technology services revenue, offset by the payment of operating expenses incurred in the normal course of business, including year-end incentive and deferred cash compensation accrued during prior years, and income tax payments.

Cash flows used in investing activities, excluding the impact of CIPs, for 2024 were \$2.9 billion, primarily reflecting \$2.9 billion related to the GIP Transaction, \$255 million of purchases of property and equipment, \$74 million related to the SpiderRock Transaction, and \$52 million of net investment purchases, partially offset by \$366 million of distributions of capital from equity method investees.

Cash flows used in financing activities, excluding the impact of CIPs, for 2024 were \$83 million, primarily resulting from \$3.1 billion of cash dividend payments, \$1.9 billion of share repurchases, including \$1.6 billion in open market transactions and \$0.3 billion of employee tax withholdings related to employee stock transactions, and \$1.0 billion of repayment of long-term borrowings, partially offset by \$5.5 billion of proceeds from long-term borrowings related to the issuances of senior notes to fund a portion of the cash consideration for the GIP Transaction and the Preqin Transaction, which is anticipated to close in the first quarter of 2025, and \$0.5 billion in proceeds from stock options exercised.

The Company manages its financial condition and funding to maintain appropriate liquidity for the business. Management believes that the Company's liquid assets, continuing cash flows from operations, borrowing capacity under the Company's existing revolving credit facility and uncommitted commercial paper private placement program, provide sufficient resources to meet the Company's short-term and long-term cash needs, including operating, debt and other obligations as they come due and anticipated future capital requirements. Liquidity resources at December 31, 2024 and 2023 were as follows:

(in millions)	December 31, 2024	December 31, 2023
Cash and cash equivalents ⁽¹⁾	\$ 12,762	\$ 8,736
Cash and cash equivalents held by CIPs ⁽²⁾	(169)	(288)
Subtotal ⁽³⁾	12,593	8,448
Credit facility — undrawn	5,400	5,000
Total liquidity resources	\$ 17,993	\$ 13,448

(1) Amounts exclude restricted cash.

(2) The Company cannot readily access such cash and cash equivalents to use in its operating activities.

(3) The percentage of cash and cash equivalents held by the Company's US subsidiaries was approximately 65% and 50% at December 31, 2024 and 2023, respectively. See *Net Capital Requirements* herein for more information on net capital requirements in certain regulated subsidiaries.

Total liquidity resources increased \$4.5 billion during 2024, primarily reflecting \$4.5 billion of net proceeds from long-term borrowings, a \$400 million increase in the aggregate commitment amount under the credit facility, and positive cash flows from operating activities, partially offset by cash dividend payments of \$3.1 billion, \$2.9 billion related to the GIP Transaction, share repurchases of \$1.9 billion and \$74 million related to the SpiderRock Transaction.

A significant portion of the Company's \$7.9 billion of investments, as adjusted, is illiquid in nature and, as such, cannot be readily convertible to cash.

Share Repurchases. During 2024, the Company repurchased 1.9 million common shares under the Company's existing share repurchase program for approximately \$1.6 billion. At December 31, 2024, there were approximately 3.8 million shares still authorized to be repurchased under the program. The timing and actual number of shares repurchased will depend on a variety of factors, including legal limitations, price and market conditions.

Net Capital Requirements. The Company is required to maintain net capital in certain regulated subsidiaries within a number of jurisdictions, which is partially maintained by retaining cash and cash equivalent investments in those subsidiaries or jurisdictions. As a result, such subsidiaries of the Company may be restricted in their ability to transfer cash between different jurisdictions and to their parents. Additionally, transfers of cash between international jurisdictions may have adverse tax consequences that could discourage such transfers.

BlackRock Institutional Trust Company, N.A. ("BTC") is chartered as a national bank that does not accept deposits or make commercial loans and whose powers are limited to trust and other fiduciary activities. BTC provides investment management and other fiduciary services, including investment advisory and securities lending agency services, to institutional clients. BTC is subject to regulatory capital and liquid asset requirements administered by the US Office of the Comptroller of the Currency.

At both December 31, 2024 and 2023, the Company was required to maintain approximately \$1.8 billion in net capital in certain regulated subsidiaries, including BTC, entities regulated by the Financial Conduct Authority and Prudential Regulation Authority in the UK, and the Company's broker-dealers. The Company was in compliance with all applicable regulatory net capital requirements.

Undistributed Earnings of Foreign Subsidiaries. As a result of the 2017 Tax Cuts and Jobs Act and the one-time mandatory deemed repatriation tax on untaxed accumulated foreign earnings, US income taxes were provided on the Company's undistributed foreign earnings. The financial statement basis in excess of tax basis of its foreign subsidiaries remains indefinitely reinvested in foreign operations. The Company will continue to evaluate its capital management plans.

Short-Term Borrowings

2024 Revolving Credit Facility. The Company maintains an unsecured revolving credit facility, which is available for working capital and general corporate purposes (the "2024 Credit Facility"). In March 2024, the 2024 Credit Facility was amended to, among other things, (1) permit the GIP Transaction and the transactions contemplated in connection with the GIP Transaction, (2) add New BlackRock as a borrower under the existing credit agreement, (3) add New BlackRock as a guarantor of the payment and performance of the obligations, liabilities and indebtedness of Old BlackRock and certain of its other subsidiaries and (4) update the sustainability-linked pricing mechanics to remove existing metrics and allow new metrics, if any, to be set following the consummation of the GIP Transaction. In May 2024, the 2024 Credit Facility was further amended to, among other things, (1) increase the aggregate commitment amount by \$400 million to \$5.4 billion and (2) extend the maturity date to March 2029 for lenders (other than one non-extending lender) pursuant to the Company's option to request extensions of the maturity date available under the 2024 Credit Facility (with the commitment of the non-extending lender maturing in March 2028). The 2024 Credit Facility permits the Company to request up to an additional \$1.0 billion of borrowing capacity, subject to lender credit approval, which could increase the overall size of the 2024 Credit Facility to an aggregate principal amount of up to \$6.4 billion. Interest on outstanding borrowings accrues at an applicable benchmark rate for the denominated currency of the loan, plus a spread. The 2024 Credit Facility requires the Company not to exceed a maximum leverage ratio (ratio of net debt to earnings before interest, taxes, depreciation and amortization, where net debt equals total debt less unrestricted cash) of 3 to 1, which was satisfied with a ratio of less than 1 to 1 at December 31, 2024. At December 31, 2024, the Company had no amount outstanding under the 2024 Credit Facility.

Commercial Paper Program. On November 7, 2024, BlackRock established a commercial paper program (the "CP Program") under which the Company may issue short-term, unsecured commercial paper notes (the "CP Notes") on a private-placement basis up to a maximum aggregate amount outstanding at any time of \$5 billion. The payments of the CP Notes have been unconditionally guaranteed by Old BlackRock (the "CP Notes Guarantee"). The CP Notes will rank equal in right of payment with all of BlackRock's other unsubordinated indebtedness, and the obligations of Old BlackRock under the CP Notes Guarantee will rank equal in right of payment with all of Old BlackRock's other unsubordinated indebtedness. Net proceeds of issuances of the CP Notes are expected to be used for general corporate purposes. The CP Program is currently supported by the 2024 Credit Facility. The CP Program replaced the Company's prior \$4 billion commercial paper program, which was terminated concurrently with the establishment of this CP Program, and has been put into place in connection with the Company's organizational structure following the closing of the GIP Transaction. At December 31, 2024, BlackRock had no CP Notes outstanding.

Subsidiary Credit Facility. In January 2024, BlackRock Investment Management (UK) Limited ("BIM UK"), a wholly owned subsidiary of the Company, entered into a revolving credit facility (the "Subsidiary Credit Facility") in the amount of £25 million (or approximately \$31 million based on the GBP/USD foreign exchange rate at December 31, 2024) with a rolling 364-day term structure. The Subsidiary Credit Facility is available for BIM UK's general corporate and working capital purposes. At December 31, 2024, there was no amount outstanding under the Subsidiary Credit Facility.

Long-Term Borrowings

The carrying value of long-term borrowings at December 31, 2024 included the following:

(in millions)	Maturity	Amount	Carrying Value	Maturity
1.25% Notes ⁽¹⁾⁽²⁾	\$	725	\$	725
3.20% Notes ⁽²⁾		700		698
4.60% Notes		800		797
3.25% Notes ⁽²⁾		1,000		993
4.70% Notes		500		497
2.40% Notes ⁽²⁾		1,000		997
1.90% Notes ⁽²⁾		1,250		1,243
2.10% Notes ⁽²⁾		1,000		989
4.75% Notes ⁽²⁾		1,250		1,233
5.00% Notes		1,000		993
4.90% Notes		500		495
5.25% Notes		1,500		1,468
5.35% Notes		1,200		1,186
Total long-term borrowings	\$	12,425	\$	12,314

(1) The carrying value of the 1.25% Notes is calculated using the EUR/USD foreign exchange rate as of December 31, 2024.

(2) Issued by Old BlackRock and guaranteed by New BlackRock.

In March 2024, New BlackRock issued \$3.0 billion in aggregate principal amount of senior unsecured and unsubordinated notes. These notes were issued as three separate series of senior debt securities including \$500 million of 4.70% notes maturing on March 14, 2029 (the "2029 Notes"), \$1.0 billion of 5.00% notes maturing on March 14, 2034 (the "2034 Notes") and \$1.5 billion of 5.25% notes maturing on March 14, 2054 (the "2054 Notes") (collectively, the "March 2024 Notes"). Net proceeds were used to fund a portion of the cash consideration for the GIP Transaction, which closed in October 2024. Interest on the March 2024 Notes of approximately \$152 million per year is payable semi-annually on March 14 and September 14 of each year, which commenced on September 14, 2024. The March 2024 Notes are fully and unconditionally guaranteed (the "March 2024 Notes Guarantee") on a senior unsecured basis by Old BlackRock. The March 2024 Notes and the March 2024 Notes Guarantee rank equally in right of payment with all of BlackRock and Old BlackRock's other unsubordinated indebtedness, respectively. The March 2024 Notes may be redeemed prior to maturity at any time in whole or in part at the option of BlackRock at the redemption prices set forth in the applicable series of March 2024 Notes.

In March 2024, the Company fully repaid \$1.0 billion of 3.50% Notes at maturity.

In July 2024, New BlackRock issued \$2.5 billion in aggregate principal amount of senior unsecured and unsubordinated notes. These notes were issued as three separate series of senior debt securities including \$800 million of 4.60% notes maturing on July 26, 2027 (the "2027 Notes"), \$500 million of 4.90% notes maturing on January 8, 2035 (the "2035 Notes") and \$1.2 billion of 5.35% notes maturing on January 8, 2055 (the "2055 Notes") (collectively, the "July 2024 Notes"). Net proceeds are intended to be used to fund a portion of the cash consideration for the Preqin Transaction, which is anticipated to close in the first quarter of 2025, subject to customary closing conditions. The July 2024 Notes are fully and unconditionally guaranteed (the "July 2024 Notes Guarantee", and together with the March 2024 Notes Guarantee "Notes Guarantees") on a senior unsecured basis by Old BlackRock. The July 2024 Notes and the July 2024 Notes Guarantee rank equally in right of payment with all of BlackRock and Old BlackRock's other unsubordinated indebtedness, respectively. Interest on the 2027 Notes of approximately \$37 million per year is payable semi-annually on January 26 and July 26 of each year, beginning January 26, 2025. Interest on the 2035 Notes and 2055 Notes of approximately \$25 million and \$64 million per year, respectively, is payable semi-annually on January 8 and July 8 of each year, beginning January 8, 2025. The July 2024 Notes may be redeemed prior to maturity at any time in whole or in part at the option of BlackRock at the redemption prices set forth in the applicable series of July 2024 Notes. In addition, if the Preqin Transaction is not consummated, the Company will be required to redeem all outstanding 2027 Notes (the "Special Mandatory Redemption") at a Special Mandatory Redemption price equal to 101% of the aggregate principal amount of the applicable series of 2027 Notes, plus accrued and unpaid interest, if any, to, but excluding, the Special Mandatory Redemption date.

For more information on the Company's borrowings, see Note 15, *Borrowings*, in the notes to the consolidated financial statements contained in Part II, Item 8 of this filing.

Supplemental Guarantor Information

On October 1, 2024, in connection with the closing of the GIP Transaction, BlackRock, Inc. (formerly known as BlackRock Funding, Inc.) ("New BlackRock") became the ultimate parent company of BlackRock Finance, Inc. (formerly known as BlackRock, Inc.) ("Old BlackRock"), GIP and their respective subsidiaries. See *Overview* for additional information.

New BlackRock is the issuer of the previously described March 2024 Notes and July 2024 Notes (collectively the "2024 Notes"), which are fully and unconditionally guaranteed on a senior unsecured basis by Old BlackRock. The 2024 Notes and the Notes Guarantees rank equally in right of payment with all of New BlackRock's and Old BlackRock's other unsubordinated indebtedness, respectively. No other subsidiary of Old BlackRock or New BlackRock guarantees the 2024 Notes. The Notes Guarantees will be automatically and unconditionally released and discharged, and Old BlackRock will be released from all obligations under the indenture in its capacity as guarantor, in certain circumstances as described in the indenture governing the 2024 Notes. See Note 15, *Borrowings*, in the notes to the consolidated financial statements for further information on the 2024 Notes, Old BlackRock's senior unsecured notes and the New BlackRock Guarantee.

On October 1, 2024, in connection with the closing of the GIP Transaction, New BlackRock also entered into a guarantee (the "New BlackRock Guarantee") pursuant to which New BlackRock fully and unconditionally guaranteed, on a senior unsecured basis, the obligations of Old BlackRock with respect to its previously issued senior unsecured notes. The New BlackRock Guarantee ranks equally in right of payment with all of New BlackRock's other unsubordinated indebtedness. In certain circumstances as described in the New BlackRock Guarantee, the New BlackRock Guarantee will be automatically and unconditionally released and discharged, and New BlackRock will be released from all obligations under the New BlackRock Guarantee.

The following presents unaudited summarized financial information of New BlackRock and Old BlackRock (together with the New BlackRock, the "Obligor Group") on a combined basis as of December 31, 2024 and for the period from October 1, 2024 to December 31, 2024. Intercompany balances and transactions between New BlackRock and Old BlackRock have been eliminated, and balances and transactions with subsidiaries, which are not part of the Obligor Group, have been separately presented, and investments in and equity in earnings related to subsidiaries of New BlackRock and Old BlackRock, which are not members of the Obligor Group, have been excluded.

Summarized Balance Sheet (unaudited)

(in millions)		December 31, 2024	
Assets			
Receivables from non-guarantor subsidiaries	\$	7,681	
Goodwill and intangible assets		27,273	
Other assets		362	
Total assets	\$	35,316	
Liabilities			
Borrowings	\$	12,314	
Payables to non-guarantor subsidiaries		10,206	
Other liabilities		3,278	
Total liabilities	\$	25,798	

Summarized Income Statement (unaudited)

For 2024, net loss of the Obligor Group was \$767 million and primarily comprised of \$87 million amortization expense, a gain of \$31 million related to a contingent consideration fair value adjustment, a \$35 million impairment charge, \$391 million of interest expense, and related taxes. Revenue during this period was not material.

Contractual Obligations, Commitments and Contingencies

The Company's material contractual obligations, commitments and contingencies at December 31, 2024 include borrowings, operating leases, investment commitments, compensation and benefits obligations, purchase obligations, and contingent consideration liabilities.

Borrowings. At December 31, 2024, the Company had outstanding borrowings with varying maturities for an aggregate principal amount of \$12.4 billion, of which \$725 million is payable within 12 months. Future interest payments associated with these borrowings total \$6.4 billion, of which \$470 million is payable within 12 months. See Note 15, *Borrowings*, in the notes to the consolidated financial statements contained in Part II, Item 8 of this filing.

Operating Leases. The Company leases its primary office locations under agreements that expire on varying dates through 2043. At December 31, 2024, the Company had operating lease payment obligations of approximately \$2.3 billion, of which \$198 million is payable within 12 months. See Note 13, *Leases*, in the notes to the consolidated financial statements contained in Part II, Item 8 of this filing.

Investment Commitments. At December 31, 2024, the Company had \$1.2 billion of various capital commitments to fund sponsored investment products, including CIPs. These products include various private market products, including private equity funds, real assets funds, and opportunistic funds. This amount excludes additional commitments made by consolidated funds of funds to underlying third-party funds as third-party noncontrolling interest holders have the legal obligation to fund the respective commitments of such funds of funds. Generally, the timing of the funding of these commitments is unknown and the commitments are callable on demand at any time prior to the expiration of the commitment. These unfunded commitments are not recorded on the consolidated statements of financial condition. These commitments do not include potential future commitments approved by the Company that are not yet legally binding. The Company intends to make additional capital commitments from time to time to fund additional investment products for, and with, its clients.

Compensation and Benefit Obligations. The Company has various compensation and benefit obligations, including bonuses, commissions and incentive payments payable, defined contribution plan matching contribution obligations, and deferred compensation arrangements. Accrued compensation and benefits at December 31, 2024 totaled \$3.0 billion and included annual incentive compensation of \$2.0 billion, deferred compensation of \$0.4 billion and other compensation and benefits related obligations of \$0.5 billion. Substantially all of the incentive compensation liability was paid in the first quarter of 2025, while the deferred compensation obligations are payable over various periods, with the majority payable over periods of up to three years.

Purchase Obligations. In the ordinary course of business, BlackRock enters into contracts or purchase obligations with third parties whereby the third parties provide services to or on behalf of BlackRock. Purchase obligations represent executory contracts, which are either noncancelable or cancelable with a penalty. At December 31, 2024, the Company's obligations primarily reflected standard service contracts for market data, technology, office-related services, marketing and promotional services, and obligations for equipment. Purchase obligations are recorded on the consolidated financial statements when services are provided and, as such, obligations for services and equipment not received are not included in the consolidated statement of financial condition at December 31, 2024. At December 31, 2024, the Company had purchase obligations of approximately \$615 million, of which \$260 million is payable within 12 months.

Contingent Consideration Liabilities. In connection with certain acquisitions, BlackRock is required to make contingent payments, subject to the achievement of specified performance targets or satisfaction of certain post-closing events. The fair value of this contingent consideration is estimated at the time of acquisition closing and is included in contingent consideration liabilities on the consolidated statements of financial condition. The fair value of the remaining aggregate contingent payments at December 31, 2024 totaled \$4.3 billion, including \$4.2 billion related to the GIP Transaction, which, if any, will be settled all in stock, for a number of shares ranging from 4.0 million to 5.2 million shares, subject to achieving certain performance targets. See Note 3, *Acquisitions*, in the notes to the consolidated financial statements contained in Part II, Item 8 of this filing for more information.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expense during the reporting periods. Actual results could differ significantly from those estimates. These estimates, judgments and assumptions are affected by the Company's application of accounting policies. Management considers the following accounting policies and estimates critical to understanding the consolidated financial statements. These policies and estimates are considered critical because they had a material impact, or are reasonably likely to have a material impact on the Company's consolidated financial statements and because they require management to make significant judgments, assumptions or estimates. For a summary of these and additional accounting policies see Note 2, *Significant Accounting Policies*, in the notes to the consolidated financial statements included in Part II, Item 8 of this filing.

Consolidation

The Company consolidates entities in which the Company has a controlling financial interest. The Company has a controlling financial interest when it owns a majority of the VRE or is a primary beneficiary ("PB") of a VIE. Assessing whether an entity is a VIE or a VRE involves judgment and analysis on a structure-by-structure basis. Factors considered in this assessment include the entity's legal organization, the entity's capital structure, the rights of equity investment holders, the Company's contractual involvement with and economic interest in the entity and any related party or de facto agent implications of the Company's involvement with the entity. Entities that are determined to be VREs are consolidated if the Company can exert absolute control over the financial and operating policies of the investee, which generally exists if there is greater than 50% voting interest. Entities that are determined to be VIEs are consolidated if the Company is the PB of the entity. BlackRock is deemed to be the PB of a VIE if it (1) has the power to direct the activities that most significantly impact the entities' economic performance and (2) has the obligation to absorb losses or the right to receive benefits that potentially could be significant to the VIE. There is judgment involved in assessing whether the Company is the PB of a VIE. In addition, the Company's ownership interest in VIEs is subject to variability and is impacted by actions of other investors such as ongoing redemptions and contributions. The Company generally consolidates VIEs in which it holds an economic interest of 10% or greater and deconsolidates such VIEs once its economic interest falls below 10%. As of December 31, 2024, the Company was deemed to be the PB of approximately 110 VIEs. See Note 6, *Consolidated Sponsored Investment Products*, in the notes to the consolidated financial statements contained in Part II, Item 8 of this filing for more information.

Fair Value Measurements

The Company's assessment of the significance of a particular input to the fair value measurement according to the fair value hierarchy (i.e., Level 1, 2 and 3 inputs, as defined) in its entirety requires judgment and considers factors specific to the financial instrument. See Note 2, *Significant Accounting Policies*, and Note 8, *Fair Value Disclosures*, in the consolidated financial statements contained in Part II, Item 8 of this filing for more information on fair value measurements.

Changes in Valuation. Changes in value on \$7.1 billion of investments will impact the Company's nonoperating income (expense), \$640 million are held at cost or amortized cost and the remaining \$2.0 billion relates to carried interest, which will not impact nonoperating income (expense). At December 31, 2024, changes in fair value of \$3.8 billion of CIPs will impact BlackRock's net income (loss) attributable to NCI on the consolidated statements of income. BlackRock's net exposure to changes in fair value of CIPs was \$2.0 billion.

Goodwill and Intangible Assets

The Company accounts for business combinations using the acquisition method of accounting, where the purchase price is allocated to the assets acquired and liabilities assumed based on their fair values at the date of the transaction. Any excess purchase consideration over the fair value of net assets acquired is recorded as goodwill. The Company determines fair value of the tangible and identifiable intangible assets acquired and liabilities assumed, using the best available information which incorporates various estimates and assumptions, including, but not limited to, future expected cash flows, fundraising assumptions, useful lives, and discount rates. These estimates are based on historical data, internal estimates, and external sources. Unanticipated events may affect the validity of these assumptions.

During 2024, BlackRock recorded approximately \$2.7 billion of finite-lived management contracts and investor relationships in connection with the GIP Transaction. The acquisition date fair values were determined using an income approach, which applied certain significant assumptions, which are inherently uncertain and unpredictable. These assumptions primarily included discounts rates ranging from 7%-11%, as well as estimated revenue projections based on AUM, AUM growth rates, revenue basis points, operating margins, and tax rates. While the Company believes these assumptions to be reasonable and appropriate, changes in these estimates could produce different fair value amounts.

Goodwill. The Company assesses its goodwill for impairment at least annually, considering qualitative factors such as entity-specific and macroeconomic factors as potential impairment indicators as well as quantitative factors such as the book value and the market capitalization of the Company. The impairment assessment performed as of July 31, 2024 indicated no impairment charge was required. The Company continues to monitor various impairment indicators as well as its book value per share compared with closing prices of its common stock for potential indicators of impairment. At December 31, 2024, the Company had \$25.9 billion of goodwill, including \$10.3 billion in connection with the GIP Transaction and the Company's common stock closed at \$1,025, which exceeded its book value of \$307 per share.

Indefinite-lived and finite-lived intangibles. Indefinite-lived intangible assets represent the value of advisory contracts acquired in business acquisitions to manage AUM in proprietary open-end investment funds, collective trust funds and certain other commingled products without a specified termination date. The assignment of indefinite lives to such contracts primarily is based upon the following: (1) the assumption that there is no foreseeable limit on the contract period to manage these products; (2) the Company expects to, and has the ability to, continue to operate these products indefinitely; (3) the products have multiple investors and are not reliant on a single investor or small group of investors for their continued operation; (4) current competitive factors and economic conditions do not indicate a finite life; and (5) there is a high likelihood of continued renewal based on historical experience. In addition, trade names/trademarks are considered indefinite-lived intangibles if they are expected to generate cash flows indefinitely. Indefinite-lived intangible assets are not amortized.

Finite-lived intangible assets represent finite-lived investor/customer relationships, technology related assets, and management contracts, which relate to acquired separate accounts and funds, that are expected to contribute to the future cash flows of the Company for a specified period of time. Finite-lived intangible assets are amortized over their remaining expected useful lives, which, at December 31, 2024 ranged from approximately 1 to 14 years with a weighted-average remaining estimated useful life of approximately 9 years.

The Company performs assessments to determine if any intangible assets are impaired at least annually, as of July 31, or more frequently if events or changes in circumstances indicate that it is more likely than not that the intangible assets might be impaired.

In evaluating whether it is more likely than not that the fair value of indefinite-lived intangibles is less than its carrying value, BlackRock performs certain quantitative assessments and assessed various significant quantitative factors including AUM, revenue basis points, projected AUM growth rates, operating margins, tax rates and discount rates. In addition, the Company considered other qualitative factors including: (1) macroeconomic conditions such as a deterioration in general economic conditions, limitations on accessing capital, fluctuations in foreign exchange rates, or other developments in equity and credit markets; (2) industry and market considerations such as a deterioration in the environment in which the Company operates, an increased competitive environment, a decline in market-dependent multiples or metrics, a change in the market for an entity's services, or regulatory, legal or political developments; and (3) Company-specific events, such as a change in management or key personnel, overall financial performance and litigation that could affect significant inputs used to determine the fair value of the indefinite-lived intangible asset. If an indefinite-lived intangible is determined to be more likely than not impaired, then the fair value of the asset, which is generally determined using an income approach, is compared with its carrying value and any excess of the carrying value over the fair value would be recognized as an expense in the period in which the impairment occurs.

For finite-lived intangible assets, if potential impairment circumstances are considered to exist, the Company will perform a recoverability test, using an undiscounted cash flow analysis. Factors included in evaluating finite-lived customer relationships, technology related assets and trade names include technology services revenue trends, customer attrition rates, obsolescence rates, and royalty rates. For finite-lived management contracts, evaluation is based on changes in assumptions including AUM, revenue basis points, projected AUM growth rates, operating margins, tax rates and discount rates. Actual results could differ from these cash flow estimates, which could materially impact the impairment conclusion. If the carrying value of the asset is determined not to be recoverable based on the undiscounted cash flow test, the difference between the book value of the asset and its current estimated fair value would be recognized as an expense in the period in which the impairment occurs.

In addition, management judgment is required to estimate the period over which finite-lived intangible assets will contribute to the Company's cash flows and the pattern in which these assets will be consumed and whether the indefinite-life and finite-life classifications are still appropriate. A change in the remaining useful life of any of these assets, or the reclassification of an indefinite-lived intangible asset to a finite-lived intangible asset, could have a significant impact on the Company's amortization expense, which was \$241 million, \$151 million and \$151 million for 2024, 2023 and 2022, respectively.

In 2024, 2023 and 2022, the Company performed its annual impairment assessment, including evaluating various qualitative factors and performing certain quantitative assessments. In 2024, based on this assessment, the Company determined that the indefinite-lived intangible assets related to certain acquired open-end management contracts were impaired, and as a result, recorded a noncash impairment charge of \$50 million, included within amortization and impairment of intangible assets expense on the consolidated statements of income. The impairment was primarily the result of a decrease in certain quantitative factors, including reduced growth expectation, lower revenue basis points and net client outflows, which caused the fair value to decline below its carrying value. While the Company believes all assumptions utilized in the analysis are reasonable and appropriate, changes in these estimates could produce different fair value amounts, which could drive additional impairment in future periods. In addition, the Company determined, that no impairment charges were required for any other intangible assets, and that the classification of indefinite-lived versus finite-lived intangibles was still appropriate and no changes were required to the expected lives of the finite-lived intangibles. In 2023 and 2022, the Company determined that no impairment charges were required and that the classification of indefinite-lived versus finite-lived intangibles was still appropriate and no changes were required to the expected lives of the finite-lived intangibles. The Company continuously monitors various factors, including AUM, for potential indicators of impairment.

Contingent Consideration Liabilities

In connection with certain acquisitions, BlackRock is required to make contingent payments, subject to the achievement of specified performance targets or satisfaction of certain post-closing events. The fair value of this contingent consideration is estimated at the time of acquisition closing and is included in contingent consideration liabilities on the consolidated statements of financial condition. The fair value of the remaining aggregate contingent payments at December 31, 2024 totaled \$4.3 billion, including \$4.2 billion related to the GIP Transaction, which, if any, will be settled all in stock, ranging from 4.0 million to 5.2 million shares, subject to achieving certain performance targets. The fair value of the GIP Transaction contingent consideration was estimated using the income approach, which included certain significant inputs such as a risk-free discount rate of approximately 4.3% as well as current estimates of the timing and amounts of fundraising forecasts, stock and AUM volatility, and correlation between stock price and AUM (Level 3 inputs). As the estimated fair value of the contingent consideration subsequently changes, contingent consideration liabilities are adjusted, resulting in contingent consideration fair value adjustments recorded within general and administration expense of the consolidated statements of income until the contingency is resolved. Accordingly, changes in the key inputs and assumptions described can materially impact the amount of contingent consideration expense recorded in a reporting period.

Revenue Recognition

The Company recognizes revenues when its obligations related to the services are satisfied and it is probable that a significant reversal of the revenue amount would not occur in future periods. The Company enters into contracts that can include multiple services, which are accounted for separately if they are determined to be distinct. Management judgment is required in assessing the probability of significant revenue reversal and in identification of distinct services.

The Company derives a substantial portion of its revenue from investment advisory and administration fees which are recognized as the services are performed over time because the customer is receiving and consuming the benefits as they are provided by the Company. Fees are primarily based on agreed-upon percentages of AUM and recognized for services provided during the period, which are distinct from services provided in other periods. Such fees are affected by changes in AUM, including market appreciation or depreciation, foreign exchange translation and net inflows or outflows. AUM represents the broad range of financial assets the Company manages for clients on a discretionary basis pursuant to investment management and trust agreements that are expected to continue for at least 12 months. In general, reported AUM reflects the valuation methodology that corresponds to the basis used for determining revenue (for example, net asset values).

The Company receives investment advisory performance fees, including incentive allocations (carried interest) from certain actively managed investment funds and certain separately managed accounts ("SMAs"). These performance fees are dependent upon exceeding specified relative or absolute investment return thresholds, which vary by product or account, and include monthly, quarterly, annual or longer measurement periods.

Performance fees, including carried interest, are generated on certain management contracts when performance hurdles are achieved. Such performance fees are recognized when the contractual performance criteria have been met and when it is determined that they are no longer probable of significant reversal. Given the unique nature of each fee arrangement, contracts with customers are evaluated on an individual basis to determine the timing of revenue recognition. Significant judgment is involved in making such determination. Performance fees typically arise from investment management services that began in prior reporting periods. Consequently, a portion of the fees the Company recognizes may be partially related to the services performed in prior periods that meet the recognition criteria in the current period. At each reporting date, the Company considers various factors in estimating performance fees to be recognized, including carried interest. These factors include but are not limited to whether: (1) the amounts are dependent on the financial markets and, thus, are highly susceptible to factors outside the Company's influence; (2) the ultimate payments have a large number and a broad range of possible amounts; and (3) the funds or SMAs have the ability to (a) invest or reinvest their sales proceeds or (b) distribute their sales proceeds, and determine the timing of such distributions.

The Company is allocated/distributed carried interest from certain alternative investment products upon exceeding performance thresholds. The Company may be required to reverse/return all, or part, of such carried interest allocations/distributions depending upon future performance of these products. Carried interest subject to such clawback provisions is recorded in investments or cash and cash equivalents to the extent that it is distributed, on the Company's consolidated statements of financial condition.

The Company records a liability for deferred carried interest to the extent it receives cash or capital allocations related to carried interest prior to meeting the revenue recognition criteria. At December 31, 2024 and 2023, the Company had \$1.9 billion and \$1.8 billion, respectively, of deferred carried interest recorded in other liabilities on the consolidated statements of financial condition. A portion of the deferred carried interest may also be paid to certain employees and other third parties, which may be subject to clawback. The ultimate timing of the recognition of performance fee revenue and related compensation expense, if any, is unknown. See Note 17, *Revenue*, in the notes to the consolidated financial statements for detailed changes in the deferred carried interest liability balance for 2024 and 2023.

The Company earns revenue for providing technology services. Determining the amount of revenue to recognize requires judgment and estimates. Complex arrangements with nonstandard terms and conditions may require contract interpretation to determine the appropriate accounting, including whether promised goods and services specified in an arrangement, are distinct performance obligations, and should be accounted for separately. Other judgments include determining whether performance obligations are satisfied over time or at a point in time. Fees earned for technology services are primarily recorded as services are performed over time and are generally determined using the value of positions on the Aladdin platform or on a fixed-rate basis. Revenue derived from the sale of software licenses is recognized upon the granting of access rights.

Adjustments to revenue arising from initial estimates recorded historically have been immaterial since the majority of BlackRock's investment advisory and administration revenue is calculated based on AUM, recognized when known, and given the Company does not record performance fee revenue until: (1) performance thresholds have been exceeded and (2) management determines the fees are no longer probable of significant reversal. See Note 2, *Significant Accounting Policies*, in the consolidated financial statements contained in Part II, Item 8 of this filing for more information on revenue recognition, including other revenue streams.

Income Taxes

The Company records income taxes based upon its estimated income tax liability or benefit. The Company's actual tax liability or benefit may differ from the estimated income tax liability or benefit.

Deferred income tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using currently enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

Significant management judgment is required in estimating the ranges of possible outcomes and determining the probability of favorable or unfavorable tax outcomes and potential interest and penalties related to such unfavorable outcomes. Actual future tax consequences relating to uncertain tax positions may be materially different than the Company's current estimates. At December 31, 2024, BlackRock had \$517 million of gross unrecognized tax benefits, of which \$431 million, if recognized, would affect the effective tax rate.

Management is required to estimate the timing of the recognition of deferred tax assets and liabilities, make assumptions about the future deductibility of deferred income tax assets and assess deferred income tax liabilities based on enacted tax rates for the appropriate tax jurisdictions to determine the amount of such deferred income tax assets and liabilities. At December 31, 2024, the Company had deferred income tax assets of \$181 million and deferred income tax liabilities of \$3.3 billion on the consolidated statement of financial condition. Changes in deferred tax assets and liabilities may occur in certain circumstances, including statutory income tax rate changes, statutory tax law changes, changes in the anticipated timing of recognition of deferred tax assets and liabilities or changes in the structure or tax status of the Company.

The Company assesses whether a valuation allowance should be established against its deferred income tax assets based on consideration of all available evidence, both positive and negative, using a more likely than not standard. The assessment considers, among other matters, the nature, frequency and severity of recent losses, forecast of future profitability, the duration of statutory carry back and carry forward periods, the Company's experience with tax attributes expiring unused, and tax planning alternatives.

Accounting Developments

For accounting pronouncements that the Company adopted during 2024 and for accounting pronouncements not yet adopted by the Company, see Note 2, *Significant Accounting Policies*, in the consolidated financial statements contained in Part II, Item 8 of this filing.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

AUM Market Price Risk. BlackRock's investment advisory and administration fees are primarily comprised of fees based on a percentage of the value of AUM and, in some cases, performance fees expressed as a percentage of the returns realized on AUM. At December 31, 2024, the majority of the Company's investment advisory and administration fees were based on average or period end AUM of the applicable investment funds or separate accounts. Movements in equity market prices, interest rates/credit spreads, foreign exchange rates or all three could cause the value of AUM to decline, which would result in lower investment advisory and administration fees.

Corporate Investments Portfolio Risks. As a leading investment management firm, BlackRock devotes significant resources across all of its operations to identifying, measuring, monitoring, managing and analyzing market and operating risks, including the management and oversight of its own investment portfolio. The Board of Directors of the Company has adopted guidelines for the review of investments (or commitments to invest) to be made by the Company, requiring, among other things, that certain investments be referred to the Board of Directors, depending on the circumstances, for notification or approval.

In the normal course of its business, BlackRock is exposed to equity market price risk, interest rate/credit spread risk and foreign exchange rate risk associated with its corporate investments.

BlackRock has investments primarily in sponsored investment products that invest in a variety of asset classes, including real assets, private equity and hedge funds. Investments generally are made for co-investment purposes, to establish a performance track record, to hedge exposure to certain deferred cash compensation plans or for regulatory purposes. The Company has a seed capital hedging program in which it enters into futures to hedge market and interest rate exposure with respect to its total portfolio of seed investments in sponsored investment products. The Company had outstanding futures related to its seed capital hedging program with an aggregate notional value of approximately \$1.8 billion at both December 31, 2024 and 2023.

At December 31, 2024 and 2023, approximately \$5.8 billion and \$6.0 billion, respectively, of BlackRock's investments were held in consolidated sponsored investment products accounted for as variable interest entities or voting rights entities. Excluding the impact of the Federal Reserve Bank stock, carried interest, investments made to hedge exposure to certain deferred cash compensation plans and certain investments that are hedged via the seed capital hedging program, the Company's economic exposure to its investment portfolio at December 31, 2024 and 2023 were \$3.9 billion and \$3.8 billion, respectively. See Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations – Statement of Financial Condition Overview – Investments* for further information on the Company's investments.

Equity Market Price Risk. Investments subject to market price risk include public and private equity and real assets investments, hedge funds and funds of funds as well as mutual funds. The following table provides the Company's net exposure to equity market price risk and hypothetical exposure to a 10% adverse change in market prices:

		As of December 31,			
		2024		2023	
(in millions)		Net Exposure	Effect of -10% Change	Net Exposure	Effect of -10% Change
Equity Market Price Risk					
Investments	\$	1,899	\$ 190	\$ 1,684	\$ 168

Interest Rate/Credit Spread Risk. Investments subject to interest rate and credit spread risk include debt securities and sponsored investment products that invest primarily in debt securities. The following table provides the Company's exposure to interest rate risk and credit spread risk and hypothetical exposure to an adverse 100 basis point fluctuation in interest rates or credit spreads:

		As of December 31,			
		2024		2023	
(in millions)		Exposure	Effect of -100 Basis Point Change	Exposure	Effect of -100 Basis Point Change
Interest Rate/Credit Spread Risk					
Investments	\$	1,977	\$ 54	\$ 2,088	\$ 53

Foreign Exchange Rate Risk. As discussed above, the Company invests in sponsored investment products that invest in a variety of asset classes. The carrying value of the total economic investment exposure denominated in foreign currencies are primarily based in the British pound and euro. The following table provides the Company's exposure to foreign currencies and hypothetical exposure to a 10% adverse change in the applicable foreign exchange rates:

		As of December 31,			
		2024		2023	
(in millions)		Exposure	Effect of -10% Change	Exposure	Effect of -10% Change
Foreign Exchange Rate Risk					
Investments	\$	1,111	\$ 111	\$ 1,125	\$ 112

Other Market Risks. The Company executes forward foreign currency exchange contracts to mitigate the risk of certain foreign exchange risk movements. At December 31, 2024 and 2023, the Company had outstanding forward foreign currency exchange contracts with an aggregate notional value of approximately \$3.6 billion and \$3.1 billion, with expiration dates in January 2025 and 2024, respectively. In addition, the Company entered into futures to hedge economically the exposure to market movements on certain deferred cash compensation plans. At December 31, 2024 and 2023, the Company had outstanding exchange traded futures with aggregate notional values related to its deferred cash compensation hedging program of approximately \$197 million and \$204 million, with expiration dates during the first quarter of 2025 and 2024, respectively.

Item 8. Financial Statements and Supplemental Data

The report of the independent registered public accounting firm and financial statements listed in the accompanying index are included in Item 15 of this report. See Index to the consolidated financial statements on page F-1 of this Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There have been no disagreements on accounting and financial disclosure matters. BlackRock has not changed accountants in the two most recent fiscal years.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures. Under the direction of BlackRock's Chief Executive Officer and Chief Financial Officer, BlackRock evaluated the effectiveness of its disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this annual report on Form 10-K. Based on this evaluation, BlackRock's Chief Executive Officer and Chief Financial Officer have concluded that BlackRock's disclosure controls and procedures were effective.

Internal Control over Financial Reporting. There were no changes in our internal control over financial reporting that occurred during the fourth quarter of the fiscal year ending December 31, 2024 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management of BlackRock, Inc. (the "Company") is responsible for establishing and maintaining effective internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, or persons performing similar functions, and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the Company are being made only in accordance with the authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of effectiveness of the internal control over financial reporting to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024 based on the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concluded that, as of December 31, 2024, the Company's internal control over financial reporting is effective.

The Company's independent registered public accounting firm has issued an attestation report on the effectiveness of the Company's internal control over financial reporting.

February 25, 2025

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of BlackRock, Inc.:

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of BlackRock, Inc. and subsidiaries (the “Company”) as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated February 25, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP
New York, New York
February 25, 2025

Item 9B. Other Information

The Company is furnishing no other information in this Form 10-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information regarding directors and executive officers set forth under the captions “Item 1: Election of Directors – Director Nominee Biographies” and “Corporate Governance – Other Executive Officers” of the Proxy Statement is incorporated herein by reference.

Information regarding compliance with Section 16(a) of the Exchange Act required by Item 10, if any, is set forth under the caption “Delinquent Section 16(a) Reports” of the Proxy Statement and incorporated herein by reference.

The information regarding BlackRock’s Code of Ethics for Chief Executive and Senior Financial Officers under the caption “Corporate Governance – Our Corporate Governance Framework” of the Proxy Statement is incorporated herein by reference.

The information regarding BlackRock’s Audit Committee under the caption “Corporate Governance – Board Committees” of the Proxy Statement is incorporated herein by reference.

Item 11. Executive Compensation

The information contained in the sections captioned “Management Development & Compensation Committee Interlocks and Insider Participation,” “Executive Compensation – Compensation Discussion and Analysis” and “Corporate Governance – 2024 Director Compensation” of the Proxy Statement is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information contained in the sections captioned “Ownership of BlackRock Common Stock” and “Executive Compensation – Compensation Discussion and Analysis – 6. Executive Compensation Tables – Equity Compensation Plan Information” of the Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information contained in the sections captioned “Certain Relationships and Related Transactions” and “Item 1: Election of Directors – Criteria for Board Membership – Director Independence” of the Proxy Statement is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information regarding BlackRock’s independent auditor fees and services in the section captioned “Item 3: Ratification of the Appointment of the Independent Registered Public Accounting Firm” of the Proxy Statement is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

1. Financial Statements

The Company's consolidated financial statements are included beginning on page F-1.

2. Financial Statement Schedules

Financial statement schedules have been omitted because they are not applicable, not required or the information required is included in the Company's consolidated financial statements or notes thereto.

3. Exhibit Index

Please note that the agreements included as exhibits to this Form 10-K are included to provide information regarding their terms and are not intended to provide any other factual or disclosure information about BlackRock or the other parties to the agreements. The agreements contain representations and warranties by each of the parties to the applicable agreement that have been made solely for the benefit of the other parties to the applicable agreement and may not describe the actual state of affairs as of the date they were made or at any other time.

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of BlackRock, Inc.
3.2(1)	Amended and Restated Bylaws of BlackRock, Inc.
4.1(2)	Indenture, dated September 17, 2007, between BlackRock Finance, Inc. and The Bank of New York, as trustee
4.2(3)	Form of 1.250% Notes due 2025
4.3(4)	Form of 3.200% Notes due 2027
4.4(5)	Form of 3.250% Notes due 2029
4.5(6)	Form of 2.400% Notes due 2030
4.6(7)	Form of 1.900% Notes due 2031
4.7(8)	Form of 2.10% Notes due 2032
4.8(9)	Form of 4.750% Notes due 2033
4.9(3)	Officers' Certificate, dated May 6, 2015, for the 1.250% Notes due 2025 issued pursuant to the Indenture
4.10(10)	Indenture, dated March 14, 2024, among BlackRock, Inc., BlackRock Finance, Inc. and The Bank of New York Mellon, as trustee.
4.11(10)	First Supplemental Indenture, dated March 14, 2024, among BlackRock, Inc., BlackRock Finance, Inc. and The Bank of New York Mellon, as trustee.
4.12(11)	Second Supplemental Indenture, dated July 26, 2024, among BlackRock, Inc., BlackRock Finance, Inc. and The Bank of New York Mellon, as trustee
4.13(10)	Form of Note for the 4.700% Notes due 2029
4.14(10)	Form of Note for the 5.000% Notes due 2034
4.15(10)	Form of Note for the 5.250% Notes due 2054
4.16(11)	Form of Note for the 4.600% Notes due 2027
4.17(11)	Form of Note for the 4.900% Notes due 2035
4.18(11)	Form of Note for the 5.350% Notes due 2055
4.19(1)	Guarantee of BlackRock Finance, Inc. Indebtedness, dated October 1, 2024
4.20	Description of Securities
10.1(12)	BlackRock, Inc. Third Amended and Restated 1999 Stock Award and Incentive Plan+
10.2(13)	Amended and Restated BlackRock, Inc. 1999 Annual Incentive Performance Plan+
10.3(14)	Amendment No. 1 to the BlackRock, Inc. Amended and Restated 1999 Annual Incentive Performance Plan+
10.4(15)	Form of Restricted Stock Unit Agreement under the BlackRock, Inc. Third Amended and Restated 1999 Stock Award and Incentive Plan+
10.5(15)	Form of Performance-Based Restricted Stock Unit Agreement (BPIP) under the BlackRock, Inc. Third Amended and Restated 1999 Stock Award and Incentive Plan+
10.6(16)	Form of Performance-Based Stock Option Agreement under the BlackRock, Inc. Third Amended and Restated 1999 Stock Award and Incentive Plan+
10.7(17)	Form of Stock Option Agreement expected to be used in connection with future grants of Stock Options under the BlackRock, Inc. Third Amended and Restated 1999 Stock Award and Incentive Plan+
10.8(17)	Form of Restricted Stock Agreement expected to be used in connection with future grants of Restricted Stock under the BlackRock, Inc. Third Amended and Restated 1999 Stock Award and Incentive Plan+
10.9(17)	Form of Directors' Restricted Stock Unit Agreement expected to be used in connection with future grants of Restricted Stock Units under the BlackRock, Inc. Third Amended and Restated 1999 Stock Award and Incentive Plan+
10.10(18)	BlackRock, Inc. Amended and Restated Voluntary Deferred Compensation Plan, as amended and restated as of November 16, 2015+
10.11(19)	Five-Year Revolving Credit Agreement, dated as of March 10, 2011, by and among BlackRock Finance, Inc., certain of its subsidiaries, Wells Fargo Bank, National Association, as administrative agent, swingline lender, issuing lender and L/C agent, Sumitomo Mitsui Banking Corporation, as Japanese Yen lender, a group of lenders, Wells Fargo Securities, LLC, Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital, J.P. Morgan Securities LLC and Morgan Stanley Senior Funding, Inc., as joint lead arrangers and joint bookrunners, Citibank, N.A., as syndication agent and Bank of America, N.A., Barclays Bank PLC, JPMorgan Chase Bank, N.A. and Morgan Stanley Senior Funding, Inc., as documentation agents
10.12(20)	Amendment No. 1, dated as of March 30, 2012, by and among BlackRock Finance, Inc., certain of its subsidiaries, Wells Fargo Bank, National Association, as administrative agent, swingline lender, issuing lender, L/C agent and a lender, and the banks and other financial institutions referred to therein

Exhibit No.	Description
10.13(21)	Amendment No. 2, dated as of March 28, 2013, by and among BlackRock Finance, Inc., certain of its subsidiaries, Wells Fargo Bank, National Association, as administrative agent, swingline lender, issuing lender, L/C agent and a lender, and the banks and other financial institutions referred to therein
10.14(22)	Amendment No. 3, dated as of March 28, 2014, by and among BlackRock Finance, Inc., certain of its subsidiaries, Wells Fargo Bank, National Association, as administrative agent, swingline lender, issuing lender, L/C agent and a lender, and the banks and other financial institutions referred to therein
10.15(23)	Amendment No. 4, dated as of April 2, 2015, by and among BlackRock Finance, Inc., certain of its subsidiaries, Wells Fargo Bank, National Association, as administrative agent, swingline lender, issuing lender, L/C agent and a lender, and the banks and other financial institutions referred to therein
10.16(24)	Amendment No. 5, dated as of April 8, 2016, by and among BlackRock Finance, Inc., certain of its subsidiaries, Wells Fargo Bank, National Association, as administrative agent, swingline lender, issuing lender, L/C agent and a lender, and the banks and other financial institutions referred to therein
10.17(25)	Amendment No. 6, dated as of April 6, 2017, by and among BlackRock Finance, Inc., certain of its subsidiaries, Wells Fargo Bank, National Association, as administrative agent, swingline lender, issuing lender, L/C agent and a lender, and the banks and other financial institutions referred to therein
10.18(26)	Amendment No. 7, dated as of April 3, 2018, by and among BlackRock Finance, Inc., certain of its subsidiaries, Wells Fargo Bank, National Association, as administrative agent, swingline lender, issuing lender, L/C agent and a lender, and the banks and other financial institutions referred to therein
10.19(27)	Amendment No. 8, dated as of March 29, 2019, by and among BlackRock Finance, Inc., certain of its subsidiaries, Wells Fargo Bank, National Association, as administrative agent, swingline lender, issuing lender, L/C agent and a lender, and the banks and other financial institutions referred to therein
10.20(28)	Amendment No. 9, dated as of March 31, 2020, by and among BlackRock Finance, Inc., certain of its subsidiaries, Wells Fargo Bank, National Association, as administrative agent, swingline lender, issuing lender, L/C agent and a lender, and the banks and other financial institutions referred to therein
10.21(29)	Amendment No. 10, dated as of March 31, 2021, by and among BlackRock Finance, Inc., certain of its subsidiaries, Wells Fargo Bank, National Association, as administrative agent, a swingline lender, an issuing lender, L/C agent and a lender, and the banks and other financial institutions referred to therein
10.22(30)	Amendment No. 11, dated as of December 13, 2021, by and among BlackRock Finance, Inc., certain of its subsidiaries, Wells Fargo Bank, National Association, as administrative agent, a swingline lender, an issuing lender, L/C agent and a lender, and the banks and other financial institutions referred to therein
10.23(31)	Amendment No. 12, dated as of March 31, 2022, by and among BlackRock Finance, Inc., certain of its subsidiaries, Wells Fargo Bank, National Association, as administrative agent, a swingline lender, an issuing lender, L/C agent and a lender, and the banks and other financial institutions referred to therein
10.24(32)	Amendment No. 13, dated as of March 31, 2023, by and among BlackRock Finance, Inc., certain of its subsidiaries, Wells Fargo Bank, National Association, as administrative agent, a swingline lender, an issuing lender, L/C agent and a lender, and the banks and other financial institutions referred to therein
10.25(33)	Amendment No. 14, dated as of March 12, 2024, by and among BlackRock, Inc., BlackRock Finance, Inc., certain subsidiaries of BlackRock, Inc., Wells Fargo Bank, National Association, as administrative agent, a swingline lender, an issuing lender, L/C agent and a lender, and the banks and other financial institutions referred to therein**
10.26(34)	Amendment No. 15, dated as of May 31, 2024, by and among BlackRock, Inc., BlackRock Finance, Inc., certain subsidiaries of BlackRock, Inc., Wells Fargo Bank, National Association, as administrative agent, a swingline lender, an issuing lender, L/C agent and a lender, and the banks and other financial institutions referred to therein
10.27(35)	Form of Commercial Paper Dealer Agreement among BlackRock, Inc., as issuer, BlackRock Finance, Inc., as guarantor, and the applicable Dealer party thereto
10.28(36)	Lease Agreement, dated as of February 17, 2010, among BlackRock Investment Management (UK) Limited and Mourant & Co Trustees Limited and Mourant Property Trustees Limited as Trustees of the Drapers Gardens Unit Trust for the lease of Drapers Gardens, 12 Throgmorton Avenue, London, EC2, United Kingdom
10.29(37)	Lease, by and between BlackRock Finance, Inc. and 50 HYMC Holdings LLC*
10.30(38)	BlackRock, Inc. Leadership Retention Carry Plan+
10.31(39)	Form of Percentage Points Award Agreement pursuant to the BlackRock, Inc. Leadership Retention Carry Plan+
10.32(40)	Form of Performance-Based Stock Option Agreement under the BlackRock, Inc. Third Amended and Restated 1999 Stock Award and Incentive Plan+
10.33	Adebayo O. Ogunesi Offer Letter+
10.34	Form of Carry Points Award Letter for Adebayo O. Ogunesi+
19.1	Global Insider Trading Policy
21.1	Subsidiaries of Registrant
22.1	Subsidiary Guarantor and Issuer of Guaranteed Securities
23.1	Deloitte & Touche LLP Consent
31.1	Section 302 Certification of Chief Executive Officer
31.2	Section 302 Certification of Chief Financial Officer
32.1	Section 906 Certification of Chief Executive Officer and Chief Financial Officer
97.1(41)	Policy Relating to Recovery of Erroneously Awarded Compensation
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbases Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

(1) Incorporated by reference to BlackRock, Inc.'s Current Report on Form 8-K12B filed on October 1, 2024.

(2) Incorporated by reference to BlackRock Finance, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2007.

(3) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on May 6, 2015.

- (4) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on March 28, 2017.
- (5) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on April 29, 2019.
- (6) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on January 27, 2020.
- (7) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on May 6, 2020.
- (8) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on December 10, 2021.
- (9) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on May 25, 2023.
- (10) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on March 14, 2024.
- (11) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on July 26, 2024.
- (12) Incorporated by reference to BlackRock Finance's Definitive Proxy Statement on Form DEF 14A filed on April 4, 2024.
- (13) Incorporated by reference to BlackRock Holdco 2, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2002.
- (14) Incorporated by reference to BlackRock Holdco 2, Inc.'s Current Report on Form 8-K filed on May 24, 2006.
- (15) Incorporated by reference to BlackRock Finance, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2015.
- (16) Incorporated by reference to BlackRock Finance, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2018.
- (17) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on October 5, 2006.
- (18) Incorporated by reference to BlackRock Finance, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015.
- (19) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K/A filed on August 24, 2012.
- (20) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on April 4, 2012.
- (21) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on April 3, 2013.
- (22) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on March 28, 2014.
- (23) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on April 3, 2015.
- (24) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on April 14, 2016.
- (25) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on April 11, 2017.
- (26) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on April 6, 2018.
- (27) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on March 29, 2019.
- (28) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on April 1, 2020.
- (29) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on April 6, 2021.
- (30) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on December 13, 2021.
- (31) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on April 1, 2022.
- (32) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on April 3, 2023.
- (33) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on March 15, 2024.
- (34) Incorporated by reference to BlackRock Finance, Inc.'s Current Report on Form 8-K filed on May 31, 2024.
- (35) Incorporated by reference to BlackRock, Inc.'s Current Report on Form 8-K filed on November 8, 2024.
- (36) Incorporated by reference to BlackRock Finance, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2009.
- (37) Incorporated by reference to BlackRock Finance, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017.
- (38) Incorporated by reference to BlackRock Finance, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2019.
- (39) Incorporated by reference to BlackRock Finance, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2019.
- (40) Incorporated by reference to BlackRock Finance, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2023.
- (41) Incorporated by reference to BlackRock Finance, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2023.

+ Denotes compensatory plans or arrangements.

* Portions of this exhibit have been omitted pursuant to a confidential treatment order from the SEC.

** Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

Item 16. Form 10-K Summary

Not applicable.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BLACKROCK, INC.

By: /s/ Laurence D. Fink

Laurence D. Fink
Chairman, Chief Executive Officer and Director

February 25, 2025

Each of the officers and directors of BlackRock, Inc. whose signature appears below, in so signing, also makes, constitutes and appoints Laurence D. Fink, Martin S. Small, Christopher J. Meade, Laura Hildner and R. Andrew Dickson III, his or her true and lawful attorneys-in-fact, with full power and substitution, for him or her in any and all capacities, to execute and cause to be filed with the Securities and Exchange Commission any and all amendments to the Annual Report on Form 10-K, with exhibits thereto and other documents connected therewith and to perform any acts necessary to be done in order to file such documents, and hereby ratifies and confirms all that said attorney-in-fact or his or her substitute or substitutes may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Laurence D. Fink</u> Laurence D. Fink	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	February 25, 2025
<u>/s/ Martin S. Small</u> Martin S. Small	Senior Managing Director and Chief Financial Officer (Principal Financial Officer)	February 25, 2025
<u>/s/ Marc D. Comerchero</u> Marc D. Comerchero	Managing Director and Chief Accounting Officer (Principal Accounting Officer)	February 25, 2025
<u>/s/ Pamela Daley</u> Pamela Daley	Director	February 25, 2025
<u>/s/ William E. Ford</u> William E. Ford	Director	February 25, 2025
<u>/s/ Fabrizio Freda</u> Fabrizio Freda	Director	February 25, 2025
<u>/s/ Murry S. Gerber</u> Murry S. Gerber	Director	February 25, 2025
<u>/s/ Margaret L. Johnson</u> Margaret L. Johnson	Director	February 25, 2025
<u>/s/ Robert S. Kapito</u> Robert S. Kapito	Director	February 25, 2025
<u>/s/ Cheryl D. Mills</u> Cheryl D. Mills	Director	February 25, 2025
<u>/s/ Amin H. Nasser</u> Amin H. Nasser	Director	February 25, 2025
<u>/s/ Gordon M. Nixon</u> Gordon M. Nixon	Director	February 25, 2025
<u>/s/ Adebayo Ogunlesi</u> Adebayo Ogunlesi	Director	February 25, 2025
<u>/s/ Kristin Peck</u> Kristin Peck	Director	February 25, 2025
<u>/s/ Charles H. Robbins</u> Charles H. Robbins	Director	February 25, 2025
<u>/s/ Marco Antonio Slim Domit</u> Marco Antonio Slim Domit	Director	February 25, 2025
<u>/s/ Hans E. Vestberg</u> Hans E. Vestberg	Director	February 25, 2025
<u>/s/ Susan L. Wagner</u> Susan L. Wagner	Director	February 25, 2025
<u>/s/ Mark Wilson</u> Mark Wilson	Director	February 25, 2025

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of BlackRock, Inc.:

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial condition of BlackRock, Inc. and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Acquisition of Global Infrastructure Management, LLC ("GIP") – Fair Value of intangible assets related to management contracts and contingent consideration — Refer to Notes 2 and 3 to the financial statements

Critical Audit Matter Description

On October 1, 2024, the Company completed the acquisition of GIP for consideration at close of approximately \$3 billion in cash and 6.9 million shares of BlackRock common stock. In addition, as part of the purchase consideration, a contingent consideration payment, all in stock, may be due subject to achieving certain performance targets. The Company accounts for the acquisition under the acquisition method of accounting for business combinations. Accordingly, the Company allocated the purchase price to the assets acquired and liabilities assumed, based on their estimated fair values at the date of the transaction close. The Company recorded approximately \$1.8 billion of intangible assets related to management contracts as of the acquisition date (the "acquired management contracts"). Additionally, the Company recorded an estimated contingent consideration liability of approximately \$4.2 billion.

Acquired management contracts are valued using discounted cash flow methods based on future cash flows specific to the type of intangible asset acquired. The determination of fair value requires management to make estimates and assumptions related to forecasted revenue and cash flows, and the determination of the discount rates.

The fair value of the contingent consideration was determined using an income approach where management develops projections during the contingent consideration period utilizing various potential pay-out scenarios. The determination of fair value requires management to make estimates and assumptions related to projected assets under management ("AUM"), discount rate and common stock volatility.

Given the fair value determination of acquired management contracts and contingent consideration requires management to make significant estimates and assumptions, performing audit procedures to evaluate the reasonableness of these estimates and assumptions required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the valuation of acquired management contracts and contingent consideration included the following, among others:

- We tested the design and operating effectiveness of controls over the Company's valuation of acquired management contracts and contingent consideration, including management's controls over forecasts of future revenue and cash flows, projected AUM, and determination of discount rates.
- We evaluated the reasonableness of management's forecasted revenue and cash flows and projected AUM, by comparing management's projections to historical results, contractual revenue agreements in place, and relevant industry reports and evaluated whether the forecasted revenue and cash flows and projected AUM were consistent with evidence obtained in other areas of the audit.

- With the assistance of our fair value specialists, we evaluated the reasonableness of the Company's valuation methodologies and valuation assumptions used in the fair value analysis by:
 - Testing the source information underlying the determination of the discount rates and the mathematical accuracy of the valuation.
 - For acquired management contracts, evaluating the reasonableness of the methodology used, and developing a range of independent estimates and comparing those to the discount rates selected by management.
 - For contingent consideration, evaluating the reasonableness of the methodology used, the acceptability of the valuation assumptions used, as well as evaluating the probability of contingent future events to calculate an independent estimate of fair value.

Impairment of indefinite-lived intangible assets related to certain management contracts — Refer to Notes 2 and 12 to the financial statements

Critical Audit Matter Description

The Company's indefinite-lived intangible assets are comprised of management contracts, trade names/trademarks and licenses acquired in business acquisitions. The Company performs its impairment assessment of its indefinite-lived intangible assets at least annually, as of July 31st. In 2024, the annual assessment excluded indefinite-lived intangible assets related to GIP as the acquisition was finalized October 1, 2024; refer to Acquisition of Global Infrastructure Management, LLC (GIP) – fair value of intangible assets related to management contracts and contingent consideration critical audit matter for discussion of the acquisition of GIP. In evaluating whether it is more likely than not that the fair value of indefinite-lived intangibles is less than carrying value, the Company performs certain quantitative assessments and assesses various significant qualitative factors. If an indefinite-lived intangible asset is determined to be more likely than not impaired, the fair value of the asset is then compared with its carrying value. Any excess of the carrying value over the fair value would be recognized as an expense in the period in which the impairment occurs. The determination of fair value requires management to make estimates and assumptions related to revenue basis points, projected AUM growth rates, operating margins, tax rates, and discount rates.

Given the significant judgments made by management to estimate the fair value of indefinite-lived intangible assets related to certain management contracts, performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to projected AUM growth rates, revenue basis points, operating margins, tax rates, and discount rates, required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the determination of fair value of indefinite-lived intangible assets related to certain management contracts included the following, among others:

- We tested the design and operating effectiveness of controls over the Company's indefinite-lived intangible asset impairment analysis, including those related to management's assessment of the factors that impact the fair value of the Company's indefinite-lived intangible assets. This includes controls related to management's revenue basis points, projected AUM growth rates, operating margins, tax rates, and the determination of the discount rates.
- We evaluated the reasonableness of management's AUM, revenue basis points, projected AUM growth rates, operating margins, tax rates and discount rates by comparing management's projections to historical amounts, internal communications to management and the Board of Directors, and forecasted information included in analyst and industry reports for the Company and certain of its peer companies.
- We evaluated management's ability to accurately project revenue basis points, AUM growth rates, operating margins and tax rates, by comparing actual results to management's historical forecasts.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the Company's valuation methodology and assumptions, including the determination of the discount rates by: (1) testing the source information underlying the determination of the discount rate and the mathematical accuracy of the evaluation and (2) developing a range of independent estimates and comparing those to the discount rate selected by management.
- We evaluated the impact of changes in management's forecasts from July 31, 2024, the annual impairment assessment date, to December 31, 2024.

/s/ Deloitte & Touche LLP
 New York, New York
 February 25, 2025

We have served as the Company's auditor since 2002.

BlackRock, Inc.

Consolidated Statements of Financial Condition

(in millions, except shares and per share data)

	December 31, 2024	December 31, 2023
Assets		
Cash and cash equivalents ⁽¹⁾	\$ 12,762	\$ 8,736
Accounts receivable	4,304	3,916
Investments ⁽¹⁾	9,769	9,740
Separate account assets	52,811	56,098
Separate account collateral held under securities lending agreements	6,059	4,558
Property and equipment (net of accumulated depreciation and amortization of \$1,553 and \$1,439 at December 31, 2024 and 2023, respectively)	1,103	1,112
Intangible assets (net of accumulated amortization of \$782 and \$618 at December 31, 2024 and 2023, respectively)	20,743	18,258
Goodwill	25,949	15,524
Operating lease right-of-use assets	1,519	1,421
Other assets ⁽¹⁾	3,596	3,848
Total assets	\$ 138,615	\$ 123,211
Liabilities		
Accrued compensation and benefits	\$ 2,964	\$ 2,393
Accounts payable and accrued liabilities	1,536	1,240
Borrowings	12,314	7,918
Separate account liabilities	52,811	56,098
Separate account collateral liabilities under securities lending agreements	6,059	4,558
Contingent consideration liabilities	4,302	99
Deferred income tax liabilities	3,334	3,506
Operating lease liabilities	1,908	1,784
Other liabilities ⁽¹⁾	4,032	4,375
Total liabilities	89,260	81,971
Commitments and contingencies (Note 16)		
Temporary equity		
Redeemable noncontrolling interests	1,691	1,740
Permanent equity		
BlackRock, Inc. stockholders' equity		
Common stock, \$0.01 par value;	2	2
Shares authorized: 500,000,000 at December 31, 2024 and 2023;		
Shares issued: 155,318,170 and 172,075,373 at December 31, 2024 and 2023, respectively;		
Shares outstanding: 154,947,813 and 148,500,074 at December 31, 2024 and 2023, respectively		
Additional paid-in capital	13,446	19,833
Retained earnings	35,611	32,343
Accumulated other comprehensive loss	(1,178)	(840)
Treasury stock, common, at cost (370,357 and 23,575,299 shares held at December 31, 2024 and 2023, respectively)	(386)	(11,991)
Total BlackRock, Inc. stockholders' equity	47,495	39,347
Nonredeemable noncontrolling interests	169	153
Total permanent equity	47,664	39,500
Total liabilities, temporary equity and permanent equity	\$ 138,615	\$ 123,211

(1) At December 31, 2024, cash and cash equivalents, investments, other assets and other liabilities include \$125 million, \$5.1 billion, \$45 million and \$2.1 billion, respectively, related to consolidated variable interest entities ("VIEs"). At December 31, 2023, cash and cash equivalents, investments, other assets and other liabilities include \$234 million, \$5.0 billion, \$83 million and \$2.2 billion, respectively, related to consolidated VIEs.

See accompanying notes to consolidated financial statements.

BlackRock, Inc.

Consolidated Statements of Income

(in millions, except per share data)

	2024	2023	2022
Revenue			
Investment advisory, administration fees and securities lending revenue:			
Related parties	\$ 12,050	\$ 10,757	\$ 10,848
Other third parties	4,050	3,642	3,603
Total investment advisory, administration fees and securities lending revenue	16,100	14,399	14,451
Investment advisory performance fees	1,207	554	514
Technology services revenue	1,603	1,485	1,364
Distribution fees	1,273	1,262	1,381
Advisory and other revenue	224	159	163
Total revenue	20,407	17,859	17,873
Expense			
Employee compensation and benefits	6,546	5,779	5,681
Sales, asset and account expense:			
Distribution and servicing costs	2,171	2,051	2,179
Direct fund expense	1,464	1,331	1,226
Sub-advisory and other	140	116	103
Total sales, asset and account expense	3,775	3,498	3,508
General and administration expense	2,221	2,095	2,057
Restructuring charge	—	61	91
Amortization and impairment of intangible assets	291	151	151
Total expense	12,833	11,584	11,488
Operating income	7,574	6,275	6,385
Nonoperating income (expense)			
Net gain (loss) on investments	492	699	(35)
Interest and dividend income	767	473	152
Interest expense	(538)	(292)	(212)
Total nonoperating income (expense)	721	880	(95)
Income before income taxes	8,295	7,155	6,290
Income tax expense	1,783	1,479	1,296
Net income	6,512	5,676	4,994
Less:			
Net income (loss) attributable to noncontrolling interests	143	174	(184)
Net income attributable to BlackRock, Inc.	\$ 6,369	\$ 5,502	\$ 5,178
Earnings per share attributable to BlackRock, Inc. common stockholders:			
Basic	\$ 42.45	\$ 36.85	\$ 34.31
Diluted	\$ 42.01	\$ 36.51	\$ 33.97
Weighted-average common shares outstanding:			
Basic	150.0	149.3	150.9
Diluted	151.6	150.7	152.4

See accompanying notes to consolidated financial statements.

BlackRock, Inc.

Consolidated Statements of Comprehensive Income

(in millions)

	2024	2023	2022
Net income	\$ 6,512	\$ 5,676	\$ 4,994
Other comprehensive income (loss):			
Foreign currency translation adjustments ⁽¹⁾	(338)	261	(551)
Comprehensive income (loss)	6,174	5,937	4,443
Less: Comprehensive income (loss) attributable to noncontrolling interests	143	174	(184)
Comprehensive income attributable to BlackRock, Inc.	\$ 6,031	\$ 5,763	\$ 4,627

(1) Amount for 2024 includes a gain from a net investment hedge of \$37 million (net of tax expense of \$12 million). Amount for 2023 includes a loss from a net investment hedge of \$20 million (net of tax benefit of \$6 million). Amount for 2022 includes a gain from a net investment hedge of \$37 million (net of tax expense of \$12 million).

See accompanying notes to consolidated financial statements.

BlackRock, Inc.

Consolidated Statements of Changes in Equity

<i>(in millions)</i>	Additional Paid-in Capital ⁽¹⁾	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Common	Total BlackRock Stockholders' Equity	Nonredeemable Noncontrolling Interests	Total Permanent Equity	Redeemable Noncontrolling Interests / Temporary Equity
December 31, 2021	\$ 19,642	\$ 27,688	\$ (550)	\$ (9,087)	\$ 37,693	\$ 113	\$ 37,806	\$ 1,087
Net income	—	5,178	—	—	5,178	6	5,184	(190)
Dividends declared (\$19.52 per share)	—	(2,990)	—	—	(2,990)	—	(2,990)	—
Stock-based compensation	708	—	—	—	708	—	708	—
Issuance of common shares related to employee stock transactions	(576)	—	—	614	38	—	38	—
Employee tax withholdings related to employee stock transactions	—	—	—	(457)	(457)	—	(457)	—
Shares repurchased	—	—	—	(1,875)	(1,875)	—	(1,875)	—
Subscriptions (redemptions/distributions) — noncontrolling interest holders	—	—	—	—	—	4	4	614
Net consolidations (deconsolidations) of sponsored investment funds	—	—	—	—	—	9	9	(602)
Other comprehensive income (loss)	—	—	(551)	—	(551)	—	(551)	—
December 31, 2022	\$ 19,774	\$ 29,876	\$ (1,101)	\$ (10,805)	\$ 37,744	\$ 132	\$ 37,876	\$ 909
Net income	—	5,502	—	—	5,502	16	5,518	158
Dividends declared (\$20.00 per share)	—	(3,035)	—	—	(3,035)	—	(3,035)	—
Stock-based compensation	630	—	—	—	630	—	630	—
Issuance of common shares related to employee stock transactions	(569)	—	—	698	129	—	129	—
Employee tax withholdings related to employee stock transactions	—	—	—	(375)	(375)	—	(375)	—
Shares repurchased	—	—	—	(1,509)	(1,509)	—	(1,509)	—
Subscriptions (redemptions/distributions) — noncontrolling interest holders	—	—	—	—	—	(16)	(16)	1,643
Net consolidations (deconsolidations) of sponsored investment funds	—	—	—	—	—	21	21	(970)
Other comprehensive income (loss)	—	—	261	—	261	—	261	—
December 31, 2023	\$ 19,835	\$ 32,343	\$ (840)	\$ (11,991)	\$ 39,347	\$ 153	\$ 39,500	\$ 1,740
Net income	—	6,369	—	—	6,369	—	6,369	143
Dividends declared (\$20.40 per share)	—	(3,101)	—	—	(3,101)	—	(3,101)	—
Stock-based compensation	753	—	—	—	753	—	753	—
Issuance of common shares related to employee stock transactions	(215)	—	—	706	491	—	491	—
Issuance of common shares in connection with the GIP Transaction	5,904	—	—	—	5,904	—	5,904	—
Cancellation of treasury stock, common in connection with the GIP Transaction	(12,829)	—	—	12,829	—	—	—	—
Employee tax withholdings related to employee stock transactions	—	—	—	(305)	(305)	—	(305)	—
Shares repurchased	—	—	—	(1,625)	(1,625)	—	(1,625)	—
Subscriptions (redemptions/distributions) — noncontrolling interest holders	—	—	—	—	—	16	16	2,389
Net consolidations (deconsolidations) of sponsored investment funds	—	—	—	—	—	—	—	(2,581)
Other comprehensive income (loss)	—	—	(338)	—	(338)	—	(338)	—
December 31, 2024	\$ 13,448	\$ 35,611	\$ (1,178)	\$ (386)	\$ 47,495	\$ 169	\$ 47,664	\$ 1,691

(1) Amounts include \$2 million of common stock at December 31, 2024, 2023, 2022 and 2021.

See accompanying notes to consolidated financial statements.

BlackRock, Inc.

Consolidated Statements of Cash Flows

(in millions)

	2024	2023	2022
Operating activities			
Net income	\$ 6,512	\$ 5,676	\$ 4,994
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:			
Depreciation and amortization	529	427	418
Impairment of intangible assets	50	—	—
Noncash lease expense	129	140	165
Stock-based compensation	753	630	708
Deferred income tax expense (benefit)	(106)	124	602
Contingent consideration fair value adjustments	(36)	3	3
Other investment gains	(126)	—	(268)
Net (gains) losses within CIPs	(269)	(380)	400
Net (purchases) proceeds within CIPs	(2,672)	(1,780)	(1,190)
(Earnings) losses from equity method investees	(41)	(378)	(29)
Distributions of earnings from equity method investees	57	49	50
Changes in operating assets and liabilities:			
Accounts receivable	(443)	(586)	416
Investments, trading	58	72	196
Other assets	317	(326)	(166)
Accrued compensation and benefits	367	145	(711)
Accounts payable and accrued liabilities	259	(26)	(151)
Other liabilities	(382)	375	(481)
Net cash provided by/(used in) operating activities	4,956	4,165	4,956
Investing activities			
Purchases of investments	(818)	(846)	(824)
Proceeds from sales and maturities of investments	766	400	242
Distributions of capital from equity method investees	366	46	70
Net consolidations (deconsolidations) of sponsored investment funds	(127)	(26)	(85)
Acquisitions, net of cash acquired	(2,936)	(189)	—
Purchases of property and equipment	(255)	(344)	(533)
Net cash provided by/(used in) investing activities	(3,004)	(959)	(1,130)
Financing activities			
Repayments of long-term borrowings	(1,000)	—	(750)
Proceeds from long-term borrowings	5,474	1,238	—
Cash dividends paid	(3,101)	(3,035)	(2,990)
Proceeds from stock options exercised	464	95	11
Repurchases of common stock	(1,930)	(1,884)	(2,332)
Net proceeds from (repayments of) borrowings by CIPs	(58)	(59)	(26)
Net (redemptions/distributions paid)/subscriptions received from noncontrolling interest holders	2,405	1,627	618
Other financing activities	(18)	26	27
Net cash provided by/(used in) financing activities	2,236	(1,992)	(5,442)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(162)	106	(291)
Net increase/(decrease) in cash, cash equivalents and restricted cash	4,026	1,320	(1,907)
Cash, cash equivalents and restricted cash, beginning of year	8,753	7,433	9,340
Cash, cash equivalents and restricted cash, end of year	\$ 12,779	\$ 8,753	\$ 7,433
Supplemental disclosure of cash flow information:			
Cash paid for:			
Interest	\$ 289	\$ 200	\$ 177
Income taxes (net of refunds)	\$ 1,699	\$ 1,392	\$ 1,067
Supplemental schedule of noncash investing and financing transactions:			
Issuance of common shares related to employee stock transactions	\$ 215	\$ 569	\$ 576
Issuance of common shares in connection with the GIP Transaction	\$ 5,904	\$ —	\$ —
Cancellation of treasury stock, common in connection with the GIP Transaction	\$ (12,829)	\$ —	\$ —
Increase/(decrease) in noncontrolling interests due to net consolidation (deconsolidation) of sponsored investment funds	\$ (2,581)	\$ (949)	\$ (593)
Established contingent consideration liabilities in connection with acquisitions	\$ 4,246	\$ —	\$ —

See accompanying notes to consolidated financial statements.

BlackRock, Inc.

Notes to the Consolidated Financial Statements

1. Business Overview

BlackRock, Inc. (together, with its subsidiaries, unless the context otherwise indicates, "BlackRock" or the "Company") is a leading publicly traded investment management firm providing a broad range of investment management and technology services to institutional and retail clients worldwide. On October 1, 2024, BlackRock completed the acquisition of 100% of the issued and outstanding limited liability company interests of Global Infrastructure Management, LLC ("GIP" or the "GIP Transaction"). See Note 3, *Acquisitions*, for information on the GIP Transaction. As a result of the closing of the GIP Transaction, (1) BlackRock, Inc. (formerly known as BlackRock Funding, Inc. ("BlackRock Funding")) ("New BlackRock") became the ultimate parent company of BlackRock Finance, Inc. (formerly known as BlackRock, Inc.) ("Old BlackRock"), GIP and their respective subsidiaries and (2) each share of common stock, \$0.01 par value, of Old BlackRock issued and outstanding immediately prior to the closing of the GIP Transaction was converted automatically into one share of common stock, \$0.01 par value, of New BlackRock. New BlackRock also changed its name from "BlackRock Funding, Inc." to "BlackRock, Inc." and Old BlackRock changed its name from "BlackRock, Inc." to "BlackRock Finance, Inc." In addition, New BlackRock became the publicly listed company and retained the ticker symbol "BLK". References herein to BlackRock or the Company for any period (1) prior to the closing of the GIP Transaction on October 1, 2024 refer to Old BlackRock and (2) thereafter refer to New BlackRock.

BlackRock's diverse platform of alpha-seeking active, private markets, index and cash management investment strategies across asset classes enables the Company to offer choice and tailor investment and asset allocation solutions for clients. Product offerings include single- and multi-asset portfolios investing in equities, fixed income, private markets, liquid alternatives and money market instruments. Products are offered directly and through intermediaries in a variety of vehicles, including open-end and closed-end mutual funds, iShares® exchange-traded funds ("ETFs"), separate accounts, collective trust funds and other pooled investment vehicles. BlackRock also offers technology services, including the investment and risk management technology platform, Aladdin®, Aladdin Wealth™, eFront®, and Cachematrix®, as well as advisory services and solutions to a broad base of institutional and wealth management clients.

2. Significant Accounting Policies

Basis of Presentation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and include the accounts of the Company and its controlled subsidiaries. Noncontrolling interests ("NCI") on the consolidated statements of financial condition represent the portion of consolidated sponsored investment products ("CIPs") and a consolidated affiliate in which the Company does not have direct equity ownership. Intercompany balances and transactions have been eliminated upon consolidation.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting periods. Actual results could differ from those estimates.

Certain prior period presentations were reclassified to ensure comparability with current period classifications.

Accounting Pronouncements Adopted in 2024

Segment Reporting. In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), which requires incremental disclosures about reportable segments but does not change the definition of a segment or the guidance for determining reportable segments. The new guidance requires disclosure of significant segment expenses that are (1) regularly provided to (or easily computed from information regularly provided to) the chief operating decision maker ("CODM") and (2) included in the reported measure of segment profit or loss. The new standard also requires companies to disclose the title and position of the individual (or the name of the committee) identified as the CODM, allows companies to disclose multiple measures of segment profit or loss if those measures are used to assess performance and allocate resources, and is applicable to companies with a single reportable segment. The Company adopted disclosure requirements of ASU 2023-07 during the year ended December 31, 2024. See Note 27, *Segment Information*, for further detail.

Recent Accounting Pronouncements Not Yet Adopted

Income Tax Disclosure Requirements. In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures* ("ASU 2023-09"), which enhances interim and annual income tax disclosures. The two primary enhancements disaggregate existing income tax disclosures related to the effective tax rate reconciliation and income taxes paid. The additional disclosure requirements under ASU 2023-09 are required to be applied prospectively and are effective for the Company on January 1, 2025. The Company does not expect the additional disclosure requirements under ASU 2023-09 to have a material impact on the consolidated financial statements.

Disaggregation of Income Statement Expenses. In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses* ("ASU 2024-03"), which requires entities to disaggregate in a tabular presentation disclosures about specific types of expenses included in the expense captions presented on the face of the income statement, as well as disclosures about selling expenses. Specifically, ASU 2024-03 requires disaggregation of expense captions that include any of the following natural expenses: (1) purchases of inventory, (2) employee compensation, (3) depreciation, (4) intangible asset amortization, and (5) depreciation, depletion, and amortization recognized as part of oil- and gas-producing activities or other types of depletion expenses. The requirements are effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027 and are required to be applied prospectively with the option for retrospective application. Early adoption is permitted. The Company does not expect the additional disclosure requirements under ASU 2024-03 to have a material impact on the consolidated financial statements.

Cash and Cash Equivalents. Cash and cash equivalents primarily consists of cash, money market funds and short-term, highly liquid investments with original maturities of three months or less. Cash and cash equivalent balances that are legally restricted from use by the Company are recorded in other assets on the consolidated statements of financial condition. Cash balances maintained by consolidated VIEs and voting rights entities ("VREs") are not considered legally restricted and are included in cash and cash equivalents on the consolidated statements of financial condition.

Investments

Investments in Debt Securities. The Company classifies debt investments as held-to-maturity or trading based on the Company's intent and ability to hold the debt security to maturity or its intent to sell the security.

Held-to-maturity securities are purchased with the positive intent and ability to be held to maturity and are recorded at amortized cost on the consolidated statements of financial condition.

Trading securities are those investments that are purchased principally for the purpose of selling them in the near term. Trading securities are carried at fair value on the consolidated statements of financial condition with changes in the fair value recorded through net income ("FVTNI") within nonoperating income (expense). Trading securities include certain investments in collateralized loan obligations ("CLOs") for which the fair value option is elected in order to reduce operational complexity of bifurcating embedded derivatives.

Investments in Equity Securities. Equity securities are generally carried at fair value on the consolidated statements of financial condition with changes in the FVTNI within nonoperating income (expense). For nonmarketable equity securities, the Company generally elects to apply the practicality exception to fair value measurement, under which such securities will be measured at cost, less impairment, plus or minus observable price changes for identical or similar securities of the same issuer with such changes recorded through net income within nonoperating income (expense). Dividends received are recorded as dividend income within nonoperating income (expense).

Equity Method. The Company applies the equity method of accounting for equity investments where the Company does not consolidate the investee, but can exert significant influence over the financial and operating policies of the investee. The evaluation of whether the Company exerts control or significant influence over the financial and operational policies of its investees is based on the facts and circumstances surrounding each individual investment and is generally considered to exist when the Company's ownership interest in the investee is between 20% and 50%, or lower for co-investments in certain sponsored investment funds generally structured as partnerships or similar vehicles. Factors considered in these evaluations may include the type of investment, the legal structure of the investee, the terms of BlackRock's contractual agreements, including investor voting or other rights, any influence BlackRock may have on the governing board of the investee, the legal rights of other investors in the entity pursuant to the entity's operating documents and the relationship between BlackRock and other investors in the entity. The Company's share of the investee's underlying net income or loss is recorded as net gain (loss) on investments within nonoperating income (expense) and as other revenue for certain strategic investments since such investees are considered to be an extension of the Company's core business. The Company's share of net income of the investee is recorded based upon the most current information available at the time, which may precede the date of the consolidated statement of financial condition. Distributions received reduce the Company's carrying value of the investment and the cost basis if deemed to be a return of capital. The Company classifies distributions in the consolidated statements of cash flows as either distributions of earnings (operating) or distributions of capital (investing) based on the nature of the distribution.

Impairments of Investments. Management periodically assesses equity method, nonmarketable investments, and held-to-maturity investments for impairment. If impairment exists, an impairment charge would be recorded for the excess of the carrying amount of the investment over its estimated fair value in the consolidated statements of income.

For equity method investments and nonmarketable investments, impairment evaluation considers qualitative factors, including the financial conditions and specific events related to an investee, that may indicate the fair value of the investment is less than its carrying value. For held-to-maturity investments, impairment is evaluated using market values, where available, or the expected future cash flows of the investment.

For the Company's investments in CLOs, the Company reviews cash flow estimates over the life of each CLO investment. On a quarterly basis, if the present value of the estimated future cash flows is lower than the carrying value of the investment and there is an adverse change in estimated cash flows, an impairment is considered to be other-than-temporary.

Consolidation. The Company performs an analysis for investment products to determine if the product is a VIE or a VRE. Factors considered in this analysis include the entity's legal organization, the entity's capital structure, the rights of equity investment holders and the Company's contractual involvement with, and economic interest in, the entity and any related party or de facto agent implications of the Company's involvement with the entity. Entities that are determined to be VIEs are consolidated if the Company is the primary beneficiary ("PB") of the entity. VREs are typically consolidated if the Company holds the majority voting interest. Upon the occurrence of certain events (such as contributions and redemptions, either by the Company, or third parties, or amendments to an entity's governing documents), management reviews and reconsiders its previous conclusion regarding the status of an entity as a VIE or a VRE.

Consolidation of Variable Interest Entities. Certain investment products for which a controlling financial interest is achieved through arrangements that do not involve or are not directly linked to voting interests are deemed consolidated VIEs. BlackRock reviews factors, including whether or not (1) the entity has equity at risk that is sufficient to permit the entity to finance its activities without additional subordinated support from other parties and (2) the equity holders at risk have the obligation to absorb losses, the right to receive residual returns, and the right to direct the activities of the entity that most significantly impact the entity's economic performance, to determine if the investment product is a VIE.

The PB of a VIE is defined as the variable interest holder that has a controlling financial interest in the VIE. A controlling financial interest is defined as (1) the power to direct the activities of the VIE that most significantly impact its economic performance and (2) the obligation to absorb losses of the entity or the right to receive benefits from the entity that potentially could be significant to the VIE. The Company generally consolidates VIEs in which it holds an economic interest of 10% or greater and deconsolidates such VIEs once economic interest falls below 10%. Management continually reconsiders whether the Company is deemed to be a VIE's PB.

Consolidation of Voting Rights Entities. BlackRock is required to consolidate an investee to the extent that BlackRock can exert absolute control over the financial and operating policies of the investee, which generally exists if there is a greater than 50% voting equity interest.

Retention of Specialized Investment Company Accounting Principles. Upon consolidation of sponsored investment products, the Company retains the specialized investment company accounting principles of the underlying funds. All of the underlying investments held by such CIPs are carried at fair value with corresponding changes in the investments' fair values reflected in net income within nonoperating income (expense). When the Company no longer controls these funds due to reduced ownership percentage or other reasons, the funds are deconsolidated and accounted for as an equity method investment or equity securities FVTNI.

Separate Account Assets and Liabilities. Separate account assets are maintained by BlackRock Life Limited, a wholly owned subsidiary of the Company, which is a registered life insurance company in the United Kingdom ("UK"), and represent segregated assets held for purposes of funding individual and group pension contracts. The life insurance company does not underwrite any insurance contracts that involve any insurance risk transfer from the insured to the life insurance company. The separate account assets primarily include equity securities, debt securities, money market funds and derivatives. The separate account assets are not subject to general claims of the creditors of BlackRock. These separate account assets and the related equal and offsetting liabilities are recorded as separate account assets and separate account liabilities on the consolidated statements of financial condition.

The net investment income attributable to separate account assets supporting individual and group pension contracts accrues directly to the contract owner and is not reported on the consolidated statements of income. While BlackRock has no economic interest in these separate account assets and liabilities, BlackRock earns policy administration and management fees associated with these products, which are included in investment advisory, administration fees and securities lending revenue on the consolidated statements of income.

Separate Account Collateral Assets Held and Liabilities Under Securities Lending Agreements. The Company facilitates securities lending arrangements whereby securities held by separate accounts maintained by BlackRock Life Limited are lent to third parties under global master securities lending agreements. In exchange, the Company receives collateral by obtaining either (1) legal title or (2) first ranking priority security interest. The minimum collateral values generally range from approximately 102% to 112% of the value of the securities lent in order to reduce counterparty risk. The required collateral value is calculated on a daily basis. The global master securities lending agreements provide the Company the right to request additional collateral or, in the event of borrower default, the right to liquidate collateral. The securities lending transactions entered into by the Company are accompanied by an agreement that entitles the Company to request the borrower to return the securities at any time; therefore, these transactions are not reported as sales.

In situations where the Company receives the legal title to collateral under these securities lending arrangements, the Company records an asset on the consolidated statements of financial condition and an equal collateral liability for the obligation to return the collateral. Additionally, in situations where the Company obtains a first ranking priority security interest in the collateral, the Company does not have the ability to pledge or resell the collateral and therefore does not record the collateral on the consolidated statements of financial condition. At December 31, 2024 and 2023, the fair value of loaned securities held by separate accounts was approximately \$9.9 billion and \$9.3 billion, respectively, and the fair value of the collateral under these securities lending agreements was approximately \$10.6 billion and \$10.1 billion, respectively, of which approximately \$6.1 billion as of 2024 and \$4.6 billion as of 2023 was recognized on the consolidated statements of financial condition. During 2024 and 2023, the Company had not resold or repledged any of the collateral received under these arrangements. The securities lending revenue earned from lending securities held by the separate accounts is included in investment advisory, administration fees and securities lending revenue on the consolidated statements of income.

Property and Equipment. Property and equipment are recorded at cost less accumulated depreciation. Depreciation is generally determined by cost less any estimated residual value using the straight-line method over the estimated useful lives of the various classes of property and equipment. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated useful life or the remaining lease term.

The Company capitalizes certain costs incurred in connection with developing or obtaining software within property and equipment. Capitalized software costs are amortized, beginning when the software product is ready for its intended use, over the estimated useful life of the software of approximately three years.

Goodwill and Intangible Assets. Goodwill represents the cost of a business acquisition in excess of the fair value of the net assets acquired. The Company has determined that it has one reporting unit for goodwill impairment testing purposes, the consolidated BlackRock single operating segment, which is consistent with internal management reporting and management's oversight of operations. The Company performs an impairment assessment of its goodwill at least annually, as of July 31. In its assessment of goodwill for impairment, the Company considers such factors as the book value and market capitalization of the Company as well as other qualitative factors. See Note 11, *Goodwill*, for further information on the Company's goodwill.

Intangible assets are comprised of indefinite-lived intangible assets and finite-lived intangible assets acquired in a business acquisition. The value of contracts to manage assets in proprietary open-end funds and collective trust funds and certain other commingled products without a specified termination date is generally classified as indefinite-lived intangible assets. In addition, trade names/trademarks are considered indefinite-lived intangible assets when they are expected to generate cash flows indefinitely.

Indefinite-lived intangible assets and goodwill are not amortized. Finite-lived investor/customer relationships, technology-related assets, and management contracts, which relate to acquired separate accounts and funds, that are expected to contribute to the future cash flows of the Company for a specified period of time, are amortized over their estimated useful lives. On a quarterly basis, the Company considers whether the indefinite-lived and finite-lived classifications are still appropriate.

The Company performs assessments to determine if any intangible assets are potentially impaired at least annually, as of July 31. The carrying value of finite-lived assets and their remaining useful lives are reviewed to determine if circumstances exist which may indicate a potential impairment or revisions to the amortization period.

In evaluating whether it is more likely than not that the fair value of indefinite-lived intangibles is less than its carrying value, BlackRock assesses various significant quantitative factors, including assets under management ("AUM"), revenue basis points, projected AUM growth rates, operating margins, tax rates and discount rates. If an indefinite-lived intangible is determined to be more likely than not impaired, then the fair value of the asset is compared with its carrying value and any excess of the carrying value over the fair value would be recognized as an expense in the period in which the impairment occurs. See Note 12, *Intangible Assets*, for further information on the Company's intangible assets.

For finite-lived intangible assets, if potential impairment circumstances are considered to exist, the Company will perform a recoverability test using an undiscounted cash flow analysis. If the carrying value of the asset is determined not to be recoverable based on the undiscounted cash flow test, the difference between the carrying value of the asset and its current fair value would be recognized as an expense in the period in which the impairment occurs.

Consolidated Affiliate. The Company owns 50.1% of an asset management company in China - BlackRock CCB Wealth Management Company Ltd. ("WMC"). The Company consolidates WMC, which it deems to be a VRE, because it exerts control over the financial and operating policies of the entity, based on the Company's 50.1% ownership and voting rights.

Noncontrolling Interests. NCI consist of third-party ownership interests in the Company's CIPs ("NCI – CIPs") and the WMC. The Company reports NCI in stockholders' equity, separate from the parent's equity, on the consolidated statements of financial condition. NCI that are redeemable at the option of the holders are classified as temporary equity at estimated redemption value and nonredeemable NCI are classified as a component of permanent equity in the consolidated statements of financial condition. In addition, the Company reports net income (loss) attributable to redeemable and nonredeemable NCI holders in net income (loss) attributable to NCI in the consolidated statements of income.

Treasury Stock. The Company records common stock purchased for treasury at cost. At the date of subsequent reissuance, the treasury stock account is reduced by the cost of such stock using the average cost method.

Revenue Recognition. Revenue is recognized upon transfer of control of promised services to customers in an amount to which the Company expects to be entitled in exchange for those services. The Company enters into contracts that can include multiple services, which are accounted for separately if they are determined to be distinct. Consideration for the Company's services is generally in the form of variable consideration because the amount of fees is subject to market conditions that are outside of the Company's influence. The Company includes variable consideration in revenue when it is no longer probable of significant reversal, i.e. when the associated uncertainty is resolved. For some contracts with customers, the Company has discretion to involve a third-party in providing services to the customer. Generally, the Company is deemed to be the principal in these arrangements because the Company controls the promised services before they are transferred to customers, and accordingly presents the revenue gross of related costs.

Investment Advisory, Administration Fees and Securities Lending Revenue. Investment advisory and administration fees are recognized as the services are performed over time because the customer is receiving and consuming the benefits as they are provided by the Company. Fees are primarily based on agreed-upon percentages of AUM and recognized for services provided during the period, which are distinct from services provided in other periods. Such fees are affected by changes in AUM, including market appreciation or depreciation, foreign exchange translation and net inflows or outflows. Investment advisory and administration fees for investment funds are shown net of fee waivers. In addition, the Company may contract with third parties to provide sub-advisory services on its behalf. The Company presents the investment advisory fees and associated costs to such third-party advisors on a gross basis where it is deemed to be the principal and on a net basis where it is deemed to be the agent. Management judgment involved in making these assessments is focused on ascertaining whether the Company is primarily responsible for fulfilling the promised service.

The Company also earns revenue by lending securities on behalf of clients, primarily to highly rated banks and broker-dealers. The securities loaned are collateralized by either cash or securities, generally ranging from 102% to 112% of the value of the loaned securities. Securities lending fees are based on (1) a percentage of the notional value of the loaned securities and (2) a spread between the interest earned on the reinvested cash collateral and the amount rebated to the borrower. Revenue is recognized over time as services are performed. Generally, the securities lending fees are shared between the Company and the funds or other third-party accounts managed by the Company from which the securities are borrowed. For 2024, 2023 and 2022, securities lending revenue earned by the Company totaled \$615 million, \$675 million and \$599 million, respectively, and is recorded in investment advisory, administration and securities lending revenue on the consolidated statements of income. Investment advisory, administration fees and securities lending revenue are reported together as the fees for these services often are agreed upon with clients as a bundled fee.

Money Market Fee Waivers. The Company may voluntarily waive a portion of its management fees on certain money market funds to ensure that they maintain a targeted level of daily net investment income (the "Yield Support Waivers"). There were no Yield Support Waivers during 2024 and 2023. During 2022, these waivers resulted in a reduction of management fees of approximately \$72 million, which was partially offset by a reduction of BlackRock's distribution and servicing costs paid to financial intermediaries. The Company may increase or decrease the level of Yield Support Waivers in future periods.

Investment Advisory Performance Fees / Carried Interest. The Company receives investment advisory performance fees, including incentive allocations (carried interest) from certain actively managed investment funds and certain separately managed accounts. These performance fees are dependent upon exceeding specified relative or absolute investment return thresholds, which vary by product or account, and include monthly, quarterly, annual or longer measurement periods.

Performance fees, including carried interest, are generated on certain management contracts when performance hurdles are achieved. Such performance fees are recognized when the contractual performance criteria have been met and when it is determined that they are no longer probable of significant reversal. Given the unique nature of each fee arrangement, contracts with customers are evaluated on an individual basis to determine the timing of revenue recognition. Significant judgment is involved in making such determination. Performance fees typically arise from investment management services that began in prior reporting periods. Consequently, a portion of the fees the Company recognizes may be partially related to the services performed in prior periods that meet the recognition criteria in the current period. At each reporting date, the Company considers various factors in estimating performance fees to be recognized, including carried interest.

The Company is allocated carried interest from certain alternative investment products upon exceeding performance thresholds. The Company may be required to reverse/return all, or part, of such carried interest allocations/distributions depending upon future performance of these funds. Carried interest subject to such clawback provisions is recorded in investments or cash and cash equivalents to the extent that it is distributed, on the Company's consolidated statements of financial condition.

The Company records a liability for deferred carried interest to the extent it receives cash or capital allocations related to carried interest prior to meeting the revenue recognition criteria. A portion of the deferred carried interest may also be paid to certain employees. The ultimate timing of the recognition of performance fee revenue and related compensation expense, if any, is unknown.

Technology services revenue. The Company offers investment management technology systems, risk management services, wealth management and digital distribution tools, all on a fee basis. Clients include banks, insurance companies, official institutions, pension funds, asset managers, retail distributors and other investors. Fees earned for technology services are primarily recorded as services are performed over time and are generally determined using the value of positions on the Aladdin platform, or on a fixed-rate basis. Revenue derived from the sale of software licenses is recognized upon the granting of access rights.

Distribution Fees. The Company earns distribution and service fees related to distributing investment products and shareholder support services for investment portfolios. Distribution fees are passed-through to third-party distributors, which perform various fund distribution services and shareholder servicing of certain funds on the Company's behalf, and are recognized as distribution and servicing costs. The Company presents distribution fees and related distribution and servicing costs incurred on a gross basis.

Distribution fees primarily consist of ongoing distribution fees, shareholder servicing fees and upfront sales commissions for serving as the principal underwriter and/or distributor for certain managed mutual funds. The service of distribution is satisfied at the point in time when an investor makes an investment in a share class of the managed mutual funds. Fees are generally considered variable consideration because they are based on the value of AUM and are uncertain on trade date. Accordingly, the Company recognizes distribution fees when the amounts become known and the portion recognized in the current period may relate to distribution services performed in prior periods. Upfront sales commissions are recognized on a trade date basis. Shareholder servicing fees are based on AUM and recognized in revenue as the services are performed.

Advisory and other revenue. Advisory and other revenue primarily includes fees earned for advisory services, fees earned for transition management services primarily comprised of commissions recognized in connection with buying and selling securities on behalf of customers, and equity method investment earnings related to certain strategic investments.

Advisory services fees are determined using fixed-rate fees and are recognized over time as the related services are completed.

Commissions related to transition management services are recorded on a trade-date basis as transactions occur.

Stock-based Compensation. The Company recognizes compensation cost for equity classified awards based on the grant-date fair value of the award. The compensation cost is recognized over the period during which an employee is required to provide service (usually the vesting period) in exchange for the stock-based award.

The Company generally measures the grant-date fair value of restricted stock units ("RSUs") using the Company's stock price on the date of grant. The grant-date fair value related to the October 2024 incentive retention RSUs granted in connection with the GIP Transaction, are reduced by the present value of the dividends expected to be paid on the shares during the vesting period discounted at the appropriate risk-free interest rate, given that they are not entitled to participate in dividends until they vest (See Note 3, *Acquisitions* and Note 18, *Stock-Based Compensation* for further information on the GIP Transaction). Stock-based awards may have performance, market and/or service conditions. For employee stock options and awards with market conditions, the Company uses pricing models. Compensation cost for awards containing performance conditions is recognized if it is probable that the conditions will be achieved. The probability of achievement is assessed on a quarterly basis. If a stock-based award is modified after the grant-date, incremental compensation cost is recognized for an amount equal to the excess of the fair value of the modified award over the fair value of the original award immediately before the modification. Awards under the Company's stock-based compensation plans vest over various periods. Compensation cost is recorded by the Company on a straight-line basis over the requisite service period for each separate vesting portion of the award as if the award is, in-substance, multiple awards and is adjusted for actual forfeitures as they occur.

The Company amortizes the grant-date fair value of stock-based compensation awards made to retirement-eligible employees over the requisite service period. Upon notification of retirement, the Company accelerates the unamortized portion of the award over the contractually required retirement notification period.

The Company recognizes all excess tax benefits and deficiencies in income tax expense on the consolidated statements of income, which results in volatility of income tax expense as a result of fluctuations in the Company's stock price. Accordingly, the Company recorded a discrete income tax benefit of \$37 million, \$41 million and \$87 million during 2024, 2023 and 2022, respectively, for vested RSUs where the grant date stock price was lower than the vesting date stock price.

Distribution and Servicing Costs. Distribution and servicing costs include payments to third parties, primarily associated with distribution and servicing of client investments in certain BlackRock products. Distribution and servicing costs are expensed as incurred.

Direct Fund Expense. Direct fund expense, which is expensed as incurred, primarily consists of third-party non-advisory expense incurred by BlackRock related to certain investment products for the use of certain index trademarks, reference data for certain indices, custodial services, fund administration, fund accounting, transfer agent services, shareholder reporting services, audit and tax services as well as other fund-related expense directly attributable to the non-advisory operations of the fund.

Leases. The Company determines if a contract is a lease or contains a lease at inception. The Company accounts for its office facility leases as operating leases, which may include escalation clauses that are based on an index or market rate. The Company accounts for lease and non-lease components, including common areas maintenance charges, as a single component for its leases. The Company elected the short-term lease exception for leases with an initial term of 12 months or less. Consequently, such leases are not recorded on the consolidated statements of financial condition. The Company's lease terms include options to extend or terminate the lease when it is reasonably certain they will be exercised or not.

The Company recognizes operating right-of-use ("ROU") assets and operating lease liabilities on the consolidated statements of financial condition based on the present value of future lease payments over the lease term at the commencement date discounted using an incremental borrowing rate ("IBR"). The IBR for individual leases is estimated considering the Company's or a subsidiary's credit rating using various financial metrics, such as revenue, operating margin and revenue growth, and, as appropriate, performing market analysis of yields on publicly traded bonds (secured or unsecured) with similar terms of comparable companies in a similar economic environment. ROU assets are tested for impairment when there is an indication that the carrying value of an asset may not be recoverable. Fixed lease payments made over the lease term are recorded as lease expense on a straight-line basis. Variable lease payments based on usage, changes in an index or market rate are expensed as incurred.

Foreign Exchange. Foreign currency transactions are recorded at the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in foreign currencies are subsequently remeasured into the functional currencies of the Company's subsidiaries at the rates prevailing at each statement of financial condition date. Gains and losses arising on remeasurement are included in general and administration expense on the consolidated statements of income. Revenue and expenses are translated at average exchange rates during the period. Gains or losses resulting from translating foreign currency financial statements into United States ("US") dollars are included in accumulated other comprehensive income (loss) ("AOCI"), a separate component of stockholders' equity, on the consolidated statements of financial condition.

Income Taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using currently enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred income tax assets and liabilities is recognized on the consolidated statements of income in the period that includes the enactment date.

Management periodically assesses the recoverability of its deferred income tax assets based upon expected future earnings, taxable income in prior carryback years, future deductibility of the asset, changes in applicable tax laws and other factors. If management determines that it is not more likely than not that the deferred tax asset will be fully recoverable in the future, a valuation allowance will be established for the difference between the asset balance and the amount expected to be recoverable in the future. This allowance will result in additional income tax expense. Further, the Company records its income taxes receivable and payable based upon its estimated income tax position.

Earnings per Share ("EPS"). Basic EPS is calculated by dividing net income applicable to common shareholders by the weighted-average number of shares outstanding during the period. Diluted EPS includes the determinants of basic EPS and common stock equivalents outstanding during the period. Diluted EPS is computed using the treasury stock method.

Business Segments. The Company's management directs BlackRock's operations as one business, the asset management business. The Company utilizes a consolidated approach to assess performance and allocate resources. As such, the Company operates in one business segment.

Fair Value Measurements

Hierarchy of Fair Value Inputs. The Company uses a fair value hierarchy that prioritizes inputs to valuation approaches used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Assets and liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 Inputs:

Quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date.

- Level 1 assets may include listed mutual funds, ETFs, listed equities, commodities and certain exchange-traded derivatives.

Level 2 Inputs:

Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; quotes from pricing services or brokers for which the Company can determine that orderly transactions took place at the quoted price or that the inputs used to arrive at the price are observable; and inputs other than quoted prices that are observable, such as models or other valuation methodologies.

- Level 2 assets may include debt securities, loans held within consolidated CLOs, short-term floating-rate notes, asset-backed securities, as well as over-the-counter derivatives, including interest rate swaps and foreign currency exchange contracts that have inputs to the valuations that generally can be corroborated by observable market data.

Level 3 Inputs:

Unobservable inputs for the valuation of the asset or liability, which may include nonbinding broker quotes. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation.

- Level 3 assets may include direct private equity investments, including those held within CIPs, investments in CLOs and loans held within consolidated CLOs and CIPs.
- Level 3 liabilities may include borrowings of consolidated CLOs and contingent liabilities related to acquisitions valued using the income approach based on unobservable market data, or other valuation techniques.

Significance of Inputs. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

Valuation Approaches. The fair values of certain Level 3 assets and liabilities were determined using various valuation approaches as appropriate, including third-party pricing vendors, broker quotes and market and income approaches.

A significant number of inputs used to value equity, debt securities, and loans held within CLOs and CIPs are sourced from third-party pricing vendors. Generally, prices obtained from pricing vendors are categorized as Level 1 inputs for identical securities traded in active markets and as Level 2 for other similar securities if the vendor uses observable inputs in determining the price.

In addition, quotes obtained from brokers generally are nonbinding and categorized as Level 3 inputs. However, if the Company is able to determine that market participants have transacted for the asset in an orderly manner near the quoted price or if the Company can determine that the inputs used by the broker are observable, the quote is classified as a Level 2 input.

Investments Measured at Net Asset Value. As a practical expedient, the Company uses net asset value ("NAV") as the fair value for certain investments. The inputs to value these investments may include the Company's capital accounts for its partnership interests in various alternative investments, including hedge funds, real assets and private equity funds. The various partnerships are investment companies, which record their underlying investments at fair value based on fair value policies established by management of the underlying fund. Fair value policies at the underlying fund generally require the fund to utilize pricing/valuation information from third-party sources, including independent appraisals. However, in some instances, current valuation information for illiquid securities or securities in markets that are not active may not be available from any third-party source or fund management may conclude that the valuations that are available from third-party sources are not reliable. In these instances, fund management may perform model-based analytical valuations that could be used as an input to value these investments.

Fair Value Assets and Liabilities of Consolidated CLO. The Company applies the fair value option provisions for eligible assets, including loans, held by a consolidated CLO. As the fair value of the financial assets of the consolidated CLO is more observable than the fair value of the borrowings of the consolidated CLO, the Company measures the fair value of the borrowings of the consolidated CLO equal to the fair value of the assets of the consolidated CLO less the fair value of the Company's economic interest in the CLO.

Derivatives and Hedging Activities. The Company does not use derivative financial instruments for trading or speculative purposes. The Company uses derivative financial instruments primarily for purposes of hedging exposures to fluctuations in foreign currency exchange rates of certain assets and liabilities, and market price and interest rate exposures with respect to its total portfolio of seed investments in sponsored investment products. Certain CIPs also utilize derivatives as a part of their investment strategies.

In addition, the Company uses derivatives and makes investments to economically hedge market valuation changes on certain deferred cash compensation plans, for which the final value of the deferred amount distributed to employees in cash upon vesting is determined based on the returns of specified investment funds. The Company recognizes compensation expense for the appreciation (depreciation) of the deferred cash compensation liability in proportion to the vested amount of the award during a respective period, while the gain (loss) to economically hedge these plans is immediately recognized in nonoperating income (expense). See Note 5, *Investments*, and Note 9, *Derivatives and Hedging*, for further information on the Company's investments and derivatives, respectively, used to economically hedge these deferred cash compensation plans.

The Company records all derivative financial instruments as either assets or liabilities at fair value on a gross basis in the consolidated statements of financial condition. Credit risks are managed through master netting and collateral support agreements. The amounts related to the right to reclaim or the obligation to return cash collateral may not be used to offset amounts due under the derivative instruments in the normal course of settlement. Therefore, such amounts are not offset against fair value amounts recognized for derivative instruments with the same counterparty and are included in other assets and other liabilities. Changes in the fair value of the Company's derivative financial instruments are recognized in earnings and, where applicable, are offset by the corresponding gain or loss on the related foreign-denominated or hedged assets or liabilities, on the consolidated statements of income.

The Company may also use financial instruments designated as net investment hedges for accounting purposes to hedge net investments in international subsidiaries, the functional currency of which is not US dollars. The gain or loss from revaluing net investment hedges at the spot rate is deferred and reported within AOCI on the consolidated statements of financial condition. The Company reassesses the effectiveness of its net investment hedge at least quarterly.

3. Acquisitions

GIP

As discussed in Note 1, *Business Overview*, on October 1, 2024, BlackRock completed the acquisition of GIP, a leading independent infrastructure fund manager. BlackRock expects the combination of GIP with BlackRock's complementary infrastructure offerings will create a broad global infrastructure franchise with differentiated origination and asset management capabilities.

Consideration at close included approximately \$3 billion in cash, funded through the issuance of long-term notes in March 2024 (See Note 15, *Borrowings* for further information), and 6.9 million of unregistered shares of BlackRock common stock. The shares were valued at \$5.9 billion at close, based on the price of BlackRock's common stock on September 30, 2024 of approximately \$950, discounted for security-specific registration restrictions for two years after closing, resulting in a value of approximately \$855 per share. In addition, as part of the purchase consideration, a contingent consideration payment, all in stock, may be due subject to achieving certain performance targets. The contingent consideration payment, if any, ranges from 4.0 million to 5.2 million shares, and will be valued based on the price of BlackRock's common stock at the time the contingency is resolved. The payment is expected to be payable no later than December 31, 2028 or based on the achievement of the agreed upon performance targets. The fair value of the contingent consideration payment, which was determined by using the income approach with the assistance of a third-party fair value specialist, was \$4.2 billion at close, and is recorded within contingent consideration liabilities in the consolidated statements of financial condition. Certain significant inputs were used to determine the fair value, including assumptions on discount rates as well as estimates of the timing and amounts of fundraising forecasts, stock and AUM volatility, and correlation between stock price and AUM (Level 3 inputs). The contingent consideration payment is classified as a liability as the monetary value of the consideration to be delivered in shares is predominately based on achieving certain performance targets.

In addition, on October 1, 2024, in connection with the GIP Transaction, the Company granted incentive retention awards of approximately \$415 million of cliff-vesting RSUs and approximately \$178 million of performance-based RSUs recognized as compensation expense over a period of approximately five years. See Note 18, *Stock-Based Compensation*, for additional information on the incentive retention awards issued in connection with the GIP Transaction. The Company also granted approximately \$100 million of deferred cash awards in connection with the GIP Transaction, which are recognized as compensation expense over a period of approximately 50% over one year and the remaining 50% over five years.

In connection with the GIP Transaction, the Company entered into several stockholder agreements with the former owners of GIP and their respective affiliates. Each agreement, among other things, (1) sets forth various restrictions, limitations and other terms concerning the transfer of equity securities of BlackRock, which includes an initial lock-up period ending on the two-year anniversary of the closing, and (2) contains customary standstill provisions such as limiting the purchase of additional shares.

The GIP Transaction was accounted for as a business combination under the acquisition method of accounting. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based upon their estimated fair values at the date of the transaction. The goodwill recognized in connection with the acquisition includes future benefits for BlackRock as a result of scale and anticipated synergies from a combined global infrastructure franchise. The amount of goodwill expected to be deductible for tax purposes is approximately \$200 million.

The following table summarizes the consideration paid for GIP and the fair values of the assets acquired and liabilities assumed recognized at the acquisition date in this acquisition:

(in millions)		Fair Value Estimate
Finite-lived intangible assets:		
Management contracts ⁽¹⁾	\$	1,840
Investor relationships ⁽¹⁾		820
Trade name ⁽²⁾		80
Goodwill		10,297
Operating lease ROU assets ⁽³⁾		75
Other assets ⁽³⁾		114
Accrued compensation and benefits ⁽³⁾		(154)
Operating lease liabilities ⁽³⁾		(96)
Other liabilities assumed ⁽³⁾		(10)
Total consideration, net of cash acquired	\$	12,966
Summary of consideration, net of cash acquired:		
Cash paid	\$	2,930
Cash acquired		(68)
Closing stock consideration at fair value		5,904
Deferred stock consideration at fair value		4,200
Total cash and stock consideration	\$	12,966

(1) The fair value for management contracts and investor relationships was determined based on a discounted cash flow analysis (Level 3 inputs), have weighted-average estimated useful lives of approximately 8 years and 14 years, respectively, and are amortized based on their pattern of economic benefit.

(2) The fair value was determined based upon a relief from royalty method (Level 3 inputs), has a weighted-average estimated useful life of approximately 10 years and is amortized based on its pattern of economic benefit.

(3) Acquired operating lease ROU assets and operating lease liabilities were determined based on current lease guidance. The acquired book values of the remaining assets and liabilities approximated their fair values.

Transaction and integration costs incurred in connection with the GIP Transaction were approximately \$195 million in 2024. These costs were primarily comprised of \$130 million of compensation expense, mostly for nonrecurring retention-related deferred compensation and \$65 million of other acquisition-related transaction costs, largely related to advisory fees, legal fees and consulting expenses, recorded in general and administration expense.

Finite-lived intangible assets are amortized over their useful lives, which range from 3 to 14 years. Amortization expense related to the finite-lived intangible assets was \$86 million for 2024. The finite-lived intangible assets had a weighted-average remaining useful life of approximately 10 years with remaining amortization expense as follows:

(in millions)		Amount
Year	\$	
2025		281
2026		323
2027		277
2028		196
2029		228
2030		269
Thereafter		1,079
Total	\$	2,653

The following unaudited pro forma information presents combined results of operations of the Company as if the GIP Transaction and related \$3.0 billion in aggregate notes issuance (see Note 15, *Borrowings*, for more information) had occurred on January 1, 2023 and are not indicative of the actual results of operations that would have been achieved nor are they indicative of future results of operations of the combined Company. The pro forma combined provision for income taxes may not represent the amount that would have resulted had BlackRock and GIP filed consolidated tax returns during the years presented.

(Unaudited) (in millions)		2024 ⁽¹⁾	2023
Total revenue	\$	21,087	\$ 18,664
Net income attributable to BlackRock, Inc.	\$	6,318	\$ 5,025

(1) Subsequent to the closing of the GIP Transaction on October 1, 2024, GIP contributed approximately \$240 million of revenue and \$56 million of net income.

For purposes of the pro forma financial information above, the following pro forma adjustments and related tax effects were included as if the GIP Transaction had occurred on January 1, 2023 (unaudited):

- Compensation expense included retention-related deferred compensation awards in connection with the GIP Transaction of \$285 million for the year ended December 31, 2023, and \$95 million for the nine months ended September 30, 2024 (see Note 18, *Stock-Based Compensation*, for further information on retention related deferred compensation issued in connection with the GIP Transaction);
- Acquisition-related transaction costs of \$65 million, which were recorded in 2024 were included in 2023 results and removed from 2024 results;
- Amortization of finite-lived intangible assets of \$300 million for the year ended December 31, 2023 and \$240 million for the nine months ended September 30, 2024;
- Interest expense for the \$3.0 billion notes, which were issued in March 2024 in connection with the GIP Transaction, of \$155 million for the year ended December 31, 2023 and \$115 million for the nine months ended September 30, 2024 were included as if the issuance occurred on January 1, 2023; and
- Adjustments to reflect the tax effects of the GIP Transaction, as if GIP had been included in the Company's results as of January 1, 2023.

SpiderRock Advisors

In May 2024, BlackRock completed the acquisition of the remaining equity interest in SpiderRock Advisors ("SRA"), a leading provider of customized option overlay strategies in the US wealth market (the "SpiderRock Transaction"). This transaction expands on BlackRock's minority investment in SRA made in 2021 and reinforces BlackRock's commitment to personalized separately managed accounts. Pro forma financial information for SRA has not been presented in the table above, as the effects were not material to the Company's historical consolidated financial statements.

Kreos Capital

In August 2023, BlackRock completed the acquisition of Kreos Capital, a provider of growth and venture debt financing to companies in the technology and healthcare industries (the "Kreos Transaction"). The acquisition adds to BlackRock's position as a leading global credit asset manager and advances its ambitions to provide clients with a diverse range of private market investment products and solutions. Total consideration for the transaction was approximately \$250 million, which included contingent consideration. Pro forma financial information for Kreos has not been presented in the table above, as the effects were not material to the Company's historical consolidated financial statements.

4. Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash and cash equivalents reported within the consolidated statements of financial condition to the cash, cash equivalents, and restricted cash reported within the consolidated statements of cash flows.

(in millions)	December 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 12,762	\$ 8,736
Restricted cash included in other assets	17	17
Total cash, cash equivalents and restricted cash	\$ 12,779	\$ 8,753

5. Investments

A summary of the carrying value of total investments is as follows:

(in millions)	December 31, 2024	December 31, 2023
Debt securities:		
Trading securities (including \$1,743 and \$1,829 held by CIPs at December 31, 2024 and December 31, 2023, respectively)	\$ 1,823	\$ 1,871
Held-to-maturity investments	547	617
Total debt securities	2,370	2,488
Equity securities at FVTNI (including \$1,556 and \$1,429 held by CIPs at December 31, 2024 and December 31, 2023, respectively) ⁽¹⁾	1,950	1,585
Equity method investments:		
Equity method investments ⁽²⁾	2,610	2,515
Investments related to deferred cash compensation plans ⁽¹⁾	173	241
Total equity method investments	2,783	2,756
Loans held by CIPs	145	205
Federal Reserve Bank stock ⁽³⁾	93	92
Carried interest ⁽⁴⁾	1,983	1,975
Other investments ⁽⁵⁾	445	639
Total investments	\$ 9,769	\$ 9,740

(1) Amounts include investments held to economically hedge the impact of market valuation changes on certain deferred cash compensation plans comprised of equity method investments of \$173 million and \$241 million at December 31, 2024 and 2023, respectively. In addition, amounts related to deferred cash compensation plans include equity securities held at FVTNI of \$12 million and \$14 million at December 31, 2024 and 2023, respectively.

(2) Equity method investments include BlackRock's direct investments in certain BlackRock sponsored investment funds.

(3) Federal Reserve Bank stock is held for regulatory purposes and is restricted from sale.

(4) Carried interest represents allocations to BlackRock's general partner capital accounts from certain sponsored investment funds. These balances are subject to change upon cash distributions, additional allocations or reallocations back to limited partners within the respective funds.

(5) Other investments include BlackRock's investments in nonmarketable equity securities, which are measured at cost, adjusted for observable price changes, and private equity, real asset, and commodity investments held by CIPs, which are measured at fair value.

Held-to-Maturity Investments

Held-to-maturity investments included certain investments in BlackRock sponsored CLOs. The amortized cost (carrying value) of these investments approximated fair value (primarily a Level 2 input). At December 31, 2024, \$9 million of these investments mature in less than one year, \$24 million of these investments mature between one and five years, \$326 million of these investments mature between five and ten years and \$188 million of these investments mature after ten years.

Trading Debt Securities and Equity Securities at FVTNI

A summary of the cost and carrying value of trading debt securities and equity securities at FVTNI is as follows:

	December 31, 2024		December 31, 2023	
	Cost	Fair Value	Cost	Fair Value
(in millions)				
Trading debt securities:				
Corporate debt	\$ 1,047	\$ 1,061	\$ 1,225	\$ 1,218
Government debt	578	557	501	489
Asset/mortgage-backed debt	222	205	185	164
Total trading debt securities	\$ 1,847	\$ 1,823	\$ 1,911	\$ 1,871
Equity securities at FVTNI:				
Equity securities/mutual funds	\$ 1,843	\$ 1,950	\$ 1,520	\$ 1,585

6. Consolidated Sponsored Investment Products

In the normal course of business, the Company is the manager of various types of sponsored investment products, which may be considered VIEs or VREs. The Company consolidates certain sponsored investment funds accounted for as VREs because it is deemed to control such funds. In addition, the Company may from time to time own equity or debt securities issued by vehicles or enter into derivatives or loan arrangements with the vehicles, each of which are considered variable interests. The Company's involvement in financing the operations of the VIEs is generally limited to its economic interest in the entity. The Company's consolidated VIEs include certain sponsored investment products in which BlackRock has an economic interest and as the investment manager, is deemed to have both the power to direct the most significant activities of the products and the right to receive benefits (or the obligation to absorb losses) that could potentially be significant to these sponsored investment products. The assets of these VIEs are not available to creditors of the Company. In addition, the investors in these VIEs have no recourse to the credit of the Company.

The following table presents the balances related to these CIPs accounted for as VIEs and VREs that were recorded on the consolidated statements of financial condition, including BlackRock's net interest in these products:

	December 31, 2024			December 31, 2023		
	VIEs	VREs	Total	VIEs	VREs	Total
(in millions)						
Cash and cash equivalents ⁽¹⁾	\$ 125	\$ 44	\$ 169	\$ 234	\$ 54	\$ 288
Investments:						
Trading debt securities	1,497	246	1,743	1,423	406	1,829
Equity securities at FVTNI	1,179	377	1,556	1,059	370	1,429
Loans	141	4	145	195	10	205
Other investments	370	33	403	427	171	598
Carried interest	1,905	—	1,905	1,916	—	1,916
Total investments	5,092	660	5,752	5,020	957	5,977
Other assets	45	31	76	83	39	122
Other liabilities ⁽²⁾	(2,130)	(93)	(2,223)	(2,233)	(108)	(2,341)
Noncontrolling interest - CIPs	(1,672)	(130)	(1,802)	(1,625)	(226)	(1,851)
BlackRock's net interest in CIPs	\$ 1,460	\$ 512	\$ 1,972	\$ 1,479	\$ 716	\$ 2,195

(1) The Company generally cannot readily access cash and cash equivalents held by CIPs to use in its operating activities.

(2) At both December 31, 2024 and 2023, other liabilities of VIEs primarily include deferred carried interest liabilities and borrowings of a consolidated CLO.

BlackRock's total exposure to CIPs represents the value of its economic interest in these CIPs. Valuation changes associated with financial instruments held at fair value by these CIPs are reflected in nonoperating income (expense) and partially offset in net income (loss) attributable to NCI for the portion not attributable to BlackRock.

Net gain (loss) related to consolidated VIEs is presented in the following table:

(in millions)	2024	2023	2022
Nonoperating net gain (loss) on consolidated VIEs	\$ 234	\$ 310	\$ (311)
Net income (loss) attributable to NCI on consolidated VIEs	\$ 132	\$ 174	\$ (161)

7. Variable Interest Entities

Nonconsolidated VIEs. At December 31, 2024 and 2023, the Company's carrying value of assets and liabilities included on the consolidated statements of financial condition pertaining to nonconsolidated VIEs and its maximum risk of loss related to VIEs for which it held a variable interest, but for which it was not the PB, was as follows:

<i>(in millions)</i>	Investments	Advisory Fee Receivables	Other Net Assets (Liabilities)	Maximum Risk of Loss ⁽¹⁾
December 31, 2024				
Sponsored investment products	\$ 2,330	\$ 158	\$ (11)	\$ 2,505
December 31, 2023				
Sponsored investment products	\$ 2,377	\$ 116	\$ (11)	\$ 2,510

(1) At both December 31, 2024 and 2023, BlackRock's maximum risk of loss associated with these VIEs primarily related to BlackRock's investments and the collection of receivables.

The net assets of sponsored investment products that are nonconsolidated VIEs approximated \$46 billion and \$39 billion at December 31, 2024 and 2023, respectively.

8. Fair Value Disclosures

Fair Value Hierarchy

Assets and liabilities measured at fair value on a recurring basis

December 31, 2024 (in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV ⁽¹⁾	Other ⁽²⁾	December 31, 2024
Assets:						
<u>Investments</u>						
Debt securities:						
Trading securities	\$ —	\$ 1,744	\$ 79	\$ —	\$ —	\$ 1,823
Held-to-maturity investments	—	—	—	—	547	547
Total debt securities	—	1,744	79	—	547	2,370
Equity securities at FVTNI:						
Equity securities/mutual funds	1,950	—	—	—	—	1,950
Equity method:						
Equity, fixed income, and multi-asset mutual funds	347	131	—	—	—	478
Hedge funds/funds of hedge funds/other	—	—	—	552	—	552
Private equity funds	—	—	—	1,060	—	1,060
Real assets funds	—	—	—	520	—	520
Investments related to deferred cash compensation plans	—	—	—	173	—	173
Total equity method	347	131	—	2,305	—	2,783
Loans held by CIPs	—	10	135	—	—	145
Federal Reserve Bank Stock	—	—	—	—	93	93
Carried interest	—	—	—	—	1,983	1,983
Other investments	18	—	—	274	153	445
Total investments	2,315	1,885	214	2,579	2,776	9,769
Other assets ⁽³⁾	—	7	149	—	—	156
Separate account assets	32,933	19,346	—	—	532	52,811
<u>Separate account collateral held under securities lending agreements:</u>						
Equity securities	2,719	—	—	—	—	2,719
Debt securities	—	3,340	—	—	—	3,340
Total separate account collateral held under securities lending agreements	2,719	3,340	—	—	—	6,059
Total	\$ 37,967	\$ 24,578	\$ 363	\$ 2,579	\$ 3,308	\$ 68,795
Liabilities:						
Separate account collateral liabilities under securities lending agreements	\$ 2,719	\$ 3,340	\$ —	\$ —	\$ —	\$ 6,059
Contingent consideration liabilities	—	—	4,302	—	—	4,302
Other liabilities ⁽⁴⁾	—	46	129	—	—	175
Total	\$ 2,719	\$ 3,386	\$ 4,431	\$ —	\$ —	\$ 10,536

(1) Amounts are comprised of certain investments measured at fair value using NAV (or its equivalent) as a practical expedient.

(2) Amounts are comprised of investments held at amortized cost and cost, adjusted for observable price changes, and carried interest.

(3) Level 3 amount includes corporate minority private debt investments with changes in fair value recorded in AOCI, net of tax.

(4) Level 2 amount primarily includes fair value of derivatives (See Note 9, *Derivatives and Hedging*, for more information). Level 3 amount primarily includes borrowings of a consolidated CLO classified based on the significance of unobservable inputs used for calculating the fair value of consolidated CLO assets.

December 31, 2023
(in millions)

Assets:

Investments

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV ⁽¹⁾	Other ⁽²⁾	December 31, 2023
Debt securities:						
Trading securities	\$ —	\$ 1,829	\$ 42	\$ —	\$ —	\$ 1,871
Held-to-maturity investments	—	—	—	—	617	617
Total debt securities	—	1,829	42	—	617	2,488
Equity securities at FVTNI:						
Equity securities/mutual funds	1,585	—	—	—	—	1,585
Equity method:						
Equity, fixed income, and multi-asset mutual funds	246	—	—	—	—	246
Hedge funds/funds of hedge funds/other	—	—	—	588	—	588
Private equity funds	—	—	—	1,264	—	1,264
Real assets funds	—	—	—	417	—	417
Investments related to deferred cash compensation plans	—	—	—	241	—	241
Total equity method	246	—	—	2,510	—	2,756
Loans held by CIPs	—	30	175	—	—	205
Federal Reserve Bank Stock	—	—	—	—	92	92
Carried interest	—	—	—	—	1,975	1,975
Other investments	15	—	—	467	157	639
Total investments	1,846	1,859	217	2,977	2,841	9,740
Other assets ⁽³⁾	117	19	120	—	—	256
Separate account assets	34,621	20,810	—	—	667	56,098
<u>Separate account collateral held under securities lending agreements:</u>						
Equity securities	1,686	—	—	—	—	1,686
Debt securities	—	2,872	—	—	—	2,872
Total separate account collateral held under securities lending agreements	1,686	2,872	—	—	—	4,558
Total	\$ 38,270	\$ 25,560	\$ 337	\$ 2,977	\$ 3,508	\$ 70,652

Liabilities:

Separate account collateral liabilities under securities lending agreements	\$ 1,686	\$ 2,872	\$ —	\$ —	\$ —	\$ 4,558
Other ⁽⁴⁾	—	17	279	—	—	296
Total	\$ 1,686	\$ 2,889	\$ 279	\$ —	\$ —	\$ 4,854

(1) Amounts are comprised of certain investments measured at fair value using NAV (or its equivalent) as a practical expedient.

(2) Amounts are comprised of investments held at amortized cost and cost, adjusted for observable price changes, and carried interest.

(3) Level 1 amount includes a minority investment in a publicly traded company. Level 3 amount includes a corporate minority private debt investment with changes in fair value recorded in AOCI, net of tax.

(4) Level 2 amount primarily includes fair value of derivatives (See Note 9, *Derivatives and Hedging*, for more information). Level 3 amount primarily includes borrowings of a consolidated CLO classified based on the significance of unobservable inputs used for calculating the fair value of consolidated CLO assets, and contingent liabilities related to certain acquisitions.

Level 3 Assets. Level 3 assets predominantly include investments in nonconsolidated CLOs, loans of consolidated CIPs, and corporate minority private debt investments. Investments in CLOs and loans were valued based on single-broker nonbinding quotes or quotes from pricing services which use significant unobservable inputs. BlackRock's corporate minority private debt investments were primarily valued using the income approach by discounting the expected cash flows to a single present value. For investments utilizing a discounted cashflow valuation technique, an increase (decrease) in the discount rate or risk premium in isolation could have resulted in a significantly lower (higher) fair value measurement as of December 31, 2024 and 2023.

Level 3 Liabilities. Level 3 liabilities primarily include borrowings of a consolidated CLO, which were valued based on the fair value of the assets of the consolidated CLO less the fair value of the Company's economic interest in the CLO, as well as contingent consideration liabilities related to certain acquisitions, which were valued based upon discounted cash flow analyses using unobservable market data inputs or other valuation techniques.

At December 31, 2024, the contingent consideration liability related to the GIP Transaction was estimated using the income approach, with certain significant inputs including a risk-free discount rate of approximately 4.3% as well as current estimates of the timing and amounts of fundraising forecasts, stock and AUM volatility, and correlation between stock price and AUM (Level 3 inputs). Accordingly, changes in key inputs and assumptions described can materially impact the amount of contingent consideration expense recorded in a reporting period until the contingency is resolved. Changes in fair value are recorded within general and administration expense of the consolidated statements of income.

Nonrecurring Fair Value Measurements. The Company assessed its intangible assets for impairment during the annual impairment assessment as of July 31, 2024 and concluded that an impairment charge was required for indefinite-lived intangible assets related to certain open-end management contracts, which reduced the carrying value of these management contracts to \$87 million. See Note 12, *Intangible Assets*, for more information. The fair value of these contracts was determined using a discounted cash flow analysis. The most sensitive assumptions used to determine present value were growth expectations, revenue / operating margin forecast, and the discount rate applied to the cash flow forecast, which are considered Level 3 inputs in the valuation hierarchy.

Changes in Level 3 Assets and Liabilities Measured at Fair Value on a Recurring Basis for 2024

(in millions)	December 31, 2023	Realized and Unrealized Gains (Losses)	Purchases	Sales and Maturities	Issuances and Other Settlements ⁽¹⁾	Transfers into Level 3	Transfers out of Level 3	December 31, 2024	Total Net Unrealized Gains (Losses) Included in Earnings ⁽²⁾
Assets:									
Investments:									
Trading debt securities	\$ 42	\$ 3	\$ 35	\$ (1)	\$ —	\$ —	\$ —	\$ 79	\$ 3
Loans	175	7	402	(455)	—	12	(6)	135	7
Total investments	217	10	437	(456)	—	12	(6)	214	10
Other assets	120	(8)	37	—	—	—	—	149	(8)
Total assets	\$ 337	\$ 2	\$ 474	\$ (456)	\$ —	\$ 12	\$ (6)	\$ 363	\$ 2
Liabilities:									
Contingent consideration liabilities	\$ 99	\$ 42	\$ —	\$ —	\$ 4,245	\$ —	\$ —	\$ 4,302	\$ 42
Other liabilities	180	(7)	—	—	(58)	—	—	129	(7)
Total liabilities	\$ 279	\$ 35	\$ —	\$ —	\$ 4,187	\$ —	\$ —	\$ 4,431	\$ 35

(1) Issuances and other settlements amounts include contingent consideration liabilities related to the SpiderRock and GIP Transactions and repayments of borrowings of a consolidated CLO.

(2) Earnings attributable to the change in unrealized gains (losses) relating to assets and liabilities still held at the reporting date.

Changes in Level 3 Assets and Liabilities Measured at Fair Value on a Recurring Basis for 2023

(in millions)	December 31, 2022	Realized and Unrealized Gains (Losses)	Purchases	Sales and Maturities	Issuances and Other Settlements ⁽¹⁾	Transfers into Level 3	Transfers out of Level 3	December 31, 2023	Total Net Unrealized Gains (Losses) Included in Earnings ⁽²⁾
Assets:									
Investments:									
Trading debt securities	\$ 52	\$ —	\$ 8	\$ (18)	\$ —	\$ —	\$ —	\$ 42	\$ —
Loans	248	13	76	(58)	(122)	38	(20)	175	(1)
Total investments	300	13	84	(76)	(122)	38	(20)	217	(1)
Other assets	—	7	113	—	—	—	—	120	7
Total assets	\$ 300	\$ 20	\$ 197	\$ (76)	\$ (122)	\$ 38	\$ (20)	\$ 337	\$ 6
Liabilities:									
Other	\$ 280	\$ 1	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 279	\$ 1

(1) Issuances and other settlements amounts include a deconsolidation related to a previously consolidated VRE. In addition, issuances and other settlements include a contingent liability in connection with the Kreos Transaction, offset by repayments of borrowings of a consolidated CLO.

(2) Earnings attributable to the change in unrealized gains (losses) relating to assets and liabilities still held at the reporting date.

Realized and Unrealized Gains (Losses) for Level 3 Assets and Liabilities. Realized and unrealized gains (losses) recorded for Level 3 assets and liabilities are primarily reported in nonoperating income (expense) on the consolidated statements of income. A portion of net income (loss) related to securities held by CIPs is allocated to NCI to reflect net income (loss) not attributable to the Company.

Transfers in and/or out of Levels. Transfers in and/or out of levels are reflected when significant inputs, including market inputs or performance attributes, used for the fair value measurement become observable/unobservable.

Disclosures of Fair Value for Financial Instruments Not Held at Fair Value. At December 31, 2024 and 2023, the fair value of the Company's financial instruments not held at fair value are categorized in the table below.

(in millions)	December 31, 2024		December 31, 2023		Fair Value Hierarchy
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value	
Financial Assets⁽¹⁾:					
Cash and cash equivalents	\$ 12,762	\$ 12,762	\$ 8,736	\$ 8,736	Level 1 ⁽²⁾⁽³⁾
Other assets	86	86	80	80	Level 1 ⁽²⁾⁽⁴⁾
Financial Liabilities:					
Long-term borrowings	\$ 12,314	\$ 11,680	\$ 7,918	\$ 7,413	Level 2 ⁽⁵⁾

(1) See Note 5, *Investments*, for further information on investments not held at fair value.

(2) Cash and cash equivalents, other than money market funds, are carried at either cost or amortized cost, which approximates fair value due to their short-term maturities.

(3) At December 31, 2024 and 2023, approximately \$6.2 billion and \$3.4 billion, respectively, of money market funds were recorded within cash and cash equivalents on the consolidated statements of financial condition. Money market funds are valued based on quoted market prices, or \$1.00 per share, which generally is the NAV of the fund.

(4) At December 31, 2024 and 2023, other assets included cash collateral of approximately \$69 million and \$63 million, respectively. See Note 9, *Derivatives and Hedging* for further information on derivatives held by the Company. In addition, other assets included \$17 million of restricted cash at both December 31, 2024 and 2023.

(5) Long-term borrowings are recorded at amortized cost, net of debt issuance costs. The fair value of the long-term borrowings, including the current portion of long-term borrowings, is determined using market prices and the EUR/USD foreign exchange rate at the end of December 2024 and 2023, respectively. See Note 15, *Borrowings*, for the fair value of each of the Company's long-term borrowings.

Investments in Certain Entities that Calculate NAV Per Share

As a practical expedient to value certain investments that do not have a readily determinable fair value and have attributes of an investment company, the Company uses NAV as the fair value. The following tables list information regarding all investments that use a fair value measurement to account for both their financial assets and financial liabilities in their calculation of a NAV per share (or equivalent).

December 31, 2024

<i>(in millions)</i>	Ref	Fair Value	Total Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity method⁽¹⁾:					
Hedge funds/funds of hedge funds/other	(a)	\$ 552	\$ 138	Daily/Monthly (2%) Quarterly (10%) N/R (88%)	1 – 90 days
Private equity funds	(b)	1,060	227	N/R	N/R
Real assets funds	(c)	520	710	Quarterly (7%) N/R (93%)	60 days
Investments related to deferred cash compensation plan	(d)	173	—	Monthly	1 – 90 days
Consolidated sponsored investment products:					
Real assets funds	(c)	175	40	N/R	N/R
Private equity funds	(e)	7	42	N/R	N/R
Hedge funds/other	(a)	92	58	Quarterly (64%) N/R (36%)	90 days
Total		\$ 2,579	\$ 1,215		

December 31, 2023

<i>(in millions)</i>	Ref	Fair Value	Total Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity method⁽¹⁾:					
Hedge funds/funds of hedge funds/other	(a)	\$ 588	\$ 134	Daily/Monthly (4%) Quarterly (8%) N/R (88%)	1 – 90 days
Private equity funds	(b)	1,264	218	N/R	N/R
Real assets funds	(c)	417	210	Quarterly (10%) N/R (90%)	60 days
Investments related to deferred cash compensation plan	(d)	241	—	Monthly	1 – 90 days
Consolidated sponsored investment products:					
Real assets funds	(c)	154	62	N/R	N/R
Private equity funds	(e)	145	37	N/R	N/R
Hedge funds/other	(a)	168	64	Quarterly (83%) N/R (17%)	90 days
Total		\$ 2,977	\$ 725		

N/R – Not Redeemable

(1) Comprised of equity method investments, which include investment companies that account for their financial assets and most financial liabilities under fair value measures; therefore, the Company's investment in such equity method investees approximates fair value.

(a) This category includes hedge funds, funds of hedge funds, and other funds that invest primarily in equities, fixed income securities, private credit, opportunistic and mortgage instruments and other third-party hedge funds. The fair values of the investments have been estimated using the NAV of the Company's ownership interest in partners' capital. The liquidation period for the investments in the funds that are not subject to redemption is unknown at both December 31, 2024 and 2023.

(b) This category includes private equity funds that initially invest in nonmarketable securities of private companies, which ultimately may become public in the future. The fair values of these investments have been estimated using capital accounts representing the Company's ownership interest in the funds and may also include other performance inputs. The Company's investment in each fund is not subject to redemption and is normally returned through distributions as a result of the liquidation of the underlying assets of the private equity funds. The liquidation period for the investments in these funds is unknown at both December 31, 2024 and 2023.

(c) This category includes several real assets funds that invest directly and indirectly in real estate or infrastructure. The fair values of the investments have been estimated using capital accounts representing the Company's ownership interest in the funds. The Company's investments that are not subject to redemption or are not currently redeemable are normally returned through distributions and realizations of the underlying assets of the funds. The liquidation period for the investments in the funds that are not subject to redemptions is unknown at both December 31, 2024 and 2023. The total remaining unfunded commitments were \$750 million and \$272 million at December 31, 2024 and 2023, respectively. The Company's portion of the total remaining unfunded commitments was \$736 million and \$248 million at December 31, 2024 and 2023, respectively.

(d) This category includes hedge funds and funds of hedge funds that invest primarily in equities, fixed income securities, mortgage instruments and other third-party hedge funds. The fair values of the investments have been estimated using the NAV of the Company's ownership interest in partners' capital. The investments in hedge funds will be redeemed upon settlement of certain deferred cash compensation liabilities.

(e) This category includes the underlying third-party private equity funds within consolidated BlackRock sponsored private equity funds of funds. These investments are not subject to redemption or are not currently redeemable; however, for certain funds, the Company may sell or transfer its interest, which may need approval by the general partner of the underlying funds. Due to the nature of the investments in this category, the Company reduces its investment by distributions that are received through the realization of the underlying assets of the funds. The liquidation period for the underlying assets of these funds is unknown.

Fair Value Option

At December 31, 2024 and 2023, the Company elected the fair value option for certain investments in CLOs of approximately \$72 million and \$42 million, respectively, reported within investments.

In addition, the Company elected the fair value option for bank loans and borrowings of a consolidated CLO, recorded within investments and other liabilities, respectively. The following table summarizes the information related to these bank loans and borrowings at December 31, 2024 and 2023:

(in millions)	December 31, 2024	December 31, 2023
CLO loans:		
Aggregate principal amounts outstanding	\$ 156	\$ 203
Fair value	141	194
Aggregate principal balance in excess of (less than) fair value	\$ 15	\$ 9
CLO borrowings:		
Aggregate principal amounts outstanding	\$ 146	\$ 190
Fair value	129	180
Aggregate principal balance in excess of (less than) fair value	\$ 17	\$ 10

At December 31, 2024, the principal amounts outstanding of the borrowings issued by the consolidated CLO mature in 2030, and may be repaid prior to maturity at any time.

During the year ended December 31, 2024 and 2023, the net gains (losses) from the change in fair value of the bank loans and borrowings held by the consolidated CLO were not material and were recorded in net gain (loss) on the consolidated statements of income. The change in fair value of the assets and liabilities included interest income and expense, respectively.

9. Derivatives and Hedging

The Company maintains a program to enter into exchange traded futures as a macro hedging strategy to hedge market price and interest rate exposures with respect to its total portfolio of seed investments in sponsored investment products. The Company had outstanding exchange traded futures related to this macro hedging strategy with aggregate notional values of approximately \$1.8 billion at both December 31, 2024 and 2023, with expiration dates during the first quarter of 2025 and 2024, respectively.

In addition, the Company enters into exchange traded futures to economically hedge the exposure to market movements on certain deferred cash compensation plans. The Company had outstanding exchange traded futures with aggregate notional values related to its deferred cash compensation hedging program of approximately \$197 million and \$204 million at December 31, 2024 and 2023, with expiration dates during the first quarter of 2025 and 2024, respectively.

Changes in the value of the futures contracts are recognized as gains or losses within nonoperating income (expense). Variation margin payments, which represent settlements of profit/loss, are generally received or made daily, and are reflected in other assets and other liabilities on the consolidated statements of financial condition. These amounts were not material as of December 31, 2024 and 2023.

The Company executes forward foreign currency exchange contracts to mitigate the risk of certain foreign exchange movements. At December 31, 2024 and 2023, the Company had outstanding forward foreign currency exchange contracts with aggregate notional values of approximately \$3.6 billion, with expiration dates in January 2025, and \$3.1 billion, with expiration dates in January 2024, respectively.

At both December 31, 2024 and 2023, the Company had a derivative providing credit protection with a notional amount of approximately \$17 million to a counterparty, representing the Company's maximum risk of loss with respect to the derivative. The Company carries the derivative at fair value based on the expected discounted future cash outflows under the arrangement.

The following table presents the fair values of derivative instruments recognized in the consolidated statements of financial condition at December 31, 2024:

(in millions)	Assets	Liabilities
	Statement of Financial Condition Classification	Statement of Financial Condition Classification
	December 31, 2024	December 31, 2023
Derivative instruments		
Forward foreign currency exchange contracts	Other assets \$ 7	Other liabilities \$ 35
	\$ 19	\$ 6

The following table presents realized and unrealized gains (losses) recognized in the consolidated statements of income on derivative instruments:

(in millions)	Statement of Income Classification	2024	2023	2022
Derivative Instruments				
Exchange traded futures ⁽¹⁾	Net gain (loss) on investments	\$ (30)	\$ (88)	\$ 36
Forward foreign currency exchange contracts	General and administration expense	5	98	(222)
Total return swaps	Net gain (loss) on investments	—	—	83
Total gain (loss) from derivative instruments		\$ (25)	\$ 10	\$ (103)

(1) Amounts for 2024, 2023 and 2022 include \$48 million of losses, \$112 million of losses and \$36 million of gains on futures used as a macro hedging strategy of seed investments, respectively. In addition, amounts for 2024 and 2023 include \$18 million and \$24 million of gains on futures used to economically hedge certain deferred cash compensation plans, respectively.

The Company's CIPs may utilize derivative instruments as a part of the funds' investment strategies. The change in fair value of such derivatives, which is recorded in nonoperating income (expense), was not material for 2024, 2023 and 2022.

See Note 15, *Borrowings*, for more information on the Company's net investment hedge.

10. Property and Equipment

Property and equipment consists of the following:

(in millions)	Estimated Useful Life-In Years	December 31,	
		2024	2023
Property and equipment:			
Land	N/A	\$ 6	\$ 6
Building	39	33	33
Building improvements	15	32	31
Leasehold improvements	1-15	1,048	1,036
Equipment and computer software	3	1,136	1,088
Other transportation equipment	8-10	198	192
Furniture and fixtures	7	101	99
Construction in progress	N/A	102	66
Total		2,656	2,551
Less: Accumulated depreciation and amortization		1,553	1,439
Property and equipment, net		\$ 1,103	\$ 1,112
N/A – Not Applicable			

Qualifying software costs of approximately \$105 million, \$103 million and \$91 million have been capitalized within equipment and computer software during 2024, 2023 and 2022, respectively, and are being amortized over an estimated useful life of three years.

Depreciation and amortization expense was \$270 million, \$263 million and \$251 million for 2024, 2023 and 2022, respectively.

11. Goodwill

Goodwill activity during 2024 and 2023 was as follows:

(in millions)	2024	2023
Beginning of year balance	\$ 15,524	\$ 15,341
Acquisitions ⁽¹⁾	10,428	184
Other	(3)	(1)
End of year balance	\$ 25,949	\$ 15,524

(1) 2024 amount represents goodwill of \$10.3 billion related to the GIP Transaction and \$131 million related to the SpiderRock Transaction. 2023 amount represents goodwill in connection with the Kreos Transaction. See Note 3, *Acquisitions*, for further information.

BlackRock assessed its goodwill for impairment as of July 31, 2024, 2023 and 2022 and considered such factors as the book value and the market capitalization of the Company. The impairment assessment indicated no impairment charges were required. The Company continues to monitor its book value per share compared with closing prices of its common stock as well as qualitative factors for potential indicators of impairment. At December 31, 2024, the Company's common stock closed at a market price of \$1,025, which exceeded its book value of \$307 per share.

12. Intangible Assets

Intangible assets at December 31, 2024 and 2023 consisted of the following:

(in millions)	Remaining Weighted-Average Estimated Useful Life (years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
At December 31, 2024				
Indefinite-lived intangible assets:				
Management contracts	N/A	\$ 16,119	\$ —	\$ 16,119
Trade names/trademarks	N/A	1,403	—	1,403
License	N/A	6	—	6
Total indefinite-lived intangible assets		17,528	—	17,528
Finite-lived intangible assets⁽¹⁾:				
Management contracts	7.6	2,028	215	1,813
Investor/customer relationships	11.2	1,623	414	1,209
Technology-related	3.5	257	144	113
Trade names/trademarks	9.6	89	9	80
Total finite-lived intangible assets	8.9	3,997	782	3,215
Total intangible assets		\$ 21,525	\$ 782	\$ 20,743

At December 31, 2023

Indefinite-lived intangible assets:				
Management contracts	N/A	\$ 16,169	\$ —	\$ 16,169
Trade names/trademarks	N/A	1,403	—	1,403
License	N/A	6	—	6
Total indefinite-lived intangible assets		17,578	—	17,578
Finite-lived intangible assets⁽²⁾:				
Management contracts	3.7	244	156	88
Investor/customer relationships	6.0	785	338	447
Technology-related	4.6	260	118	142
Trade names/trademarks	1.8	9	6	3
Total finite-lived intangible assets	5.4	1,298	618	680
Total intangible assets		\$ 18,876	\$ 618	\$ 18,258

N/A – Not Applicable

(1) In connection with the GIP Transaction, the Company acquired approximately \$1.8 billion of finite-lived management contracts, \$820 million of finite-lived investor relationships and \$80 million of a finite-lived trade name (see Note 3, *Acquisitions*, for further information). In connection with the SpiderRock Transaction, the Company acquired approximately \$29 million of finite-lived customer relationships and \$8 million of finite-lived technology-related intangible assets with weighted-average estimated lives of approximately eleven and five years, respectively.

(2) In connection with the Kreos Transaction, the Company acquired approximately \$67 million of finite-lived management contracts and \$39 million of finite-lived investor relationships with weighted-average estimated lives of approximately five and ten years, respectively.

The Company assessed its intangible assets for impairment as of July 31, 2024 and concluded that an impairment charge was required for indefinite-lived intangible assets related to certain acquired open-end management contracts, primarily driven by quantitative factors, such as reduced growth expectations, a decrease in revenue basis points and net client outflows. As a result, the Company recorded a noncash impairment charge of \$50 million, which is included within amortization and impairment of intangible assets expense on the consolidated statements of income for the year ended December 31, 2024. No impairment charges were required for any other intangible assets.

The impairment tests performed for intangible assets as of July 31, 2023 and 2022 indicated no impairment charges were required.

Estimated amortization expense for finite-lived intangible assets for each of the five succeeding years is as follows:

(in millions)	Amount
Year	
2025	\$ 429
2026	457
2027	384
2028	283
2029	271

13. Leases

The following table presents components of lease cost included in general and administration expense on the consolidated statements of income:

(in millions)	2024	2023	2022
Lease cost:			
Operating lease cost ⁽¹⁾	\$ 183	\$ 189	\$ 216
Variable lease cost ⁽²⁾	60	49	39
Total lease cost	\$ 243	\$ 238	\$ 255

(1) Amounts include short-term leases, which are immaterial for 2024, 2023 and 2022.

(2) Amounts include operating lease payments, which may be adjusted based on usage, changes in an index or market rate, as well as common area maintenance charges and other variable costs not included in the measurement of ROU assets and operating lease liabilities.

Supplemental information related to operating leases is summarized below:

(in millions)	2024	2023	2022
Supplemental cash flow information:			
Operating cash flows from operating leases included in the measurement of operating lease liabilities	\$ 183	\$ 142	\$ 162
Supplemental noncash information:			
ROU assets in exchange for operating lease liabilities ⁽¹⁾	\$ 235	\$ 32	\$ 115

(1) Amount for 2024 includes \$75 million of ROU assets obtained in connection with the GIP Transaction. See Note 3, *Acquisitions*, for further information.

	December 31, 2024	December 31, 2023
Lease term and discount rate:		
Weighted-average remaining lease term	14 years	15 years
Weighted-average discount rate	3 %	3 %

(in millions)

Maturity of operating lease liabilities at December 31, 2024	Amount
2025	\$ 198
2026	185
2027	179
2028	170
2029	156
Thereafter	1,439
Total lease payments	2,327
Less: Imputed interest	(419)
Present value of lease liabilities	\$ 1,908

14. Other Assets

The Company records certain corporate investments, which exclude seed and co-investments in the Company's sponsored investment products, within other assets on the consolidated statements of financial condition.

At December 31, 2024 and 2023, the Company had \$888 million and \$773 million, respectively, of corporate equity method investments, recorded within other assets. At December 31, 2024 and 2023, the Company's ownership interest in its minority investment in iCapital Network Inc. ("iCapital") was approximately 24% and 25%, respectively, and the carrying value of the Company's interest was \$652 million and \$641 million, respectively. In accordance with GAAP, certain equity method investees, including iCapital, do not account for both their financial assets and liabilities under fair value measures; therefore, the Company's investment in such equity method investees may not represent fair value.

At December 31, 2024 and 2023, the Company had \$438 million and \$484 million, respectively, of other nonequity method corporate minority investments recorded within other assets. These investments include equity securities, generally measured at fair value or under the measurement alternative to fair value for nonmarketable securities, and corporate minority private debt investments measured at fair value. Changes in value of the equity securities are recorded in nonoperating income (expense) and changes in value of the debt securities are recorded in AOCI, net of tax. See Note 2, *Significant Accounting Policies*, for further information.

15. Borrowings

Short-Term Borrowings

2024 Revolving Credit Facility. The Company maintains an unsecured revolving credit facility, which is available for working capital and general corporate purposes (the "2024 Credit Facility"). In March 2024, the 2024 Credit Facility was amended to, among other things, (1) permit the GIP Transaction and the transactions contemplated in connection with the GIP Transaction, (2) add New BlackRock as a borrower under the existing credit agreement, (3) add New BlackRock as a guarantor of the payment and performance of the obligations, liabilities and indebtedness of Old BlackRock and certain of its other subsidiaries and (4) update the sustainability-linked pricing mechanics to remove existing metrics and allow new metrics, if any, to be set following the consummation of the GIP Transaction. In May 2024, the 2024 Credit Facility was further amended to, among other things, (1) increase the aggregate commitment amount by \$400 million to \$5.4 billion and (2) extend the maturity date to March 2029 for lenders (other than one non-extending lender) pursuant to the Company's option to request extensions of the maturity date available under the 2024 Credit Facility (with the commitment of the non-extending lender maturing in March 2028). The 2024 Credit Facility permits the Company to request up to an additional \$1.0 billion of borrowing capacity, subject to lender credit approval, which could increase the overall size of the 2024 Credit Facility to an aggregate principal amount of up to \$6.4 billion. Interest on outstanding borrowings accrues at an applicable benchmark rate for the denominated currency of the loan, plus a spread. The 2024 Credit Facility requires the Company not to exceed a maximum leverage ratio (ratio of net debt to earnings before interest, taxes, depreciation and amortization, where net debt equals total debt less unrestricted cash) of 3 to 1, which was satisfied with a ratio of less than 1 to 1 at December 31, 2024. At December 31, 2024, the Company had no amount outstanding under the 2024 Credit Facility.

Commercial Paper Program. On November 7, 2024, BlackRock established a commercial paper program (the "CP Program") under which the Company may issue short-term, unsecured commercial paper notes (the "CP Notes") on a private-placement basis up to a maximum aggregate amount outstanding at any time of \$5 billion. The payments of the CP Notes have been unconditionally guaranteed by Old BlackRock (the "CP Notes Guarantee"). In addition, the CP Notes will rank at least equal in right of payment with all of New BlackRock's other unsubordinated indebtedness, and the obligations of Old BlackRock under the guarantee will rank at least equal in right of payment with all of Old BlackRock's other unsubordinated indebtedness. Net proceeds of issuances of the CP Notes are expected to be used for general corporate purposes. The CP Program is currently supported by the 2024 Credit Facility. The CP Program replaced the Company's prior \$4 billion commercial paper program, which was terminated concurrently with the establishment of this CP Program, and has been put into place in connection with the Company's organizational structure following the closing of the GIP Transaction. At December 31, 2024, BlackRock had no CP Notes outstanding.

Subsidiary Credit Facility. In January 2024, BlackRock Investment Management (UK) Limited ("BIM UK"), a wholly owned subsidiary of the Company, entered into a revolving credit facility (the "Subsidiary Credit Facility") in the amount of £25 million (or approximately \$31 million based on the GBP/USD foreign exchange rate at December 31, 2024) with a rolling 364-day term structure. The Subsidiary Credit Facility is available for BIM UK's general corporate and working capital purposes. At December 31, 2024, there was no amount outstanding under the Subsidiary Credit Facility.

Long-Term Borrowings

The carrying value and fair value of long-term borrowings determined using market prices and EUR/USD foreign exchange rate at December 31, 2024 included the following:

	Unamortized Discount and Debt Issuance Costs ⁽¹⁾		Carrying Value		Fair Value
(in millions)	Maturity Amount				
1.25% Notes due 2025 ⁽²⁾	\$ 725	\$ —	\$ 725	\$ 720	
3.20% Notes due 2027 ⁽²⁾	700	(2)	698	682	
4.60% Notes due 2027	800	(3)	797	801	
3.25% Notes due 2029 ⁽²⁾	1,000	(7)	993	944	
4.70% Notes due 2029	500	(3)	497	500	
2.40% Notes due 2030 ⁽²⁾	1,000	(3)	997	891	
1.90% Notes due 2031 ⁽²⁾	1,250	(7)	1,243	1,055	
2.10% Notes due 2032 ⁽²⁾	1,000	(11)	989	823	
4.75% Notes due 2033 ⁽²⁾	1,250	(17)	1,233	1,224	
5.00% Notes due 2034	1,000	(7)	993	986	
4.90% Notes due 2035	500	(5)	495	489	
5.25% Notes due 2054	1,500	(32)	1,468	1,418	
5.35% Notes due 2055	1,200	(14)	1,186	1,147	
Total long-term borrowings	\$ 12,425	\$ (111)	\$ 12,314	\$ 11,680	

(1) The unamortized discount and debt issuance costs are being amortized over the term of the notes.

(2) Issued by Old BlackRock and guaranteed by New BlackRock.

Long-term borrowings at December 31, 2023 had a carrying value of \$7.9 billion and a fair value of \$7.4 billion determined using market prices at the end of December 2023.

March 2024 Notes. In March 2024, the Company issued \$3.0 billion in aggregate principal amount of senior unsecured and unsubordinated notes. These notes were issued as three separate series of senior debt securities including \$500 million of 4.70% notes maturing on March 14, 2029 (the "March 2029 Notes"), \$1.0 billion of 5.00% notes maturing on March 14, 2034 (the "2034 Notes") and \$1.5 billion of 5.25% notes maturing on March 14, 2054 (the "2054 Notes") (collectively, the "March 2024 Notes"). Net proceeds were used to fund a portion of the cash consideration for the GIP Transaction, which closed in October 2024. Interest on the March 2024 Notes of approximately \$152 million per year is payable semi-annually on March 14 and September 14 of each year, which commenced on September 14, 2024. The March 2024 Notes are fully and unconditionally guaranteed (the "March 2024 Notes Guarantee") on a senior unsecured basis by Old BlackRock. The March 2024 Notes and the March 2024 Notes Guarantee rank equally in right of payment with all of BlackRock and Old BlackRock's other unsubordinated indebtedness, respectively. The March 2024 Notes may be redeemed prior to maturity at any time in whole or in part at the option of BlackRock at the redemption prices set forth in the applicable series of March 2024 Notes.

July 2024 Notes. In July 2024, the Company issued \$2.5 billion in aggregate principal amount of senior unsecured and unsubordinated notes. These notes were issued as three separate series of senior debt securities including \$800 million of 4.60% notes maturing on July 26, 2027 (the "July 2027 Notes"), \$500 million of 4.90% notes maturing on January 8, 2035 (the "2035 Notes") and \$1.2 billion of 5.35% notes maturing on January 8, 2055 (the "2055 Notes") (collectively, the "July 2024 Notes"). Net proceeds are intended to be used to fund a portion of the cash consideration for the acquisition of Preqin Holding Limited ("Preqin" or the "Preqin Transaction"), which is anticipated to close in the first quarter of 2025, subject to customary closing conditions. The July 2024 Notes are fully and unconditionally guaranteed (the "July 2024 Notes Guarantee") on a senior unsecured basis by Old BlackRock. The July 2024 Notes and the July 2024 Notes Guarantee rank equally in right of payment with all of BlackRock's and Old BlackRock's other unsubordinated indebtedness, respectively. Interest on the July 2027 Notes of approximately \$37 million per year is payable semi-annually on January 26 and July 26 of each year, beginning January 26, 2025. Interest on the 2035 Notes and 2055 Notes of approximately \$25 million and \$64 million per year, respectively, is payable semi-annually on January 8 and July 8 of each year, beginning January 8, 2025. The July 2024 Notes may be redeemed prior to maturity at any time in whole or in part at the option of BlackRock at the redemption prices set forth in the applicable series of July 2024 Notes. In addition, if the Preqin Transaction is not consummated, the Company will be required to redeem all outstanding July 2027 Notes (the "Special Mandatory Redemption") at a Special Mandatory Redemption price equal to 101% of the aggregate principal amount of the applicable series of July 2027 Notes, plus accrued and unpaid interest, if any, to, but excluding, the Special Mandatory Redemption date.

2033 Notes. In May 2023, the Company issued \$1.25 billion in aggregate principal amount of 4.75% senior unsecured notes maturing on May 25, 2033 (the "2033 Notes"). The net proceeds of the 2033 Notes are being used for general corporate purposes. Interest of approximately \$59 million per year is payable semi-annually on May 25 and November 25 of each year, commencing on November 25, 2023. The 2033 Notes may be redeemed at the option of the Company, in whole or in part, at any time prior to February 25, 2033 at a "make-whole" redemption price, or thereafter at 100% of the principal amount of the 2033 Notes, in each case plus accrued but unpaid interest.

2032 Notes. In December 2021, the Company issued \$1 billion in aggregate principal amount of 2.10% senior unsecured and unsubordinated notes maturing on February 25, 2032 (the "2032 Notes"). The net proceeds of the 2032 Notes were used for general corporate purposes, which included the repayment of the \$750 million 3.375% Notes in June 2022. Interest of approximately \$21 million per year is payable semi-annually on February 25 and August 25 of each year, which commenced on February 25, 2022. The 2032 Notes may be redeemed prior to November 25, 2031 in whole or in part at any time, at the option of the Company, at a "make-whole" redemption price or at 100% of the principal amount of the 2032 Notes thereafter.

2031 Notes. In April 2020, the Company issued \$1.25 billion in aggregate principal amount of 1.90% senior unsecured and unsubordinated notes maturing on January 28, 2031 (the "2031 Notes"). The net proceeds of the 2031 Notes were used for general corporate purposes. Interest of approximately \$24 million per year is payable semi-annually on January 28 and July 28 of each year, which commenced on July 28, 2020. The 2031 Notes may be redeemed prior to October 28, 2030 in whole or in part at any time, at the option of the Company, at a "make-whole" redemption price or at 100% of the principal amount of the 2031 Notes thereafter.

2030 Notes. In January 2020, the Company issued \$1 billion in aggregate principal amount of 2.40% senior unsecured and unsubordinated notes maturing on April 30, 2030 (the "2030 Notes"). The net proceeds of the 2030 Notes were used for general corporate purposes. Interest of approximately \$24 million per year is payable semi-annually on April 30 and October 30 of each year, which commenced on April 30, 2020. The 2030 Notes may be redeemed prior to January 30, 2030 in whole or in part at any time, at the option of the Company, at a "make-whole" redemption price or at 100% of the principal amount of the 2030 Notes thereafter.

2029 Notes. In April 2019, the Company issued \$1 billion in aggregate principal amount of 3.25% senior unsecured and unsubordinated notes maturing on April 30, 2029 (the "2029 Notes"). The net proceeds of the 2029 Notes were used for general corporate purposes, which included a portion of the purchase price for the acquisition of eFront Holdings SAS, repayment of a portion of the \$1 billion 5.00% notes in December 2019 and repayment of borrowings under its commercial paper program. Interest is payable semi-annually on April 30 and October 30 of each year, which commenced on October 30, 2019, and is approximately \$33 million per year. The 2029 Notes may be redeemed prior to January 30, 2029 in whole or in part at any time, at the option of the Company, at a "make-whole" redemption price or at par thereafter.

2027 Notes. In March 2017, the Company issued \$700 million in aggregate principal amount of 3.20% senior unsecured and unsubordinated notes maturing on March 15, 2027 (the "2027 Notes"). The net proceeds of the 2027 Notes were used to fully repay \$700 million in aggregate principal amount outstanding of 6.25% notes in April 2017 prior to their maturity in September 2017. Interest is payable semi-annually on March 15 and September 15 of each year, and is approximately \$22 million per year. The 2027 Notes may be redeemed prior to maturity at any time in whole or in part at the option of the Company at a "make-whole" redemption price.

2025 Notes. In May 2015, the Company issued €700 million of 1.25% senior unsecured notes maturing on May 6, 2025 (the "2025 Notes" and, together with the 2027 Notes, the 2029 Notes, the 2030 Notes, the 2031 Notes, the 2032 Notes and the 2033 Notes, the "Old BlackRock Notes"). The notes are listed on the Official List of The International Stock Exchange. The net proceeds of the 2025 Notes were used for general corporate purposes, including refinancing of outstanding indebtedness. Interest of approximately \$11 million per year based on current exchange rates is payable annually on May 6 of each year. The 2025 Notes may be redeemed in whole or in part prior to maturity at any time at the option of the Company at a "make-whole" redemption price.

Upon conversion to US dollars the Company designated the €700 million debt offering as a net investment hedge to offset its currency exposure relating to its net investment in certain euro functional currency operations. A gain of \$37 million (net of tax expense of \$12 million), loss of \$20 million (net of tax benefit of \$6 million), and a gain of \$37 million (net of tax expense of \$12 million) were recognized in other comprehensive income for 2024, 2023 and 2022, respectively. No hedge ineffectiveness was recognized during 2024, 2023 and 2022.

2024 Notes. In March 2014, the Company issued \$1 billion in aggregate principal amount of 3.50% senior unsecured and unsubordinated notes, which were repaid in March 2024 at maturity (the "2024 Notes"). The net proceeds of the 2024 Notes were used to refinance certain indebtedness which matured in the fourth quarter of 2014. Interest was payable semi-annually in arrears on March 18 and September 18 of each year, or approximately \$35 million per year.

New BlackRock Guarantee. On October 1, 2024, in connection with the closing of the GIP Transaction, New BlackRock also entered into a guarantee (the “New BlackRock Guarantee”) pursuant to which New BlackRock fully and unconditionally guaranteed, on a senior unsecured basis, the obligations of Old BlackRock with respect to the Old BlackRock Notes. The New BlackRock Guarantee ranks equally in right of payment with all of New BlackRock’s other unsubordinated indebtedness. The New BlackRock Guarantee will be automatically and unconditionally released and discharged, and New BlackRock will be released from all obligations under the New BlackRock Guarantee, in certain circumstances as described in the New BlackRock Guarantee.

16. Commitments and Contingencies

Investment Commitments. At December 31, 2024, the Company had \$1.2 billion of various capital commitments to fund sponsored investment products, including CIPs. These products include various private markets products, including private equity funds, real assets funds, and opportunistic funds. This amount excludes additional commitments made by consolidated funds of funds to underlying third-party funds as third-party noncontrolling interest holders have the legal obligation to fund the respective commitments of such funds of funds. Generally, the timing of the funding of these commitments is unknown and the commitments are callable on demand at any time prior to the expiration of the commitment. These unfunded commitments are not recorded on the consolidated statements of financial condition. These commitments do not include potential future commitments approved by the Company that are not yet legally binding. The Company intends to make additional capital commitments from time to time to fund additional investment products for, and with, its clients.

Contingencies

Contingent Consideration Liabilities. In connection with certain acquisitions, BlackRock is required to make contingent payments, subject to the achievement of specified performance targets or satisfaction of certain post-closing events. The fair value of this contingent consideration is estimated at the time of acquisition closing and is included in contingent consideration liabilities on the consolidated statements of financial condition. The fair value of the remaining aggregate contingent payments at December 31, 2024 totaled \$4.3 billion, including \$4.2 billion related to the GIP Transaction, which, if any, will be settled, all in stock, ranging from 4.0 million to 5.2 million shares, subject to achieving certain performance targets. See Note 3, *Acquisitions*, for more information.

Legal Proceedings. From time to time, BlackRock receives subpoenas or other requests for information from various US federal and state governmental and regulatory authorities and international governmental and regulatory authorities in connection with industry-wide or other investigations or proceedings. It is BlackRock’s policy to cooperate fully with such matters. In 2023, BlackRock responded to requests from the SEC in connection with a publicly reported, industry-wide investigation of investment advisers’ compliance with record retention requirements relating to certain types of electronic communications.

The Company, certain of its subsidiaries and employees have been named as defendants in various legal actions, including arbitrations and other litigation arising in connection with BlackRock’s activities. Additionally, BlackRock-advised investment portfolios may be subject to lawsuits, any of which potentially could harm the investment returns of the applicable portfolio or result in the Company being liable to the portfolios for any resulting damages.

Management, after consultation with legal counsel, currently does not anticipate that the aggregate liability arising out of regulatory matters or lawsuits will have a material effect on BlackRock’s results of operations, financial position, or cash flows. However, there is no assurance as to whether any such pending or threatened matters will have a material effect on BlackRock’s results of operations, financial position or cash flows in any future reporting period. Due to uncertainties surrounding the outcome of these matters, management cannot reasonably estimate the possible loss or range of loss that may arise from these matters.

Indemnifications. In the ordinary course of business or in connection with certain acquisition agreements, BlackRock enters into contracts pursuant to which it may agree to indemnify third parties in certain circumstances. The terms of these indemnities vary from contract to contract and the amount of indemnification liability, if any, cannot be determined or the likelihood of any liability is considered remote. Consequently, no liability has been recorded on the consolidated statements of financial condition.

In connection with securities lending transactions, BlackRock has agreed to indemnify certain securities lending clients against potential loss resulting from a borrower’s failure to fulfill its obligations under the securities lending agreement should the value of the collateral pledged by the borrower at the time of default be insufficient to cover the borrower’s obligation under the securities lending agreement. The amount of securities on loan as of December 31, 2024 and subject to this type of indemnification was approximately \$305 billion. In the Company’s capacity as lending agent, cash and securities totaling approximately \$324 billion were held as collateral for indemnified securities on loan at December 31, 2024. The fair value of these indemnifications was not material at December 31, 2024.

17. Revenue

The table below presents detail of revenue for 2024, 2023 and 2022 and includes the product mix of investment advisory, administration fees and securities lending revenue and performance fees.

(in millions)	2024	2023	2022
Revenue:			
Investment advisory, administration fees and securities lending revenue:			
Equity:			
Active	\$ 2,166	\$ 2,000	\$ 2,147
ETFs	5,124	4,418	4,345
Non-ETF index	784	743	711
Equity subtotal	8,074	7,161	7,203
Fixed income:			
Active	1,952	1,897	1,977
ETFs	1,367	1,230	1,122
Non-ETF index	369	353	396
Fixed income subtotal	3,688	3,480	3,495
Multi-asset	1,278	1,203	1,299
Alternatives:			
Private markets	1,196	889	741
Liquid alternatives	568	572	633
Currency and commodities ⁽¹⁾	247	185	216
Alternatives subtotal	2,011	1,646	1,590
Long-term	15,051	13,490	13,587
Cash management	1,049	909	864
Total investment advisory, administration fees and securities lending revenue⁽²⁾	16,100	14,399	14,451
Investment advisory performance fees:			
Equity	161	99	49
Fixed income	34	4	25
Multi-asset	24	28	25
Alternatives:			
Private markets	308	273	296
Liquid alternatives	680	150	119
Alternatives subtotal	988	423	415
Total investment advisory performance fees	1,207	554	514
Technology services revenue	1,603	1,485	1,364
Distribution fees	1,273	1,262	1,381
Advisory and other revenue:			
Advisory	49	81	56
Other	175	78	107
Total advisory and other revenue	224	159	163
Total revenue	\$ 20,407	\$ 17,859	\$ 17,873

(1) Amounts include cryptocurrency and commodity ETFs and exchange-traded products.

(2) Amounts include \$615 million, \$675 million and \$599 million of securities lending revenue for 2024, 2023 and 2022, respectively.

The tables below present the investment advisory, administration fees and securities lending revenue by client type and investment style:

(in millions)	2024	2023	2022
By client type:			
Retail	\$ 4,284	\$ 4,115	\$ 4,442
ETFs	6,743	5,834	5,671
Institutional:			
Active	3,089	2,623	2,535
Index	935	918	939
Total institutional	4,024	3,541	3,474
Long-term	15,051	13,490	13,587
Cash management	1,049	909	864
Total	\$ 16,100	\$ 14,399	\$ 14,451
By investment style:			
Active	\$ 7,117	\$ 6,534	\$ 6,789
Index and ETFs	7,934	6,956	6,798
Long-term	15,051	13,490	13,587
Cash management	1,049	909	864
Total	\$ 16,100	\$ 14,399	\$ 14,451

Investment Advisory and Administration Fees – Remaining Performance Obligation

The tables below present estimated investment advisory and administration fees expected to be recognized in the future related to the unsatisfied portion of the performance obligations at December 31, 2024 and 2023:

December 31, 2024

(in millions)

	2025	2026	2027	Thereafter	Total
Investment advisory and administration fees: Alternatives ⁽¹⁾⁽²⁾	\$ 427	\$ 381	\$ 353	\$ 142	\$ 1,303

December 31, 2023

(in millions)

	2024	2025	2026	Thereafter	Total
Investment advisory and administration fees: Alternatives ⁽¹⁾⁽²⁾	\$ 204	\$ 174	\$ 152	\$ 164	\$ 694

(1) Investment advisory and administration fees include management fees related to certain private markets products, which are determined based on known contractual committed capital outstanding at December 31, 2024 and 2023. Revenue attributed to future periods could be subject to change due to a change in business activities and actual amounts could differ from amounts disclosed in the table above.

(2) The Company elected practical expedients to exclude amounts related to (a) performance obligations with an original duration of one year or less, and (b) variable consideration related to future service periods.

Change in Deferred Carried Interest Liability

The table below presents changes in the deferred carried interest liability, which is included in other liabilities on the consolidated statements of financial condition, for the year ended December 31, 2024 and 2023:

(in millions)

	2024	2023
Beginning balance	\$ 1,783	\$ 1,420
Net increase (decrease) in unrealized allocations	364	577
Performance fee revenue recognized	(287)	(214)
Ending balance	\$ 1,860	\$ 1,783

Technology Services Revenue – Remaining Performance Obligation

The tables below present estimated technology services revenue expected to be recognized in the future related to the unsatisfied portion of the performance obligations at December 31, 2024 and 2023:

December 31, 2024

(in millions)

	2025	2026	2027	Thereafter	Total
Technology services revenue ⁽¹⁾⁽²⁾	\$ 134	\$ 81	\$ 50	\$ 69	\$ 334

December 31, 2023

(in millions)

	2024	2025	2026	Thereafter	Total
Technology services revenue ⁽¹⁾⁽²⁾	\$ 131	\$ 73	\$ 56	\$ 59	\$ 319

(1) Technology services revenue primarily includes upfront payments from customers, which the Company generally recognizes as services are performed. Revenue attributed to future periods could be subject to change due to a change in business activities and actual amounts could differ from amounts disclosed in the table above.

(2) The Company elected practical expedients to exclude amounts related to (a) performance obligations with an original duration of one year or less, and (b) variable consideration related to future service periods.

In addition to amounts disclosed in the tables above, certain technology services contracts require fixed minimum fees, which are billed on a monthly or quarterly basis in arrears. The Company recognizes such revenue as services are performed. As of December 31, 2024, the estimated annual fixed minimum fees for 2025 for outstanding contracts approximated \$1.2 billion. The term for these contracts, which are either in their initial or renewal period, ranges from one to five years.

The table below presents changes in the technology services deferred revenue liability for the year ended December 31, 2024 and 2023, which is included in other liabilities on the consolidated statements of financial condition:

(in millions)

	2024	2023
Beginning balance	\$ 133	\$ 125
Additions ⁽¹⁾	84	92
Revenue recognized that was included in the beginning balance	(93)	(84)
Ending balance	\$ 124	\$ 133

(1) Amounts are net of revenue recognized.

18. Stock-Based Compensation

Prior to May 15, 2024, the Company maintained the BlackRock, Inc. Second Amended and Restated 1999 Stock Award and Incentive Plan. On May 15, 2024, the Company adopted, pursuant to shareholder approval, the BlackRock, Inc. Third Amended and Restated 1999 Stock Award and Incentive Plan (the "Award Plan"). Any awards granted on or after May 15, 2024 are granted pursuant to such plan.

The components of stock-based compensation expense are as follows:

(in millions)	2024	2023	2022
Stock-based compensation:			
RSUs ⁽¹⁾	\$ 718	\$ 596	\$ 686
Stock options	35	34	22
Total stock-based compensation ⁽²⁾	\$ 753	\$ 630	\$ 708

(1) Amount for 2024 includes \$71 million of incentive retention awards granted in connection with the GIP Transaction.

(2) Amount for 2023 and 2022 includes \$14 million and \$33 million of compensation expense for accelerated vesting of previously granted stock-based compensation awards, respectively, recognized as part of the restructuring charge disclosed in Note 24, *Restructuring Charge*.

Stock Award and Incentive Plan. Pursuant to the Award Plan, options to purchase shares of the Company's common stock at an exercise price not less than the market value of BlackRock's common stock on the date of grant in the form of stock options, restricted stock or RSUs may be granted to employees and nonemployee directors. A maximum of 48,500,000 shares of common stock were authorized for issuance under the Award Plan. Of this amount, 7,708,389 shares remain available for future awards at December 31, 2024. Upon exercise of employee stock options, the issuance of restricted stock or the vesting of RSUs, the Company generally issues shares out of treasury to the extent available.

RSUs

Time-Based RSUs

Pursuant to the Award Plan, RSUs may be granted to certain employees. Substantially all RSUs vest over periods ranging from one to five years and are expensed using the straight-line method over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards. RSUs are not considered participating securities for purposes of calculating EPS as the dividend equivalents are subject to forfeiture prior to vesting of the award.

RSU activity for 2024 is summarized below.

Outstanding at	RSUs	Weighted-Average Grant Date Fair Value
December 31, 2023	1,772,639	\$ 757.49
Granted ⁽¹⁾	1,395,311	\$ 817.10
Converted	(779,146)	\$ 760.38
Forfeited	(91,139)	\$ 748.23
December 31, 2024	2,297,665	\$ 793.08

(1) During the first quarter of 2024, in connection with the GIP Transaction, the Company granted incentive retention awards of approximately 106,000 RSUs to certain employees that vest between two to five years from the grant date. Additionally, in October 2024, in connection with the GIP Transaction, the Company granted incentive retention awards of approximately 500,000 RSUs to certain employees that cliff vest 100% on October 1, 2029. The weighted-average grant date fair value of these October 2024 awards was \$830.90.

The Company values RSUs at their grant-date fair value as measured by BlackRock's common stock price. The incentive retention RSUs granted in October 2024, in connection with the GIP Transaction, are not entitled to participate in dividends until they vest, hence the grant-date fair value of the awards are reduced by the present value of the dividends expected to be paid on the common shares during the vesting period, discounted at a risk-free interest rate. The total fair market value of RSUs granted to employees during 2024, 2023 and 2022 was \$1.1 billion, \$565 million and \$662 million, respectively. The total grant-date fair market value of RSUs converted to common stock during 2024, 2023 and 2022 was \$592 million, \$592 million and \$461 million, respectively.

RSUs granted under the Award Plan in connection with annual incentive compensation and incentive retention awards in connection with the GIP Transaction primarily related to the following:

	2024	2023	2022
Awards granted that vest ratably over three years from the date of grant	346,831	342,706	498,633
Awards granted that vest with varying vesting periods	204,622	169,764	117,169
Awards granted that cliff vest 100% on:			
January 31, 2025	—	—	197,817
January 31, 2026	—	259,465	—
January 31, 2027	343,418	—	—
October 1, 2029 ⁽¹⁾	500,440	—	—
Total awards granted	1,395,311	771,935	813,619

(1) Incentive retention awards granted in October 2024, in connection with the GIP Transaction.

At December 31, 2024, the intrinsic value of outstanding RSUs was \$2.4 billion, reflecting a closing stock price of \$1,025.

At December 31, 2024, total unrecognized stock-based compensation expense related to unvested RSUs was \$913 million. The unrecognized compensation cost is expected to be recognized over the remaining weighted-average period of 2.0 years.

In January 2025, pursuant to the Award Plan, the Company granted approximately:

- 332,000 RSUs to employees as part of annual incentive compensation that vest ratably over three years from the date of grant;
- 216,000 RSUs to employees that cliff vest 100% on January 31, 2028; and
- 27,000 RSUs to employees with various vesting schedules.

Performance-Based RSUs

Pursuant to the Award Plan, performance-based RSUs may be granted to certain employees. Each performance-based award consists of a "base" number of RSUs granted to the employee. The number of shares that an employee ultimately receives at vesting will be equal to the base number of performance-based RSUs granted, multiplied by a predetermined percentage determined in accordance with the level of attainment of Company performance measures during the performance period and could be higher or lower than the original RSU grant. Performance-based RSUs are not considered participating securities as the dividend equivalents are subject to forfeiture prior to vesting of the award.

In the first quarter of 2024, 2023 and 2022, the Company granted 165,631, 169,938 and 143,846, respectively, performance-based RSUs to certain employees that cliff vest 100% on January 31, 2027, 2026 and 2025, respectively. These awards are amortized over a service period of three years. In 2024, the Company reduced the number of original shares granted in 2021 by 42,579 RSUs based on the level of attainment of Company performance measures during the performance period.

In October 2024, in connection with the GIP Transaction, the Company awarded a target amount of approximately 210,000 incentive retention performance-based RSUs to certain employees subject to achievement of certain performance targets. The number of shares that an employee ultimately receives at vesting could be higher or lower than the original target amount, based on the achievement of certain performance targets.

Performance-based RSU activity for 2024 is summarized below.

	Performance-Based RSUs	Weighted-Average Grant Date Fair Value	Performance-Based RSUs in Connection with the GIP Transaction	Weighted-Average Grant Date Fair Value	Total Performance-Based RSUs	Weighted-Average Grant Date Fair Value
Outstanding at						
December 31, 2023	456,384	\$ 767.69	—	\$ —	456,384	\$ 767.69
Granted	165,631	\$ 798.83	210,505	\$ 845.48	376,136	\$ 824.94
Reduction of shares due to performance measures	(42,579)	\$ 739.64	—	\$ —	(42,579)	\$ 739.64
Converted	(116,029)	\$ 739.32	—	\$ —	(116,029)	\$ 739.32
Forfeited	(12,365)	\$ 784.44	—	\$ —	(12,365)	\$ 784.44
December 31, 2024	451,042	\$ 788.61	210,505	\$ 845.48	661,547	\$ 806.71

The Company values performance-based RSUs at their grant-date fair value as measured by BlackRock's common stock price. The incentive retention performance-based RSUs granted in October 2024 in connection with GIP Transaction mentioned above, are not entitled to participate in dividends until they vest, hence the grant-date fair value of the awards are reduced by the present value of the dividends expected to be paid on the common shares during the vesting period, discounted at a risk-free interest rate.

The total grant-date fair market value of performance-based RSUs granted (including impact due to performance measures) to employees during 2024, 2023 and 2022 was \$279 million, \$142 million and \$164 million, respectively. At December 31, 2024, the intrinsic value of outstanding performance-based RSUs was \$678 million reflecting a closing stock price of \$1,025. At December 31, 2024, total unrecognized stock-based compensation expense related to unvested performance-based awards was \$311 million. The unrecognized compensation cost is expected to be recognized over the remaining weighted-average period of 2.1 years.

In January 2025, the Company granted approximately 136,000 performance-based RSUs to certain employees that cliff vest 100% on January 31, 2028. These awards are amortized over a service period of three years. The number of shares distributed at vesting could be higher or lower than the original grant based on the level of attainment of predetermined Company performance measures.

Stock Options

Stock option activity and ending balance for year-end December 31, 2024 is summarized below.

	2017 Performance-based Options		2023 Performance-based Options		2023 Time-based Options	
	Shares Under Option	Weighted Average Exercise Price	Shares Under Option	Weighted Average Exercise Price	Shares Under Option	Weighted Average Exercise Price
Outstanding at December 31, 2023	1,549,080	\$ 513.50	807,695	\$ 673.58	326,391	\$ 673.58
Exercised	(905,219)	\$ 513.50	—	\$ —	—	\$ —
Forfeited	(18,036)	\$ 513.50	(40,725)	\$ 673.58	(26,705)	\$ 673.58
Outstanding at December 31, 2024	625,825	\$ 513.50	766,970	\$ 673.58	299,686	\$ 673.58

	Options Outstanding				Options Exercisable			
Option Type	Exercise Prices	Options Outstanding	Weighted Average Remaining Life (years)	Aggregate Intrinsic Value (in millions)	Exercise Prices	Options Exercisable	Weighted Average Remaining Life (years)	Aggregate Intrinsic Value (in millions)
2017 Performance-based	\$ 513.50	625,825	1.9	\$ 320	\$ 513.50	625,825	1.9	\$ 320
2023 Performance-based	\$ 673.58	766,970	7.4	270	\$ 673.58	—	—	—
2023 Time-based	\$ 673.58	299,686	7.4	105	\$ 673.58	—	—	—
Total		1,692,481	5.4	\$ 695		625,825	1.9	\$ 320

At December 31, 2024, total unrecognized stock-based compensation expense related to unvested performance-based and time-based stock options was \$113 million. The unrecognized compensation cost is expected to be recognized over the remaining weighted-average period of 3.7 years.

Performance-Based Stock Options

In 2017, pursuant to the Award Plan, the Company awarded performance-based stock option grants to certain employees ("2017 Performance-based Options"). Vesting of 2017 Performance-based Options was contingent upon the achievement of obtaining 125% of BlackRock's grant-date stock price within five years from the grant date and the attainment of Company performance measures during the four-year performance period. Both hurdles have been achieved, and each of the three tranches of the awards vested in equal installments at the end of 2022, 2023 and 2024, respectively. Vested 2017 Performance-based Options are exercisable for up to nine years following the grant date. The expense for each tranche is amortized over the respective requisite service period. The total fair value of 2017 Performance-based Options vested during 2024 was \$52 million. The aggregate intrinsic value of 2017 Performance-based Options exercised during 2024 was \$373 million.

The options have a strike price of \$513.50, which was the closing price of the shares on the grant date. The grant-date fair value of the awards issued in 2017 was \$208 million and was estimated using a Monte Carlo simulation with an embedded lattice model using the assumptions included in the following table:

Grant Year	Expected Term (Years) ⁽¹⁾	Expected Stock Volatility ⁽²⁾	Expected Dividend Yield ⁽³⁾	Risk-Free Interest Rate ⁽⁴⁾
2017	6.56	22.23%	2.16%	2.33%

(1) The expected term was derived using a Monte Carlo simulation with the embedded lattice model and represents the period of time that options granted are expected to be outstanding.

(2) The expected stock volatility was based upon an average of historical stock price fluctuations of BlackRock's common stock and an implied volatility at the grant date.

(3) The expected dividend yield was calculated as the most recent quarterly dividend divided by the average three-month stock price as of the grant date.

(4) The risk-free interest rate is based on the US Treasury Constant Maturities yield curve at grant date.

On May 30, 2023, pursuant to the Award Plan, the Company awarded performance-based options to purchase 814,482 shares of BlackRock common stock to certain employees as long-term incentive compensation ("2023 Performance-based Options"). Vesting of 2023 Performance-based Options is contingent upon the achievement of obtaining 130% of grant-date stock price over 60 calendar days within four years from the grant date and attainment of a predetermined Company performance measure during the three-year performance period. As of December 31, 2024, the price hurdle was achieved and the Company assumes that the performance measure will be achieved. Accordingly, the awards are expected to vest in three tranches of 25%, 25% and 50% in May of 2027, 2028 and 2029, respectively. Vested 2023 Performance-based Options are exercisable for up to nine years following the grant date, and the awards are forfeited if the employee resigns before the respective vesting date. The expense for each tranche is amortized over the respective requisite service period.

The 2023 Performance-based Options have a strike price of \$673.58 which was the closing price of the shares on the grant date. The grant-date fair value of the 2023 Performance-based Options was \$120 million and was estimated using a Monte Carlo simulation with an embedded lattice model using the assumptions included in the following table:

Grant Year	Expected Term (Years) ⁽¹⁾	Expected Stock Volatility ⁽²⁾	Expected Dividend Yield ⁽³⁾	Risk-Free Interest Rate ⁽⁴⁾
2023	6.02	27.73%	3.02%	3.61%

(1) The expected term was derived using a Monte Carlo simulation with the embedded lattice model and represents the period of time that options granted are expected to be outstanding.

(2) The expected stock volatility was based upon an average of historical stock price fluctuations of BlackRock's common stock and an implied volatility at the grant date.

(3) The expected dividend yield was calculated as the most recent quarterly dividend divided by the average three-month stock price as of the grant date.

(4) The risk-free interest rate is based on the US Treasury Constant Maturities yield curve at grant date.

Time-Based Stock Options

On May 30, 2023, pursuant to the Award Plan, the Company awarded time-based stock options to purchase 326,391 shares of BlackRock common stock to certain employees as long-term incentive compensation ("2023 Time-based Options"). These awards will vest in three tranches of 25%, 25% and 50% in May 2027, 2028 and 2029, respectively. Vested 2023 Time-based Options can be exercised up to nine years following the grant date, and the awards are forfeited if the employee resigns before the respective vesting date.

The 2023 Time-based Options have a strike price of \$673.58 which was the closing price of the shares on the grant date. The grant-date fair value of the 2023 Time-based Options was \$55 million and was estimated using a Black-Scholes-Merton model using the assumptions included in the following table:

Grant Year	Expected Term (Years) ⁽¹⁾	Expected Stock Volatility ⁽²⁾	Expected Dividend Yield ⁽³⁾	Risk-Free Interest Rate ⁽⁴⁾
2023	7.13	28.29%	3.02%	3.65%

(1) The expected term represents the period of time that options granted are expected to be outstanding, and was calculated as the midpoint between the weighted average time to vest and expiration.

(2) The expected stock volatility was based upon an average of historical stock price fluctuations of BlackRock's common stock and an implied volatility at the grant date.

(3) The expected dividend yield was calculated as the most recent quarterly dividend divided by the average three-month stock price as of the grant date.

(4) The risk-free interest rate is based on the US Treasury Constant Maturities yield curve at grant date.

Employee Stock Purchase Plan ("ESPP"). The ESPP allows eligible employees to purchase the Company's common stock at 95% of the fair market value on the last day of each three-month offering period; therefore, the Company does not record compensation expense related to employees purchasing shares under the ESPP.

19. Deferred Cash Compensation and Employee Benefit Plans

Deferred Cash Compensation Plans

The components of deferred cash compensation expense are as follows:

(in millions)	2024	2023	2022
Deferred cash compensation expense:			
IPDCP	\$ 155	\$ 195	\$ 228
VDCP	26	17	(18)
Other ⁽¹⁾	31	14	14
Total deferred cash compensation expense	\$ 212	\$ 226	\$ 224

(1) Amounts primarily relate to deferred cash compensation in connection with certain acquisitions.

Investment Professional Deferred Compensation Program ("IPDCP"). The Company adopted IPDCP for the purpose of providing deferred compensation and retention incentives to certain employees. For this plan, the final value of the deferred amount to be distributed in cash upon vesting is associated with investment returns of certain investment funds. In January 2024, 2023 and 2022, the Company granted approximately \$114 million, \$90 million, and \$257 million of deferred compensation that will fluctuate with investment returns and will vest ratably over three years from the date of grant. The liabilities for this plan were \$220 million and \$313 million at December 31, 2024 and 2023, respectively, and are reflected in the consolidated statements of financial condition as accrued compensation and benefits. In January 2025, the Company granted approximately \$264 million of additional deferred compensation that will fluctuate with investment returns and will vest ratably over three years from the date of grant.

Voluntary Deferred Compensation Plan. The Company adopted a Voluntary Deferred Compensation Plan ("VDCP") that allows eligible employees in the US to elect to defer between 1% and 100% of their annual cash incentive compensation. The participants must specify a deferral period of up to 10 years from the year of deferral and additionally elect to receive distributions in the form of a lump sum or in up to 10 annual installments. VDCP deferred cash compensation expense includes the mark-to-market impact of investment returns. The liability balance of \$170 million and \$144 million at December 31, 2024 and 2023, respectively, is reflected on the consolidated statements of financial condition as accrued compensation and benefits.

Other Deferred Cash Plans. The liabilities related to other deferred cash plans were \$34 million and \$82 million at December 31, 2024 and 2023, respectively, primarily related to deferred cash plans granted in connection with certain acquisitions.

In 2019, the Company adopted a carried interest retention incentive program referred to as the BlackRock Leadership Retention Carry Plan, pursuant to which senior-level employees (but not including the Chief Executive Officer), as may be determined by the Company from time to time, will be eligible to receive a portion of the cash payments, based on their percentage points, in the total carried interest distributions paid to the Company from participating carry funds. Cash payments, if any, with respect to these percentage points will be made over time following the recipient's termination of employment due to qualified retirement, death or disability, subject to his or her execution of a release of claims and continued compliance with his or her restrictive covenant obligations following termination. There was no material impact to the consolidated financial statements.

Defined Contribution Plans

The Company has several defined contribution plans primarily in the US and UK.

Certain of the Company's US employees participate in a defined contribution plan. Employee contributions of up to 8% of eligible compensation, as defined by the plan and subject to Internal Revenue Code limitations, are matched by the Company at 50% up to a maximum of \$5,000 annually. In addition, the Company makes an annual retirement contribution to eligible participants generally equal to 3-5% of eligible compensation. The Company's contribution expense related to this plan was \$149 million in 2024, \$86 million in 2023, and \$83 million in 2022.

Certain UK wholly owned subsidiaries of the Company contribute to defined contribution plans for their employees. The contributions range between 9% and 15% of each employee's eligible compensation as of December 31, 2024. The Company's contribution expense related to these plans was \$66 million in 2024, \$64 million in 2023, and \$60 million in 2022.

In addition, the contribution expense related to defined contribution plans in other regions was \$50 million in 2024, \$42 million in 2023 and \$41 million in 2022.

Defined Benefit Plans. The Company has several defined benefit pension plans with plan assets of approximately \$27 million and \$28 million at December 31, 2024 and 2023, respectively. The underfunded obligations at December 31, 2024 and 2023 were not material. Benefit payments for the next five years and in aggregate for the five years thereafter are not expected to be material.

20. Related Party Transactions

Determination of Related Parties

Registered Investment Companies and Equity Method Investments. The Company considers the registered investment companies that it manages, which include mutual funds and ETFs, to be related parties as a result of the Company's advisory relationship. In addition, equity method investments are considered related parties, due to the Company's influence over the financial and operating policies of the investee.

Revenue from Related Parties

Revenue for services provided by the Company to these and other related parties are as follows:

(in millions)	2024	2023	2022
Investment advisory, administration fees and securities lending revenue ⁽¹⁾	\$ 12,050	\$ 10,757	\$ 10,848
Investment advisory performance fees ⁽¹⁾	728	286	244
Other	16	(31)	(31)
Total revenue from related parties	\$ 12,794	\$ 11,012	\$ 11,061

(1) Amounts primarily include revenue from registered investment companies and equity method investees.

The Company provides investment advisory and administration services to its open- and closed-end funds and other commingled or pooled funds and separate accounts in which related parties invest.

Receivables and Payables with Related Parties. Due from related parties, which is included within other assets on the consolidated statements of financial condition, was \$245 million and \$203 million at December 31, 2024 and 2023, respectively, and primarily represented receivables from certain investment products managed by BlackRock. Accounts receivable at December 31, 2024 and 2023 included \$1.3 billion and \$1.1 billion, respectively, related to receivables from BlackRock mutual funds and ETFs, for investment advisory and administration services.

Due to related parties, which is included within other liabilities on the consolidated statements of financial condition, was \$11 million and \$21 million at December 31, 2024 and 2023, respectively, and primarily represented payables to certain investment products managed by BlackRock.

21. Net Capital Requirements

The Company is required to maintain net capital in certain regulated subsidiaries within a number of jurisdictions, which is partially maintained by retaining cash and cash equivalent investments in those subsidiaries or jurisdictions. As a result, such subsidiaries of the Company may be restricted in their ability to transfer cash between different jurisdictions and to their parents. Additionally, transfers of cash between international jurisdictions may have adverse tax consequences that could discourage such transfers.

Banking Regulatory Requirements. BlackRock Institutional Trust Company, N.A. ("BTC"), a wholly owned subsidiary of the Company, which is chartered as a national bank whose powers are limited to trust and other fiduciary activities and which is subject to regulatory capital requirements administered by the US Office of the Comptroller of the Currency. Federal banking regulators would be required to take certain actions and permitted to take other actions in the event of BTC's failure to meet minimum capital requirements that, if undertaken, could have a direct material effect on the Company's consolidated financial statements.

Quantitative measures established by regulators to ensure capital adequacy require BTC to maintain a minimum Common Equity Tier 1 capital and Tier 1 leverage ratio, as well as Tier 1 and total risk-based capital ratios. Based on BTC's calculations as of December 31, 2024 and 2023, it exceeded the applicable capital adequacy requirements.

(in millions)	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31, 2024						
Total capital (to risk weighted assets)	\$ 961	153.2 %	\$ 50	8.0 %	\$ 63	10.0 %
Common Equity Tier 1 capital (to risk weighted assets)	\$ 953	151.9 %	\$ 28	4.5 %	\$ 41	6.5 %
Tier 1 capital (to risk weighted assets)	\$ 953	151.9 %	\$ 38	6.0 %	\$ 50	8.0 %
Tier 1 capital (to average assets)	\$ 953	71.3 %	\$ 53	4.0 %	\$ 67	5.0 %
December 31, 2023						
Total capital (to risk weighted assets)	\$ 775	145.8 %	\$ 43	8.0 %	\$ 53	10.0 %
Common Equity Tier 1 capital (to risk weighted assets)	\$ 771	145.1 %	\$ 24	4.5 %	\$ 35	6.5 %
Tier 1 capital (to risk weighted assets)	\$ 771	145.1 %	\$ 32	6.0 %	\$ 43	8.0 %
Tier 1 capital (to average assets)	\$ 771	65.9 %	\$ 47	4.0 %	\$ 59	5.0 %

Broker-dealers. BlackRock Investments, LLC and BlackRock Execution Services are registered broker-dealers and wholly owned subsidiaries of BlackRock that are subject to the Uniform Net Capital requirements under the Securities Exchange Act of 1934, which requires maintenance of certain minimum net capital levels.

Capital Requirements. At both December 31, 2024 and 2023, the Company was required to maintain approximately \$1.8 billion in net capital in certain regulated subsidiaries, including BTC, entities regulated by the Financial Conduct Authority and Prudential Regulation Authority in the UK, and the Company's broker-dealers. The Company was in compliance with all applicable regulatory net capital requirements.

22. Accumulated Other Comprehensive Income (Loss)

The following table presents changes in AOCI for 2024, 2023 and 2022:

(in millions)	2024	2023	2022
Beginning balance	\$ (840)	\$ (1,101)	\$ (550)
Foreign currency translation adjustments ⁽¹⁾	(338)	261	(551)
Ending balance	\$ (1,178)	\$ (840)	\$ (1,101)

(1) Amount for 2024 includes a gain from a net investment hedge of \$37 million (net of tax expense of \$12 million). Amount for 2023 includes a loss from a net investment hedge of \$20 million (net of tax benefit of \$6 million). Amount for 2022 includes a gain from a net investment hedge of \$37 million (net of tax expense of \$12 million).

23. Capital Stock

Cash Dividends for Common Shares / RSUs. During 2024, 2023 and 2022, the Company paid cash dividends of \$20.40 per share (or \$3.1 billion), \$20.00 per share (or \$3.0 billion) and \$19.52 per share (or \$3.0 billion), respectively.

The GIP Transaction. On October 1, 2024, as part of the closing of the GIP Transaction, (1) BlackRock issued 6,908,416 shares of common stock as part of the total consideration paid, (2) each share of common stock, \$0.01 par value, of Old BlackRock issued and outstanding, other than common stock held in treasury, immediately prior to the closing of the GIP Transaction was converted automatically into one share of common stock, \$0.01 par value, of New BlackRock and (3) shares of Old BlackRock common stock held in treasury were cancelled. See Note 3, *Acquisitions*, and Note 1, *Business Overview*, for additional information.

Share Repurchases. During 2024, the Company repurchased 1.9 million common shares under the Company's existing share repurchase program for approximately \$1.6 billion. At December 31, 2024, there were approximately 3.8 million shares still authorized to be repurchased under the program. The timing and actual number of shares repurchased will depend on a variety of factors, including legal limitations, price and market conditions.

The Company's common shares issued and outstanding and related activity consist of the following:

	Shares Issued		Shares Outstanding
	Common Shares	Treasury Common Shares	Common Shares
December 31, 2021	172,075,373	(20,390,882)	151,684,491
Shares repurchased	—	(2,710,821)	(2,710,821)
Net issuance of common shares related to employee stock transactions	—	782,822	782,822
December 31, 2022	172,075,373	(22,318,881)	149,756,492
Shares repurchased	—	(2,176,538)	(2,176,538)
Net issuance of common shares related to employee stock transactions	—	920,120	920,120
December 31, 2023	172,075,373	(23,575,299)	148,500,074
Shares repurchased	—	(1,909,964)	(1,909,964)
Net issuance of common shares related to employee stock transactions	456,182	993,105	1,449,287
Issuance of common shares in connection with the GIP Transaction	6,908,416	—	6,908,416
Cancellation of treasury stock, common in connection with the GIP Transaction	(24,121,801)	24,121,801	—
December 31, 2024	155,318,170	(370,357)	154,947,813

24. Restructuring Charge

In the fourth quarter of 2023, a restructuring charge of \$61 million (\$46 million after-tax), comprised of \$47 million of severance and \$14 million of compensation expense for accelerated vesting of previously granted deferred compensation awards, was recorded in connection with initiatives to reorganize specific platforms, primarily Aladdin and private markets.

The table below presents a rollforward of the Company's restructuring liability for 2024 and 2023, which is included in other liabilities on the consolidated statements of financial condition:

(in millions)

Liability as of December 31, 2022	\$	58
Cash payments		(58)
Additions		61
Accelerated vesting expense of deferred compensation awards		(14)
Liability as of December 31, 2023	\$	47
Cash payments		(47)
Liability as of December 31, 2024	\$	—

25. Income Taxes

The components of income tax expense for 2024, 2023 and 2022, are as follows:

(in millions)	2024	2023	2022
Current income tax expense:			
Federal	\$ 960	\$ 641	\$ 255
State and local	142	176	(9)
Foreign	787	538	448
Total net current income tax expense	1,889	1,355	694
Deferred income tax expense (benefit):			
Federal	(105)	101	562
State and local	—	11	64
Foreign	(1)	12	(24)
Total net deferred income tax expense (benefit)	(106)	124	602
Total income tax expense	\$ 1,783	\$ 1,479	\$ 1,296

Income tax expense has been based on the following components of income before taxes, less net income (loss) attributable to NCI:

(in millions)	2024	2023	2022
Domestic	\$ 5,139	\$ 4,565	\$ 4,604
Foreign	3,013	2,416	1,870
Total	\$ 8,152	\$ 6,981	\$ 6,474

The foreign income before taxes includes countries that have statutory tax rates that are different than the US federal statutory tax rate of 21%, such as the UK, Germany, Canada and Ireland.

A reconciliation of income tax expense with expected federal income tax expense computed at the applicable federal income tax rate of 21% for 2024, 2023 and 2022 is as follows:

(in millions)	2024	2023	2022
Statutory income tax expense	\$ 1,712 21%	\$ 1,466 21%	\$ 1,360 21%
Increase (decrease) in income taxes resulting from:			
State and local taxes (net of federal benefit)	130 2	110 2	115 2
Impact of federal, foreign, state, and local tax rate changes on deferred taxes	12 —	— —	(25) —
Stock-based compensation awards	(37) —	(41) (1)	(87) (1)
Resolution of outstanding tax matters	— —	(204) (3)	(143) (2)
Intellectual property reorganization	(137) (2)	— —	— —
Effect of foreign tax rates	84 1	112 2	23 —
Other	19 —	36 —	53 —
Income tax expense	\$ 1,783 22%	\$ 1,479 21%	\$ 1,296 20%

Deferred income taxes are provided for the effects of temporary differences between the tax basis of an asset or liability and its reported amount in the consolidated financial statements. These temporary differences result in taxable or deductible amounts in future years.

The components of deferred income tax assets and liabilities are shown below:

(in millions)	December 31,	
	2024	2023
Deferred income tax assets:		
Compensation and benefits	\$ 354	\$ 375
Loss carryforwards	103	95
Foreign tax credit carryforward	39	—
Capitalized costs	276	216
Other	795	825
Gross deferred tax assets	1,567	1,511
Less: Deferred tax valuation allowances	(69)	(59)
Deferred tax assets net of valuation allowances	1,498	1,452
Deferred income tax liabilities:		
Goodwill and acquired indefinite-lived intangibles	4,199	4,299
Acquired finite-lived intangibles	53	86
Unrealized investment gains	58	25
Other	341	340
Gross deferred tax liabilities	4,651	4,750
Net deferred tax (liabilities)	\$ (3,153)	\$ (3,298)

Deferred income tax assets and liabilities are recorded net when related to the same tax jurisdiction. At December 31, 2024, the Company recorded on the consolidated statement of financial condition deferred income tax assets, within other assets, and deferred income tax liabilities of \$181 million and \$3.3 billion, respectively. At December 31, 2023, the Company recorded on the consolidated statement of financial condition deferred income tax assets, within other assets, and deferred income tax liabilities of \$208 million and \$3.5 billion, respectively.

Income tax expense for 2024 included discrete tax benefits of \$137 million, recognized in connection with the reorganization and establishment of a more efficient global intellectual property and technology platform and corporate structure, \$63 million related to the realization of capital losses from changes in the Company's organizational tax structure, \$37 million related to vested stock-based compensation awards, and a net noncash discrete tax expense of \$14 million related to the revaluation of deferred income tax liabilities. Income tax expense for 2023 included \$242 million of net discrete tax net benefits related to the resolution of certain outstanding tax matters and stock-based compensation awards that vested in 2023.

At December 31, 2024 and 2023, the Company had available state net operating loss carryforwards of \$2.9 billion and \$2.7 billion, respectively, which will begin to expire in 2032. At December 31, 2024 and 2023, the Company had foreign net operating loss carryforwards of \$193 million and \$164 million, respectively, of which \$10 million will begin to expire in 2025. At December 31, 2024, the Company had foreign tax credit carryforwards for income tax purposes of \$39 million which will begin to expire in 2034.

At December 31, 2024 and 2023, the Company had \$69 million and \$59 million of valuation allowances for deferred income tax assets, respectively, recorded on the consolidated statements of financial condition.

Current income taxes are recorded net on the consolidated statements of financial condition when related to the same tax jurisdiction. At December 31, 2024, the Company had current income taxes receivable and payable of \$215 million and \$134 million, respectively, recorded in other assets and accounts payable and accrued liabilities, respectively. At December 31, 2023, the Company had current income taxes receivable and payable of \$252 million and \$85 million, respectively, recorded in other assets and accounts payable and accrued liabilities, respectively.

The following tabular reconciliation presents the total amounts of gross unrecognized tax benefits:

(in millions)	2024	2023	2022
Balance at January 1	\$ 749	\$ 912	\$ 1,022
Additions for tax positions of prior years	30	25	13
Reductions for tax positions of prior years	(10)	(22)	(75)
Additions based on tax positions related to current year	51	49	55
Additions related to business combinations	—	16	—
Settlements	(303)	(231)	(103)
Balance at December 31	\$ 517	\$ 749	\$ 912

Included in the balance of unrecognized tax benefits at December 31, 2024, 2023 and 2022, respectively, are \$431 million, \$505 million and \$497 million of tax benefits that, if recognized, would affect the effective tax rate.

The Company recognizes interest and penalties related to income tax matters as a component of income tax expense. Related to the unrecognized tax benefits noted above, the Company accrued interest and penalties of \$63 million during 2024 and in total, as of December 31, 2024, had recognized a liability for interest and penalties of \$203 million. The Company accrued interest and penalties of \$(20) million during 2023 and in total, as of December 31, 2023, had recognized a liability for interest and penalties of \$140 million. The Company accrued interest and penalties of \$(40) million during 2022 and in total, as of December 31, 2022, had recognized a liability for interest and penalties of \$160 million.

BlackRock is subject to US federal income tax, state and local income tax, and foreign income tax in multiple jurisdictions. Tax years after 2015 remain open to US federal income tax examination.

During 2020 and 2021, the Internal Revenue Service commenced its examination of BlackRock's 2017 through 2018 tax years and 2019 tax year, respectively. During 2023, the Internal Revenue Service commenced its examination of BlackRock's 2016 tax year.

The Company is currently under audit in several state and local jurisdictions. The significant state and local income tax examinations are in New York State for tax years 2015 through 2020, and New York City for tax years 2012 through 2014. No open state and local tax examinations cover years earlier than 2012.

Upon conclusion of its examination, Her Majesty's Revenue and Customs ("HMRC") issued a closure notice during 2017 for various UK BlackRock subsidiaries for tax years 2009 and years after. At that time, the Company decided to pursue litigation for the tax matters included on such notice. During 2020, the Company received a favorable decision from the First Tier Tribunal ("FTT"), however, HMRC appealed to the Upper Tribunal ("UT") and the UT ruled in HMRC's favor, overturning the FTT's decision in July 2022. BlackRock appealed the UT's decision to the UK Court of Appeal, who dismissed the Company's appeal. The Company applied for permission to appeal to the UK Supreme Court, who refused permission to appeal in October 2024. The resolution did not result in a material impact to the consolidated financial statements.

From time to time, BlackRock may receive or be subject to tax authorities' assessments and challenges related to income taxes. BlackRock does not currently expect the ultimate resolution of any other existing matters to be material to the consolidated financial statements.

At December 31, 2024, it is reasonably possible the total amounts of unrecognized tax benefits will change within the next twelve months due to completion of tax authorities' exams or the expiration of statutes of limitations. Management estimates that the existing liability for uncertain tax positions could decrease by approximately \$160 million to \$220 million within the next twelve months.

26. Earnings Per Share

The following table sets forth the computation of basic and diluted EPS for 2024, 2023 and 2022 under the treasury stock method:

(in millions, except shares and per share data)	2024	2023	2022
Net income attributable to BlackRock, Inc.	\$ 6,369	\$ 5,502	\$ 5,178
Basic weighted-average shares outstanding	150,042,269	149,327,558	150,921,161
Dilutive effect of:			
Nonparticipating RSUs	1,034,323	969,089	1,119,829
Stock options	538,493	409,804	399,481
Total diluted weighted-average shares outstanding	151,615,085	150,706,451	152,440,471
Basic earnings per share	\$ 42.45	\$ 36.85	\$ 34.31
Diluted earnings per share	\$ 42.01	\$ 36.51	\$ 33.97

The amount of anti-dilutive RSUs and stock options were immaterial for 2024 and 2022. For 2023, 194,240 shares primarily related to stock options were excluded from the calculation of diluted EPS because to include them would have an anti-dilutive effect. Certain performance-based RSUs for 2024, 2023, and 2022, and certain performance-based stock options for 2023 were excluded from the diluted EPS calculation because the designated contingencies were not met.

27. Segment Information

The Company's management directs BlackRock's operations as one business, the asset management business. As such, the Company operates in one asset management operating segment. The Company's CODM is its Chairman and Chief Executive Officer, who reviews financial information presented, including significant expenses on a consolidated basis, as presented in the consolidated statements of income. The CODM utilizes a consolidated approach to assess performance and allocates resources using key financial metrics including total revenue, operating income and net income attributable to BlackRock, Inc. These financial metrics are used by the CODM to make key operating decisions, including capital allocation, determining annual and long-term compensation and managing costs in relation to revenue. Furthermore, these financial metrics are used to evaluate financial performance based on consolidated specific business objectives, contributions to the total firm operating margin and to evaluate the Company's relative performance against industry peers. See the consolidated financial statements for key financial metrics used by CODM and for more financial information regarding the Company's operating segment. The measure of segment assets is reported on the balance sheet as total consolidated assets.

The following table illustrates total revenue for 2024, 2023 and 2022 by geographic region. These amounts are aggregated on a legal entity basis and do not necessarily reflect where the customer resides, or affiliated services are provided.

<i>(in millions)</i>	2024	2023	2022
Revenue			
Americas	\$ 13,411	\$ 11,899	\$ 11,931
Europe	6,137	5,209	5,164
Asia-Pacific	859	751	778
Total revenue	\$ 20,407	\$ 17,859	\$ 17,873

See Note 17, *Revenue*, for further information on the Company's sources of revenue.

The following table illustrates long-lived assets that consist of goodwill and property and equipment at December 31, 2024 and 2023 by geographic region. These amounts are aggregated on a legal entity basis and do not necessarily reflect where the asset is physically located.

<i>(in millions)</i>	2024	2023
Long-lived Assets		
Americas	\$ 25,515	\$ 15,017
Europe	1,437	1,521
Asia-Pacific	100	98
Total long-lived assets	\$ 27,052	\$ 16,636

Americas is primarily comprised of the US, and also includes Latin America and Canada. Europe is primarily comprised of the UK, Luxembourg and the Netherlands, and also includes Switzerland, Ireland and France. Asia-Pacific is primarily comprised of Hong Kong, Japan, Singapore and Australia.

28. Subsequent Events

In June 2024, BlackRock announced that it had entered into a definitive agreement to acquire Preqin, a leading independent provider of private markets data, for £2.55 billion (or approximately \$3.2 billion based on the GBP/USD foreign exchange rate at December 31, 2024) in cash. The Company believes bringing together Preqin's data and research tools with the complementary workflows of Aladdin and eFront in a unified platform will create a preeminent private markets technology and data provider. The Preqin Transaction is anticipated to close in the first quarter of 2025, subject to customary closing conditions.

In December 2024, BlackRock announced that it had entered into a definitive agreement to acquire 100% of the business and assets of HPS Investment Partners ("HPS"), a leading global credit investment manager with 100% of the consideration paid in BlackRock equity (the "HPS Transaction"). The equity will generally be delivered in units of a wholly-owned subsidiary of BlackRock ("SubCo Units") which will be exchangeable on a one-for-one basis (subject to certain adjustments) into BlackRock common stock (accordingly, the value of each unit delivered will be based on the price of a share of BlackRock's common stock and the specific terms of the SubCo Units). Approximately 9.2 million SubCo Units and RSUs will be paid at closing. Approximately 2.9 million SubCo Units, will be paid in approximately five years, subject to the satisfaction of certain post-closing conditions. In addition, there is potential for additional consideration to be earned of up to 1.6 million SubCo Units that is based on financial performance milestones measured and paid in approximately five years. Of the total deal consideration, up to 0.7 million units will be used to fund an equity retention pool for HPS employees. In aggregate, inclusive of all SubCo Units paid at closing, eligible to be paid in approximately five years, and potentially earned through achievement of financial performance milestones as well as BlackRock RSUs to be issued in the transaction, the maximum amount of common stock issuable upon exchange of such SubCo Units would be approximately 13.7 million shares. The Company expects the addition of HPS will create an integrated private credit platform to provide both public and private income solutions for clients across their whole portfolios. The HPS Transaction is anticipated to close in mid-2025 subject to regulatory approvals and customary closing conditions.

On January 29, 2025, the Company announced that the Board of Directors approved BlackRock's quarterly dividend of \$5.21 per share to be paid on March 24, 2025 to stockholders of record at the close of business on March 7, 2025.

The Company conducted a review for additional subsequent events and determined that no subsequent events had occurred that would require accrual or additional disclosures.

Exhibit 3.1

RESTATED CERTIFICATE OF INCORPORATION

OF

BLACKROCK, INC.

November 20, 2024

BlackRock, Inc., a corporation organized and existing under the laws of the State of Delaware (the “Corporation”), does hereby certify as follows:

1. The name of the Corporation is BlackRock, Inc. The Corporation was originally incorporated under the name “New Banana, Inc.” and the original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on January 8, 2024 and subsequently amended via the filing of a Certificate of Amendment to the Certificate of Incorporation of the Corporation with the Secretary of State of the State of Delaware on January 24, 2024 pursuant to which the Corporation changed its name to BlackRock Funding, Inc. (collectively, the “Original Certificate of Incorporation”).
2. The Original Certificate of Incorporation was amended and restated on October 1, 2024 and subsequently amended via the filing of a Certificate of Amendment on October 1, 2024, pursuant to which the Corporation changed its name from BlackRock Funding, Inc. to BlackRock, Inc. (collectively, the “Amended and Restated Certificate of Incorporation”).
3. This Restated Certificate of Incorporation was adopted in accordance with Section 245 of the General Corporation Law of the State of Delaware on November 20, 2024. This Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of the Amended and Restated Certificate of Incorporation, as heretofore amended or supplemented, and there is no discrepancy between the provisions of the Amended and Restated Certificate of Incorporation, as heretofore amended or supplemented, and the provisions of this Restated Certificate of Incorporation.
4. The text of the Amended and Restated Certificate of Incorporation of the Corporation, as heretofore amended or supplemented, is hereby integrated and restated in its entirety as follows:

FIRST: The name of the corporation is BlackRock, Inc. (hereinafter the “Corporation”).

SECOND: The registered office of the Corporation within the State of Delaware shall be at 251 Little Falls Drive, City of Wilmington, County of New Castle, State of Delaware 19808, and the name of the registered agent of the Corporation at such address shall be Corporation Service Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the “DGCL”).

FOURTH: A. Authorized Shares. The Corporation shall be authorized to issue 1,000,000,000 shares of stock, of which (i) 500,000,000 shares shall be shares of Common Stock, par value \$0.01 per share (the “Common Stock”) and (ii) 500,000,000 shares shall be shares of Preferred Stock, par value \$0.01 per share (the “Preferred Stock”).

B. Preferred Stock. The Preferred Stock may be issued from time to time in one or more classes or series. The Board of Directors is hereby authorized to provide for the issuance of shares of Preferred Stock in one or more classes or series and, by filing a certificate pursuant to the DGCL (hereinafter referred to as a “Preferred Stock Designation”), to establish from time to time the number of shares to be included in each such class or series, and to fix the designations, voting powers (if any), privileges, preferences and relative, participating, optional or other special rights of the shares of each such class or series and the qualifications, limitations and restrictions thereon. The authority of the Board of Directors with respect to each class or series shall include, but not be limited to, determination of the following:

- (1) the designation of the class or series, which may be by distinguishing number, letter or title;
- (2) the number of shares of the class or series, which number the Board of Directors may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares thereof then outstanding) in the manner permitted by law;
- (3) the rate of any dividends (or method of determining the dividends) payable to the holders of the shares of such class or series, any conditions upon which such dividends shall be paid, the form of payment thereof (whether cash, securities of the Corporation, securities of another person or other assets) and the date or dates or the method for determining the date or dates upon which such dividends shall be payable;
- (4) whether dividends, if any, shall be cumulative or noncumulative and, in the case of shares of any class or series having cumulative dividend rights, the date or dates or method of determining the date or dates from which dividends on the shares of such class or series shall cumulate;
- (5) if the shares of such class or series may be redeemed by the Corporation, the price or prices (or method of determining such price or prices) at which, the form of payment of such price or prices (which may be cash, property or rights, including securities of the Corporation or of another corporation or other entity) for which, the period or periods within which and the other terms and conditions upon which the shares of such class or series may be redeemed, in whole or in part, at the option of the Corporation or at the option of the holder or holders thereof or upon the happening of a specified event or events, if any, including the obligation, if any, of the Corporation to purchase or redeem shares of such class or series pursuant to a sinking fund or otherwise;
- (6) the amount payable out of the assets of the Corporation to the holders of shares of the class or series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation;
- (7) provisions, if any, for the conversion or exchange of the shares of such class or series, at any time or times, at the option of the holder or holder thereof or at the option of the Corporation or upon the happening of a specified event or events, into shares of any other class or classes or any other series of the same class of capital stock of the Corporation or into any other security of the Corporation, or into the stock or other securities of any other corporation or other entity, and the price or

prices or rate or rates of conversion or exchange and any adjustments applicable thereto, and all other terms and conditions upon which each conversion or exchange may be made;

(8) restrictions on the issuance of shares of the same class or series or of any other class or series of capital stock of the Corporation, if any; and

(9) the voting rights and powers, if any, of the holders of shares of the class or series.

C. Common Stock. No stockholder shall be entitled to exercise any right of cumulative voting.

FIFTH: A. Stockholder Meetings.

(1) Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. An annual meeting of the stockholders of the Corporation for the election of directors and for the transaction of such other business as may come before the meeting shall be held at such time and place as shall be determined in accordance with the Bylaws. Elections of directors need not be by written ballot unless otherwise provided in the Bylaws.

(2) Except as otherwise required by law and subject to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or distributions upon liquidation, special meetings of stockholders of the Corporation of any class or series for any purpose or purposes may be called only by:

(a) the Chairman of the Board of Directors;

(b) the President of the Corporation;

(c) a majority of the Board of Directors;

(d) any committee of the Board of Directors the powers and authority of which include the power and authority to call such meetings; or

(e) the Chairman of the Board of Directors, the President or the Corporate Secretary of the Corporation upon a written request of one or more record holders of shares of stock of the Corporation representing ownership of not less than 15 percent of the voting power of all outstanding shares of stock in the Corporation, which request complies with the procedures for calling a special meeting of stockholders as set forth in the Bylaws, as may be amended from time to time.

B. Action by Written Consent. Any action required or permitted to be taken at any annual or special meeting of the stockholders may be effected by written consent of such stockholders pursuant to Section 228 of the DGCL if such action has been approved in advance by the requisite vote of the Board of Directors.

SIXTH: A. Powers of the Board of Directors. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, which shall be constituted as provided in this Article and as provided by law.

B. Number of Directors. Subject to the rights of holders of Preferred Stock, the number of directors shall be fixed from time to time by resolution adopted by the affirmative vote of a majority of the entire Board of Directors then in office.

C. Election and Term. The directors of the Corporation shall be elected annually for terms expiring at the next annual meeting of stockholders and until such directors' successors shall have been elected and qualified. Any vacancies created in the Board of Directors through and increase in the number of directors or otherwise may be filled in accordance with the Bylaws of the Corporation and the applicable laws of the State of Delaware.

D. Removal of Directors. Except as may be provided in a resolution or resolutions providing for any class or series of Preferred Stock with respect to any directors elected by the holders of such class or series, any director, or the entire Board of Directors, may be removed, with or without cause, by the holders of a majority of the votes of capital stock then entitled to vote in the election of directors at a meeting of stockholders called for that purpose.

E. Meetings of the Board of Directors. Meetings of the Board of Directors may be held within or without the State of Delaware, as the Bylaws may provide.

F. Quorum; Required Vote. Except as otherwise provided by law:

(1) at all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business, and

(2) the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors.

SEVENTH: A. Liability. A director of the Corporation shall, to the maximum extent permitted by the laws of the State of Delaware, as now or hereafter in effect, have no personal liability to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

B. Indemnification.

(1) The Corporation shall indemnify its directors and officers to the fullest extent authorized or permitted by law, as now or hereafter in effect and such right to indemnification shall continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of his or her heirs, executors and personal and legal representatives; *provided, however*, that, except for proceedings to enforce rights to indemnification, the Corporation shall not be obligated to indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors. The right to indemnification conferred by this Article Seventh shall include the right to be paid by the Corporation the expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition.

(2) The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article Seventh to directors and officers of the Corporation.

(3) The rights to indemnification and to the advance of expenses conferred in this Article Seventh shall not be exclusive of any other right which any person may have or hereafter

acquire under this Certificate of Incorporation, the Bylaws of the Corporation, any statute, agreement, vote of stockholders or disinterested directors or otherwise.

C. Modification.

(1) Any repeal or modification of this Article Seventh by the stockholders of the Corporation shall not adversely affect any exclusion of liability, rights to indemnification and to the advancement of expenses or other protection of a director, officer, employee or agent of the Corporation existing at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

(2) Any repeal or modification of the laws of the State of Delaware, as are now or hereafter in effect, shall not adversely affect any rights to indemnification and to the advancement of expenses or other protection of a director, officer, employee or agent of the Corporation existing at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

EIGHTH: The Corporation shall be subject to Section 203 of the DGCL.

NINTH: The books of the Corporation may be kept (subject to any provision contained in the DGCL or other applicable statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

TENTH: Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, in a summary way, on the application of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of Section 291 of the DGCL or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of the DGCL, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case maybe, to be summoned in such manner as said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

ELEVENTH: Bylaw Amendments. The Bylaws of the Corporation may be adopted, consistent with law and the provisions of this Certificate of Incorporation (including any Preferred Stock Designation), and once adopted, any Bylaw may be altered or repealed by: (1) the affirmative vote of at least a majority of the members of the Board of Directors then in office, or (2) the affirmative vote of at least a majority of the voting power of the Voting Stock.

TWELFTH: General Right to Amend Certificate of Incorporation.

(1) The Corporation hereby reserves the right at any time and from time to time to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and to add thereto any other provision authorized by the laws of the state of Delaware at the time in force, and except as may otherwise be explicitly provided by any provision of this Certificate of Incorporation, all

rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or officers of the Corporation or any other person whomsoever by and pursuant to this Certificate of Incorporation in its present form, or as hereafter amended, are granted subject to the right reserved in this paragraph (1).

(2) Subject to the rights of the holders of Preferred Stock, the provisions of this Certificate of Incorporation may only be altered, amended or repealed, and any inconsistent provision adopted, with such action (if any) of the Board of Directors as is provided by law, and in addition to any other vote of stockholders (if any) required by law, and notwithstanding that a lower vote (or a no vote) of stockholders otherwise would be required, by the approval of at least a majority of the voting power of all Voting Stock.

THIRTEENTH: The Corporation shall have perpetual existence.

FOURTEENTH: For purposes of this Certificate of Incorporation, the following definitions shall apply:

(1) “Capital Stock” means any and all shares (however designated, whether voting or non-voting) of capital stock issued by the Corporation.

(2) each reference to a “person” shall be deemed to include not only a natural person, but also a corporation, partnership, joint venture, association or legal entity of any kind; each reference to a “natural person” (or to a “record holder” of shares, if a natural person) shall be deemed to include, in his, her or its representative capacity, a guardian, committee, executor, administrator or other legal representative of such natural person or record holder.

(3) “Voting Stock” shall mean the then outstanding shares of Capital Stock of the Corporation entitled to vote generally on the election of directors and shall exclude any class or series of capital stock of the Corporation only entitled to vote in the event of dividend arrearages or any default under any provision of such series thereon, whether or not at the time of determination there are any such dividend arrearages or defaults.

IN WITNESS WHEREOF, BlackRock, Inc. has caused this Restated Certificate of Incorporation to be executed by a duly authorized officer of the Corporation on this 20th day of November, 2024.

BLACKROCK, INC.

By: /s/ Andrew Dickson
Name: Andrew Dickson
Title: Managing Director and
Secretary

Exhibit 4.20

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of December 31, 2024, our common stock is the only class of securities that we have registered under Section 12 of the Securities Exchange Act, as amended.

The description of our common stock below does not purport to be complete and is qualified in its entirety by reference to our restated certificate of incorporation, as restated on November 20, 2024 (as amended and restated, the "Restated Certificate of Incorporation") and our Amended and Restated Bylaws, as in effect since October 1, 2024 (the "Amended and Restated Bylaws"), each of which is incorporated herein by reference as an exhibit to the Annual Report on Form 10-K filed with the Securities and Exchange Commission, of which this Exhibit 4.20 is a part. When used in this exhibit, the terms "BlackRock," "we," "our" and "us" refer solely to BlackRock, Inc. (formerly known as "BlackRock Funding, Inc") and not to its subsidiaries. We urge you to read our Restated Certificate of Incorporation, our Amended and Restated Bylaws and the applicable provision of the Delaware General Corporation Law.

DESCRIPTION OF COMMON STOCK

Authorized Shares of Capital Stock

Our Restated Certificate of Incorporation provides that we are authorized to issue one billion shares of capital stock, consisting of 500,000,000 shares of common stock, par value \$0.01 per share, and 500,000,000 shares of preferred stock, par value \$0.01 per share.

As of December 31, 2024, we had 154,947,813 shares of common stock issued and outstanding and no shares of preferred stock issued and outstanding.

Voting Rights

The holders of common stock are entitled to one vote for each share on all matters submitted to a vote of stockholders.

Dividends and Liquidation Rights

Subject to the preferential rights of any outstanding series of preferred stock created by our board of directors from time to time, the holders of common stock are entitled to such dividends as may be declared from time to time by our board of directors from funds available therefor, and, upon liquidation, holders of common stock are entitled to share pro rata in any distribution of our assets after payment, or providing for the payment of, our liabilities.

Miscellaneous

The outstanding shares of our common stock, are fully paid and nonassessable. Our common stock has no preemptive or conversion rights and there are no redemption or sinking fund provisions applicable thereto.

Listing

Our common stock is listed on the New York Stock Exchange under the ticker symbol "BLK."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Investor Services, 480 Washington Boulevard, Jersey City, New Jersey 07310-1900, telephone (800) 903-8567.

Anti-Takeover Considerations

The Delaware General Corporation Law, our Restated Certificate of Incorporation and our Amended and Restated Bylaws contain provisions which could serve to discourage or to make more difficult a change in control of us without the support of our board of directors or without meeting various other conditions.

Extraordinary Corporate Transactions

Delaware law provides that the holders of a majority of the shares entitled to vote must approve any fundamental corporate transactions such as mergers, sales of all or substantially all of a corporation's assets, dissolutions, etc.

State Takeover Legislation

Section 203 of the Delaware General Corporation Law, in general, prohibits a business combination between a corporation and an interested stockholder within three years of the time such stockholder became an interested stockholder, unless (a) prior to such time, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder, (b) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, exclusive of shares owned by directors who are also officers and by certain employee stock plans or (c) at or subsequent to such time, the business combination is approved by the board of directors and authorized by the affirmative vote at a stockholders' meeting, and not by written consent, of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder. The restrictions of Section 203 of the Delaware General Corporation Law do not apply to certain business combinations or to corporations that have elected, in the manner provided therein, not to be subject to Section 203 of the Delaware General Corporation Law or, with certain exceptions, which do not have a class of voting stock that is listed on a national securities exchange or held of record by more than 2,000 stockholders. We have elected to be governed by Section 203 of the Delaware General Corporation Law.

Rights of Dissenting Stockholders

Delaware law does not afford appraisal rights in a merger transaction to holders of shares that are either listed on a national securities exchange or held of record by more than 2,000 stockholders, *provided* that such shares are converted into stock of the surviving corporation or another corporation, which corporation in either case must also be listed on a national securities exchange or held of record by more than 2,000 stockholders. In addition, Delaware law denies appraisal rights to stockholders of the surviving corporation in a merger if the surviving corporation's stockholders were not required to approve the merger.

Stockholder Action

Delaware law provides that, unless otherwise stated in our Restated Certificate of Incorporation, any action which may be taken at an annual meeting or special meeting of stockholders may be taken without a meeting, if a consent in writing is signed by the holders of the outstanding stock having the minimum number of votes necessary to authorize the action at a meeting of stockholders. Our Restated Certificate of Incorporation provides that stockholders may take action by written consent if such action has been approved in advance by the majority vote of our board of directors.

Meetings of Stockholders

Our Restated Certificate of Incorporation provides that special meetings of the stockholders may be called at any time by the chairman of the board of directors, the president, a majority of the board of directors, any committee of the board of directors that has the power to call such meetings, or the chairman of the board of directors, the president or the corporate secretary upon a written request of one or more record holders of shares of our stock representing ownership of not less than 15 percent of the voting power of all outstanding shares of our stock, which request complies with the procedures for calling a special meeting of stockholders as set forth in our Amended and Restated Bylaws, as they may be further amended from time to time.

Cumulative Voting

Delaware law permits stockholders to cumulate their votes and either cast them for one candidate or distribute them among two or more candidates in the election of directors only if expressly authorized in a corporation's certificate of incorporation. Our Restated Certificate of Incorporation does not authorize cumulative voting.

Removal of Directors

Delaware law provides that, except in the case of a classified board of directors or where cumulative voting applies, a director, or the entire board of directors, of a corporation may be removed, with or without cause, by the affirmative vote of a majority of the shares of the corporation entitled to vote at an election of directors.

Our Restated Certificate of Incorporation provides that any or all of the directors may be removed, with or without cause, by the holders of a majority of the votes of capital stock then entitled to vote in the election of directors at a meeting of stockholders called for that purpose.

Vacancies

Delaware law provides that vacancies and newly created directorships resulting from a resignation or any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, unless the governing documents of a corporation provide otherwise.

Our Amended and Restated Bylaws provide that newly created directorships resulting from an increase in the number of directors and vacancies occurring in the board of directors for any reason, may be filled by vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director or by the stockholders if the vacancy resulted from the action of stockholders.

No Preemptive Rights

Holders of common stock do not have any preemptive rights to subscribe for any additional shares of capital stock or other obligations convertible into or exercisable for shares of capital stock that we may issue in the future.

Board Term

Our directors are elected annually for terms of one year.

Exhibit 10.33



September 30, 2024

Dear Mr. Adebayo O. Ogunlesi,

Welcome! On behalf of BlackRock, we are excited about the prospect of having you as part of the BlackRock team. We look forward to all we can achieve as we bring our teams together to serve clients.

As you are aware, BlackRock, Inc. ("**BlackRock**") and Global Infrastructure Management, LLC ("**GIP**"), together with certain other parties, have entered into the Transaction Agreement, dated as of January 12, 2024 (the "**Transaction Agreement**") and the Governance Agreement, dated as of the date hereof (the "**Governance Agreement**"). If anything contained in this letter is found to conflict with or otherwise be inconsistent with any provision of the Governance Agreement, the provisions of the Governance Agreement shall control any such conflict or inconsistency.

We are providing this letter to briefly describe the compensation and benefits that you will receive or will be eligible for, as applicable, following the close of the transaction contemplated by the Transaction Agreement (the "**Closing**", with the date of such Closing, the "**Closing Date**"), and to provide other important information relative to your employment with BlackRock. Please note that your employment with BlackRock is subject to and contingent upon the Closing occurring and this letter will be void if the Closing fails to occur for any reason.

This confirms that upon the Closing, (a) your title will be "Senior Managing Director, Chairman and Chief Executive Officer" of Global Infrastructure Partners, a part of BlackRock, reporting to Laurence D. Fink, BlackRock's Chairman and Chief Executive Officer, and (b) you will become a member of BlackRock's Global Executive Committee. Following the Closing, you will continue to be employed on a full-time basis by your current employing entity, which will become part of the BlackRock group of companies. You will also become a member of the GIP Office of the Chairman (as defined in the Governance Agreement) and your day-to-day executive duties, responsibilities and authorities will be determined in accordance with the governance and operating principles set forth in the Governance Agreement. You will continue to be based in New York.

Section 1. Compensation and Benefits.

(a) Base Compensation. Your base salary will be at an annualized rate of \$250,000, payable semi-monthly and in accordance with BlackRock's standard payroll practices. Beginning on January 1, 2026 (or such earlier date as may be mutually agreed upon by the GIP Office of the Chairman and BlackRock), your annualized base salary may be changed to harmonize such amount with BlackRock's compensation standards and align your compensation with similarly-situated BlackRock employees, but shall not affect any compensation payable in respect of any period prior to January 1, 2026 that is paid following such date. All compensation and benefits paid to you by BlackRock shall be subject to reduction, as may be applicable, to reflect all required tax withholdings and other payroll deductions.

(b) Bonus Compensation and Total Compensation.

(i) 2024 Annual Bonus. In recognition of your performance in the 2024 calendar year, you will be eligible for an annual discretionary cash bonus, payable

in a manner consistent with GIP pre-Closing practice, targeted at no less than \$3,750,000.

- (ii) 2025 Annual Bonus. In recognition of your performance in the 2025 calendar year, you will be eligible for an annual discretionary cash bonus, payable in a manner consistent with GIP pre-Closing practice.
- (iii) Total Compensation (after 2025). Annual discretionary bonuses reflect the financial performance of BlackRock, the performance of your business unit and your individual performance for the relevant performance year, in each case, as determined by the Management Development & Compensation Committee of the Board of Directors of BlackRock (the “**MDCC**”). The amount and form of annual discretionary bonus compensation is not guaranteed. A bonus awarded to you in one year does not mean that any bonus will be awarded to you in a subsequent year.

Notwithstanding any provision to the contrary above, starting on January 1, 2026 (or such earlier date as may be mutually agreed upon by the GIP Office of the Chairman and BlackRock), the form of delivery of your total compensation (inclusive of base salary, annual bonus and other incentive compensation but excluding any distributions in respect of (A) carried interest, performance fees, or similar entitlements and (B) any commitments made to investment vehicles or accounts sponsored or managed by the Company Business (as defined in the Governance Agreement) (such amounts under the foregoing clauses (A) and (B), together, the “**PRE**”)) in respect of 2026 and subsequent calendar years may be changed to harmonize with BlackRock’s total compensation approach for similarly-situated individuals, which provides that compensation may be delivered in a mix of cash and deferred equity under the terms of BlackRock’s standard guidelines applicable to similarly-situated BlackRock employees (consistent with the terms of the Governance Agreement).

BlackRock has a strong pay for performance culture. The firm maintains a “total compensation” philosophy and strives to create a competitive total package consisting of base salary, annual bonus, and long-term awards that is intended to align individual performance with the financial success of the firm.

To be eligible to receive any bonus award discussed above, you must be employed with BlackRock, not have given notice of resignation or been informed that your employment has been terminated, in each case, through the date of payment, which is generally no later than February 1st of the year following the performance year.

(c) Employee Benefits. For the period commencing on the Closing Date through December 31, 2025 (or such earlier date as may be mutually agreed upon by the GIP Office of the Chairman and BlackRock) (such period, the “**GIP Benefit Period**”), you will continue to participate or be eligible to participate in all legacy GIP employee health, welfare, voluntary insurance, retirement savings and other benefit plans that were provided to you by the Company Group (as defined in the Transaction Agreement) immediately prior to the Closing Date subject to the terms and conditions of the applicable plan as may be in effect during the GIP Benefit Period or accrued during the GIP Benefit Period (excluding retention, transaction or change in control payments, deferred compensation, severance, retiree health and welfare benefits, defined benefit pension benefits, PRE, profits interests and allocations related thereto, and profit sharing). During the GIP Benefit Period, you will be eligible for leave and paid time off in accordance with GIP policy as in effect immediately prior to the Closing Date.

Effective as of January 1, 2026 (or such earlier date as may be mutually agreed upon by the GIP Office of the Chairman and BlackRock) and subsequent calendar years, you will be eligible to participate in BlackRock's employee benefit plans and programs, as in effect from time to time. You will be given full credit for all periods of service you had with the Company Group on or before the Closing Date to the extent it was recognized as service by the applicable member of the Company Group for purposes of vesting, eligibility to participate and level of benefits under BlackRock's employee benefits plans and programs in which you are eligible to participate following the Closing Date for service accrued or deemed accrued on or prior to the Closing Date with the Company Group (or any predecessor thereto) to the same extent that such credit was recognized by the Company Group under an analogous employee benefit plan or program of the Company Group immediately prior to the Closing, except to the extent that such credit would result in any duplication of benefits for the same period of service.

In addition, and notwithstanding anything to the contrary in this letter, for so long as you remain an employee of BlackRock (even after the GIP Benefit Period), you shall retain your benefits with respect to (i) the use of private and first-class air travel for business purposes (including personally owned private aircraft); (ii) your participation in the enhanced medical benefits under ArmadaCare at your level of participation as of the Closing Date throughout your BlackRock employment; and (iii) lifetime retiree medical benefits provided by GIP to retired founders, subject to the continuity of your coverage under GIP's and BlackRock's medical benefits plans, and your not being eligible for medical coverage with another employer; in each case of the foregoing clauses (i)-(iii) (collectively, the "**Protected Benefits**"), in a manner consistent with GIP's past practice prior to the Closing Date.

For the avoidance of doubt, you will not be eligible to receive any awards pursuant to the Retention Plan (as defined in the Transaction Agreement).

Except as expressly provided above with respect to the Protected Benefits, nothing in this letter should be construed as a guarantee of any particular level of benefits or of your participation in any benefit plan. Subject to the specific terms of this letter, the Transaction Agreement, and the Governance Agreement, BlackRock and GIP reserve the right to amend, modify or terminate any or all benefits and compensation plans and programs at any time.

(d) PRE. During your employment with GIP prior to the Closing, you have participated in allocations and distributions with respect to PRE. Your current allocations and distributions with respect to such PRE in Existing Funds (as defined in the Governance Agreement) will remain fully intact and shall be governed by the associated award letters, compensation statements, Organizational Documents (as defined in the Governance Agreement), the Governance Agreement and the Transaction Agreement, as applicable (and nothing in this letter is intended to create any additional rights or entitlements in PRE beyond those contained in such documentation). You will remain responsible for the co- investment requirement associated with such grants of PRE consistent with past practices.

Section 2. Pre-Employment Requirements; Conditions of Employment Continuation.

Your employment and continuation of employment with BlackRock upon the Closing is contingent upon your (i) signing and returning of this letter, (ii) successful completion of BlackRock's standard background checks, (iii) your provision to BlackRock of appropriate documentation authorizing you to work in the United States, and (iv) your completion of BlackRock's Initial Political Contributions Disclosure form, if applicable, and the absence of restrictions on your

employment due to prior political contributions.

(a) Business Protection Agreement (Restrictive Covenants). In connection with the Transaction Agreement, you have entered into that certain Business Protection Agreement, dated as of January 12, 2024, by and among you, GIP and New Banana, Inc. (the “**BPA**”), setting forth certain restrictive covenants and other agreements among the parties thereto. This letter shall only become effective upon the Closing if the BPA becomes effective upon the Closing without repudiation by you. Notwithstanding the foregoing, nothing herein shall be construed to limit any of your rights or entitlements to consideration pursuant to the Transaction Agreement and such rights and entitlements to consideration shall not be contingent on your employment with BlackRock or any of its affiliates.

(b) Screening Process. BlackRock’s background screening process consists of the following: (i) a background check (which dependent upon job location or employing entity may include processing of fingerprints for purposes of a criminal records check); and (ii) your provision to BlackRock of appropriate documentation authorizing you to work in the United States.

(c) BlackRock Policies. There are a number of BlackRock policies relating to Compliance and other areas that will also require your attention. Information on these policies will be made available to you either before or shortly after the Closing Date.

(d) Confidentiality and Employment Policy. You will be required to sign a confidentiality and solicitation agreement (the “**Confidentiality and Employment Policy**”) as a condition of employment upon the Closing, a copy of which is enclosed with this letter.

(e) Notice Period. Notwithstanding your “at-will” status, written notice of the intention to leave BlackRock is required of any Employee as detailed in the Confidentiality and Employment Policy. For clarity, the notice period required for Senior Managing Directors is 90 days.

(f) Outside Activities. BlackRock maintains an Outside Activity Policy, which describes certain outside activities for which employees must seek prior approval. A copy of the policy is provided separately for your review. The Outside Activity Policy is subject to change at any time in the sole discretion of BlackRock. Upon your commencement of employment, you will be required to complete a form (which will be provided to you) disclosing any activities covered by the policy or confirming that there are none. While BlackRock encourages its employees to be involved in activities outside of the workplace, activities covered by the policy must be approved by BlackRock’s Legal & Compliance Department or the Outside Activity Review Committee and any current activities in which you are engaged will be reviewed in the same manner as applicable to new and current BlackRock employees.

Section 3. Acknowledgments and Representations.

(a) You hereby acknowledge and agree that (i) you are not permitted to make any unauthorized use of documents or other information in your employment with BlackRock which could properly be considered or construed to be confidential or proprietary information of another individual or company (for clarity, this excludes the Company Group); (ii) you may not bring any confidential documents or other form of tangible information onto the premises of BlackRock relating to your prior employer(s)’ business, (for clarity, this excludes the Company Group); and (iii) you are not subject to any contractual or other restriction or obligation that would prohibit you from becoming employed by BlackRock or performing your duties and responsibilities with BlackRock.

Notwithstanding the foregoing, this clause shall not be construed to restrict you from retaining and using in connection with your BlackRock employment information pertaining to the business being acquired pursuant to the terms of the Transaction Agreement.

(b) Entire Agreement. This letter, together with the Confidentiality and Employment Policy and the Governance Agreement, reflects the complete agreement between you and BlackRock regarding the terms of your employment with BlackRock and supersedes any other statements or agreements regarding your employment with BlackRock on or before the date of your signing of this letter between you and BlackRock and any of its affiliates (including, without limitation, following the Closing, GIP, and including any employment agreement or arrangement or other restrictive covenant between you and GIP which, as of the Closing, shall become null and void). Notwithstanding the foregoing, this letter does not supersede the BPA or any other restrictive covenant agreement or arrangement to which you are a party or bound, including but not limited to those set forth in any Protective Covenants Agreement or Organizational Documents, or any amendment thereto. This letter may not be modified, except by a writing signed by an authorized representative of BlackRock and you.

(c) Employment Status. At all times during your employment with BlackRock, you will be considered an employee at-will. This means that both you and BlackRock have the right, subject to Section 2(e) hereof, to terminate your employment at any time, with or without cause.

Please signify your acceptance of the terms and conditions of this letter by signing and dating where indicated below and returning the executed letter.

If you have any questions, please contact a member of the GIP HR team at Human.Resources@global-infra.com, who will refer matters to BlackRock HR as appropriate.

We are excited about the future and look forward to the Closing and welcoming you to the team. Together, we will build on the work you have already accomplished to create a world leading infrastructure private markets investment platform. We look forward to all that we will achieve together.

Sincerely,

/s/ Martin Small

Martin Small
Senior Managing Director

Agreed and Accepted this 30th day of September, 2024

Adebayo O. Ogunlesi

Exhibit 10.34

FORM OF CARRY POINTS AWARD LETTER

Date: [_____]

To: [_____]

From: [_____]

CC: [_____]

Subject: Global Infrastructure GP V, L.P. – Tranche [_____] Allocation Award

As you have been informed, you have been awarded a portion of the carried interest of the Global Infrastructure Partners Carry Plan as implemented in Global Infrastructure GP V, L.P. (the “Partnership”). The Partnership divides investments into Tranches. [Describe Tranche] The award is subject to the terms of the Partnership as set forth in the Amended and Restated Agreement of Exempted Limited Partnership of the Partnership. The Tranche Allocation Date for Tranche [_____] is [_____]. Your award is as set forth below:

Awarded Points

Tranche [_____]

[Points]

Documentation:

To document your carried interest allocation, please:

- 1) Sign the enclosed Award Acceptance Form;
- 2) Complete, sign and return two copies of the 83(b) Election Form. This election is required to be made within 30 days of a transfer of property. We will ensure that these elections are filed within the required period of time.

Please return this form to [_____] by [_____]. If you have any questions, please call [_____].

AWARD ACCEPTANCE FORM – TRANCHE []

Awarded Points

Tranche []

[Points]

I agree and accept the Point allocation set forth above.

Print name

Signature

Date

GLOBAL INFRASTRUCTURE GP V, L.P.

By: Global Infrastructure Investors V,
LLC, *its general partner*

By: _____
Name:
Title:

ANNEX A

Excerpt of Certain Provisions from the Amended and Restated Agreement of Exempted Limited Partnership of Global Infrastructure GP V, L.P.

Certain information has been excluded from this Annex A because it is both not material and it is the type that the Registrant treats as private or confidential.

“Additional Partners” means any Person that becomes a Limited Partner following the execution and delivery of a counterpart of this Agreement at the discretion of the General Partner.

“Administrative Expenses” means the Partnership’s share of “Offering and Organizational Expenses” (as such term is defined in the relevant Fund Agreement) of a Fund.

“Affiliate” means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person, and the term “Affiliated” shall have a correlative meaning. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Agreement” means this Amended and Restated Agreement of Exempted Limited Partnership, as amended from time to time.

“Available Capital Commitment” means, with respect to any Partner at any time, such Partner’s Capital Commitment, reduced by the sum of all of such Partner’s prior Capital Contributions, and increased by distributions or other amounts which would reduce the Partnership’s “Funded Commitment” (as such term is defined in the relevant Fund Agreement), and subject to adjustment as provided in this Agreement.

“Award Letter” means the letter allocating Tranche Points to a Limited Partner to which this Annex A is attached.

“Capital Account” means a capital account established for each Partner on the books and records of the Partnership.

“Capital Commitment” means the commitment of each Limited Partner to make Capital Contributions in the amounts set forth on the books and records of the Partnership, as adjusted from time to time pursuant to the terms of this Agreement.

“Capital Contribution” means, with respect to any Partner, the capital contributed by such Partner to the Partnership pursuant to this Agreement, unless such capital is not treated as a Capital Contribution by the express terms of this Agreement.

“Capital Interest” means the portion of a Partner’s Interest other than any portion of such Interest attributable to Points and Carry Proceeds, including the portion of a Partner’s Interest relating to Special Profits Distributions.

“Carry Proceeds” means, with respect to Proceeds received by the Partnership from a Fund with respect to any Fund Investment, Proceeds representing distributions on account of the Fund Agreement for the Primary Fund or similar provisions in any other Fund Agreement, excluding any such amounts received by the Partnership on account of the Capital Contribution of the Partnership or the general partner of any Fund with respect to such Fund Investment. “Carry Proceeds” also means, with respect to any Fund Investment, any amount contributed by the Partners pursuant to Section 6.04 hereof with respect to such Fund Investment at the time of the disposition of such Fund Investment or at the time of a Fund Clawback, which contributed amount is available for distribution to the Partners.

“Cause” means, as to any GIM Limited Partner (or a GIM Limited Partner’s Designated Individual), that such Person:

(a) has been convicted or pleaded guilty or no contest to an act constituting a felony under the laws of the United States or any state or political subdivision thereof, a crime of moral turpitude or any crime involving the Partnership or its Affiliates;

(b) has violated any laws, rules or regulations applicable to the private equity industry when such violation is materially injurious to the business, reputation, character or standing of the Partnership or any of its Affiliates, after notice and, if capable of cure, a thirty (30) day-opportunity to cure;

(c) commits an act or acts constituting (i) a breach of fiduciary duty, Gross Negligence or willful misconduct or actual fraud or (ii) which constitutes a material breach of any such Person’s material obligations under this Agreement (including, without limitation, breach of the Restrictive Covenants), the governing documents of any Partnership Affiliate to which such Person is a party, or such Person’s Services Agreement, in each case which conduct is detrimental to the business, reputation, character or standing of GIM, after notice and, if capable of cure, a thirty (30) day-opportunity to cure;

(d) engages in insubordination or willful failure to perform his duties under his Services Agreement, after notice and, if capable of cure, a thirty (30) day-opportunity to cure; or

(e) defaults, directly or indirectly, under any Fund Agreement with respect to his direct or indirect obligation to fund his Capital Commitments and other payments to the Fund or defaults under this Agreement with respect to his obligations to make payments thereunder; *provided* that it shall not be a default hereunder, if in certain hardship circumstances, the General Partner has waived the requirements under this clause (e) as determined by the General Partner in its sole discretion and where remaining Limited Partners have agreed to fund any shortfall,

provided, further that, with regard to any GIM Limited Partner who is a Designated Portfolio Company Employee, then the foregoing definition will be deemed to include and incorporate a

reference to the GIP Portfolio Company that employs them wherever the “Partnership” is referenced.

“**Clawback Contribution**” has the meaning set forth in Section 6.04(a).

“**Clawback Pool**” has the meaning set forth in Section 6.04(d).

“**Competitive Business**” has the meaning set forth in Section 3.15.

“**Continuing GIM Employee**” means, at any time, any Person who at such time is a director, officer or employee of GIM or that is a Designated Portfolio Company Employee or Designated Professional.

“**Designated Individual**” means, with respect to any Related Vehicle, the Continuing GIM Employee designated as such by the General Partner at the time of admission of the Related Vehicle as a Limited Partner, which designation shall be made by and shall reflect the individual who formed the trust, partnership, limited partnership, limited liability company or other similar entity.

“**Designated Portfolio Company Employee**” means any individual who is a director, officer or employee of a GIP Portfolio Company and who is not a Partner-Level Service Provider nor an officer or employee (but who may previously have been an officer or employee) of GIM, in each case as such individual is so designated by the General Partner to be a “Designated Portfolio Company Employee” entitled to participate in this Partnership as a Limited Partner.

“**Designated Professional**” means (a) any individual who is seconded by GIM, or (b) any individual who has previously been an officer or employee of GIM (but is not presently a Partner-Level Service Provider nor an officer or employee of GIM), in each case as such individual is so designated by the General Partner to be a “Designated Professional” entitled to participation in this Partnership as a Limited Partner.

“**Disability**” means, with respect to any GIM Limited Partner (or a Limited Partner’s Designated Individual), a termination of such Limited Partner’s (or such Designated Individual’s) employment as a consequence of being deemed disabled under his Services Agreement or the long-term employee benefit plans of GIM (or of a GIP Portfolio Company with regard to a Designated Portfolio Company Employee) applicable to such Limited Partner (or such Designated Individual).

“**Distributable Share**” means, as to any Partner with respect to any Fund Investment at any time, the percentage of the total Carry Proceeds distributable to all Partners pursuant to Section 6.02(b)(i) that would be distributable to such Partner pursuant to such Section if Carry Proceeds were received by the Partnership with respect to such Fund Investment.

“**Fair Value**” means the value of any property held by the Partnership.

“**Former GIM Employees**” has the meaning set forth in Section 3.15(c).

“Founding Limited Partner” means each of Jonathan D. Bram, Matthew C. Harris, Michael McGhee, Adebayo O. Ogunlesi, Rajaram Rao and William Woodburn, to the extent that they are GIM Limited Partners, including any Related Vehicles of the foregoing.

“Fund” means (a) the Primary Fund; (b) Global Infrastructure Partners V-B Feeder Fund, L.P., a Cayman Islands exempted limited partnership; (c) Global Infrastructure Partners V-C, L.P., a Cayman Islands exempted limited partnership; (d) Global Infrastructure Partners V-C Intermediate, L.P., a Cayman Islands exempted limited partnership; (e) Global Infrastructure Partners V-C2 Intermediate, L.P., a Luxembourg special limited partnership; (f) Global Infrastructure Partners V Friends & Family Fund, L.P., a Delaware limited partnership; and (g) any other entity for which the Partnership may serve as a general partner or (as applicable) managing member or from which the Partnership may be entitled to receive direct or indirect distributions of carried interest from time to time.

“Fund Agreement” means any agreement of limited partnership (or similar constituent document) of any Fund, as the same may be amended and/or restated from time to time.

“Fund Clawback” has the meaning set forth in Section 6.04(a).

“Fund Expenses” means the Partnership’s share of “Partnership Expenses” (as such term is defined in the relevant Fund Agreement) of a Fund. For the avoidance of doubt, Fund Expenses shall not include any Administrative Expenses.

“Fund Investment” means a “Portfolio Investment” (as such term is defined in the relevant Fund Agreement) of a Fund.

“General Partner” means Global Infrastructure Investors V, LLC, a Delaware limited liability company and any successor general partner of the Partnership appointed in accordance with its terms.

“GIM” means Global Infrastructure Management, LLC, a Delaware limited liability company, its successors, assigns and/or Affiliates, in each case, as the context so requires.

“GIM Employees” has the meaning set forth in Section 3.15(c).

“GIM Limited Partner” means each Limited Partner who is, or whose Designated Individual is, an employee or partner of GIM or who is a Designated Portfolio Company Employee or a Designated Professional.

“GIM Related Person” means GIM and all other Persons that directly or indirectly control, are controlled by or are under common control with GIM.

“GIP Funds” means each of the Funds and any other investment vehicle managed or advised by GIM.

“GIP Portfolio Company” means a “Portfolio Company” of a GIP Fund (as such term is defined in the applicable Fund Agreement).

“**Gross Negligence**” has the meaning given under, and shall be interpreted in accordance with, the laws of the State of Delaware, and “**Grossly Negligent**” shall be construed accordingly.

“**Incentive Capital Contribution**” has the meaning set forth in the Fund Agreement for the Primary Fund (or any other applicable Fund Agreement).

“**Interest**” means the partnership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which such Partner may be entitled to under this Agreement, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement with respect to which such Partner is required to comply.

“**Investment Percentage**” of any Partner means, with respect to any Fund Investment, the percentage derived by (a) dividing the sum of such Partner’s Capital Contributions in respect of such Fund Investment by the aggregate of such sums for all Partners (except as otherwise provided herein) in respect of such Fund Investment and (b) multiplying such quotient by 100.

“**Limited Partner**” means, at any time, any Person who is at such time a limited partner of the Partnership and shown as such on the books and records of the Partnership, in such Person’s capacity as a limited partner of the Partnership.

“**Memorandum Account**” means a memorandum account established for each Partner on the books and records of the Partnership.

“**Non-Competition Period**” means, with respect to a GIM Limited Partner: (a) the period during which such GIM Limited Partner is a Continuing GIM Employee *plus* the following 12 months; or (b) such other period agreed to by the General Partner and such GIM Limited Partner.

“**Participating Partner**” means, with respect to any Fund Investment, any Partner who has made a Capital Contribution in respect of such Fund Investment.

“**Partner**” means the General Partner or any Limited Partner and “**Partners**” means, collectively, the General Partner and the Limited Partners.

“**Partner-Level Service Provider**” means a person who has been granted the title of “Partner” by GIM.

“**Partnership**” means Global Infrastructure GP V, L.P., a Cayman Islands exempted limited partnership.

“**Person**” means any individual, partnership, corporation, limited liability company, trust or other entity.

“**Points**” means the points allocated to Partners pursuant to Section 4.03. For the avoidance of doubt, all Tranche Points are Points.

“**Point Share**” means, as to any Partner with respect to any Fund Investment at any time, the amount (expressed as a percentage) of such Partner’s Points at such time with respect to such

Fund Investment (as adjusted as provided in Section 4.03, if applicable) divided by 100. For the avoidance of doubt, the sum of the Point Shares of all Partners shall at all times equal 100%.

“Primary Fund” means Global Infrastructure Partners V-A/B, L.P., a Delaware limited partnership.

“Prime Rate” means, the prime rate announced, from time to time, by Citibank N.A. or if not so announced, the rate of interest publicly announced from time to time by any money center bank as its prime rate in effect at its principal office, as identified in writing by the General Partner to the Limited Partners.

“Proceeds” means, with respect to any Fund Investment, (a) the sum of the cash and noncash proceeds received by the Partnership from any sale or distribution of a Fund Investment, exchange of a Fund Investment, receipt of any dividends, interest or other distributions in connection with a Fund Investment, less (b) any expenses incurred by the Partnership in connection with such receipt. The value of any noncash Proceeds shall be the Fair Value thereof, as determined in good faith by the General Partner in its discretion.

“Related Partner” means (a) with respect to a Limited Partner who is an individual, any Related Vehicle with respect to which such Limited Partner has been designated a Designated Individual and (b) with respect to a Limited Partner that is a Related Vehicle, such Limited Partner’s Designated Individual and any other Related Vehicle of such Limited Partner’s Designated Individual.

“Related Vehicle” means any trust, partnership, limited partnership, limited liability company or other similar entity that is (a) formed by an individual who is or was a Continuing GIM Employee at the time of such entity’s admission as a Limited Partner and is, in the determination of the General Partner, for the benefit of such individual and/or his family members and (b) designated by the General Partner as a Related Vehicle.

“Release Condition” means the condition that is satisfied at any date and as to any amount of Carry Proceeds that have been retained by the Partnership pursuant to Section 6.02(b)(iii), if: (a) such release would not breach the Fund Agreements or any Side Letters with Fund investors; and (b) the General Partner determines in its sole discretion that such amounts may be released.

“Repurchase Period” for any Limited Partner means the period from the date of the Limited Partner’s ceasing to be a Continuing GIM Employee until the later of (a) December 31 of the year following the year in which the Limited Partner’s employment is terminated and (b) the last day of the eighteenth (18th) calendar month following the month in which the Limited Partner’s employment is terminated.

“Repurchase Value” means, with respect to the Capital Interest of any Limited Partner at any time, an amount determined by the General Partner equal to the lesser of (a) the implied cost of such Interest based on the cost of the Fund Investments attributable to such Interest as originally recorded on the books of the relevant Fund plus interest equal to the Prime Rate compounded annually and (b) the Fair Value of such Interest at such time, as determined by the General Partner in its reasonable discretion, which amount will be based on the Fair Value of the Fund Investments attributable to such Interest as carried on the books of the relevant Fund at such time.

“Restrictive Covenants” has the meaning set forth in Section 3.15(f).

“Retirement” means, with respect to a Founding Limited Partner, the retirement of such Founding Limited Partner at such time that the sum of (a) such Person’s years of employment with GIM or its Affiliates (including as a member of GIM UK) and (b) such Person’s age equals at least sixty (60) years.

“Return Proceeds” means, with respect to Proceeds received by the Partnership from a Fund with respect to any Fund Investment, all such Proceeds other than Carry Proceeds. For the avoidance of doubt, Return Proceeds include any Special Profits Distributions.

“Services Agreement” means:

with respect to any GIM Limited Partner (or GIM Limited Partner’s Designated Individual), (i) the employment agreement or equivalent between GIM (or its Affiliate) and such GIM Limited Partner (or such GIM Limited Partner’s Designated Individual) and (ii) any Side Letter between GIM and such GIM Limited Partner (or such GIM Limited Partner’s Designated Individual);

with respect to a GIM Limited Partner (or GIM Limited Partner’s Designated Individual) who is also a Designated Portfolio Company Employee, the employment agreement (or any other agreement relating to the performance of services) between such Designated Portfolio Company Employee and the applicable GIP Portfolio Company; and

with respect to a GIM Limited Partner (or GIM Limited Partner’s Designated Individual) who is also a Designated Professional, the agreement with respect to such Designated Professional between (i) GIM and such Designated Professional or the Person that employs or is associated with such Designated Professional or (ii) the Designated Professional and the Person that employs such Designated Professional.

“Services Nonrenewal Notice” means the notice from a GIM Limited Partner to GIM indicating his or her decision to not renew such GIM Limited Partner’s Services Agreement.

“Side Letter” means a side letter or similar agreement entered into by and between the General Partner (on its own behalf or on behalf of the Partnership, and without the approval of any Limited Partner or other Person) and one or more Limited Partners, which has the effect of establishing rights under, or altering or supplementing the terms hereof or of any subscription agreement with respect to such individual Limited Partner.

“Special Profits Distributions” means distributions in respect of any profits interest in any Fund (and not, for the avoidance of doubt, distributions attributable to the Partnership’s capital contributions to such Fund) that are received by the Partnership from the Fund pursuant to the Fund Agreement for the Primary Fund (or the equivalent section of any other Fund Agreement) and that were apportioned to the Partnership based on its Partner Interest for a Fund Investment or other investment (including distributions received from the Fund pursuant to the Fund Agreement for the Primary Fund (or any equivalent section of any other Fund Agreement)). For purposes of this definition, “Partner Interest” has the meaning set forth in the Fund Agreement for the Primary Fund (or any other applicable Fund Agreement).

“**Special Profits Percentage**” has the meaning set forth in Section 4.05.

“**Successor Fund**” has the meaning set forth in the Fund Agreement of the Primary Fund.

“**Tax Amount**” means, with respect to the income associated with any distribution of Proceeds hereunder to a Partner, the portion thereof which the General Partner determines in its reasonable discretion to be necessary to enable the Partners to discharge their U.S. federal, state and local (and, as the General Partner shall determine, non-U.S.) income tax liabilities attributable to such distribution. The amounts distributable shall be determined by the General Partner based on such assumptions as the General Partner determines to be appropriate.

“**Terminated Partner**” means any GIM Limited Partner (and, if applicable, such GIM Limited Partner’s Related Vehicle) who is who is not (a) providing services to the Partnership or a GIP Portfolio Company, (b) a GIM Related Person or (c) a Continuing GIM Employee.

“**Termination Event**” means, with respect to (a) any GIM Limited Partner, such Limited Partner’s ceasing to be a Continuing GIM Employee, and (b) any Limited Partner that is a Related Vehicle, such Related Vehicle’s Designated Individual’s ceasing to be a Continuing GIM Employee.

“**Tranche Allocation Date**” means as to any Tranche Points, the date of the first closing of the Fund and each subsequent date specified by the General Partner as the allocation date for such Tranche Points.

“**Tranche Period**” means each of the successive periods beginning on the date of the first closing of the Fund and ending the day immediately preceding the next Tranche Allocation Date.

“**Tranche Points**” means, as to any Limited Partner at any time and with respect to any Tranche Period, the number of Points allocated by the General Partner to such Limited Partner with respect to such Tranche Period under Section 4.03, which number shall be set forth from time to time on the books and records of the Partnership.

Section 3.15 *Restrictive Covenants.*

(a) Non-Competition. Each GIM Limited Partner agrees that during the Non-Competition Period (as defined below), (i) such Limited Partner shall not engage in any other business (whether as an employee, consultant, director, partner, member, shareholder or otherwise) that invests or operates primarily in the infrastructure area (each a “**Competitive Business**”) and (ii) such Limited Partner shall not knowingly adversely affect or interfere with the ability of GIM to manage a Fund (or any other GIP Fund). Notwithstanding anything in this Section 3.15 to the contrary, (A) direct ownership of less than five percent of the outstanding common stock of a publicly traded corporation; (B) participation as a passive investor in investment partnerships; (C) other personal investments specifically approved in writing by the General Partner; and (D) participation in a Successor Fund shall not constitute engaging in a Competitive Business.

(b) Non-Solicitation of Investors. During the Non-Competition Period (including any period after notice of termination has been given and prior to the date of termination), each GIM Limited Partner shall not, on behalf of any entity that competes with a Fund, solicit or otherwise

receive funding from any prospective investor or client with whom GIM previously had material contact, or any investor or limited partner of GIM or a Fund (including any former investor of a Fund and any person that becomes an investor or limited partner of a Fund) or any other person who has a material business relationship with GIM or a Fund.

(c) Non-Solicitation of Employees. During the Non-Competition Period, each GIM Limited Partner shall not, without the Partnership's prior written consent, directly or indirectly, (i) solicit or induce, or cause others to solicit or induce, any employees or members of GIM or GIP Portfolio Companies ("**GIM Employees**") to leave or in any way modify their relationship with GIM or GIP Portfolio Companies, (ii) hire, or cause others to hire, any GIM Employees or any employee, member or independent contractor who has left the employment or other service of GIM or GIP Portfolio Companies within the one-year period which follows the termination of such employee's or member's or independent contractor's employment or other service with GIM or GIP Portfolio Companies ("**Former GIM Employees**", who shall not include any persons whose employment or other service with GIM was terminated for unrelated reasons and who were only approached after such termination), (iii) encourage or assist in the (A) hiring process of any GIM Employees or Former GIM Employees on behalf of any third party or (B) modification of any such employee's or member's relationship with GIM or GIP Portfolio Companies or (iv) cause others to participate, encourage or assist in the hiring process of any GIM Employee or Former GIM Employee.

(d) Non-Disparagement; Non-Interference. Each GIM Limited Partner shall not, and shall not cause or induce others to: (i) make any false, defamatory or disparaging statements about GIM its directors, employees and officers, a GIP Fund or a GIP Portfolio Company; or (ii) cause, induce or encourage any actual or prospective client, investor or limited partner of GIM or a GIP Fund or GIP Portfolio Company (including any former investor of a GIP Fund and any person that becomes an investor or limited partner of a GIP Fund) or any other person who has a material business relationship with GIM or a GIP Fund or GIP Portfolio Company, to terminate or modify any such actual or prospective relationship. This Section 3.15(d) shall apply to each Limited Partner while they are a Limited Partner and after they have ceased to be a Limited Partner, and shall survive the termination of this Agreement.

Section 4.03 *Allocation of Points.*

(a) For each Fund Investment there shall be established a pool of 100 Points which shall be allocated by the General Partner to Limited Partners as provided in this Section 4.03. Points not allocated under this Section 4.03 shall be allocated in the sole discretion of the General Partner.

(i) The General Partner shall allocate Tranche Points for each Tranche Period to each Limited Partner (OMITTED) as of each Tranche Allocation Date. Tranche Points may be allocated by way of an Award Letter. Except as provided elsewhere in this Agreement, a Limited Partner will be allocated Points in respect of each Fund Investment made during a Tranche Period equal to such Limited Partner's Tranche Points for such Tranche Period.

(ii) OMITTED.

(iii) The General Partner may allocate Points to Additional Partners as provided for in Section 5.12.

If a Fund Investment is committed to be made during one Tranche Period but the Fund Investment closes in another Tranche Period, the General Partner shall deem such Fund Investment to have been made in the Tranche Period in effect on the earlier to occur of (A) the date on which a binding agreement has been entered into with respect to such Fund Investment and (B) the date on which information about the Fund Investment has been disseminated to the Limited Partners for purposes of allocating Points to such Fund Investment pursuant to this Section 4.03. The Points allocated to any Limited Partner may be reduced, including pursuant to Section 4.04, and such Points shall revert to the General Partner, which shall reallocate such Points in its sole discretion.

Section 4.04 *Termination of Services.*

(a) The Points allocated to a GIM Limited Partner will be subject to reduction upon a Termination Event with respect to such Limited Partner as follows:

Date of Termination Event	Reduction
Prior to July 1 of the first calendar year next succeeding the applicable Tranche Allocation Date	100%
On or after July 1 of the first calendar year next succeeding the applicable Tranche Allocation Date, through and including June 30 of the second calendar year following the applicable Tranche Allocation Date	80%
On or after July 1 of the second calendar year following the applicable Tranche Allocation Date, through and including June 30 of the third calendar year following the applicable Tranche Allocation Date	60%
On or after July 1 of the third calendar year following the applicable Tranche Allocation Date, through and including June 30 of the fourth calendar year following the applicable Tranche Allocation Date	40%
On or after July 1 of the fourth calendar year following the applicable Tranche Allocation Date, through and including June 30 of the fifth calendar year following the applicable Tranche Allocation Date	20%

For the avoidance of doubt, such reductions shall not affect distributions made to a GIM Limited Partner before a Termination Event occurs with respect to such GIM Limited Partner.

(b) Notwithstanding the foregoing provisions of this Section 4.04:

(i) Cause. Upon a Termination Event with respect to a GIM Limited Partner for Cause (A) all of such GIM Limited Partner's vested and unvested Points shall be reduced to zero and (for the avoidance of doubt) such GIM Limited Partner shall not have the right to participate in any Carry Proceeds realized from any Fund Investments made after the date of such Termination Event and (B) the General Partner shall have the right exercisable by it or by one or more other Limited Partners designated by the General Partner in its discretion, at any time during the Repurchase Period, to repurchase the Capital Interest of such GIM Limited Partner at the Repurchase Value at the time of repurchase. The General Partner shall reallocate all Points forfeited pursuant to this 4.04(b)(i) in its sole discretion.

(ii) Death or Disability. Upon a Termination Event with respect to a GIM Limited Partner by reason of the death or Disability of such GIM Limited Partner, (A) all of such GIM Limited Partner's unvested Points will become fully vested, (B) the General Partner shall have no repurchase rights in respect of any portion (Points or Capital Interest) of the GIM Limited Partner's Interest and (C) such Limited Partner shall not have the right to participate in any Carry Proceeds realized from any Fund Investment made after the date of such Termination Event; *provided* that such GIM Limited Partner shall have the right to participate in any Carry Proceeds realized from any Fund Investment made after the date of such Termination Event (1) that is the subject of a binding agreement entered into by the relevant Fund prior to the date of such Termination Event or (2) about which the relevant Fund has disseminated information to its limited partners prior to the date of such Termination Event.

(iii) Voluntary Resignation. Upon a voluntary Termination Event with respect to a GIM Limited Partner for any reason, other than, with respect to a Founding Limited Partner, such Founding Limited Partner's Retirement, including but not limited to such GIM Limited Partner's decision not to renew his Services Agreement, (A) such GIM Limited Partner's unvested Points will be reduced to zero, (B) such GIM Limited Partner shall not have the right to participate in any Carry Proceeds realized from any Fund Investment made after the date of such Termination Event and (C) the General Partner shall have no repurchase rights in respect of any portion (Points or Capital Interest) of the GIM Limited Partner's Interests; *provided* that such GIM Limited Partner shall have the right to participate in any Carry Proceeds realized from any Fund Investment made after the date of such Termination Event (1) that is the subject of a binding agreement entered into by the relevant Fund prior to the date of such Termination Event or (3) about which the relevant Fund has disseminated information to its limited partners prior to the date of such Services Nonrenewal Notice or notice of a voluntary Termination Event. The General Partner shall reallocate all Points forfeited pursuant to this Section 4.04(b)(iii) in its sole discretion.

(iv) Retirement. Upon the Retirement of a Founding Limited Partner, then upon the effectiveness of such Retirement (A) 50% of the unvested Points of such Founding Limited Partner (or such greater percentage as the General Partner determines in its discretion) will become fully vested, (B) the remainder of the unvested Points of such

Founding Limited Partner will continue to vest as determined by the General Partner in its discretion, (C) the General Partner shall have no repurchase rights in respect of any portion (Points or Capital Interest) of such Founding Limited Partner's Interest and (D) such Founding Limited Partner shall not have the right to participate in any Carry Proceeds realized from any Fund Investment made after the date of such Retirement; *provided* that such Founding Limited Partner shall have the right to participate in any Carry Proceeds realized from any Fund Investment made after the date of such Retirement (I) that is the subject of a binding agreement entered into by the relevant Fund prior to the date of such Retirement or (2) about which the relevant Fund has disseminated information to its limited partners prior to the date of such Retirement.

(v) Termination without Cause. Upon an involuntary Termination Event with respect to a GIM Limited Partner other than pursuant to Section 4.04(b)(i) or 4.04(b)(ii), including the decision of GIM not to renew such GIM Limited Partner's Services Agreement, then upon the effectiveness of such involuntary Termination Event (A) 50% of the unvested Points of such GIM Limited Partner (or such greater percentage as the General Partner determines in its discretion) will become fully vested, (B) the remainder of the unvested Points of such GIM Limited Partner will continue to vest as determined by the General Partner in its discretion, (C) the General Partner shall have no repurchase rights in respect of any portion (Points or Capital Interest) of such GIM Limited Partner's Interest and (D) such GIM Limited Partner shall not have the right to participate in any Carry Proceeds realized from any Fund Investment made after the date of such involuntary Termination Event; *provided* that such GIM Limited Partner shall have the right to participate in any Carry Proceeds realized from any Fund Investment made after the date of such involuntary Termination Event (I) that is the subject of a binding agreement entered into by the relevant Fund prior to the date of such involuntary Termination Event or (2) about which the relevant Fund has disseminated information to its limited partners prior to the date of such involuntary Termination Event.

(vi) Competition Event. If a GIM Limited Partner breaches Sections 3.15(a), (b), (c) or (d) within 12 months of, or the confidentiality provisions of this Agreement at any time after, in each case, the Termination Event relating to such GIM Limited Partner, then all of such GIM Limited Partner's vested and unvested Points shall be reduced to zero. The General Partner shall reallocate all Points forfeited pursuant to this Section 4.04(b)(vi) in its sole discretion.

(c) Notwithstanding the other provisions of this Section 4.04, the General Partner may, in its sole discretion, reduce the Point reduction described in Section 4.04 or otherwise upon the occurrence of a Termination Event.

Section 4.05 *Special Profits Percentage.* For each Tranche Period and for each Limited Partner there shall be established a "Special Profits Percentage", which shall be determined by the General Partner, and which shall apply to each Fund Investment that closes in such Tranche Period. The sum of the Special Profits Percentages for each Tranche Period shall be 100%. A Partner's Special Profits Percentage may be decreased to in connection with the default by any Limited Partner or the admission of an Additional Partner. The books and records of the Partnership shall

be revised to reflect the foregoing. Notwithstanding the foregoing, the General Partner may in its sole discretion:

(a) require any Partner to make loans or capital contributions (which shall not reduce such Partner's Available Capital Commitment) to the Partnership or an Affiliate thereof in proportion to its share of the Incentive Capital Contributions (determined based on the Partners' Special Profits Percentages for each Fund Investment) and make any appropriate adjustments in connection therewith; or

(b) reduce the amount distributable to each Partner that is a Terminated Partner in proportion to its share of the Incentive Capital Contributions (determined based on the Partners' Special Profits Percentages for each Fund Investment), in which case the Partnership's use of any such undistributed amounts shall be determined by the General Partner.

Section 6.01 Distributions Generally. Distributions shall be made in accordance with this Article 6. Except as expressly set forth below, all calculations with respect to distributions shall be made on a Fund Investment by Fund Investment and Participating Partner by Participating Partner basis.

Section 6.02 Dispositions of Fund Investments.

(a) Return Proceeds.

(i) The Return Proceeds (other than Special Profits Distributions) realized on any date from any Fund Investment shall, subject to the provisions of Section 6.05, be distributed to the Participating Partners *pro rata* in accordance with each Participating Partner's Investment Percentage, if any, with respect to the Fund Investment giving rise to such Return Proceeds.

(ii) Special Profits Distributions realized on any date from any Fund Investment shall, subject to the provisions of Section 6.05, be distributed to the Participating Partners *pro rata* in accordance with each Participating Partner's Special Profits Percentage, if any, with respect to the Fund Investment giving rise to such Special Profits Distributions.

(b) Carry Proceeds.

(i) The amount distributed to each Participating Partner in respect of receipts by the Partnership representing Carry Proceeds from any Fund Investment shall reflect the General Partner's good-faith determination of an equitable allocation of Fund Expenses and Administrative Expenses across all Fund Investments and Tranche Periods. Any Carry Proceeds shall be distributed to the Partners *pro rata* in accordance with the positive balances of their Memorandum Accounts immediately prior to such distribution; *provided* that in no event shall any Partner receive a distribution of Carry Proceeds pursuant to this Section 6.02(b)(i) that results in a negative balance in such Partner's Memorandum Account.

(ii) For the avoidance of doubt, the amount of Carry Proceeds to be distributed to any Limited Partner pursuant to this Section 6.02(b) shall not be affected by any

reduction of Points after the realization by the Partnership of such Carry Proceeds. Each Participating Partner's Point Share of any Carry Proceeds realized on any date by the Partnership shall be distributed by the Partnership to such Participating Partner in the manner hereinafter set forth, subject to Sections 6.04 and 6.05.

(iii) Amounts representing Carry Proceeds to be distributed to any Limited Partner pursuant to this Section 6.02(b) at any time shall be distributed (A) in the case of any Founding Limited Partner who is no longer a Continuing GIM Employee because of Retirement at such time, (1) with respect to Carry Proceeds consisting of cash, 80% in cash and 20% shall be retained by the Partnership and distributed upon satisfaction of the Release Condition and (2) with respect to Carry Proceeds consisting of securities or other property, 80% in the form of such securities or other property and 20% shall be retained by the Partnership and the Partnership shall in turn distribute to such Partner an interest in such retained securities or other property upon satisfaction of the Release Condition, and (B) in the case of (y) any Limited Partners or their Designated Individuals (other than any Founding Limited Partners) who are no longer Continuing GIM Employees because of any Termination Event or (x) any Founding Limited Partner who is no longer a Continuing GIM Employee because of any Termination Event other than Retirement, and except to the extent the General Partner determines in its sole discretion to distribute a greater percentage of cash or securities, (1) with respect to Carry Proceeds consisting of cash, 50% in cash and 50% shall be retained by the Partnership and distributed upon satisfaction of the Release Condition and (2) with respect to Carry Proceeds consisting of securities or other property, 50% in the form of such securities or other property and 50% shall be retained by the Partnership and the Partnership shall in turn distribute to such Partner an interest in such retained securities or other property upon satisfaction of the Release Condition.

(iv) With respect to any securities or other property retained by the Partnership in respect of any Limited Partner in connection with any in-kind distribution, such Limited Partner may at any time request the Partnership to sell all or any portion of such securities or other property. In such event, the Partnership shall use its reasonable best efforts to sell such securities or other property for cash and the amount retained by the Partnership for subsequent distribution pursuant to Section 6.02(b)(iii) shall be increased by an aggregate amount equal to the amount of the net cash proceeds from such sale, *provided*, in each case, that to the extent permitted by law, any taxable gain or loss recognized by the Partnership upon the disposition of such securities shall be allocated equitably pursuant to the tax allocation provisions of this Agreement among those Limited Partners with respect to which such cash was retained as a result of such sale or exchange among those Limited Partners who requested the sale.

(v) Any amounts retained by the Partnership pursuant to Section 6.02(b)(iii) may be, in the sole discretion of the General Partner, (A) invested in short-term investments pending application to the repayment of amounts retained by the Partnership pursuant to Section 6.02(b)(iii), (B) held in a segregated account with a perfected security interest in favor of the Fund or released to the Limited Partner pursuant to Section 6.05(c), or (C) subject to such other conditions or requirements as the General Partner may determine.

Section 6.04 *Clawback.*

(a) The Partners shall be required to make a contribution to the Partnership in the manner hereinafter set forth (a “**Clawback Contribution**”) at such time as (i) the Partnership is required to make a contribution to a Fund pursuant to any clawback or similar provision in any Fund Agreement, (a “**Fund Clawback**”) or (ii), if determined necessary or advisable by the General Partner.

(b) Contributions by the Partners on account of any Clawback Contribution will be made from the Clawback Pool at the direction of the General Partner *pro rata* in accordance with the negative balances of the Partners’ Memorandum Accounts immediately prior to such contribution.

(c) If, at any time, the Partnership makes a contribution to a Fund pursuant to a Fund Clawback and, in the reasonable discretion of the General Partner such contribution is attributable to a particular Fund Investment, then each Partner’s Memorandum Account shall be debited by such Partner’s *pro rata* share of the contribution, based on such Partner’s original Distributable Share (as adjusted for a subsequent reallocation of Points among Partners but without giving effect to reductions pursuant to Section 4.04) with respect to such Fund Investment. If, in the reasonable discretion of the General Partner, such contribution is not attributable to a particular Fund Investment, the General Partner shall determine in good faith the amount, if any, by which each Partner’s Memorandum Account shall be debited.

(d) Contributions by a Limited Partner on account of a Clawback Contribution initially shall be made from any or all of the following sources, at the General Partner’s discretion, (collectively, the “**Clawback Pool**”): (i) by reduction of any amount retained by the Partnership pursuant to Section 6.02(b)(iii); (ii) by reduction of such Limited Partner’s interest in any securities or other property retained by the Partnership in respect of such Limited Partner in connection with any in kind distribution (it being understood that the Partnership shall use its reasonable best efforts to sell such securities or other property for cash and shall reduce such Limited Partner’s Clawback Contribution by an amount equal to the amount of the net cash proceeds from such sale); and (iii) by deduction from any future distributions on account of Carry Proceeds and Return Proceeds (but excluding distributions that are a return of a Capital Contribution) from the Partnership to such Limited Partner.

It is understood that Clawback Contributions shall be made from time to time from the above sources as and to the extent such sources become available to satisfy the obligation to make such Clawback Contributions.

(e) Notwithstanding anything in this Section 6.04 to the contrary, to the extent the Clawback Pool is insufficient to satisfy Clawback Contributions, each Partner shall return distributions to the Partnership in satisfaction of the remainder of such Clawback Contributions *pro rata* in accordance with the negative balances of the Partners’ Memorandum Accounts immediately prior to such return of distributions *provided, however*, that a Partner shall not be required to return more to the Partnership pursuant to this Section 6.04(f) than the excess of (i) the aggregate distributions to such Partner, as the case may be, pursuant to Section 6.02(b) over (ii) the aggregate distributions that were made, or that could have been made, to such Partner pursuant

to Section 6.03(a). The Partners shall execute a separate guarantee of their obligations under this Section 6.04(f) as contemplated by the Fund Agreement before receiving any Carry Proceeds under this Agreement. Any payments made by a Partner to a Fund pursuant to such guarantee in respect of a Fund Clawback shall be deemed to be returns of distributions to the Partnership pursuant to this Section 6.04(f).

(f) The General Partner shall maintain records of (i) each Limited Partner's required Clawback Contributions, (ii) the outstanding amounts retained pursuant to Section 6.02(b)(iii) and owing to such Limited Partner, (iii) such Limited Partner's interest in any securities or other property retained by the Partnership in connection with any in-kind distribution and (iv) any amounts that may be deducted from future distributions by the Partnership to such Limited Partner on account of any Clawback Contribution, which records shall be made available to such Limited Partner upon the reasonable request of such Limited Partner.

(g) Clawback Contributions by a Limited Partner shall not be deemed Capital Contributions and shall not affect the obligations of a Partner to make Capital Contributions hereunder, and the obligation on the part of each Partner to make such Clawback Contributions shall be in addition to any liability such Partner may otherwise have under this Agreement.

Section 6.05 Other General Principles of Distributions.

(a) Distributions of Cash. Subject to Sections 6.04 and distributions upon dissolutions of the Partnership and the remaining provisions of this Section 6.05, distributions shall be made promptly after the receipt of cash or noncash proceeds by the Partnership.

(b) Distributions in Kind. Any securities or other property constituting all or any portion of a Fund Investment may be distributed in kind to the Partnership at such time and in such amounts as the General Partner shall in its discretion determine, and any such distribution shall be made to the Participating Partners in respect of such Fund Investment in accordance with the amounts that would have been distributed in respect thereof had such property been disposed of by the Partnership immediately prior to such distribution. In any distribution of property in kind, the General Partner shall not, subject to the provisions of Sections 6.04, 6.05(c) and 6.05(e), discriminate among the Limited Partners but shall in any such distribution, (i) distribute to the applicable Limited Partners property of the same type and (ii) if cash and property in kind are to be distributed simultaneously in respect of any Fund Investment, distribute cash and property in kind in the same proportion to each such Partner. For purposes of allocations to Capital Accounts, property to be distributed in kind shall be valued at the Fair Value thereof by the General Partner in its discretion on a date as near as reasonably practicable to the date of such distribution.

(c) Withholding of Certain Amounts. Notwithstanding anything else contained in this Agreement, the General Partner may, in its discretion, withhold from any distribution to any Limited Partner pursuant to this Agreement, any amounts due from such Partner to the Partnership or the General Partner pursuant to this Agreement to the extent not otherwise paid. In addition, if the General Partner shall have determined in good faith, that there will likely be a requirement for a Clawback Contribution, then the General Partner may withhold all or any portion of distributions of Carry Proceeds to any Limited Partner under this Agreement as determined by the General Partner; *provided* that the General Partner shall in any such distribution distribute an amount in

cash to each Limited Partner at least equal to the Tax Amount with respect to such distributions and *provided, further*, that the General Partner, in its sole discretion, may permit any Limited Partner to substitute such amount withheld with a letter of credit issued by a financial institution that has a long-term credit rating (and maintains a long-term credit rating) of BBB+ by S&P, Baa1 by Moody's or higher. If any amount withheld in accordance with the immediately preceding sentence is cash, such amount shall be added from time to time to the amounts retained and owing to such Limited Partner pursuant to Section 6.02(b)(iii), and, if any amount withheld in accordance with the immediately preceding sentence is securities or other property, such amount shall increase such Limited Partner's interest in such securities or other property retained by the Partnership.

(d) Amounts Held in Reserve. In addition to the rights set forth in Section 6.05(b) and Section 6.05(c), the General Partner shall have the right, in its reasonable discretion, to withhold amounts otherwise distributable by the Partnership to the Partners in order to maintain the Partnership in a sound financial and cash position and to make such provision as the General Partner in its reasonable discretion deems necessary or advisable for any and all liabilities and obligations, contingent or otherwise, of the Partnership (including, but not limited to, any obligation to repay any loan owed by the Partnership to any Fund pursuant to section 8.3(d) of the Fund Agreement of the Primary Fund or the equivalent section of any other Fund Agreement, in which case the General Partner shall make appropriate adjustments to distributions pursuant to this Agreement to reflect such repayment) or if, following such distribution, the aggregate of the balances on any Partner's Capital Account would be less than zero.

(e) Equal Treatment. Subject to the Related Partners provisions of this Agreement, nothing in this Agreement shall obligate the General Partner to treat all Limited Partners alike, and the exercise of any power or discretion by the General Partner in the case of any one such Limited Partner shall not create any obligation on the part of the General Partner to take any similar action in the case of any other such Limited Partner, it being understood that any power or discretion conferred upon the General Partner shall be treated as having been so conferred upon the General Partner as to each such Limited Partner separately.

(f) Fund Agreement. Subject to Section 6.02(a) and Section 6.04(d), Return Proceeds realized from any Fund Investment shall be distributed to the Participating Partners to the extent a corresponding distribution was made to limited partners of the Primary Fund pursuant to the Fund Agreement for the Primary Fund (or to partners of any other Fund pursuant to similar provisions of such other Fund Agreement).

Exhibit 19.1

BlackRock

Global Insider Trading Policy

Objective and Scope

This policy governs trading in the securities of BlackRock, Inc. by directors and officers of BlackRock, Inc. (the “directors and officers”) and by employees¹ (collectively with the directors and officers, “Covered Persons”) of BlackRock, Inc. and its wholly-owned subsidiaries (collectively, “BlackRock”) and the handling of material, nonpublic information (“MNPI”, as further defined below) under applicable securities laws in the U.S. or the equivalent in the other jurisdictions in which BlackRock operates. Covered Persons play a critical role in maintaining the integrity of BlackRock’s reputation and must handle MNPI and proprietary or confidential information properly. BlackRock has adopted a number of policies that deal with the handling of MNPI, including but not limited to a [Code of Business Conduct and Ethics](#) that obligates Covered Persons to maintain the confidentiality of information entrusted to them, a policy that establishes controls on the use and sharing of MNPI, and confidentiality and employment policies that obligate Covered Persons to hold information relating to the business of BlackRock in strict confidence.

Applicable laws and regulations prohibit any behaviors that lead to market abuse. Covered Persons are prohibited by law from buying or selling BlackRock securities or any other company’s securities (including, but not limited to, common stock, options to purchase common stock, preferred stock, debt, convertible debentures, and warrants, as well as derivative securities, such as exchange-traded put or call options or swaps) while in possession of MNPI with respect to those securities or companies, whether for their own account, a family² member’s account, organization or firm account, or for a client’s account. In addition, if a Covered Person has MNPI, they are prohibited from “tipping” or disclosing such information to others or donating shares with the expectation of receiving a tax benefit.

BlackRock employees may acquire MNPI through BlackRock’s customers, suppliers, affiliates, and companies in which BlackRock, its products, funds, or accounts, may invest. In certain circumstances, it may be necessary to establish an information barrier in order to wall off the employee in possession of MNPI.

Policy / Document Requirements and Statements

1. Material, Nonpublic Information

- **Material Information:** Information is “material” if there is a substantial likelihood that a reasonable person would consider the information important when making an investment decision or the information, if made public, would likely affect the market price of a company’s securities. Information may be material to transactions in the securities of more than one company. For example, in some circumstances, the same information may be material to transactions in securities of the company from which the information originated as well as suppliers, customers, or competitors of that company. Material information concerning BlackRock (including information relating to its subsidiaries or affiliates) or other such companies may include the following:
 - Sales and earnings results or estimates (or changes thereto, if previously published);
 - Changes in product offerings;
 - Significant additions or losses of client accounts;
 - Proposed mergers, acquisitions, divestitures, or joint ventures;

¹ For purposes of this policy, the term “employee” includes all contingent workers and individual services providers, unless their agreement with BlackRock contains express conditions to the contrary.

² Family members include Family Relationships as further described in the Global Relationships at Work Policy.

Limited

- Stock repurchase plans and stock splits;
 - Securities offerings;
 - Litigation and investigations;
 - Changes in control or extraordinary management developments;
 - Extraordinary borrowings or other liquidity problems;
 - Cybersecurity risks or incidents; and
 - Other similar items.
- **Nonpublic Information:** Information is considered to be “nonpublic” unless it has been disclosed to the public adequately. Examples of adequate disclosure include public filings with securities regulatory authorities, the issuance of press releases, and may also include meetings that are generally open to members of the press and the public. By contrast, information would likely not be considered public if it is available only to BlackRock employees, or if it is available to a select group of analysts, brokers, and/or investors.

2. Restriction on Tipping

Covered Persons are prohibited from disclosing MNPI to another person even if such person does not purchase or sell securities on the basis of such information, or pass on the information to another person (also known as “tipping”).

Covered Persons may not disclose MNPI to:

- Any person outside of the firm (not employed by BlackRock), unless any such disclosure is made in accordance with BlackRock’s policies regarding the protection, and authorized external disclosure, of information; or
- Any BlackRock employee unless such employee needs to know the information for a valid business reason. MNPI may not be shared with anyone in a different information barrier group without obtaining prior approval from Legal & Compliance.

3. Trading in BlackRock Securities

- **No Trading When in Possession of MNPI:** No Covered Person may purchase or sell BlackRock securities when in possession of MNPI regarding BlackRock, even if the transaction has been pre-approved and the trading window is open.
- **Pre-Clearance Required:** All transactions in BlackRock’s securities by a Covered Person must be pre-cleared by Legal & Compliance and the transaction must be within the prescribed trading window. This includes purchases, sales, stock option exercises, estate planning transactions and gifts.
 - Employees, including officers, must submit a pre-clearance request in the Personal Trading Assistant and receive an approval before undertaking any transactions permitted under this policy.
 - Pre-clearance approvals, whether for market orders³ or limit orders⁴, are valid **only** on the day the approval is received. The order must be executed on the same day by the closing time of the market on which the security is traded.
 - Employees can request exemption from the pre-clearance requirement for trades in a spousal account in which the employee has no investment discretion. Spousal accounts require disclosure, regardless of pre-clearance exemption status, and are subject to periodic monitoring. Employees may be required to supply a quarterly statement for such accounts. When such requests are made, employees must provide the statements to the Legal & Compliance within 30 days of the request.
 - **Pre-Clearance Not Required:** Pre-clearance approval is not required to transact in the following:
 - Purchases of common stock under an Employee Stock Purchase Plan, vesting of Restricted Share Units, or acquisitions of common stock in connection with director compensation (however, sales of the same must be pre-cleared);

³ Buy or sell transactions placed at current market price.

⁴ Buy or sell transactions placed at a pre-determined price (detailed within the pre-clearance request).

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- 529 Plans, Direct Stock Purchase Plans, and any securities purchased pursuant to a dividend reinvestment plan;
- Securities acquired by an exercise of rights to the holders of a class of securities (however, sales of the same must be pre-cleared);
- Stock dividend, stock split, or similar corporate distribution;
- Conversion of employee stock options (however, sales of the same must be pre-cleared); and
- Transfer of securities with no change in beneficial ownership (e.g., transfer from one account in your name to another account in your name).
- **Trading Plan Exception:** Sales of BlackRock securities may be effected for Covered Persons without seeking pre-clearance, regardless of their awareness of MNPI and outside of the prescribed trading windows (see below) solely if the transaction is made under a pre-arranged written trading plan that is:
 - In compliance with the requirements of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended;
 - Pre-approved by Legal & Compliance prior to adoption and execution; and
 - Entered into (or amended) when the Covered Person is not in possession of MNPI and is adopted (or amended) during a prescribed trading window period.
- **Trading Windows:** If not in possession of MNPI, Covered Persons are only permitted to transfer (resulting in change to beneficial ownership), gift, or trade (purchase, sell, or exercise employee stock options) BlackRock securities (upon pre-clearance approval) during trading windows as determined and announced by Legal & Compliance. The opening and closing dates of each trading window are announced by email to all Covered Persons by Legal & Compliance. Typically, the trading window opens at the beginning of the second full day of trading following the public release of BlackRock's quarterly financial information and closes at the end of the second trading day of the last month of the quarter in which such quarterly financial information was released. The trading window may be opened and closed by Legal & Compliance at other times.
- **Prohibition on Hedging and Pledging BlackRock Securities:** A Covered Person may not:
 - Enter into any transactions that have the effect of hedging the economic risks and rewards of BlackRock securities held by such Covered Person, other than pursuant to a contractual right negotiated in connection with a merger or acquisition.
 - Hold BlackRock securities in margin accounts or pledge BlackRock securities as collateral for a loan.
- **Restrictions on Trading in BlackRock Securities:** In addition, employees may not:
 - Trade in options or warrants on BlackRock securities;
 - Engage in day trading of BlackRock securities;
 - Engage in any short selling of BlackRock securities;
 - Purchase any single-stock futures contracts on BlackRock securities; and
 - Trade in BlackRock securities in managed accounts.
- **BlackRock's Trading in Its Own Securities:** It is BlackRock's policy to comply with applicable securities laws concerning trading in BlackRock securities on BlackRock's behalf.

4. Post-Termination Transactions

Although the pre-clearance procedures specified in this policy will cease to apply to a Covered Person upon the conclusion of their service with BlackRock, the Covered Person will remain subject to applicable securities laws pertaining to trading while in possession of MNPI.

5. Other Trading Restrictions

This policy should be read in conjunction with other BlackRock policies, including the [Global Personal Trading Policy](#) which contains other restrictions on trading the securities of other companies for BlackRock employees.

6. Other Barriers

BlackRock implements information barriers for a variety of reasons in addition to the prevention of insider trading. Barriers established for another explicit purpose, such as avoidance of potential coordinated trading, will be outlined in those specific policies and/or procedures.

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BlackRock

7. Consequences of Violations

The penalties for insider trading violations are severe and could include significant fines and imprisonment. In addition, an employee's failure to comply with this Policy may subject the employee to disciplinary action, including dismissal for cause, whether or not the employee's failure to comply results in a violation of applicable law.

8. Questions

Please contact Legal & Compliance in your respective region with questions regarding this policy.

Limited

BlackRock

Exhibit 21.1

SUBSIDIARIES OF REGISTRANT

The following table lists the direct and indirect subsidiaries of BlackRock, Inc. as of December 31, 2024*.

Name of Subsidiary	Jurisdiction/State of Incorporation
Acero Holdings I LLC	Delaware
Acero LLC	Delaware
Amethyst Intermediate, LLC	Delaware
AnalytX Hosting LLC	Florida
AnalytX LLC	Delaware
AnalytX Software LLC	Virginia
Aperio Group, LLC	California
Aperio Holdings, LLC	Delaware
Asia Property AU 1 Pty Ltd	Australia
Asia Property AU 2 Pty Ltd	Australia
Asia-Pacific Private Credit Opportunities Fund I (GenPar) (GP) Ltd.	Cayman Islands
AU Infra 1 Pty Ltd	Australia
AU Infra 2 Pty Ltd	Australia
BAA Holdings, LLC	Delaware
Beijing eFront Software Company Limited	China
BFM Holdco, LLC	Delaware
Blackhawk Investment Holding, LLC	Delaware
BlackRock (Barbados) Finco 1 SRL	Barbados
BlackRock (BVI) Finco 1, Ltd.	British Virgin Islands
BlackRock (BVI) Holdco 1, Ltd.	British Virgin Islands
BlackRock (BVI) Holdco 2, Ltd.	British Virgin Islands
BlackRock (Channel Islands) Limited	Jersey
BlackRock (Luxembourg) S.A.	Luxembourg
BlackRock (Netherlands) B.V.	Netherlands
BlackRock (Singapore) Holdco Pte. Limited	Singapore
BlackRock (Singapore) Limited	Singapore
BlackRock Advisors (UK) Limited	United Kingdom
BlackRock Advisors Singapore Pte. Limited	Singapore
BlackRock Advisors, LLC	Delaware
BlackRock Aladdin (eFront)	France
BlackRock Aladdin Luxembourg S.à.r.l.	Luxembourg
BlackRock Alternative Advisors GP Holdings, LLC	Delaware
BlackRock Alternatives Management, LLC	Delaware
BlackRock AP Investment Holdco, LLC	Delaware
BlackRock Asset Management Canada Limited/Gestion d'actifs BlackRock Canada Limitée	Canada
BlackRock Asset Management Deutschland AG	Germany
BlackRock Asset Management International Inc.	Delaware
BlackRock Asset Management Investor Services Limited	United Kingdom
BlackRock Asset Management Ireland Limited	Ireland
BlackRock Asset Management North Asia Limited	Hong Kong
BlackRock Asset Management Schweiz AG	Switzerland
BlackRock Asset Management UK Limited	United Kingdom
BlackRock Australia Holdco Pty. Ltd.	Australia
BlackRock Brasil Gestora de Investimentos Ltda.	Brazil
BlackRock Cal 1 Investor, LLC	Delaware
BlackRock Canada Holdings ULC	Canada
BlackRock Capital Holdings, Inc.	Delaware
BlackRock Capital Investment Advisors, LLC	Delaware
BlackRock Capital Management, Inc.	Delaware
BlackRock Capital Markets EMEA S.à r.l	Luxembourg
BlackRock Capital Markets, LLC	Delaware
BlackRock Cayco Limited	Cayman Islands
BlackRock Cayman 1 LP	Cayman Islands
BlackRock Cayman 2 LP	Cayman Islands
BlackRock Cayman Capital Holdings Limited	Cayman Islands
BlackRock Cayman Finco 2 Limited	Cayman Islands
BlackRock Cayman Finco 3 Limited	Cayman Islands
BlackRock Cayman Finco Limited	Cayman Islands
BlackRock Cayman West Bay Finco Limited	Cayman Islands
BlackRock Cayman West Bay IV Limited	Cayman Islands
BlackRock Cayman Z Limited	Cayman Islands
BlackRock CCB Wealth Management Limited	China
BlackRock Channel Islands Holdco Limited	Jersey
BlackRock Chile Asesorias Limitada	Chile
BlackRock Colombia Holdco, LLC	Delaware
BlackRock Colombia Infraestructura S.A.S.	Colombia
BlackRock Colombia SAS	Colombia
BlackRock Company Secretarial Services (UK) Limited	United Kingdom
BlackRock Corporation US Inc.	California
BlackRock Crane Limited	United Kingdom
BlackRock Delaware Holdings Inc.	Delaware
BlackRock Enterprise Management (Shanghai) Co. Ltd.	China
BlackRock Execution Services	California

Name of Subsidiary	Jurisdiction/State of Incorporation
BlackRock Finance Europe Limited	United Kingdom
BlackRock Finance, Inc.	Delaware
BlackRock Financial Management, Inc.	Delaware
BlackRock Finco UK Ltd.	United Kingdom
BlackRock Finco, LLC	Delaware
BlackRock First Partner Limited	Jersey
BlackRock France SAS	France
BlackRock Fund Advisors	California
BlackRock Fund Management Co., Ltd.	China
BlackRock Fund Management Company S.A.	Luxembourg
BlackRock Fund Managers Limited	United Kingdom
BlackRock Funding International, Ltd.	Cayman Islands
BlackRock Funds Services Group, LLC	Delaware
BlackRock GPCo, (Scotland) Ltd.	Scotland
BlackRock Group Limited	United Kingdom
BlackRock HK Holdco Limited	Hong Kong
BlackRock Holdco 10, Ltd	Cayman Islands
BlackRock Holdco 11, Ltd	Cayman Islands
BlackRock Holdco 12, Ltd	Cayman Islands
BlackRock Holdco 2, Inc.	Delaware
BlackRock Holdco 3, LLC	Delaware
BlackRock Holdco 4, LLC	Delaware
BlackRock Holdco 5, LLC	Delaware
BlackRock Holdco 6, LLC	Delaware
BlackRock Holdco 7, LLC	Delaware
BlackRock Holdco 8, Ltd	Cayman Islands
BlackRock Holdco 9, Ltd	Cayman Islands
BlackRock Hungary Kft.	Hungary
BlackRock Index Services, LLC	Delaware
BlackRock Infrastructure Management I, LLC	Cayman Islands
BlackRock Institutional Services, Inc.	Delaware
BlackRock Institutional Trust Company, National Association	United States
BlackRock International Holdings, Inc.	Delaware
BlackRock International Limited	Scotland
BlackRock Investment Management (Australia) Limited	Australia
BlackRock Investment Management (Korea) Limited	Korea
BlackRock Investment Management (New Zealand) Limited	New Zealand
BlackRock Investment Management (Shanghai) Co., Ltd.	China
BlackRock Investment Management (Taiwan) Limited	Taiwan
BlackRock Investment Management (UK) Limited	United Kingdom
BlackRock Investment Management Ireland Holdings Unlimited Company	Ireland
BlackRock Investment Management, LLC	Delaware
BlackRock Investments, LLC	Delaware
BlackRock Japan Co., Ltd.	Japan
BlackRock Japan Holdings GK	Japan
BlackRock Jersey Finco 2 Limited	Jersey
BlackRock Latin America Holdco, LLC	Delaware
BlackRock Latin America B.V.	Netherlands
BlackRock Life Limited	United Kingdom
BlackRock Lux Finco S.à r.l.	Luxembourg
BlackRock Luxembourg Holdco S.à r.l.	Luxembourg
BlackRock México Infraestructura I, S. de R.L. de C.V.	Mexico
BlackRock México Infraestructura II, S. de R.L. de C.V.	Mexico
BlackRock México Infraestructura III, S. de R.L. de C.V.	Mexico
BlackRock México Manager II, S. de R.L. de C.V.	Mexico
BlackRock México Manager III, S. de R.L. de C.V.	Mexico
BlackRock México Manager, S. de R.L. de C.V.	Mexico
BlackRock México Operadora, S.A. de C.V., Sociedad Operadora de Fondos de Inversion	Mexico
BlackRock Niagara LLC	Delaware
BlackRock Operations (Luxembourg) S.à r.l.	Luxembourg
BlackRock Overseas Investment Fund Management (Shanghai) Co., Ltd.	China
BlackRock PC Holdings, LLC	Delaware
BlackRock Pensions Limited	United Kingdom
BlackRock Peru Asesorías S.A.	Peru
BlackRock Portfolio Management LLC	Delaware
BlackRock Property Consulting (Beijing) Co., Ltd.	China
BlackRock Property France President SAS	France
BlackRock Property France S.a.r.l.	France
BlackRock Property Lux S.à r.l.	Luxembourg
BlackRock Realty Advisors, Inc.	Delaware
BlackRock Saturn Subco, LLC	Delaware
BlackRock Saudi Arabia	Saudi Arabia
BlackRock Scale Holdings, LLC	Delaware
BlackRock Services India Private Limited	India
BlackRock Strategic Investors GP, LLC	Delaware
BlackRock Strategic Investors, LP	Delaware
BlackRock Technology Holdings, LLC	Delaware
BlackRock Titan I, LLC	Delaware
BlackRock Titan II, LP	Delaware

Name of Subsidiary	Jurisdiction/State of Incorporation
BlackRock Titan Partner I, LLC	Delaware
BlackRock Titan Partner II, LLC	Delaware
BlackRock UK (Alpha) Limited	United Kingdom
BlackRock UK (Beta) Limited	United Kingdom
BlackRock UK (Delta) LP	United Kingdom
BlackRock UK (Gamma) Limited	United Kingdom
BlackRock UK (Sigma) Limited	United Kingdom
BlackRock UK 2 LLP	United Kingdom
BlackRock UK 3 LLP	United Kingdom
BlackRock UK 4 LLP	United Kingdom
BlackRock UK A LLP	United Kingdom
BlackRock UK Holdco 2 Limited	United Kingdom
BlackRock UK Holdco Limited	United Kingdom
BlackRock US Finco 2 LLC	Delaware
BlackRock US Finco 3 LLC	Delaware
BLK (Gallatin) Holdings, LLC	Delaware
BLK SMI, LLC	Delaware
BR Acquisition Mexico S.A. de C.V.	Mexico
BR Jersey International Holdings L.P.	Jersey
Cachematrix Holdings LLC	Colorado
Cachematrix Integrations Private Limited	India
Cachematrix Software Solutions LLC	Colorado
DMLT East, LLC	Florida
DMLT, LLC	New York
eFront (Jersey) Limited	Jersey
eFront Cayman 2 LP	Cayman Islands
eFront Cayman Ltd	Cayman Islands
eFront d.o.o. Beograd	Serbia
eFront DMLT Holdings, LLC	Delaware
eFront DMLT Holdings, S.R.L	Dominican Republic
eFront Do Brasil Soluções Informáticas Para Sistemas Financeiros Ltda.	Brazil
eFront DR, S.R.L	Dominican Republic
eFront Financial Solutions Inc.	Delaware
eFront FZ-LLC	United Arab Emirates
eFront GmbH	Germany
eFront Holding SAS	France
eFront Hong Kong Limited	Hong Kong
eFront Kabushiki Kaisha	Japan
eFront Ltd	United Kingdom
eFront Singapore Pte. Ltd.	Singapore
eFront Solutions Financières Inc.	Canada
eFront U.S., LLC	Delaware
EG Holdings Blocker, LLC	Delaware
GIM Advisory Services, LLC	Delaware
GIM EM Manager, LLC	Delaware
GIM India Fund Holdings, LLC	Delaware
GIM India Holdings, LP	Delaware
GIM LLC de Mexico S. de. R.L.	Mexico
GIM UK Holdings, LLC	Delaware
GIMAS Finance Pty Limited	Australia
GIP Australia Guernsey Co Limited	Guernsey
Global Energy & Power Infrastructure Advisors, LLC	Delaware
Global Energy & Power Infrastructure II Advisors, LLC	Delaware
Global Infrastructure Management Australia Pty Limited	Australia
Global Infrastructure Management EM HK, Limited	Hong Kong
Global Infrastructure Management HK, LLC	Delaware
Global Infrastructure Management Holdings LP	Delaware
Global Infrastructure Management LLP	United Kingdom
Global Infrastructure Management Participation LLC	Delaware
Global Infrastructure Management, LLC	Delaware
Global Infrastructure Partners India Private Limited	India
Global Infrastructure Partners Singapore Manager Pte. Ltd.	Singapore
Global Infrastructure Scots GP Limited	Scotland
Grosvenor Alternate Partner Limited	United Kingdom
Grosvenor Ventures Limited	United Kingdom
HLX Financial Holdings, LLC	Delaware
iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen	Germany
iShares Delaware Trust Sponsor LLC	Delaware
Kreos Capital Israel Ltd.	Israel
Kreos Capital Management (UK) Limited	United Kingdom
Kreos Capital Management Limited	Jersey
Mercury Private Equity MUST 3 (Jersey) Limited	Jersey
MyLifePath Digital Services, Inc.	Delaware
New Zealand Climate Infrastructure Fund GP Limited	New Zealand
Object Capital Technology, Inc.	Delaware
Otto Holdco, LLC	Delaware
Phoenix Acquisition LLC	Netherlands
Phoenix Acquisitions Holdings, LLC	Delaware
Portfolio Administration & Management Ltd.	Cayman Islands

Name of Subsidiary	Jurisdiction/State of Incorporation
Prestadora de Servicios Integrales BlackRock Mexico, S.A. de C.V.	Mexico
Retirement Product Insurance Agency Inc.	Delaware
SpiderRock Advisors, LLC	Delaware
St. Albans House Nominees (Jersey) Ltd.	Jersey
SVOF/MM, LLC	Delaware
Tennenbaum Capital Partners, LLC	Delaware
Tlali Acero, S.A. de C.V.	Mexico
Trident Merger, LLC	Delaware
Web Holdings, LLC	Delaware

* Certain subsidiaries that are not significant have been omitted.

Exhibit 22.1

Subsidiary Guarantor and Issuer of Guaranteed Securities

BlackRock Finance, Inc.(formerly known as BlackRock, Inc.), a Delaware corporation (“Old BlackRock”), is a direct wholly-owned subsidiary of BlackRock, Inc. (formerly known as BlackRock Funding, Inc.), a Delaware corporation (“New BlackRock”). Old BlackRock is a guarantor of New BlackRock’s registered debt securities. Old BlackRock is also an issuer of registered debt securities, which are guaranteed by New BlackRock. As of December 31, 2024, the registered debt securities were as follows:

New BlackRock registered debt securities guaranteed by Old BlackRock:

<u>Name of Issuer</u>	<u>State of Formation of Issuer</u>	<u>Description of Registered Debt Securities</u>
BlackRock, Inc.	Delaware	4.700% Notes due 2029
BlackRock, Inc.	Delaware	5.000% Notes due 2034
BlackRock, Inc.	Delaware	5.250% Notes due 2054
BlackRock, Inc.	Delaware	4.600% Notes due 2027
BlackRock, Inc.	Delaware	4.900% Notes due 2035
BlackRock, Inc.	Delaware	5.350% Notes due 2055

Old BlackRock registered debt securities guaranteed by New BlackRock:

<u>Name of Issuer</u>	<u>State of Formation of Issuer</u>	<u>Description of Registered Debt Securities</u>
BlackRock Finance, Inc.	Delaware	1.250% Notes due 2025
BlackRock Finance, Inc.	Delaware	3.200% Notes due 2027
BlackRock Finance, Inc.	Delaware	3.250% Notes due 2029
BlackRock Finance, Inc.	Delaware	2.400% Notes due 2030
BlackRock Finance, Inc.	Delaware	1.900% Notes due 2031
BlackRock Finance, Inc.	Delaware	2.10% Notes due 2032
BlackRock Finance, Inc.	Delaware	4.750% Notes due 2033

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-278583 on Form S-3ASR and Registration Statement Nos. 333-137708, 333-169329, 333-197764, 333-225372, and 333-279595 on Form S-8 of our reports dated February 25, 2025, relating to the financial statements of BlackRock, Inc., and the effectiveness of BlackRock, Inc.'s internal control over financial reporting, appearing in this Annual Report on Form 10-K of BlackRock, Inc. for the year ended December 31, 2024.

/s/ Deloitte & Touche LLP

New York, New York
February 25, 2025

Exhibit 31.1

CEO CERTIFICATION

I, Laurence D. Fink, certify that:

1. I have reviewed this Annual Report on Form 10-K, for the fiscal year ended December 31, 2024 of BlackRock, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2025

By: /s/ Laurence D. Fink
Laurence D. Fink
Chairman & Chief Executive Officer

Exhibit 31.2

CFO CERTIFICATION

I, Martin S. Small, certify that:

1. I have reviewed this Annual Report on Form 10-K, for the fiscal year ended December 31, 2024 of BlackRock, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2025

By: /s/ Martin S. Small
Martin S. Small
Senior Managing Director & Chief Financial Officer

Exhibit 32.1

**Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report on Form 10-K of BlackRock, Inc. (the "Company") for the annual period ending December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Laurence D. Fink, as Chief Executive Officer of the Company, and Martin S. Small, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Laurence D. Fink

Name: Laurence D. Fink
Title: Chairman & Chief Executive Officer
Date: February 25, 2025

/s/ Martin S. Small

Name: Martin S. Small
Title: Senior Managing Director &
Chief Financial Officer
Date: February 25, 2025

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to
Commission File number 1-7221**

MOTOROLA SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State of Incorporation)

36-1115800

(I.R.S. Employer Identification No.)

500 W. Monroe Street, Chicago, Illinois 60661

(Address of principal executive offices, zip code)

(847) 576-5000

Registrant's telephone number, including area code:

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock	MSI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant as of June 28, 2024 (the last business day of the registrant's most recently completed second quarter) was approximately \$56.3 billion.

The number of shares of the registrant's Common Stock, \$.01 par value per share, outstanding as of February 7, 2025 was 166,936,952.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement to be delivered to stockholders in connection with its 2025 Annual Meeting of Shareholders (the "Proxy Statement"), to be filed within 120 days of the end of the fiscal year ended December 31, 2024, are incorporated by reference into Part III of this Annual Report on Form 10-K (this "Form 10-K").

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Throughout this Form 10-K we “incorporate by reference” certain information in parts of other documents filed with the Securities and Exchange Commission (the “SEC”). The SEC allows us to disclose important information by referring to it in that manner. Please refer to such information.

“Motorola Solutions” (which may be referred to as the “Company,” “we,” “us,” or “our”) means Motorola Solutions, Inc. or Motorola Solutions, Inc. and its subsidiaries, or one of our segments, as the context requires. MOTOROLA, MOTO, MOTOROLA SOLUTIONS and the Stylized M Logo, as well as iDEN are trademarks or registered trademarks of Motorola Trademark Holdings, LLC and are used under license.

Forward-Looking Statements

Statements in this Form 10-K which are not historical in nature are forward-looking statements within the meaning of applicable federal securities law. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and generally include words such as “believes,” “expects,” “intends,” “aims,” “estimates” and similar expressions. We can give no assurance that any future results or events discussed in these statements will be achieved. Any forward-looking statements represent our views only as of today and should not be relied upon as representing our views as of any subsequent date. Readers are cautioned that such forward-looking statements are subject to a variety of risks and uncertainties that could cause our actual results to differ materially from the statements contained in this Form 10-K. Some of these risks and uncertainties include, but are not limited to, those discussed in “Part I. Item 1A. Risk Factors” of this Form 10-K and those described elsewhere in this Form 10-K or in our other SEC filings. Forward-looking statements include, but are not limited to, statements under the following headings: (1) “Business,” about: (a) industry growth and demand, including opportunities resulting from such growth, (b) demand for, growth related to, and benefits of, new products, (c) customer spending and behavior and requests for vendor financing, (d) the impact of our strategy and focus areas, (e) the impact from the loss of key customers, (f) our practice of subcontracting work to other companies to fulfill customer needs, (g) the impact of existing and future regulatory matters on our business, (h) the firmness of each segment's backlog and recognizing backlog as revenue, (i) the impact on our business relating to the notice of a contract extension for the Airwave service received from the Home Office of the United Kingdom, (j) the competitiveness of the patent portfolio, and (k) the availability and costs of materials and components, energy supplies and labor and the impact of such availability and costs; (2) “Risk Factors,” about potential impacts of the risks we face; (3) “Cybersecurity,” about potential impacts of risks from cybersecurity threats; (4) “Legal Proceedings,” about the ultimate disposition of pending legal matters and timing; (5) “Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities,” about the potential return of capital to our shareholders through dividend payments; (6) “Management's Discussion and Analysis of Financial Condition and Results of Operations,” about: (a) the impact on our business of the United Kingdom's Competition and Markets Authority's prospective price control regarding Airwave, (b) the impact on our business regarding the notice of a contract extension for the Airwave service received from the Home Office of the United Kingdom, (c) our expectations regarding the Airwave collective proceeding claim with the Competition Appeal Tribunal, (d) the impact of acquisitions and other investments on our business, (e) the impact of existing and future laws, regulations, international treaties and industry standards relating to climate change and other environmental and social impacts on our business, (f) market growth, demand, spending and resulting opportunities, (g) industry growth and demand, including opportunities resulting from such growth, (h) expected impacts to operating leverage, (i) the growth of sales opportunities in our Products and Systems Integration and Software and Services segments, (j) the return of capital to shareholders through dividends and/or repurchasing shares, (k) the impact and success of our business strategy and portfolio, (l) future payments, charges, and use of accruals associated with our reorganization of business programs and employee separation costs, (m) future exit costs related to our exit of the Emergency Services Network contract with the Home Office of the United Kingdom, (n) our ability and cost to repatriate funds, (o) the liquidity of our investments, (p) our ability and cost to access the capital markets, (q) our ability to borrow and the amount available under our credit facilities, (r) adequacy of internal resources to fund expected working capital, capital expenditure and cash requirements, (s) expected payments pursuant to commitments under agreements and other obligations in the short-term and long-term, (t) the ability to meet minimum purchase obligations, (u) the impact of contractual damage claims exceeding the underlying contract value, (v) our ability to sell accounts receivable and the terms and amounts of such sales, (w) the outcome and effect of ongoing and future legal proceedings, (x) requests for vendor financing, and (y) the impact of the adoption of accounting pronouncements on our financial results; and (7) “Quantitative and Qualitative Disclosures about Market Risk,” about: (a) the impact of foreign currency risk, and (b) future hedging activity and expectations of the Company.

PART I

Item 1: Business

Overview | Solving for safer

Motorola Solutions' business is safety and security. Every day we work to deliver on our commitment of helping to create safer communities, safer schools, safer hospitals and safer businesses. Our work as a global leader in public safety and enterprise security is grounded in nearly 100 years of close customer and community collaboration. We design and advance technology for more than 100,000 public safety and enterprise customers in over 100 countries, driven by our commitment to help make everywhere safer for all.

We are building and connecting an ecosystem of safety and security technologies to help protect people, property and places, which includes Land Mobile Radio Communications ("LMR" or "LMR Communications"), Video Security and Access Control ("Video") and Command Center. Across all three technologies, we offer on-premises, cloud-based and hybrid software solutions, and services such as cybersecurity subscription services and managed and support services.

We support police, fire and other emergency responders to help protect communities, while our base of enterprise customers, including schools, hospitals, businesses and stadiums, continues to grow as the criticality of safety and security becomes increasingly important. As a provider to both public safety and enterprises, our technologies can connect those in need with those who can help, enabling the collaboration that is critical for a more proactive approach to safety and security.

We are incorporated under the laws of the State of Delaware as the successor to an Illinois corporation, Motorola, Inc., organized in 1928. We changed our name from Motorola, Inc. to Motorola Solutions, Inc. on January 4, 2011. Our principal executive offices are located at 500 W. Monroe St., Chicago, Illinois 60661.

Business Organization

We manage our business organizationally through two segments: "Products and Systems Integration" and "Software and Services." Within these segments, we have three principal product lines in which we report net sales:

- LMR Communications: Infrastructure, devices (two-way radio and broadband, including both for public safety and professional and commercial radio ("PCR")) and software that enable communications, inclusive of installation and integration, backed by services, to assure availability, security and resiliency;
- Video: Cameras (fixed, body-worn, in-vehicle), access control, sensors, infrastructure, video management, software and artificial intelligence ("AI")-powered analytics that help enable visibility and bring attention to what's important; and
- Command Center: Command center solutions and software applications that unify voice, video, data and analytics from public safety agencies, enterprises and the community to create a broad informational view to help simplify workflows and improve the accuracy and speed of decisions.

The Company has invested across these three technologies organically and through acquisitions to evolve its LMR focus and expand its safety and security products and services.

Our strategy is to generate value through our technologies that help meet the changing needs of our customers around the world in protecting people, property and places. While each technology individually strives to make users safer and more productive, we believe we can enable better outcomes for our customers when we unite these technologies to work together. Our goal is to help remove silos and barriers between people and technologies, so that data unifies, information flows, operations run and collaboration improves to help strengthen safety and security everywhere. One example of this collaboration is highlighted by a school setting. When a teacher presses a panic button on a phone, this can automatically notify local law enforcement of an emergency, trigger a lockdown to secure all entries, share live video feeds with first responders and send mass notifications to key stakeholders inside and outside the school, helping schools to detect, respond and resolve safety and security threats.

The principal products within each segment, by technology, are described below:

Products and Systems Integration Segment

In 2024, the segment's net sales were \$6.9 billion, representing 64% of our consolidated net sales.

LMR Communications

Our LMR Communications technology includes infrastructure and devices for LMR, as well as devices for public safety Long Term Evolution ("LTE") and public carrier LTE. Our technology enables voice and multimedia collaborations across two-way radio, WiFi and public and private broadband networks. We are a global leader in the two-way radio category, including Project 25 (P25), Terrestrial Trunked Radio ("TETRA") and Digital Mobile Radio (DMR), as well as other PCR solutions. We also deliver LTE solutions for public safety, government and commercial users, including devices operating in both low-band and mid-band frequencies, including Citizens' Broadband Radio Service (CBRS) frequencies. We also offer High Frequency (HF) and Very High Frequency (VHF) communications technology to military, government and relief agency customers who require dynamic and mobile point-to-point voice communications in remote environments without the need for fixed infrastructure.

We believe that public safety agencies and enterprises continue to trust LMR communications systems and devices because they are purpose-built and designed for reliability, availability, security and resiliency to help keep people connected even during the most challenging conditions.

By extending our two-way radios with broadband data capabilities, we strive to provide our customers with greater functionality and multimedia access to the information and data they need in their workflows. Examples include application services such as GPS location to better protect lone workers, job dispatch to assign tasks and work orders and over-the-air programming to optimize device uptime. Our view is that complementary data applications such as these enable government, public safety and enterprise customers to work more efficiently and safely, while maintaining their mission-critical voice communications to remain connected and working in collaboration with others.

Primary sources of revenue for this technology come from selling devices and building communications systems, including the installation and integration of our infrastructure equipment within our customers' technology environments. The LMR technology within the Products and Systems Integration segment represented 83% of the net sales of the total segment in 2024.

Video

Our Video technology includes video management infrastructure, AI-powered security cameras including fixed and certain mobile video equipment, as well as on-premises and cloud-based access control solutions. We deploy video security and access control solutions to thousands of government and enterprise customers around the world, including schools, transportation systems, healthcare centers, public venues, commercial real estate, utilities, prisons, factories, casinos, airports, financial institutions, government facilities, state and local law enforcement agencies and retailers. Organizations such as these utilize video security and access control to verify critical events or incidents in real-time and to provide data to investigate an event or incident after it happens.

Our view is that government and public safety customers are increasingly turning to video security technologies, including fixed and mobile cameras, to increase visibility, accountability and safety for communities and first responders alike.

The Video technology within the Products and Systems Integration segment represented 17% of the net sales of the total segment in 2024.

Software and Services Segment

In 2024, the segment's net sales were \$3.9 billion, representing 36% of our consolidated net sales.

LMR Communications

LMR Communications services include support and managed services, which offer a broad continuum of support for our customers. Support services include repair and replacement, technical support and preventative maintenance, and more advanced offerings such as system monitoring, software updates and cybersecurity services. Managed services range from partial to full operational support of customer-owned or Motorola Solutions-owned communications systems. Our customers' systems often have multi-year or multi-decade lifespans that help drive demand for software upgrades, device and infrastructure refresh opportunities, as well as additional services to monitor, manage, maintain and secure these complex networks and solutions. We strive to deliver services to our customers that help improve performance across their systems, devices and applications for greater safety and productivity.

Given the mission-critical nature of our customers' operational environments, we aim to design the LMR networks they rely on for availability, security and resiliency. We have a comprehensive approach to system upgrades that addresses hardware, software and implementation services. As new system releases become available, we work with our customers to upgrade software, hardware, or both, with respect to site controllers, comparators, routers, LAN switches, servers, dispatch consoles, logging equipment, network management terminals, network security devices such as firewalls and intrusion detection sensors, on-site or remotely.

The LMR technology within the Software and Services segment represented 60% of the net sales of the total segment in 2024.

Video

Video software includes video network management software, decision management and digital evidence management software, certain mobile video equipment and advanced vehicle location data analysis software, including license plate recognition. Our software is designed to complement video hardware systems, providing end-to-end video security to help keep people, property and places safe.

Our video network management software is embedded with AI-powered analytics to deliver operational insights to our customers by bringing attention to important events within their video footage. Given the growing volume of video content, we believe that analytics are critical to delivering meaningful, action-oriented insights. Our view is that these insights can help to proactively detect an important event in real time as well as reactively search video content to detect an important event that occurred in the past. For example, AI-powered analytics can highlight a person at a facility out of hours (unusual activity), locate a missing child at a theme park (appearance search), flag a vehicle of interest at a school (license plate recognition), send an alert if doors to a restricted area are propped open at a hospital (access control), or trigger a school's customized lockdown plan while simultaneously alerting first responders and sharing video footage from inside the school.

Our cloud technologies can offer organizations the ability to access, search and manage their video security, intrusion and access control system from a centralized dashboard, accessible on remote devices such as smartphones and laptops. Additionally, our on-premises fixed video systems can be connected to the cloud, providing our customers with the ability to securely access and manage video across their sites from a remote or central monitoring location. We believe that governments, public safety agencies and enterprises are increasingly turning to scalable, cloud-based multi-factor authentication access control to make their facilities more secure.

Our Video services include our "video-as-a-service" subscription-based offerings for law enforcement, simplifying procurement by bundling hardware and software into a single subscription. For example, body cameras and in-car video systems can be paired with either on-premises or cloud-based digital evidence management software and complementary command center products. Our cloud solutions are also sold as-a-service, available as single-year to multi-year hosted services, supporting our customers with upgrades and software enhancements to help ensure system performance and technological advancement.

The Video technology within the Software and Services segment represented 20% of the net sales of the total segment in 2024.

Command Center

Our Command Center portfolio consists of cloud-native, on-premises and hybrid software solutions that support the complex process of the public safety workflow from "911 call to case closure." From the moment a person contacts 911, an array of individuals engage to gather information, coordinate a response and manage the incident to resolution. These individuals include call takers who answer and triage 911 calls; dispatchers who route calls to police, fire and emergency medical services to manage the response; first responders who support on scene; intelligence analysts who support the incident; records and evidence specialists who preserve information and evidence; detectives who manage cases; crime analysts who identify patterns and accelerate investigations; and corrections officers who oversee jail and inmate management.

To help ensure that individuals within the public safety workflow can work as efficiently, effectively and safely as possible, we believe it's important that individuals within enterprises and communities can communicate and collaborate directly with public safety agencies, particularly during emergencies. Our Command Center portfolio offers solutions that are designed to help community members, enterprises and public safety agencies work together and share information in an effort to help prevent critical events from escalating and better inform an emergency response when an incident unfolds.

Our Command Center software is designed to support an emergency response. In the 911 communications center, we offer call-taking and management software (including multimedia communication capabilities and AI-powered call transcription and language translation), and voice and computer-aided dispatch software to assign first responders to incidents. For emergency management teams, we offer mass notification and alerting (including panic button mobile applications), and incident collaboration software that aids in coordinating a multi-disciplinary response. In the field, we offer mobile applications that help first responders to collaborate with each other, remain connected to the information they need, manage an incident, capture critical information to support investigations, and remotely file reports. For information and support services teams, we offer integrated records and evidence management software, as well as solutions for managing tips and publishing crime maps to aid community engagement. For intelligence and investigations teams, we offer software that can unify voice, video and data in order to increase situational awareness from a single map-based view during a real-time incident response, and investigative tools to help uncover connections across records to generate leads and help close cases. For enterprises, we provide incident management and business resilience solutions that help secure people and facilities, as well as share information with public safety when an incident necessitates it.

Another area of public safety evolution is the increasing adoption of Next Generation 911 Core Services ("NGCS"), a group of products and services needed to create infrastructure connectivity in order to process a 911 call using Next Generation ("NG") technology. The NG infrastructure is an Emergency Service IP Network ("ESInet"), which can carry voice, data and multimedia. ESInet enables 911 call takers at public safety answering points to respond to text, video and data. Our NGCS can be offered as a managed service and includes call routing, ESInet, location services, geographic information services, cybersecurity and our continuous communications network and security operations center dedicated to public safety.

Command Center also includes interoperability solutions that provide connectivity across LMR and broadband networks to help ensure that communication is not limited by coverage area, network technology or device type. Additionally, Command Center includes push-to-talk ("PTT") devices that deliver voice communications over LTE and Wi-Fi, and advanced back-end systems that enable and manage interoperable communications, capable of scaling from small enterprises to nationwide cellular networks. For example, a two-way radio network can connect with an LTE network, assisting individuals in communicating securely and more easily across technologies. These solutions can provide our public safety customers with the critical interoperability between multiple agencies' networks, facilitating a coordinated response.

Finally, as the Command Center market continues to evolve from on-premises to hybrid and cloud technologies to improve their operations, we offer both cloud-native applications and cloud features that enhance on-premises applications. We believe this flexibility helps our customers to optimize their investments and enhance their systems with the technologies of their choice.

The Command Center technology within the Software and Services segment represented 20% of the net sales of the total segment in 2024.

Our Customers and Contracts

We serve government agencies, state and local public safety agencies, as well as commercial and industrial customers. Our customer base is fragmented and widespread when considering the many levels of government, public safety agency and private sector decision-makers that procure and use our products and services. Serving this global customer base spanning federal, state, county, province, territory, municipal, and departmental independent bodies, along with our enterprise and industrial customers, requires a significant go-to-market investment.

Our sales model includes both direct sales by our in-house sales force, which tends to focus on our largest accounts, and sales through our channel partner program. Our trained channel partners include independent dealers, distributors and software vendors around the world. The dealers and distributors each have their own sales organizations that complement and extend the reach of our sales force. The independent software vendors offer customized applications that meet the specific needs of the customers we serve.

Our largest customer is the U.S. government (through multiple contracts with its various branches and agencies, including the armed services) representing approximately 9% of our consolidated net sales in 2024. The loss of this customer could have a material adverse effect on our revenue and earnings over several quarters as many of our contracts with the U.S. government are long-term in nature. All contracts with the U.S. government, and certain other government agencies within the U.S., are subject to cancellation at the customer's convenience. For a discussion of risks related to these contracts and customer relationships, please refer to "Part I. Item 1A. Risk Factors" in this Form 10-K.

Payment terms with our customers vary worldwide. Generally, contractual payment terms range from 30 to 45 days from the invoice date within North America and typically do not exceed 90 days from the invoice date in regions outside of North America. A portion of our contracts include implementation milestones, such as delivery, installation, and system acceptance, which generally take six months to two years to complete. Invoicing the customer is typically dependent on completion of the milestones. We generally do not grant extended payment terms. As required for competitive reasons, we may provide long-term financing in connection with equipment purchases. Financing may cover all or a portion of the purchase price. Refer to "Part I. Item 1A. Risk Factors" in this Form 10-K for a discussion of risks related to requests by customers to provide vendor financing.

Generally, our contracts do not include a right of return, other than for standard warranty provisions. Due to customer purchasing patterns and the cyclical nature of the markets we serve, our sales historically have tended to be somewhat higher in the second half of the year, with the fourth quarter being the highest.

Competition

We operate in highly competitive markets that are sensitive to technological advances. Competitive factors in these markets include product quality and reliability, technological capabilities, cost-effectiveness and industry experience. In operating in these competitive markets, we have broadened how we work with our customers, expanding from our global LMR technology platform to include an integrated suite of physical security solutions via our Video and Command Center capabilities. The interplay of technologies, guided by our deep knowledge of public safety and enterprise workflows, delivers customers one connected system to unify their critical communications, video security, access control, data, and analytics streams.

We experience widespread competition from a growing number of existing and new competitors.

Our major competitors within our LMR, Video and Command Center technologies include the following companies:

Technology	Competitor
LMR	Airbus, BK Technologies, Hytera, iCOM, JVCKenwood Corporation, L3Harris Technologies, RCA, Samsung, Sepura, Tait, Zebra
Video	Allegion, Assa Abloy, Axis Communications, Axon Enterprise, Bosch, Brivo, Dahua Technology Company, dormakaba, Eagle Eye Networks, Flock, Genetec, Hanwha Group, Hikvision, Honeywell, Johnson Controls, Milestone Systems, Rhombus, Spectrum Brands, Verkada
Command Center	AlertMedia, Axon Enterprise, Carbyne, CentralSquare Technologies, Comtech Telecommunications, Everbridge, Hexagon, Intrado, Mark43, NICE Public Safety, Onsolve, Oracle Public Safety, Tyler Technologies, Versaterm

Other Information

Backlog

Our backlog includes orders that have been received and are believed to be firm. As of December 31, 2024 and December 31, 2023, our backlog was as follows:

(In millions)	December 31	
	2024	2023
Products and Systems Integration	\$ 4,135	\$ 4,993
Software and Services	10,562	9,266
	\$ 14,697	\$ 14,259

Approximately 57% of the Products and Systems Integration segment backlog and 24% of the Software and Services segment backlog is expected to be recognized as revenue during 2025. The firmness of such orders is subject to future events that may cause the amount recognized to change. In 2023, our backlog in the Software and Services segment for Airwave services contracted with the Home Office through December 31, 2026 was reduced by \$777 million to align with the legal order imposed by the Competition and Markets Authority ("CMA") which implemented a prospective price control on Airwave (the "Charge Control"). In 2024, as a result of the Home Office's notice of a contract extension (the "Deferred National Shutdown Notice"), we recorded additional backlog of \$748 million to reflect an incremental three years of services extending through December 31, 2029. Subsequently, we filed an action with the U.K. High Court challenging the Deferred National Shutdown Notice as being in breach of U.K. procurement and public law. The trial in this matter is currently set to commence on April 22, 2025. The backlog related to the incremental years of service contemplated in the Deferred National Shutdown Notice could change depending on the outcome of proceedings. Refer to "Part 1. Item 1A. Risk Factors" of this Form 10-K for a discussion of the risks and uncertainties associated with our Airwave contract with the U.K.

Recent Acquisitions

Segment	Technology	Acquisition	Description	Purchase Price	Date of Acquisition
Software and Services	Command Center	3tc Software	Provider of control room software solutions.	\$22 million and share-based compensation of \$4 million	October 29, 2024
Software and Services	Command Center	Noggin	Provider of cloud-based business continuity planning, operational resilience and critical event management software.	\$91 million and share-based compensation of \$19 million	July 1, 2024
Software and Services	Video Security and Access Control	Unnamed vehicle location and management solutions business	Provider of vehicle location and management solutions.	\$132 million and share-based compensation of \$3 million	July 1, 2024
Products and Systems Integration	Video Security and Access Control	Silent Sentinel	Provider of specialized, long-range cameras.	\$37 million	February 13, 2024
Products and Systems Integration	Video Security and Access Control	IPVideo	Creator of a multifunctional safety and security device.	\$170 million and share-based compensation of \$5 million	December 15, 2023
Software and Services	Command Center	Rave Mobile	Provider of mass notification and incident management services.	\$553 million and share-based compensation of \$2 million	December 14, 2022
Products and Systems Integration	LMR Communications	Futurecom	Provider of radio coverage extension solutions.	\$30 million	October 25, 2022
Products and Systems Integration	LMR Communications	Barrett Communications	Provider of specialized radio communications.	\$18 million	August 8, 2022
Products and Systems Integration	Video Security and Access Control	Videotec	Provider of ruggedized video security solutions.	\$23 million and share-based compensation of \$4 million	May 12, 2022
Software and Services	Video Security and Access Control	Calipsa	Provider of cloud-native advanced video analytics.	\$39 million and share-based compensation of \$4 million	April 19, 2022
Software and Services	LMR Communications	TETRA Ireland	Provider of Ireland's National Digital Radio Service.	\$120 million	March 23, 2022
Products and Systems Integration Software and Services	Video Security and Access Control	Ava	Provider of cloud-native video security and analytics.	\$388 million and share-based awards and compensation of \$7 million	March 3, 2022

Research and Development

We prioritize investments in research and development ("R&D") to expand and improve our products through both new product introductions and continuous enhancements to our core products. Our R&D programs are focused on the development of LMR Communications, Video and Command Center.

R&D expenditures were \$917 million in 2024, \$858 million in 2023 and \$779 million in 2022. As of December 31, 2024, we had approximately 9,000 employees engaged in R&D activities. In addition, we engage in R&D activities with joint development and manufacturing partners and outsource certain activities to engineering firms to further supplement our internal spend.

Intellectual Property Matters

Patent protection is an important aspect of our operations. We have a portfolio of U.S. and foreign utility and design patents relating to our products, systems and technologies, including developments in radio frequency technology and circuits, wireless network technologies, over-the-air protocols, mission-critical communications, software and services, video security and access control, and next-generation enterprise and public safety. Each year, we also file new patent applications with the U.S. Patent and Trademark Office and foreign patent offices.

We license some of our patents to third-parties, but licensing is not a significant source of revenue for our business. We are also licensed to use certain patents owned by others. Royalty and licensing fees vary from year to year and are subject to the terms of the agreements and sales volumes of the products subject to the license. Motorola Solutions has a royalty-free license under all of the patents and patent applications assigned to Motorola Mobility at the time of the separation of the two businesses in 2011.

We actively participate in the development of standards for interoperable systems. Our patents are used in standards in which our products and services are based. We offer standards-based licenses to those patents on fair, reasonable and non-discriminatory terms.

We believe that our patent portfolio will continue to provide us with a competitive advantage in our core product areas as well as provide leverage in the development of future technologies. While we are not dependent upon a single patent or even a few patents, we do have patents that protect features and functionality of our products and services. While these patents are important, our success also depends upon our extensive know-how, innovative culture, technological leadership and distribution channels. We do not rely solely on patents or other intellectual property rights to protect or establish our market position; however, we will enforce our intellectual property rights when it is necessary to protect our innovation, or in some cases where attempts to negotiate mutually-agreeable licenses are not successful.

We seek to obtain patents, copyright registrations, and trademark registrations to protect our proprietary positions whenever possible and wherever practical. As of December 31, 2024, we owned approximately 6,485 granted patents in the U.S. and foreign countries and had approximately 725 U.S. and foreign patent applications pending. Foreign patents and patent applications are mostly counterparts of our U.S. patents. During 2024, we were granted approximately 265 patents in the U.S. and in foreign countries.

We no longer own certain logos and other trademarks, trade names and service marks, including MOTOROLA, MOTO, MOTOROLA SOLUTIONS and the Stylized M logo and all derivatives thereof ("Motorola Marks") and, since 2010, we have licensed the Motorola Marks from Motorola Trademark Holdings, LLC, which is currently owned by Motorola Mobility. For a description of the risks we face related to intellectual property, refer to "Part I. Item 1A. Risk Factors" of this Form 10-K.

Inventory and Raw Materials

Our practice is to carry inventory levels to meet customers' delivery requirements. We provide custom products that require the stocking of inventories and a large variety of piece parts and replacement parts in order to meet delivery and warranty requirements. To the extent supplier product life cycles are shorter than ours, stocking of lifetime buy inventories may be required to meet long-term warranty and contractual requirements. In addition, replacement parts are stocked for delivery on customer demand within a short delivery cycle.

We currently procure certain materials and components from single-source vendors. A material disruption from a single-source vendor may have a material adverse impact on our results of operations. If certain single-source suppliers were to become capacity-constrained or insolvent, it could result in a reduction or interruption in supplies or an increase in the price of supplies and adversely impact our financial results. In addition, we import materials and components that are subject to import duties. As of December 31, 2024, the duties and tariffs we are subject to did not have a significant impact on our financial results.

We engage with global contract manufacturers who manufacture the majority of our products, across a diverse network of manufacturing locations worldwide, including facilities for our products in Mexico, Malaysia and Canada. We also manufacture, assemble, customize, stage and integrate products in the U.S.

Labor is generally available in reasonable proximity to our manufacturing facilities and the manufacturing facilities of our largest outsourced manufacturing suppliers. As needed, we may subcontract work to other companies to fulfill customer needs in geographical areas that we do not have coverage for or for additional services that we do not provide.

Natural gas, electricity and, to a lesser extent, oil are the primary sources of energy for our manufacturing operations. In addition, other rare earth materials are components used within our semiconductor manufacturing operations. Each of these resources is currently in adequate supply for our operations. The cost to operate our facilities and freight costs are dependent on world oil prices and external third-party logistics rates for inbound and outbound air lanes. Difficulties in obtaining any of the aforementioned resources, or significant cost increases, could affect our financial results.

For a description of risks related to our supply chain, our utilization of third-parties to manufacture our products, and our use of the services of subcontractors, refer to "Part 1. Item 1A. Risk Factors: of this Form 10-K.

Government Regulations

Environment, Worker Health and Safety & Climate Regulations

Some of our operations, both ongoing and discontinued, are regulated under various federal, state, local and international laws governing the environment and worker health and safety, including those governing the discharge of pollutants into the ground, air and water, the management and disposal of hazardous substances and wastes, and the cleanup of contaminated sites, as well as relating to the protection of the environment. Certain products of ours are subject to various federal, state, local and international laws governing chemical substances in products.

Certain aspects of our operations and supply chain have become, and are expected to become, increasingly subject to federal, state, local and international laws, regulations and international treaties and industry standards relating to climate change and other environmental and social impacts, risks and opportunities. For example, in the European Union (the "EU"), the EU Corporate Sustainability Reporting Directive, EU Corporate Sustainability Due Diligence Directive and EU taxonomy initiatives will introduce, in staggered timelines, additional due diligence and disclosure requirements addressing sustainability that will apply to us in the coming years.

Radio Spectrum Regulations

Radio spectrum is required to provide wireless voice, data and video communications services. The allocation of frequencies is regulated in the U.S. and other countries and limited spectrum is allocated to wireless services, including commercial and public safety users. We manufacture and market products and provide services in spectrum bands already allocated by regulatory bodies. These include voice and data infrastructure, mobile radios and portable or hand-held devices. Consequently, our results could be negatively affected by the rules and regulations adopted by regulatory agencies. Our products operate both on licensed and unlicensed spectrum. The availability of additional radio spectrum may provide new business opportunities. Conversely, the loss of available radio spectrum may result in the loss of business opportunities. Regulatory changes in current spectrum bands (e.g., the sharing of previously dedicated or other spectrum) may require modifications to some of our products so they can continue to be manufactured and marketed. Based on growing demands for broadband, regulators continue to consider repurposing narrowband spectrum to broadband.

Telecommunications Regulations

Certain of our offerings include telecommunications or other communications services that are or may be subject to regulation in various federal, state, and international jurisdictions. For example, we are a provider of selective routing services for 911 calls in the US, which subjects us to various regulations, including those for 911 service reliability. As another example, we provide WAVE PTX push-to-talk offerings with and without telecommunications connectivity in various countries internationally. Additional types of regulations applicable to our offerings that include telecommunications or other communications services may include certification or licensing requirements, cybersecurity and incident reporting obligations, and regulatory fee requirements. If we do not comply with applicable rules and regulations, we could be subject to enforcement actions, fines, and restrictions on our ability to operate or offer certain of our services.

Artificial Intelligence and Biometrics Regulations

The U.S. federal government and many state and local governments have adopted or are considering laws or regulations governing the use of AI and biometrics, including facial recognition and license plate recognition technology, which in some instances cover certain products and services we offer. Similar laws and regulations are being enacted or considered in some jurisdictions outside the U.S., including the EU. Such regulation could impact a number of our products, including video security products that include AI technology.

Compliance with the laws currently in effect described above did not have a material effect upon our capital expenditures, earnings or competitive position in 2022, 2023 and 2024. For a description of the risks we face related to these and other regulatory matters, refer to "Part 1. Item 1A. Risk Factors" of this Form 10-K.

Human Capital Management

We have a "people first" philosophy. Our employees are our driving force, drawn from all segments of our global society to make a difference for our customers.

As of December 31, 2024, we employed approximately 21,000 people globally with 51% in the North America region and 49% in the International region. Of our total global employees, 40% were employed in engineering.

Our goal is to foster a workplace where our employees feel that their unique perspectives, cultures and abilities contribute to their personal success, as well as our Company's success. We believe the next big idea can come from anyone, anywhere, at any time. We offer structured mentorship and rotational programs and invest in employees' development and training, enabling them to network, develop and grow their skills to influence the future of public safety and enterprise security. Employees also have access to a wide variety of technical, functional and professional skills learning resources, including virtual, self-directed courses and on-the-job learning opportunities.

We strive for business growth by creating a supportive, equitable and inclusive environment where employees feel engaged, connected to our business and invested in the collective success of our customers and communities. Our human resources team works with leaders within each business function to perform annual talent reviews to assess the performance of every team member and identify development opportunities, which complement our additional specialized training for such leaders to use our corporate values to guide behaviors and lead teams. This comprehensive process fosters growth across our Company by focusing on our high-potential talent and the rigor of succession plan development for our most critical roles.

As part of our compensation philosophy, we strive to offer and maintain market-competitive wages, incentives and benefits for our employees to attract and retain talent, and we review our rewards programs each year in an effort to ensure they are competitive with local market practices in the industries and countries where we operate. More specifically, our total rewards package for our global employees includes broad-based stock grants and bonuses, an employee stock purchase plan, healthcare, wellness and retirement benefits, paid parental and family leave, commuter benefits, paid time off (including flexible time off for U.S. exempt employees), flexible work options and other assistance and support for employees going through life-changing events.

We are committed to fostering a culture where all of our employees can thrive, our customers and communities are supported, and our partners recognize and share in our values. We invest in a broad spectrum of programs each year to support all employees globally, including our business councils that are open to all employees to enable networking and engagement across the company. We continued to see high levels of employee participation in 2024.

The safety of our employees remains a priority, and we continuously strive to provide a safe and injury-free workplace, using our global environmental, health and safety management system to ensure program and reporting consistency at all of our sites. Our general approach includes assessing risks and identifying controls through the use of our comprehensive job hazard and risk assessment tool.

Additional information regarding how our purpose and ethics inform our approach to corporate responsibility can be found in our Corporate Responsibility Report, which is available on our website. The information contained on or accessible through our corporate website, including but not limited to our Corporate Responsibility Report, is not incorporated by reference into and is not a part of this Form 10-K.

Material Dispositions

None.

Available Information

We make available free of charge through the Investor Relations section of our website, www.motorolasolutions.com/investors, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, other reports filed under the Securities Exchange Act of 1934, as amended ("Exchange Act"), and all other reports and amendments filed with, or furnished to, the SEC simultaneously or as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. Our reports are also available free of charge on the SEC's website, www.sec.gov. Also available free of charge on our website as provided above are the following corporate governance documents:

- Motorola Solutions, Inc. Restated Certificate of Incorporation
- Motorola Solutions, Inc. Amended and Restated Bylaws
- Board Governance Guidelines
- Director Independence Guidelines
- Principles of Conduct for Members of the Motorola Solutions, Inc. Board of Directors
- Motorola Solutions Code of Business Conduct, which is applicable to all Motorola Solutions employees, including the principal executive officers, the principal financial officer and the controller (principal accounting officer)
- Audit Committee Charter
- Compensation and Leadership Committee Charter
- Governance and Nominating Committee Charter

All of our reports and corporate governance documents may also be obtained electronically and without charge by contacting Investor Relations at investors@motorolasolutions.com. Our website and the information contained therein or incorporated therein are not incorporated by reference into and are not a part of this Form 10-K.

Item 1A: Risk Factors

You should carefully consider the risks described below in addition to our other filings with the SEC and the other information set forth in this Form 10-K, including the “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” section in Part II. Item 7 and our consolidated financial statements in Part II. Item 8. If any of the risks and uncertainties described in the cautionary factors described below actually occur or continue to occur, our business, financial condition, results of operations, reputation and the trading price of our common stock could be materially and adversely affected. These risks may be amplified by the effects of macroeconomic events or developments. Moreover, the risks below are not the only risks we face and additional risks not currently known to us or that we presently deem immaterial may emerge or become material at any time and may negatively impact our business, financial condition, results of operations, reputation or the trading price of our common stock.

Risks Related to Our Ability to Grow Our Business

As we introduce new products and services and enhance existing products and services in our segments, we may face increased areas of risk related to the success of such products and services that we may not be able to properly assess or mitigate, as well as increased competition and additional compliance obligations, each of which could harm our reputation, market share, results of operations and financial condition or result in additional obligations or liabilities for our business.

The markets for certain products and services of ours are characterized by evolving technologies, industry standards and customer preferences. For example, the software and video security industries are characterized by rapidly changing customer preferences in favor of cloud solutions and the adoption of AI capabilities. In some cases, it is unclear what specific technology will be adopted in the market or what delivery model will prevail. As another example, there are long standing initiatives by governments in several countries to transition public safety communications away from LMR networks onto public mobile broadband networks. While such initiatives have gained little traction to date, if customers conclude that public mobile broadband networks, potentially augmented with emerging technologies, provide adequate resiliency, coverage, control, and cost for their critical communication needs, it could adversely affect our LMR Communications sales. The process of developing new products and services and enhancing existing products and services to meet such evolving technologies, industry standards and customer preferences is complex, costly and uncertain. Any failure by us to effectively, timely, and frequently introduce new products and services or enhance current products and services, including by accurately predicting technological and business trends, controlling research and development costs or executing our strategy, could significantly harm our reputation, market share, results of operations and financial condition. Many of our products and services are complex and we may experience delays in completing development or introducing new products or services in the future.

In addition, new technologies and new competitors continue to enter our markets at a faster pace than we have experienced in the past, resulting in increased competition. We may face increasing competition from both incumbents and emerging competitors as customer contracts become larger, more complicated, and include an expanded range of services or complex product requirements. Expansion of our products and services may result in the applicability of new legal and regulatory requirements and restrictions and compliance obligations. Failure to comply with such restrictions or obligations could result in liabilities, including potential enforcement actions, fines, penalties or reputational harm, or increase the costs of doing business or delay or limit the range of new products and services we may be able to offer.

Catastrophic events may interrupt our business, or our customers’ or suppliers’ business, which may adversely affect our business, results of operations, financial position, cash flows and stock price.

Our business operations, and the operations of our customers and suppliers, are subject to interruption by natural disasters (including climate change-related events), flooding, fire, power shortages, the widespread outbreak of infectious diseases and pandemics, terrorist acts or the outbreak or escalation of armed hostilities, and other events beyond our control. Catastrophic events could have varied impacts such as those experienced during the COVID-19 pandemic, including impacts to our workforce and supply chain, inflationary pressures and increased costs, schedule or production delays, market volatility and other financial impacts. These events have had, and in the future could continue to have, a negative impact on our ability to manage our business and/or cause disruption of economic activity, which could have an adverse effect on our business, results of operations, financial position, cash flows and stock price.

Social, ethical, environmental, and competitive risks relating to the use of AI in our products and services could adversely affect our results of operations and business reputation.

We envision a future in which AI operating in our products and services will help our public safety and enterprise customers build safer communities. As we increasingly leverage AI, including generative AI, in our offerings, we may enable or offer products and services that draw controversy due to their actual or perceived impact on social and ethical issues resulting from the use of new and evolving AI. AI, including generative AI, may not always operate as intended and datasets may be insufficient or contain biased, harmful or offensive information, which could negatively impact our results of operations, environmental, social and governance (ESG) reputation, business reputation or customers’ acceptance of our AI offerings. Additionally, the energy consumption in data centers necessary to power AI systems may lead to actual or perceived environmental issues. Although we work to responsibly meet our customers’ needs for products and services that use AI, including through AI governance programs and internal technology oversight committees, we may still suffer reputational or competitive damage as a result of any inconsistencies in the application of the technology or ethical concerns, both of which may generate negative publicity.

Further, we face significant competition from other companies that are developing their own AI systems. Other companies may develop AI systems that are similar or superior to our technologies or more cost-effective to develop and deploy. Additionally, customer demand for AI-based analytics may continue to increase at a fast rate. Therefore, the research and development cost we may incur to compete with such AI systems and meet increased customer demand for AI-based analytics may increase the cost of our offerings. If we are unable to mitigate these risks, our results of operations may be adversely affected.

We expect to continue to make strategic acquisitions of other companies or businesses and these acquisitions introduce significant risks and uncertainties, including risks related to integrating the acquired businesses and achieving benefits from the acquisitions.

In order to position ourselves to take advantage of growth opportunities or to meet other strategic needs such as product or technology gaps, we have made, and expect to continue to make, strategic acquisitions that involve significant risks and uncertainties. These risks and uncertainties include: (i) the inability to realize our business plan with respect to the acquired businesses, (ii) the difficulty or inability in integrating newly-acquired businesses and operations in an efficient and effective manner, including ensuring proper integration of acquired businesses' legal and regulatory compliance programs, information technology systems and financial reporting and internal control systems, (iii) the challenges in integrating acquired businesses to create the operating platform for physical security, (iv) the challenges in achieving strategic objectives, cost savings and other benefits from acquisitions, (v) the risk that our contractual relationships or the markets served do not evolve as anticipated and that the technologies acquired do not prove to be those needed to be successful in those markets, (vi) the potential loss of key employees of the acquired businesses, (vii) the risk of diverting the attention of senior management from our operations, (viii) the risks of entering new markets in which we have limited experience, (ix) future impairments of goodwill, (x) the potential loss of intellectual property due to actions of employees in connection with such acquisitions, (xi) the risks of exposure to new patent assertions by third-parties directed at the technologies of the newly acquired businesses, and (xii) the potential identified or unknown security vulnerabilities in acquired products that expose us to additional security risk.

Certain acquisition candidates in the industries in which we participate may carry higher relative valuations (based on revenues, earnings, cash flow, or other relevant multiples) than we do. Acquiring a business that has a higher relative valuation than Motorola Solutions may be dilutive to our earnings. In addition, we may not pursue opportunities that are highly dilutive to near-term earnings.

Key employees of acquired businesses may receive substantial value in connection with a transaction in the form of cash payments for their ownership interest, particularly in the case of founders and other shareholder employees, or as a result of change-in-control agreements, acceleration of stock options and the lifting of restrictions on other equity-based compensation rights. To retain such employees and integrate the acquired business, we may offer additional retention incentives, but it may still be difficult to retain certain key employees.

Risks Related to the Operation of Our Business

If the quality of our products does not meet our customers' expectations or regulatory or industry standards, then our sales and operating earnings, and ultimately our reputation, could be negatively impacted.

Some of the products we sell may have quality issues resulting from the design or manufacture of the product, or from the software used in the product. Sometimes, these issues may be caused by components we purchase from suppliers, or from finished products we purchase from other manufacturers, which we then resell to customers. Often these issues are identified prior to the shipment of the products and may cause delays in shipping products to customers, or even the cancellation of orders by customers. Sometimes, we discover quality issues in the products after they have been shipped to our customers, requiring us to resolve such issues in a timely manner that is the least disruptive to our customers, particularly in light of the mission-critical nature of our products. Such pre-shipment and post-shipment quality issues can have legal, financial and reputational ramifications, including: (i) delays in the recognition of revenue, loss of revenue or future orders, or revenue reversals, (ii) customer-imposed penalties for failure to meet contractual requirements, (iii) increased costs associated with repairing or replacing products, and (iv) a negative impact on our goodwill and brand name reputation. In some cases, if the quality issue affects the product's performance, safety or regulatory compliance, then such a "defective" product may need to be "stop-built", "stop-shipped" or recalled. Depending on the nature of the quality issue and the number of products in the field, it could cause us to incur substantial recall or corrective field action costs, in addition to the costs associated with the potential loss of future orders and the damage to our goodwill or brand reputation. In addition, we may be required, under certain customer contracts, to pay damages for failed performance that might exceed the revenue that we receive from the contracts. Recalls and field actions involving regulatory non-compliance could also result in fines and additional costs. Recalls and field actions could result in third-party litigation by persons or companies alleging harm or economic damage as a result of the use of the products.

In addition, privacy advocacy groups and other technology and industry groups have established or may establish various new or different self-regulatory standards that may place additional obligations on us. Our customers may expect us to meet voluntary certifications or adhere to other standards established by third-parties. Alternatively, our customers may expect us to offer products and services to help reduce energy consumption, improve efficiency and minimize greenhouse gas footprints. If we are unable to maintain these certifications or meet these standards, it could reduce demand for our products and adversely affect our business.

Our future operating results depend on our ability to purchase a sufficient amount of materials, parts, and components, as well as software and services, at acceptable prices to meet the demands of our customers and any disruption to our suppliers or significant increase in the price of supplies has had, and could continue to have a negative impact on our results of operations or financial condition.

Our ability to meet customers' demands depends, in part, on our ability to timely obtain an adequate delivery of quality materials, parts, and components, as well as software and services, from our suppliers. If demand for our products or services increases from our current expectations or if, as we have experienced in the past, suppliers are unable to meet our demand for other reasons, including as a result of supply chain constraints; natural disasters (including events related to climate change); import/export restrictions, such as new, expanded or retaliatory tariffs, sanctions, quotas or trade barriers (including recent U.S. tariffs imposed or threatened to be imposed on China, Canada and Mexico and other countries and any retaliatory actions taken by such countries); financial issues or other factors, we have, and could continue to experience an interruption in supply or a significant increase in the price of supply. We expect that any future supply chain effects could also impact our ability to meet customer demand and negatively impact our results of operations.

Our suppliers have in the past, and may continue in the future, to significantly and quickly increase their prices in response to increases in costs related to the manufacture, distribution and/or repair of parts and components. As a result, we may not be able to increase our prices commensurately with our increased costs, which could negatively impact our results of operations or financial condition. In addition, certain supplies, including for some of our critical components, software and services solutions, are available only from a single source or limited sources and we may not be able to diversify sources in a timely manner. Where certain supplies are not available from our direct suppliers, we may be required to move to an alternative source or source certain items through the open market, which involves significantly increased prices that are difficult to forecast or predict. Each of these factors may impact our ability to meet customer demand and could negatively impact our results of operations or financial condition.

We are exposed to risks under large, multi-year system and services contracts that may negatively impact our business.

We enter into large, multi-year system and services contracts with municipal, state, and nationwide government and commercial customers. In some cases, we may not be the prime contractor and may be dependent on other third-parties such as commercial carriers or systems integrators. Our entry into these contracts exposes us to risks, including among others: (i) technological risks, (ii) risk of defaults by third-parties on whom we are relying for products or services as part of our offering or who are the prime contractors, (iii) financial risks, including potential penalties applicable to us if performance commitments in managed services contracts are not met, the estimates inherent in projecting costs associated with such contracts, the fact that such contracts often only receive partial funding initially and may be cancellable on short notice with limited penalties, our inability to recover front-loaded capital expenditures in long-term managed services contracts, the impact of the termination of funding for a government program or the insolvency of a commercial customer, and the impact of currency fluctuations and inflation, (iv) cybersecurity risks, especially in managed services contracts with public safety and enterprise customers that process data, and (v) political or regulatory risks, especially related to the contracts with government customers, including our Airwave contract in the U.K., as described below.

With respect to the financial and political or regulatory risks of such contracts, in 2023 the CMA imposed a legal order on Airwave, which implemented the Charge Control. After the Competition Appeal Tribunal ("CAT") dismissed our appeal of the Charge Control, we appealed the CAT's judgment to the United Kingdom Court of Appeal, which denied our application for permission to appeal the CAT's judgment on January 30, 2025. With the United Kingdom Court of Appeal's ruling, revenue will continue to be recognized in accordance with the Charge Control.

In addition, after our receipt in March 2024 of the Deferred National Shutdown Notice from the Home Office, we recorded additional backlog of \$748 million to reflect the incremental three years of services related to the extension of the "national shutdown target date" on the Airwave services to December 31, 2029. In April 2024 we filed proceedings in the U.K. High Court challenging the decision of the Home Office to issue the Deferred National Shutdown Notice as being in breach of applicable U.K. procurement and public law, and a hearing on this matter has been set to commence on April 22, 2025. The backlog related to the incremental years of service contemplated in the Deferred National Shutdown Notice could change depending on the outcome of the proceedings.

Our employees, customers, suppliers and outsource partners are located throughout the world and, as a result, we face risks that other companies that are not global may not face.

Our customers and suppliers are located throughout the world. In 2024, 28% of our revenue was generated outside of North America. In addition, 49% of our employees were employed outside of North America in 2024. Most of our suppliers' operations are outside the U.S.

A significant amount of manufacturing and research and development of our products, as well as administrative and sales facilities, takes place outside of the U.S. If the operations in these facilities are disrupted, our business, financial condition, results of operation, and cash flows could be negatively impacted.

Because of these sizable sales and operations outside of the U.S., we have more complexity in our operations and are exposed to a unique set of global risks that could negatively impact our business, financial condition, results of operations, and cash flows, including but not limited to: (i) currency fluctuations, including but not limited to increased pressure to agree to established currency conversion rates and cost of living adjustments as a result of foreign currency fluctuations, (ii) import/export regulations, tariffs, trade barriers and trade disputes (including recent U.S. tariffs imposed or threatened to be imposed on China, Canada and Mexico and other countries and any retaliatory actions taken by such countries), customs classifications and certifications, including but not limited to changes in classifications or errors or omissions related to such classifications and certifications, (iii) compliance with and changes in U.S. and non-U.S. laws or regulations related to antitrust and competition (such as the CMA's Charge Control and the EU Foreign Subsidies Regulation), anti-corruption (such as the Foreign Corrupt Practices Act and the U.K. Bribery Act), trade, labor and employment, environmental, health and safety, technical standards, consumer protection, intellectual property and data privacy, regulated services such as telecommunications, cybersecurity and AI, (iv) tax issues, such as tax law changes, variations in tax laws from country to country and as compared to the U.S., obligations under tax incentive agreements, and difficulties in securing local country approvals for cash repatriations, (v) reduced financial flexibility given that a significant percentage of our cash and cash equivalents is currently held outside of the U.S., (vi) challenges in collecting accounts receivable, (vii) cultural and language differences, (viii) instability in economic or political conditions, including inflation, recession, the imposition of sanctions and actual or anticipated military or political conflicts and terrorism, (ix) natural disasters, (x) public health issues or outbreaks or pandemics and (xi) litigation in foreign court systems and foreign enforcement or administrative proceedings.

Further, the benefits we receive under various agreements we have entered into with non-U.S. governments and agencies relate to our operations and/or sales in such foreign jurisdictions. If our operations or sales are not at levels originally anticipated, we may be at risk of having to reimburse benefits already granted, which could increase our cost of doing business in such foreign jurisdictions.

Over the last several years, we have utilized third-parties to develop, design and/or manufacture many of our components and some of our products, and to perform portions of certain business operations such as IT, network connectivity, HR information systems, manufacturing, repair, distribution and engineering services. We expect to continue these practices in the future, which limit our control over these business operations and expose us to additional risk as a result of the actions of our outsource partners.

We rely on third-parties to develop, design and/or manufacture many of our components and some of our products (including software), and to assist in performing certain IT, network connectivity, HR information systems, manufacturing, repair, distribution and engineering services. As we outsource more of such operations, we are not able to directly control these activities. We could have difficulties fulfilling our orders and our sales and profits could decline if: (i) we are not able to engage such third-parties with the capabilities or capacities required by our business, (ii) such third-parties lack our desired level of performance or service, lack sufficient quality control or fail to deliver quality components, products, services or software on time and at reasonable prices, (iii) there are significant changes in the financial or business condition of such third-parties, (iv) our third-party providers fail to comply with legal or regulatory requirements (such as the Uyghur Forced Labor Protection Act), (v) we have difficulties transitioning operations to such third-parties, or (vi) such third-parties are disrupted by external events, such as cyberattacks, natural disasters, public health issues, outbreaks or pandemics, extreme weather conditions related to climate change, acts of terrorism or political conflicts.

Our reliance on third-parties could, in certain instances, result in reputational damage or even disqualify us from sales opportunities with certain government customers. For example, our supply chain is complex and if our suppliers are unable to verify that components and parts provided to us are free of defined "conflict minerals" originating from the Democratic Republic of Congo ("DRC") or an adjoining country, then we may be required to publicly disclose, as we have disclosed in the past, that we are not currently able to determine if the products we manufactured are DRC conflict-free, which could harm our reputation.

Once a business activity is outsourced, we may be contractually prohibited from or may not practically be able to bring such activity back within the Company or move it to another outsource partner. The actions of our outsource partners could result in reputational damage to us and could negatively impact our business, financial conditions, results of operations, and cash flows.

We utilize the services of subcontractors to perform under many of our contracts and the inability of our subcontractors to perform in a timely and compliant manner or to adhere to our Human Rights Policy could negatively impact our business.

We engage subcontractors, including third-party integrators, on many of our contracts and as we expand our technologies in our segments, our use of subcontractors has and will continue to increase. Our subcontractors may further subcontract performance and may supply third-party products and software from a number of smaller companies. In addition, it is our policy to require our subcontractors and other third-parties with whom we work to operate in compliance with applicable laws, rules and regulations, including our Human Rights Policy (and, in addition, for our suppliers to comply with our Supplier Code of Conduct).

We may have disputes with our subcontractors, including disputes regarding the quality and timeliness of work performed by the subcontractor or its subcontractors and the functionality, warranty and indemnities of products, software and services supplied by our subcontractor. We are not always successful in passing down customer requirements to our subcontractors or a customer may otherwise look to us to cover a loss or damage, and thus in some cases may be required to absorb contractual risks from our customers without corresponding back-to-back coverage from our subcontractor. Our subcontractors may not be able to acquire or maintain the quality of the materials, components, subsystems and services they supply, or secure preferred warranty and indemnity coverage from their suppliers, which might result in greater product returns, service problems, warranty claims and costs and regulatory compliance issues. Further, one of our subcontractors or other third-parties subject to our Human Rights Policy could fail to comply with such policies or with applicable law or may engage in unethical business practices. Any of the foregoing could cause orders to be canceled, relationships to be terminated or our reputation to be damaged, which could harm our business, financial condition and results of operations.

Increasing scrutiny and evolving expectations from investors, customers, lawmakers, regulators and other stakeholders regarding environmental, social and governance ("ESG")-related practices and disclosures, as well as recent U.S. based anti-ESG efforts, may adversely affect our reputation, adversely impact our ability to attract and retain employees or customers, expose us to increased scrutiny from the investment community or enforcement authorities or otherwise adversely impact our business and results of operations.

There is increasing scrutiny and evolving expectations from investors, customers, lawmakers, regulators and other stakeholders on ESG-related practices and disclosures, including those related to environmental stewardship, climate change, diversity, equity and inclusion ("DEI"), forced labor, and workplace conduct. Regulators have imposed, and likely will continue to impose, ESG-related legislation, rules and guidance, which may conflict with one another and impose additional costs on us or expose us to new or additional risks, including requiring additional reporting that will expand the public's access to our programs and metrics. In addition, recent "anti-ESG" sentiment has gained momentum in the U.S., with certain lawmakers and interest groups having proposed or enacted "anti-ESG" policies, legislation, or initiatives or issued related legal opinions. Furthermore, President Trump recently issued a series of executive orders, some of which target programs related to DEI and climate change. The Trump Administration has indicated that it will continue to scrutinize these programs. Moreover, certain organizations that provide information to investors have developed ratings for evaluating companies on their approach to different ESG-related matters, and unfavorable ratings of us or our industries may lead to negative investor sentiment and the diversion of investment to other companies or industries. We have elected to share publicly our ongoing ESG-related efforts in our proxy statement, Corporate Responsibility Report, TCFD Report, and on our corporate website. Our business may face higher expectations as well as increased scrutiny related to these activities. Our failure or perceived failure to meet or maintain ESG-related goals or otherwise respond to anti-ESG efforts could harm our reputation, adversely impact our ability to attract and retain employees or customers, expose us to increased scrutiny from the investment community or enforcement authorities or otherwise adversely affect our business and results of operations.

Risks Related to Laws and Regulations

Existing or future legislation and regulations pertaining to AI, AI-enabled products and the use of biometrics (e.g., facial recognition) or other video analytics that apply to us or to our customers may make it more challenging, costly, or in some cases prohibit certain products or services from being offered or modified and subject us to regulatory and litigation risks and potential liabilities, which could adversely affect our business and results of operations.

Current or future legislation and governmental regulations pertaining to AI, AI-enabled products and the use of biometrics or other video analytics may affect how our business is conducted or expose us to unfavorable developments resulting from changes in the regulatory landscape. For example, the AI Act in the EU became law in August 2024, with key obligations applying in stages through August 2027, including key provisions to us applying in early 2025 and August 2026. The AI Act will place significant restrictions on the use of AI for real-time "biometric identification" by law enforcement, and implement significant compliance requirements on the development and use of AI for biometric identification of any kind. Once implemented, the AI Act will also place compliance requirements on a variety of other AI uses by law enforcement, as well as on the companies that develop those products, including us. Other such laws are expected to pass around the globe, including the U.S. and Brazil, in the coming months and years. For example, in 2024, numerous U.S. states considered legislation that would establish a comprehensive regulatory framework for the use of AI. Colorado became the first state to enact such a law for private sector use of AI and New York enacted a law that will regulate public sector use of AI.

With respect to biometrics and other analytics, laws such as the Biometric Information Privacy Act in Illinois have restricted the collection, use and storage of biometric information and provide a private right of action of persons who are aggrieved by violations of the act. Additionally, laws such as the California automatic license plate recognition ("ALPR") statute regulate the use of ALPRs and provide a private right of action to persons who have suffered actual damages from violation of the statute. The Federal Trade Commission has increasingly pursued enforcement actions against companies for the misuse of biometric information and the use of facial recognition technology without implementing appropriate safeguards. Current or future legislation, governmental regulations, and enforcement actions pertaining to biometrics and other analytics have exposed us to, and we expect will continue to expose us to, regulatory and litigation risks.

Legislation and governmental regulations related to AI and the use of biometrics and other video analytics may also influence our current and prospective customers' activities, as well as their expectations and needs in relation to our products and services. Compliance with these laws and regulations may be onerous and expensive, and may be inconsistent from jurisdiction to jurisdiction, further increasing the cost of compliance and the risk of liability. It is also not clear how existing and future laws and regulations governing issues such as AI, AI-enabled products, biometrics and other video analytics apply or will be enforced with respect to the products and services we sell.

Any such increase in costs or increased risk of liability as a result of changes in these laws and regulations or in their interpretation could individually, or in the aggregate, make our products and services that use AI technologies, biometrics or other video analytics less attractive to our customers, cause us to change or limit our business practices or affect our financial condition and operating results.

We are subject to complex and changing laws and regulations in various jurisdictions regarding cybersecurity, privacy, data protection, and information security which exposes us to increased costs and potential liabilities in the event of any actual or perceived failure to comply with such legal and compliance obligations and could adversely affect our business.

Various jurisdictions have adopted or are expected to introduce new laws and regulations regarding cybersecurity, privacy, data protection, and information security which have impacted, or we expect will impact, us by exposing us to increased costs and potential liabilities. With respect to cybersecurity laws and regulations, this includes the EU Directive (EU) 2022/2555 ("NIS2"), which became effective in the EU in October 2024 and is in the process of implementation by each EU Member State. NIS2 requires us to register with national cybersecurity agencies, submit significant cybersecurity incident reports and adopt appropriate measures to minimize cybersecurity risks. We may also become subject to new cybersecurity laws and regulations in other jurisdictions, as well as supplier-focused cybersecurity obligations. Compliance with these laws and regulations exposes us to increased costs and any noncompliance, whether actual or perceived, could result in potential liabilities.

With respect to privacy and data protection, the EU adopted the General Data Protection Regulation ("GDPR") which took effect in 2018, harmonizing data protection laws across the EU. The GDPR strengthens individual privacy rights and enhances data protection obligations for processors and controllers of personal data. This includes expanded disclosures about how personal information is to be used, limitations on retention of information and mandatory data breach notification requirements. Noncompliance with the GDPR can trigger significant fines.

U.S. federal, state and other foreign governments and agencies have adopted or are considering adopting laws and regulations regarding the collection, storage, use, processing and disclosure of personal data. Numerous state governments within the U.S. have enacted their own versions of "GDPR-like" privacy legislation, which has created, and we expect will continue to create, additional compliance challenges, risks, and administrative burdens. Comprehensive U.S. federal privacy legislation is also being discussed seriously by lawmakers, and the Federal Trade Commission has commenced a privacy rulemaking that may attempt to implement nationwide rules. These proposals, as well as other standalone federal bills, could restrict the ability of law enforcement to purchase data from private companies. It is possible that a one-size fits all compliance program may be difficult to achieve and manage globally, and that we will be forced to comply with a patchwork of inconsistent privacy regulations.

Several other countries in which we operate, including Australia and Brazil, have established legal requirements for cross-border data transfers. There is continued uncertainty concerning rules related to transfers of EU and United Kingdom ("U.K.") personal data outside of their respective jurisdictions. There is also an increasing trend towards data localization policies. Cloud-based solutions may be subject to further regulation with respect to data localization requirements and restrictions on the international transfer of data. If countries implement more restrictive regulations for cross-border personal data transfers (or customers do not permit personal data to leave the country of origin), it could affect the manner in which we provide our services or the geographical location or segregation of our relevant systems and operations, which could adversely impact our business.

Because the interpretation and application of cybersecurity, privacy, data protection and information security laws and regulations are complex and still uncertain, it is possible that they may be interpreted and applied in a manner that is inconsistent with our existing practices or the features of our products, software and services. Any failure or perceived failure by us, our business partners, or third-party service providers to comply with such laws and regulations, or applicable commitments in contracts, could result in proceedings against us by governmental entities or others and significant fines and penalties, and adversely affect our business.

Government regulation of radio frequencies may limit the growth of private and public safety narrowband and broadband systems or reduce barriers to entry for new competitors.

Radio spectrum is required to provide wireless voice, data, and video communications services. The allocation of frequencies is regulated in the U.S. and other countries and limited spectrum is allocated to wireless services, including commercial and public safety users. The global demand for wireless communications has grown exponentially, and spurred competition for access among various networks and users. In response, regulators are reassessing the allocations of spectrum among users, including public safety users, and considering whether to change the allocation of certain spectrum bands from narrowband to broadband use, or to require sharing of spectrum bands. Our results could be negatively affected by the rules and regulations adopted by regulators. Our products operate both on licensed and unlicensed spectrum. The loss of available radio spectrum may result in the loss of business opportunities. Regulatory changes in current spectrum bands (e.g., the sharing of previously dedicated or other spectrum) may require modifications to some of our products so they can continue to be manufactured and marketed.

A portion of our business is dependent upon U.S. government contracts and grants, which are highly regulated and subject to disclosure obligations and oversight audits by U.S. government representatives and subject to cancellations. Any such disclosure events, audits or noncompliance with such regulations and laws could result in adverse findings and negatively impact our business.

Our business with or funded by the U.S. government is subject to specific laws and regulations with numerous and unique compliance requirements relating to formation, administration and performance of U.S. federal or federally funded contracts. These requirements, which may increase or change over time, may increase our performance and compliance costs thereby reducing our margins, which could have an adverse effect on our financial condition. Violations or other failures to comply with these laws, regulations or other compliance requirements could lead to terminations for default, suspension or debarment from U.S. government contracting or subcontracting for a period of time or other adverse actions. Such laws, regulations or other compliance requirements include those related to procurement integrity, export control, U.S. government security and information security regulations, supply chain and sourcing requirements and restrictions, employment practices, protection of criminal justice data, protection of the environment, accuracy of records, proper recording of costs, foreign corruption, Trade Agreements Act, Buy America Act, other domestic content requirements, and the False Claims Act. For example, President Trump issued an executive order in January 2025 that requires, in relevant part, that every federal contract or grant award include a clause that requires the contractor or grant recipient to (1) agree that its compliance with all applicable federal anti-discrimination laws is material to the government's payment decisions on such contract or grant for purposes of the False Claims Act, and (2) certify that it does not operate any programs promoting DEI that violate any applicable federal anti-discrimination laws. The executive order increases our compliance risk through an increased risk of civil False Claims Act liability if our DEI practices are deemed to violate the federal anti-discrimination laws.

Generally, in the U.S., government contracts and grants are subject to certain voluntary or mandatory disclosure obligations and oversight audits by government representatives. Such disclosures or audits could result in adjustments to our contracts. For contracts covered by the Cost Accounting Standards, any costs found to be improperly allocated to a specific contract may not be allowed, and such costs already reimbursed may have to be refunded. Future disclosures, audits and adjustments, if required, may materially reduce our revenues or profits upon completion and final negotiation of such disclosure events or audits. Negative disclosure or audit findings could also result in investigations, termination of a contract or grant, forfeiture of profits or reimbursements, suspension of payments, fines and suspension or prohibition from doing business with the U.S. government. All contracts with the U.S. government can be terminated for convenience by the government at any time.

Certain of our offerings include services that are subject to telecommunications regulations in various jurisdictions, which expose us to increased costs to address compliance obligations and potential liability in the event of any failure to comply with such regulations, which could result in fines and penalties, reputational harm and adversely affect our business.

We are a provider of certain services that include telecommunications in the U.S., including selective routing services for 911 calls. As such, we are subject to certain Federal Communications Commission (FCC) and possible state regulations relating to telecommunications, including some certification or licensing, service reliability, and regulatory fee requirements. If we do not comply with these regulations, we could be subject to enforcement actions, fines, and possibly loss of certifications or licenses to operate or offer certain of our services that are regulated telecommunications. Any enforcement action, which may be a public process, could also damage our reputation and erode customer trust.

Additionally, we are subject to regulations in certain foreign countries where we offer services that include telecommunications or other types of communications services. For example, we are registered to provide WAVE PTX push-to-talk offerings, with and without telecommunications connectivity, in certain countries internationally. Local laws and regulations, and the interpretation of such laws and regulations, can differ significantly among the jurisdictions in which we provide these services. In some countries, certain services that we offer are not considered to be regulated communications services, while in other countries they are subject to regulations, including registration with the local telecommunications governing authority, which increases the level of scrutiny and potential for enforcement by regulators as well as our cost of doing business internationally. Further, enforcement and interpretations of the laws and regulations in some countries can be unpredictable and subject to the informal views of government officials. Failure to comply with these regulations could subject us to enforcement actions, fines and penalties, additional compliance obligations or liabilities, loss of authority to provide regulated services, and reputational harm, which could adversely affect our business.

Moreover, it is possible that regulations in any of these jurisdictions may be changed, expanded or interpreted and applied in a manner that is inconsistent with our existing practices. Future applicable legislative, regulatory or judicial actions could increase the cost and complexity of our compliance and increase our exposure to potential liability.

We are subject to a wide range of product regulatory and safety, consumer, worker safety and environmental product compliance and remediation laws that continue to expand and could impact our ability to grow our business, could subject us to unexpected costs and liabilities and could impact our financial performance.

Our operations and the products we manufacture are subject to a wide range of product regulatory and safety, consumer, worker safety and environmental product compliance and remediation laws. Compliance with such existing or future laws could subject us to future costs or liabilities, impact our production capabilities, constrict our ability to sell, expand or acquire facilities, restrict what products and services we can offer, and generally impact our financial performance. Some of these laws are environmental and relate to the use, disposal, cleanup of, and exposure to certain substances. For example, in the U.S., laws often require parties to fund remedial studies or actions regardless of fault and oftentimes in response to actions or omissions that were legal at the time they occurred. We continue to incur disposal costs and have ongoing remediation obligations, including those resulting from previously or newly discovered environmental issues located at discontinued Company facilities and waste disposal sites formerly used by Company facilities, as well as current and former facilities of companies that we acquire. Changes to environmental laws or our discovery of additional obligations under these laws could have a negative impact on our financial performance.

Laws focused on: (i) the energy efficiency of electronic products and accessories, (ii) recycling of both electronic products and packaging, (iii) reducing or eliminating certain hazardous substances in electronic products, (iv) the use and transportation of batteries, and (v) debt collection and other consumer finance matters continue to expand significantly. There are also demanding and rapidly changing laws around the globe related to issues such as radio interference, radio frequency radiation exposure, medical related functionality, use of products with video functionality, and consumer and social mandates pertaining to use of wireless or electronic equipment. These laws, and changes to these laws, could have a substantial impact on whether we can offer certain products, solutions and services, on product costs, and on what capabilities and characteristics our products or services can or must include, which could negatively impact our business, results of operations, financial condition and competitive position.

Increased focus on climate change has contributed to an evolving state of environmental regulation and uncertainty related to such regulation, as well as physical risks of climate change, could impact our business, results of operations, financial or competitive position.

Increased public awareness and worldwide focus on climate change has led to legislative and regulatory efforts to limit greenhouse gas emissions, which has resulted in and may continue to result in, more international, federal or regional requirements or industry standards to reduce or mitigate global warming. There continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty. Additionally, legislative and regulatory efforts have focused on carbon taxes in certain areas where we operate. As a result, we may become subject to new or strengthened regulations, legislation or other governmental requirements or industry standards, and we anticipate that we will need to meet criteria related to reduction of greenhouse gas emissions, the elimination of certain constituents from products and increasing energy efficiency requirements. For example, the EU's Corporate Sustainability Reporting Directive, EU's Corporate Sustainability Due Diligence Directive and EU taxonomy initiatives will introduce, in staggered timelines, additional due diligence and disclosure requirements addressing sustainability that will apply to us in the coming years. These requirements will, and other increased regulation of climate change concerns could, subject us to additional costs, disclosures and restrictions, and could require us to make certain changes to our manufacturing practices, operations, and/or product designs, which could negatively impact our business, results of operations, financial condition and competitive position.

In addition, the physical risks of climate change (such as extreme weather conditions or rising sea levels) may impact the availability and cost of materials and natural resources, sources and supply of energy, product demand and manufacturing and could increase insurance and other operating costs. This may include, potentially, costs associated with repairing damage as a result of extreme weather events or renovating or retrofitting facilities to better withstand extreme events. Many of our facilities around the world, as well as our customers' and suppliers' operations, are in locations that may be impacted by the physical risks of climate change, and we face the risk of losses incurred as a result of physical damage to our facilities or those of our suppliers or customers such as loss or spoilage of inventory and business interruption caused by such events.

Tax matters could have a negative impact on our financial condition and results of operations.

We are subject to income taxes in the U.S. and numerous foreign tax jurisdictions. Our provision for income taxes and cash tax liability may be negatively impacted by: (i) changes in the mix of earnings taxable in jurisdictions with different statutory tax rates, (ii) changes in tax laws and accounting principles, (iii) changes in the valuation of our deferred tax assets and liabilities, (iv) changes in available tax credits, (v) discovery of new information during the course of tax return preparation, (vi) increases in non-deductible expenses, or (vii) repatriating cash held abroad.

Since our 2022 tax year, the Tax Cuts and Jobs Act of 2017 has required that we capitalize and amortize our research and experimental expenditures over five or fifteen years, as applicable. This change in law had a materially negative impact on our cash tax liability in 2024, and we expect such change to continue to impact our cash tax liability through 2026, unless the provisions are repealed or deferred by Congress.

Tax audits may also negatively impact our business, financial condition and results of operations. We are subject to continued examination of our income tax returns, and tax authorities may disagree with our tax positions and assess additional tax. We regularly evaluate the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. Outcomes from these continuing examinations may have a negative impact on our future financial condition and operating results.

Certain tax policy efforts, including the Organization for Economic Co-operation and Development's Base Erosion and Profit Shifting Project, the European Commission's state aid investigations, and other initiatives could have an adverse effect on the taxation of international businesses. Furthermore, many of the countries where we are subject to taxes, including the U.S., are independently evaluating their tax policy and we may see significant changes in legislation and regulations concerning taxation. Certain countries have already enacted legislation, which could affect international businesses, and other countries have become more aggressive in their approach to audits and enforcement of their applicable tax laws. Such changes, to the extent they are brought into tax legislation, regulations, policies, or practices, could increase our effective tax rates in many of the countries where we have operations and have an adverse effect on our overall tax rate, along with increasing the complexity, burden and cost of tax compliance, all of which could impact our operating results, cash flows and financial condition.

Risks Related to Information Technology and Intellectual Property

Increased cybersecurity threats could lead to a security breach or other significant disruption of our IT systems, those of our outsource partners, suppliers or those we manufacture, install, and in some cases operate and maintain for our customers, and could have a negative impact on our operations, sales, and operating results.

We rely extensively on our information systems to manage our business operations. We are subject to attempts to compromise our information technology systems from both internal and external sources. Like all information technology systems, our systems have been in the past, and could be in the future, vulnerable to damage, unauthorized access or interruption from a variety of sources, including but not limited to, cyberattacks, cyber intrusions, computer viruses, security breaches, denial-of-service attacks, ransomware or other malware, energy blackouts, natural disasters and severe weather conditions, terrorism, sabotage, wars, insider threats, human errors and computer and telecommunication failures. As a provider of mission-critical physical security products and services for both public safety and enterprise customers in the U.S. and globally, including systems that we operate and maintain for certain customers of ours or as a software-based service, we face additional risk as a potential target of sophisticated attacks aimed at compromising both our company's and our customers' sensitive information and intellectual property. This risk is heightened because these systems may contain sensitive governmental information or personally identifiable or other protected information. Our vulnerability and that of our third-party vendors to cyber and other information technology risks may also be increased by factors such as cyberattacks related to geopolitical conflicts (which may be heightened by our global presence) and the large portion of our office workforce that continues to work from home. Additionally, the volume, frequency and sophistication of these threats (including through the use of AI) continues to grow and the complexity and scale of the systems to be protected continues to increase. As we continue to integrate the use of AI to enhance our accounting operations and help improve employee productivity and efficiency, we also face enhanced risks and challenges related to cybersecurity and information technology. Like other enterprise software companies, we also use open source software from time to time, which may be more susceptible to vulnerabilities that may not be identified with scanning tools. In an effort to protect against such attacks, we maintain insurance related to cybersecurity risks and employ a number of countermeasures and security controls, including training, audits, encryption, and utilization of commercial information security threat sharing networks. If we fail to effectively manage our cybersecurity, our business, products, and services could suffer from the resulting weaknesses in our infrastructure, systems or controls.

Further, our company outsources certain business operations, including, but not limited to IT, network connectivity, HR information systems, manufacturing, repair, distribution and engineering services. We are dependent, in certain instances, upon our outsourced business partners, suppliers, and customers to adequately protect our IT systems and those IT systems that we manage for our customers, including the hosts of our cloud infrastructure on top of which our cloud-based solutions are built, as well as the network connectivity upon which some of our services are built. Some of our customers are exploring broadband solutions that use public carrier networks on which our solutions would operate. We do not have direct oversight or influence over how public carrier networks manage the security, quality, or resiliency of their networks, and because they are an attractive high value target due to their role in critical infrastructure, they expose customers to an elevated risk over our private networks. In addition, we maintain certain networked equipment at customer locations and are reliant on those customers to protect and maintain that equipment.

A cyberattack or other significant disruption involving our IT systems or those of our outsource partners, suppliers or our customers could result in substantial costs to repair or replace our IT systems or the loss of critical data and interruptions or delays in our ability, or that of our customers, to perform critical functions. Such disruption may also result in the unauthorized release of proprietary, confidential or sensitive information of us or our customers, or the disruption of services provided to customers and essential for their mission. Such unauthorized access to, or release of, information or disruption of services could: (i) allow others to unfairly compete with us, (ii) compromise safety or security, given the mission-critical nature of our customers' systems, (iii) subject us to claims for breach of contract, tort, and other civil claims without adequate indemnification from our suppliers, (iv) subject us to time-intensive notification requirements, (v) damage our reputation, and (vi) require us to provide modifications or replacements to our products and services. Our potential liability related to such claims by customers or third-parties described above may not be contractually capped nor fully covered by our insurance, and our insurance coverage may not continue to be available on commercially reasonable terms or at all. We could face regulatory penalties, enforcement actions, remediation obligations and/or private litigation by parties whose data is improperly disclosed or misused. Any or all of the foregoing could have a negative impact on our business, financial condition, results of operations, and cash flow.

If we are unable to adequately protect our intellectual property, or if we, our customers and/or our suppliers are found to have infringed intellectual property rights of third parties, our competitive position and results of operations may be adversely impacted.

Our intellectual property rights protect our innovations and technology, and they may also generate income under license agreements. We attempt to protect our proprietary technology with intellectual property in the form of patents, copyrights, trademarks, trade secret laws, confidentiality agreements and other methods. We also generally restrict access to and distribution of our proprietary information. Despite these precautions, it may be possible for a third-party to obtain and use our proprietary information or develop similar technology independently. As we expand our business, including through acquisitions, and compete with new competitors in new markets, the breadth and strength of our intellectual property portfolio in those new markets may not be as developed as in our longer-standing businesses. This may expose us to a heightened risk of litigation and other challenges from competitors in these new markets. In addition, effective patent, copyright, trademark and trade secret protection may be unavailable or limited in certain foreign countries. Unauthorized use of our intellectual property rights by third-parties and the cost of any litigation necessary to enforce our intellectual property rights could have a negative impact on our financial results and competitive position. Moreover, the validity and scope of coverage of our patents cannot be fully determined prior to litigation.

Additionally, because our products are comprised of complex technology, we are often involved in or impacted by assertions, including both requests for licenses and litigation, regarding third-party patents and other intellectual property rights. The development of products operable in accordance with industry standards, such as those related to 4G, 5G, audio, video, or various other wireless technologies may result in third-party patent royalty demands. Third-parties have asserted, and in the future may assert, intellectual property infringement claims against us and against our customers and suppliers. Many of these assertions are brought by non-practicing entities whose principal business model is to secure patent licensing-based revenue from product manufacturing companies. The patent holders often make broad and sweeping claims regarding the applicability of their patents to our products and services, seeking a percentage of sales as license fees, seeking injunctions to pressure us into taking a license, or a combination thereof. Third-party litigation funding exacerbates this situation, sometimes hindering the ability to settle matters. Defending claims may be expensive and divert the time and efforts of our management and employees. Third-parties may also seek broad injunctive relief, which could limit our ability to sell our products in the U.S. or elsewhere with intellectual property subject to the claims. If we do not succeed in any such litigation, we could be required to expend significant resources to pay damages, develop non-infringing products or to obtain licenses to the intellectual property that is the subject of such litigation, each of which could have a negative impact on our financial results. Such licenses, if available at all, may not be available to us on commercially reasonable terms. In some cases, we might be forced to stop delivering certain products if we or our customers or suppliers are subject to a final injunction.

We face risks relating to intellectual property licenses and intellectual property indemnities in our customer and supplier contracts, which may fail to fully protect us and subject us to unexpected liabilities or harm our financial condition and results of operations.

We obtain some technology from suppliers through the purchase of components or licensing of software, and we attempt to negotiate favorable intellectual property indemnities with our suppliers for infringement of third-party intellectual property rights. With respect to such indemnities, we may not be successful in our negotiations, a supplier's indemnity may not fully protect us or cover all damages and losses suffered by us and our customers due to the infringing products, or a supplier may not choose to obtain a third-party license or modify or replace its products with non-infringing products which would otherwise mitigate such damages and losses. Such situations may subject us to unexpected liabilities or unfavorable conditions. Further, we may not be able to participate in intellectual property litigation involving a supplier and may not be able to influence any ultimate resolution or outcome that may negatively impact our sales or operations if a court enters an injunction that enjoins the supplier's products or if the International Trade Commission issues an exclusionary order that blocks importation of our products into the U.S. Intellectual property disputes involving our suppliers have resulted in our involvement in International Trade Commission proceedings from time to time. These proceedings are costly and entail the risk that we will be subjected to a ban on the importation of our products into the U.S. solely as a result of our use of a supplier's components.

In addition, our customers increasingly demand that we indemnify them broadly from all damages and losses resulting from intellectual property litigation against them. These demands may stem from non-practicing entities that engage in patent enforcement and litigation, sometimes seeking royalties and litigation judgments in proportion to the value of the use of our products, rather than in proportion to the cost of our products. Such demands can amount to many times the selling price of our products.

Further, competitors may be able to negotiate significantly more favorable terms for intellectual property than we are able to, which puts them at a competitive advantage. Moreover, with respect to our internally developed proprietary software, we may be harmed if we are forced to make publicly available, under the relevant open-source licenses, some of that proprietary software as a result of either our use of open-source software code or the use of third-party software that contains open-source code.

We no longer own certain logos and other trademarks, trade names and service marks, including MOTOROLA, MOTO, MOTOROLA SOLUTIONS and the Stylized M logo and all derivatives and formatives thereof ("Motorola Marks") and we license the Motorola Marks from Motorola Trademark Holdings, LLC ("MTH"), which is currently owned by Motorola Mobility, a subsidiary of Lenovo. Our joint use of the Motorola Marks could result in product and market confusion and negatively impact our ability to expand business under the Motorola brand. In addition, if we do not comply with the terms of the license agreement we could lose our rights to the Motorola Marks.

In 2010, we secured a worldwide, perpetual and royalty-free license from MTH to use the Motorola Marks as part of our corporate name and in connection with the manufacture, sale, and marketing of our current products and services. The license of the Motorola Marks is important to us because of the reputation of the Motorola brand for our products and services. There are risks associated with both Motorola Mobility and us using the Motorola Marks and our loss of ownership of the Motorola Marks. As both we and Motorola Mobility use the Motorola Marks, confusion could arise in the market, including customer confusion regarding the products offered by and the actions of the two companies. Also, any negative publicity associated with either company in the future could adversely affect the public image of the other.

Motorola Mobility was acquired by Lenovo in 2014, which resulted in Lenovo having effective control over the Motorola Marks. Our risks under the license could increase if Lenovo expands its use of the Motorola Marks, or if our products and those of Lenovo converge. In addition, because our license of the Motorola Marks is limited to products and services within our specified fields of use, we are not permitted to use the Motorola Marks in other fields of use without the approval of Motorola Mobility. As we continue to expand our business into any other fields of use, we either must do so with a brand other than the Motorola brand, which could take considerable time and expense, or assume the risk that our expanded fields don't meet the definition of permitted fields of use under our license, which could result in loss of our rights to use the Motorola Marks.

We could lose our rights to use the Motorola Marks if we do not comply with the terms of the license agreement. Such a loss could negatively affect our business, results of operations and financial condition. Furthermore, MTH has certain rights to license the brand to third-parties and either Motorola Mobility or licensed third-parties may use the brand in ways that make the brand less attractive for customers of Motorola Solutions, creating increased risk that Motorola Solutions may need to develop an alternate or additional brand. Motorola Mobility may require us to adopt modifications to the Motorola Marks, and this could negatively impact our business, including costs associated with rebranding.

Neither Motorola Mobility nor Lenovo is prohibited from selling the Motorola Marks. In the event of a liquidation by Lenovo or the then-owner of the Motorola Marks, it is possible that a bankruptcy court would either (i) permit the Motorola Marks to be assigned to a third-party whose interests may be incompatible with ours, thereby potentially making the license arrangement difficult to administer and increasing the costs and risks of sharing the Motorola Marks, or (ii) refuse to uphold the license or certain of its terms, which could negatively affect our business, results of operations and financial condition.

Risks Related to Human Capital Management

Our success depends in part upon our ability to attract and retain senior management and key employees, including engineers and other key technical employees, in order to remain competitive.

The performance of our CEO, senior management and other key employees such as engineers and other technical employees is critical to our success. If we are unable to retain talented, highly-qualified senior management, engineers and other key employees or attract them when needed, it could negatively impact our business.

We rely on the experience of our senior management, most of whom have been with us for many years and as a result have specific knowledge relating to us and our industry that is difficult to replace and competition for management with experience in the communications industry is intense. A loss of the CEO, a member of senior management, or an engineer or other key employee, particularly to a competitor, could also place us at a competitive disadvantage. In addition, we face increased demands for technical personnel in areas such as software development, which is an area of particularly high demand for skilled employees. We believe that our future success depends in large part on our continued ability to hire, assimilate, retain and leverage the skills of qualified engineers and other highly-skilled personnel needed to develop successful new products or services. In particular, we have faced, and expect to continue to face, intense competition globally for experienced software and cloud computing infrastructure engineers, as well as employees in data science and AI. The compensation and incentives we have available to attract, retain and motivate employees may not meet the expectations of current and prospective employees. Our efforts to attract, develop, integrate, and retain highly skilled employees with appropriate qualifications may be compounded by the increased availability of remote working arrangements, which has expanded the pool of companies that can compete for our employees and employment candidates. Further, if we fail to adequately plan for the succession of our CEO, senior management and other key employees, our business could be negatively impacted.

Risks Related to Financial Performance or Economic Conditions

As we are a global company, we face a number of risks related to current global economic and political conditions in the markets in which we operate that have and could continue to unfavorably impact our business, financial condition, results of operations and cash flows.

Global economic and political conditions continue to be challenging for many of our government and enterprise markets, as economic growth in many countries has remained low or declined, currency fluctuations have impacted profitability, credit markets have remained tight for certain counterparties of ours and some of our customers are dependent on government grants to fund purchases of our products and services.

In addition, global conflicts, including the China-Taiwan conflict and those in the Middle East, as well as the results of elections or other political conditions, have created, and could create in the future, many economic and political uncertainties that impact worldwide markets, including impacts relating to new, increased or retaliatory tariffs (including recent U.S. tariffs imposed or threatened to be imposed on China, Canada and Mexico and other countries and any retaliatory actions taken by such countries) and potential trade wars, and threats to national security vulnerabilities linked to country of origin. The length of time these adverse economic and political conditions may persist is unknown.

These global economic and political conditions have impacted and could continue to impact our business, financial condition, results of operations, and cash flows in a number of ways, including:

- Requests by certain of our government and enterprise customers that we provide vendor financing, including in response to financial challenges surrounding state and local governments, which may cause us to retain exposure to the credit quality of our customers who we finance if we are unable to sell these receivables on terms acceptable to us.
- The inability of certain of our customers to obtain financing in order to make purchases from us and/or maintain their business, which may negatively impact our financial results.
- Challenges we face in budgeting and forecasting due to economic uncertainties in various parts of the U.S. and world economy, which could negatively impact our financial results if such budgets or forecasts are inaccurate.
- Deferment or cancellation of purchases and orders by customers may occur due to uncertainty about current and future global economic conditions, which could reduce future demand for our products and negatively impact our financial results.
- Intensifying political instability in a number of markets in which we operate could have a significant impact on our ability to grow and, in some cases, operate in such locations, which could negatively impact our financial results.

We may not continue to have access to the capital markets for financing on acceptable terms and conditions, particularly if our credit ratings are downgraded, which could limit our ability to repay our indebtedness and could cause liquidity issues.

From time to time we access the capital markets to obtain financing. Our access to the capital markets and the bank loan markets at acceptable terms and conditions are impacted by many factors, including: (i) our credit ratings, (ii) the condition of the overall capital markets, (iii) strength and credit availability in the banking markets, and (iv) the state of the global economy. In addition, we frequently access the credit markets to obtain performance bonds, bid bonds, standby letters of credit and surety bonds, as well as to hedge foreign exchange risk and sell receivables. Furthermore, we may not be able to refinance our existing indebtedness (i) on commercially reasonable terms, (ii) on terms, including with respect to interest rates, as favorable as our current debt, or (iii) at all. We may not continue to have access to the capital markets or bank credit markets on terms acceptable to us and if we are unable to repay or refinance our debt, we cannot guarantee that we will be able to generate enough cash flows from operations or that we will be able to obtain enough capital to service our debt, fund our planned capital expenditures or pay future dividends.

We are rated investment grade by all three national rating agencies. Any downward changes by the rating agencies to our credit rating may negatively impact the value and liquidity of both our debt and equity securities. Under certain circumstances, an increase in the interest rate payable by us under our revolving credit facility, if any amounts are borrowed under such facility, could negatively affect our operating cash flows. In addition, a downgrade in our credit ratings could limit our ability to: (i) access the capital markets or bank credit markets, (ii) issue commercial paper (iii) provide performance bonds, bid bonds, standby letters of credit and surety bonds, (iv) hedge foreign exchange risk, (v) fund our foreign affiliates, (vi) sell receivables, and (vii) obtain favorable trade terms with suppliers. In addition, we may avoid taking actions that would otherwise benefit us or our stockholders, such as engaging in certain acquisitions or engaging in stock repurchases, that would negatively impact our credit rating.

Our exposure to exchange rate fluctuations on cross-border transactions and the translation of local currency results into U.S. dollars could negatively impact our results of operations.

We conduct business through our subsidiaries in many different countries, and fluctuations in currency exchange rates could have a significant impact on our reported consolidated results of operations, financial condition and cash flows, which are presented in U.S. dollars. Cross-border transactions, both with external parties and intercompany relationships, result in increased exposure to foreign exchange effects. Accordingly, significant changes in currency exchange rates, particularly the Euro, British pound, Canadian dollar and Australian dollar, has had in the past, and could continue to, cause fluctuations in the reported results of our businesses' operations that could negatively affect our results of operations. Additionally, the strengthening of certain currencies such as the U.S. dollar potentially exposes us to competitive threats from lower cost producers in other countries. Our sales are translated into U.S. dollars for reporting purposes. The strengthening of the U.S. dollar has in the past, and could continue to, negatively affect our results of operations.

Returns on pension and retirement plan assets and interest rate changes could affect our earnings and cash flows in future periods.

We have underfunded pension obligations, in part resulting from the fact that we retained almost all of the U.S. pension liabilities and a major portion of our non-U.S. pension liabilities following our past divestitures. The funding position of our pension plans is affected by the performance of the financial markets, particularly the equity and debt markets, and the interest rates used to calculate our pension obligations for funding and expense purposes. Minimum annual pension contributions are determined by government regulations and calculated based upon our pension funding status, interest rates, and other factors. If the financial markets perform poorly, we have been and could be required to make additional large contributions. The equity and debt markets can be volatile, and therefore our estimate of future contribution requirements can change dramatically in relatively short periods of time. Similarly, changes in interest rates can affect our contribution requirements. In volatile capital market environments, the uncertainty of material changes in future minimum required contributions increases.

Item 1B: Unresolved Staff Comments

None.

Item 1C: Cybersecurity

Risk Management & Strategy

We assess, identify and manage material risks from cybersecurity threats through various protective policies, procedures and processes, including through: (1) the monitoring responsibilities of our cybersecurity program; (2) our information security policies and standards, including our global incident response procedure; (3) our audit services department's annual enterprise risk management ("ERM") assessment; (4) our third-party cybersecurity risk assessment program; and (5) cybersecurity insurance.

Designed to maintain the confidentiality, integrity and availability of customer and internal company information, our cybersecurity program focuses on protecting our enterprise information systems and the secure development and deployment of our products. We monitor for critical vulnerabilities and threat actor activity, and work to create a unified view to prioritize protecting our critical infrastructure (including potential impacts to key third-party service providers to the Company). The cybersecurity program, which is led by our Vice President of Cybersecurity & Information Technology Infrastructure, holds regular meetings to review ongoing internal information security investigations. We assess the effectiveness of our cybersecurity program using self-assessments and independent third-party analyses, and evaluate our program using frameworks such as the National Institute of Standards and Technology ("NIST") Cybersecurity Framework. In addition to these independent third-party analyses, third-parties also provide services to support our cybersecurity in several ways, such as through penetration testing and commercial information security threat sharing networks, and by assisting with tabletop exercises and certain monitoring activities.

We have designed and implemented a global incident response procedure, which helps enable us to quickly detect, respond to, and recover from third-party malicious attacks and potential security incidents. This procedure includes formal steps to review incidents and implement improvements, including steps to involve the Vice President of Cybersecurity & Information Technology Infrastructure, as appropriate. In addition, we have other specific information security policies and standards, organized to align with various NIST frameworks, which we use to manage our cybersecurity risks.

Assessing, identifying and managing cybersecurity risks are integrated into our audit services department's annual ERM assessment, which is designed to identify, assess, prioritize, mitigate and monitor our principal risks. The ERM assessment considers the probability, impact and velocity of potential risks, providing management and the Audit Committee with an overarching and objective view of the Company's risk management activities. Audit services identifies and conducts engagements utilizing inputs from the ERM assessment. The engagements span financial, operational, strategic and compliance risks, with a view to assessing risks over a two-year time horizon. The engagement results assist management in maintaining acceptable risk levels. The Vice President of Audit Services reports directly to the Audit Committee as well as to the Chief Financial Officer and meets regularly with the Audit Committee and its chairperson, including in executive sessions. Separately, the Vice President of Audit Services and Vice President of Ethics & Compliance head an internal cross-functional team (including members from our cybersecurity and data privacy programs, among others) that holds regular meetings to discuss the key risks facing the Company and related mitigation efforts, including cybersecurity risks. Cybersecurity risk is tracked as a principal risk within the context of the ERM assessment.

In addition, we have processes designed to oversee and identify risks from cybersecurity threats associated with our use of third-party service providers. Pursuant to our third-party cybersecurity risk assessment program, any outsource partners and suppliers that have access to the Company's data or customer data complete a risk assessment prior to the Company engaging with such parties. Using the assessments, our cybersecurity program looks to determine any gaps and identified risks, and then appropriate teams within the Company work to track and remediate such risks. These third-party risk assessments are foundational for how we manage and monitor our supply chain.

To further complement the processes described above, we maintain insurance related to cybersecurity risks. We maintain a broad portfolio of insurance coverage, leveraging the products of multiple companies to help ensure appropriate protection.

We are subject to attempts to compromise our information technology systems from both internal and external sources. Like all information technology systems, our systems have been in the past, and could be in the future, vulnerable to damage, unauthorized access or interruption from a variety of sources. As of the filing of this Form 10-K, we are not aware of any such attacks that have occurred since the beginning of 2024 that have materially affected, or are reasonably likely to materially affect, us, including our business strategy, results of operations or financial condition. However, if as a result of any future attacks our information technology systems are significantly damaged, cease to function properly or are subject to a significant cybersecurity breach, we may suffer an interruption in our ability to manage and operate our business, and our business strategy, results of operations or financial condition could be adversely affected. Such attacks, whether or not successful, could damage our reputation and result in significant costs related to, for example, repairing or replacing our IT systems; the loss of critical data; interruptions or delays in our ability, or that of our customers, to perform critical functions; defending against claims for breach of contracts, tort and other civil claims without adequate indemnification from our suppliers; providing time-sensitive notification requirements; and providing modifications or replacements to our products and services. In addition, the volume, frequency and sophistication of these threats (including through the use of AI) continues to grow and the complexity and scale of the systems to be protected continues to increase. See “Risks Related to Information Technology and Intellectual Property” in “Part I. Item 1A. Risk Factors” of this Form 10-K for further information.

Corporate Governance

Our Board has delegated to the Audit Committee the responsibility to oversee risks related to cybersecurity threats. Specifically, subject to oversight by the full Board, the Vice President of Cybersecurity & Information Technology Infrastructure provides the Audit Committee with periodic cybersecurity and information security reports, including recent cybersecurity incidents and cybersecurity products and operations. Annually, the Vice President of Audit Services reviews the results of the ERM assessment with the Audit Committee as well. In addition, a subset or the full group of certain individuals, such as our Chief Information Officer, Vice President of Cybersecurity & Information Technology Infrastructure, and Data Protection Officer, present at least once per year to the Audit Committee regarding cybersecurity and data privacy risk topics. The full Board is regularly informed about such risks through Audit Committee reports and presentations.

Our Vice President of Cybersecurity & Information Technology Infrastructure, along with this individual's teams, are in charge of assessing and managing our risks related to cybersecurity, including by setting our strategy, policies, standards and processes in these areas, as further described above under “Risk Management & Strategy.” Utilizing the processes noted above, these teams remain informed about and monitor the prevention, detection, mitigation and remediation of cybersecurity incidents.

Our Vice President of Cybersecurity & Information Technology Infrastructure has over thirty years of work experience in the information technology field, specifically information security. This individual began their career as a security engineer, progressing to a security architect, and then to overall leader of the Cybersecurity and Information Technology Infrastructure functions at the Company. This individual holds a Master of Computer Science degree. This individual also maintains a Certified Information Security Manager (CISM) certification from ISACA, an international professional organization focused on IT governance, as well as a Certified Information Systems Security Professional (CISSP) certification from the International Information System Security Certification Consortium (ISC2), a leading member association for cybersecurity professionals.

Item 2: Properties

As of February 7, 2025, the material properties that we used in connection with our business, serving all segments, are as follows. We believe these properties are suitable and adequate for our current business operations.

Location	Approximate Operating Size in Sq. Ft. (In thousands)	Owned vs. Leased	Purpose
Elgin, Illinois, U.S.	301	Leased	Manufacturing, assembly, staging and distribution
Schaumburg, Illinois, U.S.	282	Leased	Research & development and customer support
Penang, Malaysia	254	Leased	Distribution, research & development and corporate administrative
Krakow, Poland	191	Leased	Research & development and corporate administrative
Plantation, Florida, U.S.	172	Leased	Research & development and corporate administrative
Tel Aviv, Israel	139	Leased	Research & development and corporate administrative
Allen, Texas, U.S.	138	Owned	Research & development and corporate administrative
Schio, Italy	125	Leased	Manufacturing, engineering, administrative
Chicago, Illinois, U.S.	102	Leased	Corporate administrative (global headquarters)
Vancouver, BC, Canada	70	Leased	Corporate administrative

Item 3: Legal Proceedings

In addition to the matter referenced below, we are subject to legal proceedings and claims that have not been fully resolved and which have arisen in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on our consolidated financial position, liquidity or results of operations. However, an unfavorable resolution could have a material adverse effect on our consolidated financial position, liquidity or results of operations in the periods in which the matters are ultimately resolved, or in the periods in which more information is obtained that changes management's opinion of the ultimate disposition.

Refer to the description of "Hytera Civil Litigation" in "Note 12: Commitments and Contingencies" to our consolidated financial statements included in "Part II. Item 8. Financial Statements and Supplementary Data" of this Form 10-K for information regarding our legal proceedings.

Item 4: Mine Safety Disclosures

Not applicable.

Information about our Executive Officers

The following are the persons who are the executive officers of the Company, their ages, and current titles as of February 14, 2025 and the positions they have held during the last five years with the Company or as otherwise noted:

Gregory Q. Brown; age 64; Chairman and Chief Executive Officer since May 3, 2011.

Katherine Maher, age 42; Corporate Vice President and Chief Accounting Officer since March 14, 2022; Vice President and Corporate Controller from November 2021 to March 2022; Finance Director, North America Credit & Systems Integration, from July 2020 to November 2021; and North America Distribution Finance Director from May 2018 to July 2020.

John P. "Jack" Molloy; age 53; Executive Vice President and Chief Operating Officer since November 18, 2021 and Executive Vice President, Products and Sales from August 2018 to November 2021.

Kathryn Moore; age 52; Senior Vice President, Human Resources since January 1, 2025; Corporate Vice President, Human Resources from February 2022 to December 2024; and Vice President, Human Resources from June 2019 to February 2022.

Rajan S. Naik; age 53; Senior Vice President, Strategy and Ventures, since December 2017.

James A. Niewiara; age 56; Senior Vice President, General Counsel since February 1, 2023; Senior Vice President, Commercial Law, Litigation, Antitrust & Intellectual Property from April 2020 to January 2023; and Corporate Vice President, Lead Counsel, Commercial Law, Litigation & Antitrust from May 2019 to April 2020.

Mahesh Saptharishi; age 47; Executive Vice President and Chief Technology Officer since November 18, 2021; Senior Vice President, Software Enterprise and Mobile Video, and Chief Technology Officer from June 2021 to November 2021; Chief Technology Officer & Senior Vice President, Software Enterprise from April 2021 to June 2021; and Senior Vice President, Chief Technology Officer from February 2019 to April 2021.

Jason J. Winkler; age 50; Executive Vice President and Chief Financial Officer since July 1, 2020 and Senior Vice President, Finance from September 2018 to June 2020.

Cynthia M. Yazdi; age 60; Senior Vice President, Communications & Brand since February 2, 2022; Senior Vice President, Chief of Staff, Communications & Brand and Motorola Solutions Foundation from November 2021 to February 2022; and Senior Vice President, Chief of Staff, Marketing and Communications and Motorola Solutions Foundation from August 2018 to November 2021.

The above executive officers will serve as executive officers of the Company until the regular meeting of the Board of Directors in May 2025 or until their respective successors are elected. There is no family relationship between any of the executive officers listed above.

PART II

Item 5: Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Motorola Solutions' common stock is listed on the New York Stock Exchange and trades under the symbol "MSI." The number of stockholders of record of its common stock on February 7, 2025 was 16,633. This figure does not include a substantially greater number of "street name" holders whose shares are held of record by banks, brokers and other financial institutions.

During 2024, we declared regular quarterly dividends of \$0.98 per share of our common stock for each of the first three quarters of fiscal 2024, and \$1.09 per share of our common stock for the fourth quarter of fiscal 2024. While we expect to continue to pay comparable regular quarterly dividends in 2025, any future dividend payments will be at the discretion of our Board of Directors and will depend upon our profits, financial requirements and other factors, including legal restrictions on the payment of dividends, general business conditions and such other factors as our Board of Directors deems relevant.

Unregistered Sales of Equity Securities

On October 29, 2024, the Company issued 9,530 shares of common stock in connection with the acquisition of 3tc Software to certain former shareholders of the corporation. The stock was issued for an aggregate grant fair value of \$4 million that will be expensed over an average service period of 1 year. The foregoing transaction did not involve any underwriters, any underwriting discounts or commissions, or any public offerings. The shares with respect to the transaction were issued in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended, in a privately negotiated transaction not involving any public offerings or solicitations.

Issuer Purchases of Equity Securities

The following table provides information with respect to acquisitions by the Company of shares of its common stock during the quarter ended December 31, 2024.

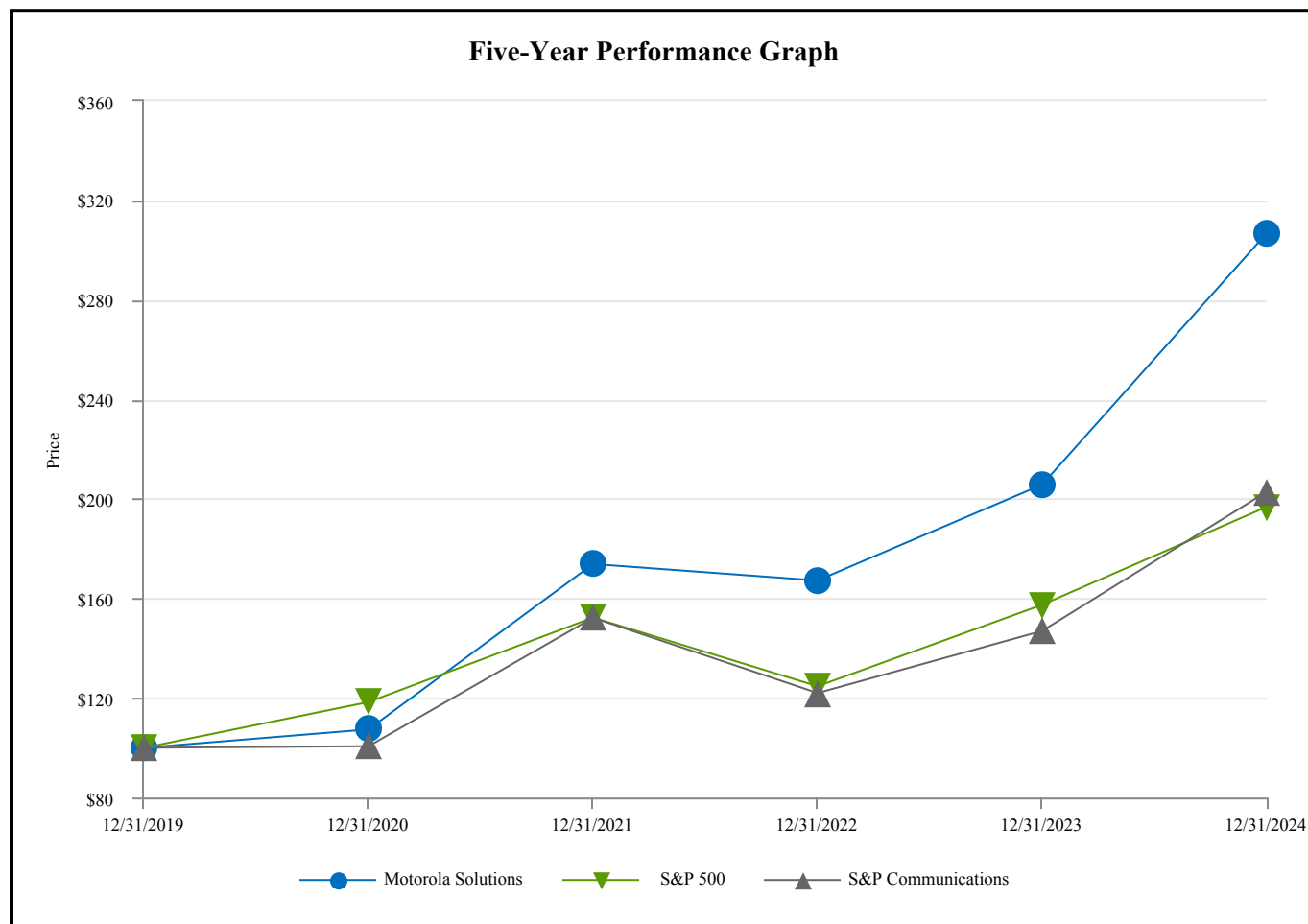
<i>Period</i>	<i>(a) Total Number of Shares Purchased</i>	<i>(b) Average Price Paid per Share ⁽¹⁾</i>	<i>(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Program ⁽²⁾</i>	<i>(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Program ⁽²⁾</i>
09/27/2024 to 10/24/2024	—	\$ —	—	\$ 2,340,137,531
10/25/2024 to 11/21/2024	—	\$ —	—	\$ 2,340,137,531
11/22/2024 to 12/30/2024	217,910	\$ 472.23	217,910	\$ 2,237,233,113
Total	<u>217,910</u>	<u>\$ 472.23</u>	<u>217,910</u>	

- (1) Average price paid per share of common stock repurchased excludes commissions paid to brokers and excise tax. As of January 1, 2023, the Company's share repurchases in excess of issuances are subject to a 1% excise tax enacted by the Inflation Reduction Act of 2022. The amount of excise tax incurred is included in the Company's Consolidated Statement of Stockholders' Equity for the year ended December 31, 2024.
- (2) As originally announced on July 28, 2011, and subsequently amended, the Board of Directors has authorized the Company to repurchase an aggregate amount of up to \$18.0 billion of its outstanding shares of common stock (the "share repurchase program"). The share repurchase program does not have an expiration date. As of December 31, 2024, the Company had used approximately \$15.8 billion to repurchase shares, leaving approximately \$2.2 billion of authority available for future repurchases.

Performance Graph

The following graph compares the five-year cumulative total shareholder returns of Motorola Solutions, Inc., the S&P 500 Index and the S&P Communications Equipment Index.

This graph assumes \$100 was invested in the stock or the indices on December 31, 2019 and reflects the reinvestment of dividends.



Years Ended December 31	2019	2020	2021	2022	2023	2024
Motorola Solutions	\$ 100.00	\$ 107.39	\$ 173.87	\$ 167.25	\$ 205.78	\$ 306.85
S&P 500	\$ 100.00	\$ 118.39	\$ 152.34	\$ 124.73	\$ 157.48	\$ 196.85
S&P Communications Equipment	\$ 100.00	\$ 100.63	\$ 152.27	\$ 122.01	\$ 146.98	\$ 202.92

Item 6: [Reserved.]

Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion and analysis of our financial position as of December 31, 2024 and 2023 and results of operations and cash flows for each of the three years in the period ended December 31, 2024. This commentary should be read in conjunction with our consolidated financial statements and the notes thereto appearing under "Item 8: Financial Statements and Supplementary Data."

Executive Overview

Our Business

Motorola Solutions' business is safety and security. Every day we work to deliver on our commitment of helping to create safer communities, safer schools, safer hospitals and safer businesses. Our work as a global leader in public safety and enterprise security is grounded in nearly 100 years of close customer and community collaboration. We design and advance technology for more than 100,000 public safety and enterprise customers in over 100 countries, driven by our commitment to help make everywhere safer for all.

We manage our business organizationally through two segments: "Products and Systems Integration" and "Software and Services." Within these segments, we have three principal product lines in which we report net sales: LMR Communications, Video and Command Center.

The Company has invested across these three technologies organically and through acquisitions to evolve its LMR focus and expand its safety and security products and services.

Our strategy is to generate value through our technologies that help meet the changing needs of our customers around the world in protecting people, property and places. While each technology individually strives to make users safer and more productive, we believe we can enable better outcomes for our customers when we unite these technologies to work together. Our goal is to help remove silos and barriers between people and technologies, so that data unifies, information flows, operations run and collaboration improves to help strengthen safety and security everywhere. Across all three technologies, we offer on-premises, cloud-based and hybrid software solutions, and services such as cybersecurity subscription services and managed and support services.

One example of this collaboration is highlighted by a school setting. When a teacher presses a panic button on a phone, this can automatically notify local law enforcement of an emergency, trigger a lockdown to secure all entries, share live video feeds with first responders and send mass notifications to key stakeholders inside and outside the school, helping schools to detect, respond and resolve safety and security threats.

The principal products within each segment, by technology, are described below:

Products and Systems Integration Segment

In 2024, the segment's net sales were \$6.9 billion, representing 64% of our consolidated net sales.

LMR Communications

Our LMR Communications technology includes infrastructure and devices for LMR, as well as devices for public safety Long Term Evolution ("LTE") and public carrier LTE. Our technology enables voice and multimedia collaborations across two-way radio, WiFi and public and private broadband networks. We are a global leader in the two-way radio category, including Project 25 (P25), Terrestrial Trunked Radio ("TETRA") and Digital Mobile Radio (DMR), as well as other PCR solutions. We also deliver LTE solutions for public safety, government and commercial users, including devices operating in both low-band and mid-band frequencies, including Citizens' Broadband Radio Service (CBRS) frequencies. We also offer High Frequency (HF) and Very High Frequency (VHF) communications technology to military, government and relief agency customers who require dynamic and mobile point-to-point voice communications in remote environments without the need for fixed infrastructure.

We believe that public safety agencies and enterprises continue to trust LMR communications systems and devices because they are purpose-built and designed for reliability, availability, security and resiliency to help keep people connected even during the most challenging conditions.

By extending our two-way radios with broadband data capabilities, we strive to provide our customers with greater functionality and multimedia access to the information and data they need in their workflows. Examples include application services such as GPS location to better protect lone workers, job dispatch to assign tasks and work orders and over-the-air programming to optimize device uptime. Our view is that complementary data applications such as these enable government, public safety and enterprise customers to work more efficiently and safely, while maintaining their mission-critical voice communications to remain connected and working in collaboration with others.

Primary sources of revenue for this technology come from selling devices and building communications systems, including infrastructure, the installation and integration of our infrastructure equipment within our customers' technology environments. The LMR technology within the Products and Systems Integration segment represented 83% of the net sales of the total segment in 2024.

Video

Our Video technology includes video management infrastructure, AI-powered security cameras including fixed and certain mobile video equipment, as well as on-premises and cloud-based access control solutions. We deploy video security and access control solutions to thousands of government and enterprise customers around the world, including schools, transportation systems, healthcare centers, public venues, commercial real estate, utilities, prisons, factories, casinos, airports, financial institutions, government facilities, state and local law enforcement agencies and retailers. Organizations such as these utilize video security and access control to verify critical events or incidents in real-time and to provide data to investigate an event or incident after it happens.

Our view is that government and public safety customers are increasingly turning to video security technologies, including fixed and mobile cameras, to increase visibility, accountability and safety for communities and first responders alike.

The Video technology within the Products and Systems Integration segment represented 17% of the net sales of the total segment in 2024.

Software and Services Segment

In 2024, the segment's net sales were \$3.9 billion, representing 36% of our consolidated net sales.

LMR Communications

LMR Communications services include support and managed services, which offer a broad continuum of support for our customers. Support services include repair and replacement, technical support and preventative maintenance, and more advanced offerings such as system monitoring, software updates and cybersecurity services. Managed services range from partial to full operational support of customer-owned or Motorola Solutions-owned communications systems. Our customers' systems often have multi-year or multi-decade lifespans that help drive demand for software upgrades, device and infrastructure refresh opportunities, as well as additional services to monitor, manage, maintain and secure these complex networks and solutions. We strive to deliver services to our customers that help improve performance across their systems, devices and applications for greater safety and productivity.

Given the mission-critical nature of our customers' operational environments, we aim to design the LMR networks they rely on for availability, security and resiliency. We have a comprehensive approach to system upgrades that addresses hardware, software and implementation services. As new system releases become available, we work with our customers to upgrade software, hardware, or both, with respect to site controllers, comparators, routers, LAN switches, servers, dispatch consoles, logging equipment, network management terminals, network security devices such as firewalls and intrusion detection sensors, on-site or remotely.

The LMR technology within the Software and Services segment represented 60% of the net sales of the total segment in 2024.

Video

Video software includes video network management software, decision management and digital evidence management software, certain mobile video equipment and advanced vehicle location data analysis software, including license plate recognition. Our software is designed to complement video hardware systems, providing end-to-end video security to help keep people, property and places safe.

Our video network management software is embedded with AI-powered analytics to deliver operational insights to our customers by bringing attention to important events within their video footage. Given the growing volume of video content, we believe that analytics are critical to delivering meaningful, action-oriented insights. Our view is that these insights can help to proactively detect an important event in real time as well as reactively search video content to detect an important event that occurred in the past. For example, AI-powered analytics can highlight a person at a facility out of hours (unusual activity), locate a missing child at a theme park (appearance search), flag a vehicle of interest at a school (license plate recognition), send an alert if doors to a restricted area are propped open at a hospital (access control), or trigger a school's customized lockdown plan while simultaneously alerting first responders and sharing video footage from inside the school.

Our cloud technologies can offer organizations the ability to access, search and manage their video security intrusion and access control system from a centralized dashboard, accessible on remote devices such as smartphones and laptops. Additionally, our on-premises fixed video systems can be connected to the cloud, providing our customers with the ability to securely access and manage video across their sites from a remote or central monitoring location. We believe that governments, public safety agencies and enterprises are increasingly turning to scalable, cloud-based multi-factor authentication access control to make their facilities more secure.

Our Video services include our "video-as-a-service" subscription-based offerings for law enforcement, simplifying procurement by bundling hardware and software into a single subscription. For example, body cameras and in-car video systems can be paired with either on-premises or cloud-based digital evidence management software and complementary command center products. Our cloud solutions are also sold as-a-service, available as single-year to multi-year hosted services, supporting our customers with upgrades and software enhancements to help ensure system performance and technological advancement.

The Video technology within the Software and Services segment represented 20% of the net sales of the total segment in 2024.

Command Center

Our Command Center portfolio consists of cloud-native, on-premises and hybrid software solutions that support the complex process of the public safety workflow from "911 call to case closure." From the moment a person contacts 911, an array of individuals engage to gather information, coordinate a response and manage the incident to resolution. These individuals include call takers who answer and triage 911 calls; dispatchers who route calls to police, fire and emergency medical services to manage the response; first responders who support on scene; intelligence analysts who support the incident; records and evidence specialists who preserve information and evidence; detectives who manage cases; crime analysts who identify patterns and accelerate investigations; and corrections officers who oversee jail and inmate management.

To help ensure that individuals within the public safety workflow can work as efficiently, effectively and safely as possible, we believe it's important that individuals within enterprises and communities can communicate and collaborate directly with public safety agencies, particularly during emergencies. Our Command Center portfolio offers solutions that are designed to help community members, enterprises and public safety agencies work together and share information in an effort to help prevent critical events from escalating and better inform an emergency response when an incident unfolds.

Our Command Center software is designed to support an emergency response. In the 911 communications center, we offer call taking and management software (including multimedia communication capabilities and AI-powered call transcription and language translation) and voice and computer-aided dispatch software to assign first responders to incidents. For emergency management teams, we offer mass notification and alerting (including panic button mobile applications) and incident collaboration software that aids in coordinating a multi-disciplinary response. In the field, we offer mobile applications that help first responders to collaborate with each other, remain connected to the information they need, manage an incident, capture critical information to support investigations, and remotely file reports. For information and support services teams, we offer integrated records and evidence management software, as well as solutions for managing tips and publishing crime maps to aid community engagement. For intelligence and investigations teams, we offer software that can unify voice, video and data in order to increase situational awareness from a single map-based view during a real-time incident response, and investigative tools to help uncover connections across records to generate leads and help close cases. For enterprises, we provide incident management and business resilience solutions that help secure people and facilities, as well as share information with public safety when an incident necessitates it.

Another area of public safety evolution is the increasing adoption of Next Generation 911 Core Services ("NGCS"), a group of products and services needed to create infrastructure connectivity in order to process a 911 call using Next Generation ("NG") technology. The NG infrastructure is an Emergency Service IP Network ("ESInet"), which can carry voice, data and multimedia. ESInet enables 911 call takers at public safety answering points to respond to text, video and data. Our NGCS can be offered as a managed service and includes call routing, ESInet, location services, geographic information services, cybersecurity and our continuous communications network and security operations center dedicated to public safety.

Command Center also includes interoperability solutions that provide connectivity across LMR and broadband networks to help ensure that communication is not limited by coverage area, network technology or device type. Additionally, Command Center includes push-to-talk ("PTT") devices that deliver voice communications over LTE and Wi-Fi, and advanced back-end systems that enable and manage interoperable communications, capable of scaling from small enterprises to nationwide cellular networks. For example, a two-way radio network can connect with an LTE network, assisting individuals in communicating securely and more easily across technologies. These solutions can provide our public safety customers with the critical interoperability between multiple agencies' networks, facilitating a coordinated response.

Finally, as the Command Center market continues to evolve from on-premises to hybrid and cloud technologies to improve their operations, we offer both cloud-native applications and cloud features that enhance on-premises applications. We believe this flexibility helps our customers to optimize their investments and enhance their systems with the technologies of their choice.

The Command Center technology within the Software and Services segment represented 20% of the net sales of the total segment in 2024.

2024 Financial Results

- Net sales were \$10.8 billion in 2024 compared to \$10.0 billion in 2023.
- Operating earnings were \$2.7 billion in 2024 compared to \$2.3 billion in 2023.
- Net earnings attributable to Motorola Solutions, Inc. were \$1.6 billion, or \$9.23 per diluted common share in 2024, compared to earnings of \$1.7 billion, or \$9.93 per diluted common share in 2023.
- Our operating cash flow was \$2.4 billion in 2024 compared to \$2.0 billion in 2023.
- We returned approximately \$898 million of capital to shareholders, in the form of \$654 million in dividends and \$244 million in share repurchases in 2024. Additionally, we repurchased the \$1.0 billion aggregate principal amount of the 1.75% senior convertible notes issued to Silver Lake Partners and scheduled to mature in 2024 ("the Silver Lake Convertible Debt"), for \$1.59 billion in cash, inclusive of the conversion premium.
- We increased our quarterly dividend by 11% to \$1.09 per share in November 2024.
- We ended 2024 with a backlog position of \$14.7 billion, up \$438 million compared to 2023.

Segment Financial Highlights

- In the Products and Systems Integration segment, net sales were \$6.9 billion in 2024, an increase of \$641 million, or 10%, compared to \$6.2 billion in 2023. On a geographic basis, net sales increased in both the North America and International regions. Operating earnings were \$1.7 billion in 2024, compared to \$1.2 billion in 2023. Operating margins increased in 2024 to 24.3% from 19.9% in 2023 primarily due to higher sales and favorable mix, partially offset by higher employee incentive costs, including share-based compensation, higher expenses related to legal matters, including Hytera-related expenses, and higher expenses associated with acquired businesses.
- In the Software and Services segment, net sales were \$3.9 billion in 2024, an increase of \$198 million, or 5%, compared to \$3.7 billion in 2023. On a geographic basis, net sales increased in the North America region and decreased in the International region. Operating earnings were \$1.0 billion in 2024, compared to \$1.1 billion in 2023. Operating margins decreased in 2024 to 25.7% from 28.1% in 2023 primarily driven the revenue reduction on Airwave services in accordance with the Charge Control, higher employee incentive costs, including share-based compensation, higher expenses associated with acquired businesses and higher expenses related to legal matters, partially offset by higher sales and a reduction in intangible amortization expenses.

Recent Events

U.K. Home Office Update

In October 2021, the Competition and Markets Authority ("CMA") opened a market investigation into the Mobile Radio Network Services market. This investigation included Airwave, our private mobile radio communications network that we acquired in 2016. Airwave provides mission-critical voice and data communications to emergency services and other agencies in Great Britain.

In 2023, the CMA imposed a legal order on Airwave which implemented a prospective price control on Airwave (the "Charge Control"). After the Competition Appeal Tribunal ("CAT") dismissed our appeal of the CMA's final decision, we appealed the CAT's judgment to the United Kingdom Court of Appeal. On January 30, 2025, the United Kingdom Court of Appeal denied our application for permission to appeal the CAT's judgment. Since August 1, 2023, revenue under the Airwave contract has been, and will continue to be, recognized in accordance with the Charge Control.

On March 13, 2024, we received a notice of contract extension (the "Deferred National Shutdown Notice") from the Home Office of the United Kingdom (the "Home Office"). The Deferred National Shutdown Notice extends the "national shutdown target date" of the Airwave service from December 31, 2026 to December 31, 2029, at the Charge Control rates. Our backlog for Airwave services contracted with the Home Office through December 31, 2026 was previously reduced by \$777 million to align with the Charge Control. In 2024, as a result of the Home Office's notice of a contract extension pursuant to their Deferred National Shutdown Notice, we recorded additional backlog of \$748 million to reflect the incremental three years of services. On April 11, 2024, we filed proceedings in the U.K. High Court challenging the decision of the Home Office to issue the Deferred National Shutdown Notice as being in breach of applicable U.K. procurement and public law. The hearing on this matter has been set to commence on April 22, 2025. The backlog related to the incremental years of service contemplated in the Deferred National Shutdown Notice could change depending on the outcome of the proceedings.

On December 5, 2024, a proposed class representative filed a claim with the CAT to bring collective proceedings against us, alleging that users of Airwave services during the period January 1, 2020 through July 31, 2023 suffered financial harm as a result of the pricing in effect during such time (the "Collective Proceeding"). The initial stage of the Collective Proceeding will involve "Certification" of the claim by the CAT, which we expect to be heard in 2025.

Recent Acquisitions

Segment	Technology	Acquisition	Description	Purchase Price	Date of Acquisition
Software and Services	Command Center	3tc Software	Provider of control room software solutions.	\$22 million and share-based compensation of \$4 million	October 29, 2024
Software and Services	Command Center	Noggin	Provider of cloud-based business continuity planning, operational resilience and critical event management software.	\$91 million and share-based compensation of \$19 million	July 1, 2024
Software and Services	Video Security and Access Control	Unnamed vehicle location and management solutions business	Provider of vehicle location and management solutions.	\$132 million and share-based compensation of \$3 million	July 1, 2024
Products and Systems Integration	Video Security and Access Control	Silent Sentinel	Provider of specialized, long-range cameras.	\$37 million	February 13, 2024
Products and Systems Integration	Video Security and Access Control	IPVideo	Creator of a multifunctional safety and security device.	\$170 million and share-based compensation of \$5 million	December 15, 2023
Software and Services	Command Center	Rave Mobile	Provider of mass notification and incident management services.	\$553 million and share-based compensation of \$2 million	December 14, 2022
Products and Systems Integration	LMR Communications	Futurecom	Provider of radio coverage extension solutions.	\$30 million	October 25, 2022
Products and Systems Integration	LMR Communications	Barrett Communications	Provider of specialized radio communications.	\$18 million	August 8, 2022
Products and Systems Integration	Video Security and Access Control	Videotec	Provider of ruggedized video security solutions.	\$23 million and share-based compensation of \$4 million	May 12, 2022
Software and Services	Video Security and Access Control	Calipsa	Provider of cloud-native advanced video analytics.	\$39 million and share-based compensation of \$4 million	April 19, 2022
Software and Services	LMR Communications	TETRA Ireland	Provider of Ireland's National Digital Radio Service.	\$120 million	March 23, 2022
Products and Systems Integration Software and Services	Video Security and Access Control	Ava	Provider of cloud-native video security and analytics.	\$388 million and share-based awards and compensation of \$7 million	March 3, 2022

Climate Change Regulations

We expect that our operations and supply chain will become increasingly subject to federal, state, local and foreign laws, regulations and international treaties and industry standards relating to climate change and other environmental and social impacts, risks and opportunities. For example, in the European Union (the "EU"), the EU Corporate Sustainability Reporting Directive, EU Corporate Sustainability Due Diligence Directive and EU taxonomy initiatives will introduce, in staggered timelines, additional due diligence and disclosure requirements addressing sustainability that will apply or we expect will apply, as applicable, to us in the coming years.

Looking Forward

We expect continued growth within our global LMR installed base as a number of events such as natural disasters and large-scale incidents continue to reinforce the importance of having secure, reliable LMR for public safety. We believe our augmentation of LMR with broadband solutions will also drive growth, as we expect our customers will look to integrate valuable data capabilities. We expect to provide additional services to existing LMR customers as communications systems become more complex, software-centric and data-driven.

As public safety needs continue to evolve, we anticipate growth opportunities within the command center as our Command Center portfolio supports the complex process of the public safety workflow from "911 call to case closure." We expect increased growth across our portfolio that consists of native cloud, hybrid and on-premises software solutions that provide a migration path for our customers from on-premises solutions to cloud capabilities, as well as from the increasing adoption of NGCS.

Within Video, we expect growth across our portfolio of fixed and mobile video security solutions embedded with advanced analytics and access control solutions. We believe drivers include the expansion of traditional video sales beyond enterprise customers to governments and public safety customers. Additionally, we believe that governments, public safety agencies and enterprises are increasingly turning to scalable, cloud-based multi-factor authentication access control to make their facilities more secure with the ability to securely access, search and manage these systems across their sites from a remote or central monitoring location. We also expect customers to continue to embrace analytics that convert video data into actionable insights and offerings such as "video-as-a-service."

We anticipate new opportunities from the investments we are making to integrate our LMR, Video and Command Center technologies into one unified safety and security ecosystem. We expect that our customers will continue to turn to cloud-based integrated solutions, as well as, we have made go-to-market and research and development investments in both Video and our Command Center technologies with growth in mind. We have made a number of acquisitions and we see opportunities to continue to rationalize costs within both segments of our business, further driving operating leverage in our businesses.

Results of Operations

	Years ended December 31					
<i>(Dollars in millions, except per share amounts)</i>	2024	% of Sales **	2023	% of Sales **	2022	% of Sales **
Net sales from products	\$ 6,454		\$ 5,814		\$ 5,368	
Net sales from services	4,363		4,164		3,744	
Net sales	10,817		9,978		9,112	
Costs of product sales	2,674	41.4 %	2,591	44.6 %	2,595	48.3 %
Costs of services sales	2,631	60.3 %	2,417	58.0 %	2,288	61.1 %
Costs of sales	5,305	49.0 %	5,008	50.2 %	4,883	53.6 %
Gross margin	5,512	51.0 %	4,970	49.8 %	4,229	46.4 %
Selling, general and administrative expenses	1,752	16.2 %	1,561	15.6 %	1,450	15.9 %
Research and development expenditures	917	8.5 %	858	8.6 %	779	8.5 %
Other charges	155	1.4 %	257	2.6 %	339	3.7 %
Operating earnings	2,688	24.8 %	2,294	23.0 %	1,661	18.2 %
Other income (expense):						
Interest expense, net	(227)	(2.1)%	(216)	(2.2)%	(226)	(2.5)%
Gains on sales of investments and businesses, net	—	— %	—	— %	3	— %
Other, net	(489)	(4.5)%	68	0.7 %	77	0.8 %
Total other expense	(716)	(6.6)%	(148)	(1.5)%	(146)	(1.6)%
Net earnings before income taxes	1,972	18.2 %	2,146	21.5 %	1,515	16.6 %
Income tax expense	390	3.6 %	432	4.3 %	148	1.6 %
Net earnings	1,582	14.6 %	1,714	17.2 %	1,367	15.0 %
Less: Earnings attributable to noncontrolling interests	5	— %	5	0.1 %	4	— %
Net earnings*	\$ 1,577	14.6 %	\$ 1,709	17.1 %	\$ 1,363	15.0 %
Earnings per diluted common share*	\$ 9.23		\$ 9.93		\$ 7.93	

* Amounts attributable to Motorola Solutions, Inc. common shareholders.

** Percentages may not add due to rounding.

Geographic Market Sales by Locale of End Customer

	2024	2023	2022
North America	72 %	69 %	70 %
International	28 %	31 %	30 %
	100 %	100 %	100 %

Results of Operations—2024 Compared to 2023

Net Sales

(In millions)	Years ended December 31		
	2024	2023	% Change
Net sales from Products and Systems Integration	\$ 6,883	\$ 6,242	10 %
Net sales from Software and Services	3,934	3,736	5 %
Net sales	\$ 10,817	\$ 9,978	8 %

The Products and Systems Integration segment's net sales represented 64% of our net sales in 2024, compared to 63% of our net sales in 2023. The Software and Services segment's net sales represented 36% of our net sales in 2024, compared to 37% of our net sales in 2023.

Net sales increased by \$839 million, or 8%, compared to 2023. The 10% increase in net sales within the Products and Systems Integration segment was driven by a 13% increase in the North America region and a 3% increase in the International region. The 5% increase in the Software and Services segment was driven by a 12% increase in the North America region partially offset by a 8% decline within the International region. The increase in net sales included:

- an increase in the Products and Systems Integration segment, inclusive of \$43 million of revenue from acquisitions, driven by growth in LMR and Video; and
- an increase in the Software and Services segment, inclusive of \$52 million of revenue from acquisitions, driven by an increase in Video and Command Center, partially offset by LMR services due to the revenue reduction on Airwave services in accordance with the Charge Control and the Company's exit of the Emergency Services Network contract with the Home Office in 2022, inclusive of the twelve months of transition services through the end of 2023 (the "ESN Exit");
- inclusive of \$2 million from unfavorable currency rates.

Regional results included:

- a 13% increase in the North America region, inclusive of revenue from acquisitions, driven by growth in LMR, Video and Command Center; and
- a 2% decline in the International region, inclusive of revenue from acquisitions, driven by the revenue reduction on Airwave services in accordance with the Charge Control and the ESN Exit, partially offset by growth in LMR, Video and Command Center.

Products and Systems Integration

The 10% increase in the Products and Systems Integration segment was driven by the following:

- a \$612 million, or 12% growth in LMR, driven by both the North America and International regions; and
- a \$29 million, or 3% growth in Video, inclusive of revenue from acquisitions, driven by both the North America and International regions;
- inclusive of \$2 million from unfavorable currency rates.

Software and Services

The 5% increase in the Software and Services segment was driven by the following:

- a \$165 million, or 27% growth in Video, inclusive of revenue from acquisitions, driven by both the North America and International regions; and
- a \$71 million, or 10% growth in Command Center, inclusive of revenue from acquisitions, driven by both the North America and International regions; partially offset by
- a \$38 million, or 2% decrease in LMR services, driven by the revenue reduction on Airwave services in accordance with the Charge Control and the ESN Exit, partially offset by an increase in both the North America and International regions.

Gross Margin

	Years ended December 31		
(In millions)	2024	2023	% Change
Gross margin from Products and Systems Integration	\$ 3,668	\$ 3,127	17 %
Gross margin from Software and Services	1,844	1,843	— %
Gross margin	\$ 5,512	\$ 4,970	11 %

Gross margin was 51.0% of net sales in 2024 compared to 49.8% of net sales in 2023. The primary drivers of this increase in gross margin as a percentage of net sales were:

- a 3.2% increase in gross margin as a percentage of net sales in the Products and Systems Integration segment, inclusive of acquisitions, primarily driven by higher sales, favorable mix and lower direct material costs; partially offset by
- a 2.4% decrease gross margin as a percentage of net sales in the Software and Services segment, inclusive of acquisitions, driven by the revenue reduction on Airwave services in accordance with the Charge Control.

Selling, General and Administrative ("SG&A") Expenses

	Years ended December 31		
(In millions)	2024	2023	% Change
SG&A expenses from Products and Systems Integration	\$ 1,392	\$ 1,239	12 %
SG&A expenses from Software and Services	360	322	12 %
SG&A expenses	\$ 1,752	\$ 1,561	12 %

SG&A expenses increased \$191 million, or 12% in 2024 compared to 2023 primarily due to:

- a \$153 million, or 12% increase in Products and Systems Integration SG&A expenses primarily due to higher employee incentive costs, including share-based compensation, and higher expenses related to legal matters, including Hytera related legal expenses; and
- a \$38 million, or 12% increase in Software and Services SG&A expenses primarily due to higher employee incentive costs, including share-based compensation, and higher expenses related to legal matters.

SG&A expenses were 16.2% of net sales in 2024 compared to 15.6% of net sales in 2023.

Research and Development ("R&D") Expenditures

	Years ended December 31		
(In millions)	2024	2023	% Change
R&D expenditures from Products and Systems Integration	\$ 575	\$ 551	4 %
R&D expenditures from Software and Services	342	307	11 %
R&D expenditures	\$ 917	\$ 858	7 %

R&D expenditures increased \$59 million, or 7% in 2024 compared to 2023 primarily due to:

- a \$35 million, or 11% increase in Software and Services R&D expenses primarily due to higher employee incentive costs, including share-based compensation, and higher expenses associated with acquired businesses; and
- an \$24 million, or 4% increase in Products and Systems Integration R&D expenses primarily due to higher employee incentive costs, including share-based compensation, and higher expenses associated with acquired businesses.

R&D expenditures were 8.5% of net sales in 2024 and 8.6% of net sales in 2023.

Other Charges

	Years ended December 31	
(In millions)	2024	2023
Other charges from Products and Systems Integration	\$ 25	\$ 94
Other charges from Software and Services	130	\$ 163
Other charges	\$ 155	\$ 257

Other charges decreased \$102 million, or 40% in 2024 compared to 2023 due to a \$69 million, or 73% decrease in Products and System Integration and a \$33 million, or 20% decrease in Software and Services. The decrease was primarily driven by:

- a \$61 million gain on the Hytera litigation in 2024 for the amounts recovered through legal proceedings due to theft of our trade secrets that did not occur in 2023 (see "Hytera Civil Litigation" within "Note 12: Commitments and Contingencies" to our consolidated financial statements in "Part II. Item 8. Financial Statements and Supplementary Data" of this Form 10-K for further information);
- \$152 million of intangible asset amortization expense in 2024 compared to \$177 million of intangible asset amortization expense in 2023;
- a \$24 million impairment loss related to the exit of video manufacturing operations in 2023 that did not occur in 2024 (see "Property, Plant and Equipment, Net" within "Note 4: Other Financial Data" to our consolidated financial statements in "Part II. Item 8. Financial Statements and Supplementary Data" of this Form 10-K for further information); and
- \$2 million of environmental reserve expense in 2024 compared to \$15 million in 2023; partially offset by
- \$20 million of acquisition-related transaction fees in 2024 compared to \$7 million of acquisition-related transaction fees.

Operating Earnings

	Years ended December 31	
(In millions)	2024	2023
Operating earnings from Products and Systems Integration	\$ 1,676	\$ 1,244
Operating earnings from Software and Services	1,012	1,050
Operating earnings	\$ 2,688	\$ 2,294

Operating earnings increased \$394 million, or 17% in 2024 compared to 2023. The increase in Operating earnings was due to:

- a \$432 million increase in the Products and Systems Integration segment from 2023 to 2024, primarily driven by higher sales, favorable mix and a gain on the Hytera litigation (for further information regarding the Hytera litigation, refer to "Hytera Civil Litigation" within "Note 12: Commitments and Contingencies" in "Part II. Item 8. Financial Statements and Supplementary Data" of this Form 10-K), partially offset by higher employee incentive costs, including share-based compensation, higher expenses related to legal matters, including Hytera related expenses, and higher expenses associated with acquired businesses; partially offset by
- a \$38 million decrease in the Software and Services segment from 2023 to 2024, primarily driven by the revenue reduction on Airwave services in accordance with the Charge Control, higher employee incentive costs, including share-based compensation, higher expenses associated with acquired businesses and higher expenses related to legal matters, partially offset by higher sales and a reduction in intangible amortization expenses.

Interest Expense, net

	Years ended December 31	
(In millions)	2024	2023
Interest expense, net	\$ (227)	\$ (216)

The \$11 million increase in net interest expense in 2024 compared to 2023 was primarily driven by higher interest rates on outstanding debt and an interest accrual related to audits with taxing authorities in foreign jurisdictions, partially offset by higher interest income.

Other, net

	Years ended December 31	
(In millions)	2024	2023
Other, net	\$ (489)	\$ 68

The \$557 million change in Other, net expense in 2024 compared to Other, net income in 2023 was primarily due to:

- \$585 million of loss from the extinguishment of the the Silver Lake Convertible Debt which was recognized in 2024;
- \$19 million of losses on derivatives in 2024 compared to \$20 million of gains on derivatives in 2023;
- \$5 million of losses on fair value adjustments to equity investments in 2024 compared to an \$13 million of gains on fair value adjustments to equity investments in 2023; and
- \$11 million of losses on assessments of uncertain tax positions recognized in 2024; partially offset by
- \$2 million of foreign currency gains in 2024 compared to \$53 million of foreign currency losses in 2023;
- \$132 million of net periodic pension and postretirement benefit in 2024 compared to \$99 million of net periodic pension and postretirement benefit in 2023; and
- \$3 million of investment impairments in 2024 compared to \$16 million of investment impairments in 2023.

Effective Tax Rate

(In millions)	Years ended December 31	
	2024	2023
Income tax expense	\$ 390	\$ 432

Income tax expense decreased by \$42 million in 2024 compared to 2023, for an effective tax rate of 19.8%, which is lower than the current U.S. federal statutory rate of 21% primarily due to:

- \$171 million benefit from our decision to implement a business initiative in 2024 which allows for additional utilization of foreign tax credit carryforwards and a higher foreign derived intangible income deduction on our 2023 U.S. tax return;
- \$45 million of benefits due to the recognition of excess tax benefits on share-based compensation;
- \$29 million benefit from the foreign derived intangible income deduction; and
- \$24 million of benefits due to the generation of research and development tax credits; partially offset by
- \$148 million tax expense due to the non-tax deductible loss on the extinguishment of Silver Lake Convertible Debt; and
- \$66 million tax expense for estimated 2024 U.S. state income taxes.

Our effective tax rate in 2023 was 20.1%, which is lower than the current U.S. federal statutory rate of 21% primarily due to:

- \$38 million benefit from the foreign derived intangible income deduction;
- \$33 million of benefits due to the recognition of excess tax benefits on share-based compensation; and
- \$19 million of benefits due to the generation of research and development tax credits; partially offset by
- \$71 million tax expense for estimated 2023 U.S. state income taxes.

For further information, see "Note 7: Income Taxes" to our consolidated financial statements in "Part II. Item 8. Financial Statements and Supplementary Data" of this Form 10-K.

Results of Operations—2023 Compared to 2022

Net Sales

(In millions)	Years ended December 31		
	2023	2022	% Change
Net sales from Products and Systems Integration	\$ 6,242	\$ 5,728	9 %
Net sales from Software and Services	3,736	3,384	10 %
Net sales	\$ 9,978	\$ 9,112	10 %

The Products and Systems Integration segment's net sales represented 63% of our net sales in both 2023 and 2022. The Software and Services segment's net sales represented 37% of our net sales in both 2023 and 2022.

Net sales increased by \$866 million, or 10%, in 2023 compared to 2022. The 9% increase in net sales within the Products and Systems Integration segment was driven by a 20% increase in the International region and a 5% increase in the North America region. The 10% increase in the Software and Services segment was driven by a 16% increase in the North America region and a 1% increase within the International region. The increase in net sales included:

- an increase in the Products and Systems Integration segment, inclusive of \$15 million of revenue from acquisitions, driven by growth in LMR and Video;
- an increase in the Software and Services segment, inclusive of \$83 million of revenue from acquisitions, driven by an increase in LMR services, Command Center and Video; and
- inclusive of \$38 million from unfavorable currency rates.

Regional results include:

- a 9% increase in the North America region, inclusive of revenue from acquisitions, driven by growth in LMR, Video and Command Center; and
- a 11% increase in the International region, inclusive of revenue from acquisitions, driven by growth in LMR and Video, partially offset by the revenue reduction on Airwave services in 2023 due to the implementation of the Charge Control.

Products and Systems Integration

The 9% increase in the Products and Systems Integration segment was driven by the following:

- \$414 million, or 9% growth in LMR, inclusive of revenue from acquisitions, driven by both the International and North America regions;
- \$100 million, or 10% growth in Video, inclusive of revenue from acquisitions, in both the North America and International regions; and
- inclusive of \$19 million from unfavorable currency rates.

Software and Services

The 10% increase in the Software and Services segment was driven by the following:

- \$125 million, or 5% growth in LMR services, inclusive of revenue from acquisitions, driven by the North America and International regions, partially offset by the revenue reduction on Airwave services in 2023 due to the implementation of the Charge Control;
- \$124 million, or 21% growth in Command Center, inclusive of revenue from acquisitions, driven by both the North America and International regions;
- \$103 million, or 20% growth in Video, inclusive of revenue from acquisitions, driven by the North America region; and
- inclusive of \$19 million from unfavorable currency rates.

Gross Margin

(In millions)	Years ended December 31		
	2023	2022	% Change
Gross margin from Products and Systems Integration	\$ 3,127	\$ 2,668	17 %
Gross margin from Software and Services	1,843	1,561	18 %
Gross margin	\$ 4,970	\$ 4,229	18 %

Gross margin was 49.8% of net sales in 2023 compared to 46.4% of net sales in 2022. The primary drivers of this increase in gross margin as a percentage of net sales were:

- a 3.5% increase in gross margin as a percentage of net sales in the Products and Systems Integration segment, inclusive of acquisitions, primarily driven by higher sales and lower direct material costs; and
- a 3.2% increase in gross margin as a percentage of net sales in the Software and Services segment, inclusive of acquisitions, primarily driven by higher sales and a \$147 million fixed asset impairment loss in 2022 that did not recur in 2023 related to the ESN Exit, partially offset by the revenue reduction on Airwave services in 2023 due to the implementation of the Charge Control.

Selling, General and Administrative ("SG&A") Expenses

(In millions)	Years ended December 31		
	2023	2022	% Change
SG&A expenses from Products and Systems Integration	\$ 1,239	\$ 1,156	7 %
SG&A expenses from Software and Services	322	294	10 %
SG&A expenses	\$ 1,561	\$ 1,450	8 %

SG&A expenses increased \$111 million, or 8% in 2023 compared to 2022 primarily due to:

- an \$83 million, or 7% increase in Products and Systems Integration SG&A expenses primarily due to higher employee incentive costs, including share-based compensation and higher expenses associated with acquired businesses, partially offset by lower Hytera-related legal expenses; and
- a \$28 million, or 10% increase in Software and Services SG&A expenses primarily due to higher expenses associated with acquired businesses and higher employee incentive costs, including share-based compensation.

SG&A expenses were 15.6% of net sales in 2023 compared to 15.9% of net sales in 2022.

Research and Development ("R&D") Expenditures

(In millions)	Years ended December 31		
	2023	2022	% Change
R&D expenditures from Products and Systems Integration	\$ 551	\$ 503	10 %
R&D expenditures from Software and Services	307	276	11 %
R&D expenditures	\$ 858	\$ 779	10 %

R&D expenditures increased \$79 million, or 10% in 2023 compared to 2022 primarily due to:

- a \$48 million, or 10% increase in Products and Systems Integration R&D expenses primarily due to higher employee incentive costs, including share-based compensation, and higher expenses associated with acquired businesses; and
- a \$31 million, or 11% increase in Software and Services R&D expenses primarily due to higher expenses associated with acquired businesses and higher employee incentive costs, including share-based compensation.

R&D expenditures were 8.6% of net sales in 2023 and 8.5% of net sales in 2022.

Other Charges

(In millions)	Years ended December 31	
	2023	2022
Other charges from Products and Systems Integration	\$ 94	\$ 96
Other charges from Software and Services	163	243
Other charges	\$ 257	\$ 339

Other charges decreased \$82 million, or 24% in 2023 compared to 2022 due to an \$80 million, or 33% decrease in Software and Service and a \$2 million, or 2% decrease in Products and Systems Integration. The decrease was primarily due to:

- \$177 million of intangible asset amortization expense in 2023 compared to \$257 million in 2022;
- \$4 million of legal settlements in 2023 compared to \$23 million in 2022;
- \$6 million of operating lease asset impairments in 2023 compared to \$24 million in 2022;
- \$7 million of charges for acquisition-related transaction fees in 2023 compared to \$23 million in 2022; and
- \$3 million of fixed asset impairments in 2023 compared to \$12 million in 2022; partially offset by
- \$24 million impairment loss related to the exit of video manufacturing operations in 2023 that did not occur in 2022 (see "Property, Plant and Equipment, Net" within "Note 4: Other Financial Data" to our consolidated financial statements in "Part II. Item 8. Financial Statements and Supplementary Data" of this Form 10-K for further information);
- \$15 million of environmental reserve expense in 2023 that did not occur in 2022;
- \$15 million of gain recoveries from the legal settlement under the Hytera bankruptcy proceedings in 2022 that did not occur in 2023; and
- \$22 million of net reorganization of business charges in 2023 compared to \$18 million in 2022 (see "Note 14: Reorganization of Businesses" to our consolidated financial statements in "Part II. Item 8. Financial Statements and Supplementary Data" of this Form 10-K for further information).

Operating Earnings

Years ended December 31

(In millions)	2023	2022
Operating earnings from Products and Systems Integration	\$ 1,244	\$ 913
Operating earnings from Software and Services	1,050	748
Operating earnings	\$ 2,294	\$ 1,661

Operating earnings increased \$633 million, or 38% in 2023 compared to 2022. The increase in Operating earnings was due to:

- a \$331 million increase in the Products and Systems Integration segment from 2022 to 2023, primarily driven by higher sales and lower direct material costs, partially offset by higher employee incentive costs, including share-based compensation; and
- a \$302 million increase in the Software and Services segment from 2022 to 2023, primarily driven by higher sales and a \$147 million fixed asset impairment loss in 2022 that did not recur in 2023, related to the ESN Exit, and a reduction in intangible amortization expenses, partially offset by the revenue reduction on Airwave services in 2023 due to the implementation of the Charge Control, and higher expenses associated with acquired businesses.

Interest Expense, net

Years ended December 31

(In millions)	2023	2022
Interest expense, net	\$ (216)	\$ (226)

The \$10 million decrease in net interest expense in 2023 compared to 2022 was a result of higher interest income earned on cash, partially offset by higher debt outstanding.

Gains on Sales of Investments and Businesses, net

Years ended December 31

(In millions)	2023	2022
Gains on sales of investments and businesses, net	\$ —	\$ 3

The net gains on sales of investments and businesses were primarily related to the sales of various equity investments that occurred in 2022.

Other, net

Years ended December 31

(In millions)	2023	2022
Other, net	\$ 68	\$ 77

Other, net income decreased \$9 million in 2023 compared to 2022 primarily due to:

- \$53 million of foreign currency loss in 2023 compared to \$37 million of foreign currency gain in 2022;
- \$99 million of net periodic pension and postretirement benefit in 2023 compared to \$123 million of net periodic pension and postretirement benefit in 2022;
- a \$21 million gain on TETRA Ireland equity method investment in 2022 that did not occur in 2023; and
- \$16 million of investment impairments in 2023 compared to \$1 million of investment impairments in 2022; partially offset by
- a \$20 million gain on derivatives in 2023 compared to a \$61 million loss on derivatives in 2022;
- a \$13 million loss on fair value adjustments to equity investments in 2023 compared to an \$30 million loss on fair value adjustments to equity investments in 2022;
- a \$6 million loss on the extinguishment of long-term debt in 2022 that did not occur in 2023; and
- a \$3 million loss on equity method investments in 2022 that did not occur in 2023.

Effective Tax Rate

Years ended December 31

(In millions)	2023	2022
Income tax expense	\$ 432	\$ 148

Income tax expense increased by \$284 million in 2023 compared to 2022, for an effective tax rate of 20.1%, which is lower than the current U.S. federal statutory rate of 21% primarily due to:

- \$38 million benefit from the foreign derived intangible income deduction;
- \$33 million of benefits due to the recognition of excess tax benefits on share-based compensation; and
- \$19 million of benefits due to the generation of research and development tax credits, offset by:
- \$71 million tax expense for estimated 2023 U.S. state income taxes.

Our effective tax rate in 2022 was 9.8%, which is lower than the current U.S. federal statutory rate of 21% primarily due to:

- \$77 million of a non-recurring net deferred tax benefit as a result of an intra-group transfer of certain intellectual property rights;
- \$68 million of benefits due to the recognition of excess tax benefits on share-based compensation;
- \$59 million benefit from the foreign derived intangible income deduction; and
- \$47 million benefit due to a change in the Company's ability to utilize tax attribute carryforwards resulting in the partial release of valuation allowances.

Reorganization of Businesses

In 2024, we recorded net reorganization of business charges of \$38 million relating to the separation of 720 employees, of which 460 were direct employees and 260 were indirect employees. The \$38 million of charges included \$12 million of charges recorded to Cost of sales and \$26 million of charges recorded to Other charges. Included in the aggregate \$38 million were charges of \$48 million related to employee separation costs, partially offset by \$6 million of reversals for employee separation accruals no longer needed and \$4 million of reversals for exit cost accruals no longer needed.

During 2023, we recorded net reorganization of business charges of \$53 million relating to the separation of 700 employees, of which 420 were direct employees and 280 were indirect employees. The \$53 million of charges included \$7 million recorded to Cost of sales and \$46 million recorded to Other charges. Included in the aggregate \$53 million were charges of \$41 million related to employee separation costs and a \$24 million impairment loss related to the exit of video manufacturing operations, partially offset by \$7 million of reversals for employee separation accruals no longer needed and \$5 million of reversals for exit cost accruals no longer needed.

During 2022, we recorded net reorganization of business charges of \$36 million relating to the separation of 460 employees, of which 310 were direct employees and 150 were indirect employees. The \$36 million of charges included \$18 million recorded to Cost of sales and \$18 million recorded to Other charges. Included in the aggregate \$36 million were charges of \$36 million for employee separation costs and \$10 million for exit costs, partially offset by \$10 million of reversals for accruals no longer needed.

The following table displays the net charges incurred by business segment due to such reorganizations:

Years ended December 31	2024	2023	2022
Products and Systems Integration	\$ 32	\$ 45	\$ 21
Software and Services	6	8	15
	\$ 38	\$ 53	\$ 36

Cash payments for employee severance in connection with the reorganization of business plans were \$38 million, \$37 million, and \$34 million in 2024, 2023, and 2022, respectively. The reorganization of business accruals for employee separation costs at December 31, 2024 were \$27 million which we expect to pay within one year.

At January 1, 2024, we had an accrual of \$5 million for exit costs related to our exit of the ESN contract with the Home Office. During the year, we recorded a \$4 million reversal for accruals no longer needed. The remaining \$1 million of exit costs are recorded in Accrued liabilities in our Consolidated Balance Sheet at December 31, 2024, and are expected to be paid within one year.

Liquidity and Capital Resources

	Years Ended December 31		
	2024	2023	2022
Cash flows provided by (used for):			
Operating activities	\$ 2,391	\$ 2,044	\$ 1,823
Investing activities	(507)	(414)	(1,387)
Financing activities	(1,448)	(1,295)	(906)
Effect of exchange rates on cash and cash equivalents	(39)	45	(79)
Increase (decrease) in cash and cash equivalents	\$ 397	\$ 380	\$ (549)

Cash and Cash Equivalents

At December 31, 2024, \$1.8 billion of our \$2.1 billion cash and cash equivalents balance was held in the U.S. and \$299 million was held in other countries. Restricted cash was \$3 million as of December 31, 2024 and \$2 million as of December 31, 2023.

We routinely repatriate a portion of non-U.S. earnings each year. We have recorded income tax expense for foreign withholding tax and distribution taxes on such earnings and, under current U.S. tax laws, do not expect to incur material incremental U.S. tax on repatriation.

Where appropriate, we may also pursue capital reduction activities; however, such activities can be involved and lengthy. While we regularly repatriate funds, and a portion of offshore funds can be repatriated with minimal adverse financial impact, repatriation of some of these funds may be subject to delay due to local country approvals.

Operating Activities

The increase in operating cash flows from 2023 to 2024 was primarily driven by higher earnings, net of non-cash charges.

The increase in operating cash flows from 2022 to 2023 was driven by:

- higher earnings, net of non-cash charges; and
- improved working capital; partially offset by
- \$280 million of higher income tax payments, including a one-time \$70 million cash tax payment made in 2023 related to an intra-group transfer of certain IP rights that was completed in 2022 (see "Note 7: Income Taxes" to our consolidated financial statements in "Part II. Item 8. Financial Statements and Supplementary Data" of this Form 10-K for further information).

Investing Activities

The increase in net cash used for investing activities from 2023 to 2024 was primarily due to:

- \$110 million increase in acquisitions and investments, driven by acquisitions and investments of \$290 million in 2024 compared to \$180 million in 2023; and
- \$4 million increase in capital expenditures in 2024 compared to 2023; partially offset by
- \$21 million increase in proceeds from the sale of investments in 2024 compared to 2023.

The decrease in net cash used for investing activities from 2022 to 2023 was primarily due to:

- \$997 million decrease in acquisitions and investments, driven by acquisitions of \$180 million in 2023 compared to \$1.2 billion in 2022; and
- \$3 million decrease in capital expenditures in 2023 compared to 2022; partially offset by
- \$27 million decrease in proceeds from the sale of investments in 2023 compared to 2022.

Financing Activities

The increase in cash used for financing activities in 2024 compared to cash used for financing activities in 2023 was driven by (also see further discussion in "Debt," "Credit Facilities," "Share Repurchase Program" and "Dividends" in this section below):

- \$1.9 billion increase in repayments of debt in 2024 primarily driven by the repurchase of the Silver Lake Convertible Debt and repayment of our 4.0% senior notes due 2024;
- \$654 million cash used for the payment of dividends in 2024 compared to \$589 million in 2023; and
- \$75 million in net proceeds from the issuance of common stock in connection with our employee stock option and employee stock purchase plans in 2024 compared to \$104 million in 2023; partially offset by
- \$1.3 billion in net proceeds in 2024 driven by the issuance of our 5.0% senior notes due 2029 and 5.4% senior notes due 2034; and
- \$247 million used for purchases under our share repurchase program in 2024 compared to \$804 million in 2023.

The increase in cash used for financing activities in 2023 compared to cash used for financing activities in 2022 was driven by:

- \$589 million cash used for the payment of dividends in 2023 compared to \$530 million in 2022; and
- \$104 million in net proceeds from the issuance of common stock in connection with our employee stock option and employee stock purchase plans in 2023 compared to \$156 million in 2022; partially offset by
- \$595 million in net proceeds in 2022 from the issuance of \$600 million of 5.6% senior notes due 2032, of which a portion was subsequently used to repurchase \$275 million principal amount of our 4.0% senior notes due 2024 for a purchase price of \$279 million, excluding \$3 million of accrued interest; and
- \$804 million used for purchases under our share repurchase program in 2023 compared to \$836 million in 2022.

Sales of Receivables

We may choose to sell accounts receivable and long-term receivables to third-parties under one-time arrangements. We may or may not retain the obligation to service the sold accounts receivable and long-term receivables.

The following table summarizes the proceeds received from sales of accounts receivable and long-term receivables for the years ended December 31, 2024, 2023, and 2022:

<i>Years ended December 31</i>	2024	2023	2022
Contract-specific discounting facility	\$ —	\$ —	\$ 49
Accounts receivable sales proceeds	15	96	179
Long-term receivables sales proceeds	205	182	204
Total proceeds from receivable sales	\$ 220	\$ 278	\$ 432

At December 31, 2024, the Company had retained servicing obligations for \$794 million of long-term receivables, compared to \$813 million of long-term receivables at December 31, 2023. Servicing obligations are limited to collection activities related to the sales of accounts receivables and long-term receivables.

Debt

We had outstanding long-term debt of \$6.0 billion at each of December 31, 2024 and 2023, including the current portions of \$322 million and \$1.3 billion, at December 31, 2024 and December 31, 2023, respectively.

During the year ended December 31, 2024, we repaid the \$313 million aggregate principal amount of our 4.0% senior notes due 2024.

As of December 31, 2024, \$252 million of 7.5% debentures due 2025, which mature in May 2025, and \$70 million of 6.5% debentures due 2025, which mature in September 2025, were classified within the Current portion of long-term debt within the Company's Consolidated Balance Sheets, as the debentures mature within the next twelve months.

On September 5, 2019, we entered into an agreement with Silver Lake Partners to issue the Silver Lake Convertible Debt, which became fully convertible on September 5, 2021. On February 14, 2024, we agreed with Silver Lake Partners to repurchase \$1.0 billion aggregate principal amount of the Silver Lake Convertible Debt for aggregate consideration of \$1.59 billion in cash, inclusive of the conversion premium. The repurchase of the Silver Lake Convertible Debt was accounted for as an extinguishment of debt, as the repurchase was negotiated under economically favorable terms outside of the original contractual conversion rate. A loss on the extinguishment of \$585 million was recorded upon settlement, representing the excess of amounts repurchased over the carrying value of debt of \$593 million, offset by accrued interest of \$8 million. The loss on the extinguishment of debt was recorded within Other Income (Expense) in the Consolidated Statements of Operations during the year ended December 31, 2024.

On March 25, 2024, we issued \$400 million of 5.0% senior notes due 2029 and \$900 million of 5.4% senior notes due 2034. We recognized net proceeds of \$1.3 billion after debt issuance costs and discounts. A portion of proceeds from the issuance was used to repurchase the \$1.0 billion aggregate principal amount of the Silver Lake Convertible Debt.

In May of 2022, we issued \$600 million of 5.6% senior notes due 2032. We recognized net proceeds of \$595 million after debt issuance costs and discounts. A portion of these proceeds was then used to repurchase \$275 million in principal amount of the Company's 4.0% senior notes due 2024 pursuant to a cash tender offer, for a purchase price of \$279 million, excluding \$3 million of accrued interest. After accelerating the amortization of debt discounts and debt issuance costs, we recognized a loss of \$6 million related to the tender offer in Other, net within Other income (expense) in our Consolidated Statements of Operations.

We have an unsecured commercial paper program, backed by the revolving credit facility described below, under which we may issue unsecured commercial paper notes up to a maximum aggregate principal amount of \$2.2 billion outstanding at any one time. At maturity, the notes are paid back in full including the interest component. The notes are not redeemable prior to maturity. As of December 31, 2024, we had no outstanding debt under the commercial paper program.

Credit Facilities

As of December 31, 2024, we had a \$2.25 billion syndicated, unsecured revolving credit facility scheduled to mature in March 2026 (the "2021 Motorola Solutions Credit Agreement"). The 2021 Motorola Solutions Credit Agreement includes a letter of credit sub-limit and fronting commitments of \$450 million. Borrowings under the facility bear interest at the prime rate plus the applicable margin, or at a spread above the Secured Overnight Financing Rate ("SOFR"), at our option. An annual facility fee is payable on the undrawn amount of the credit line. The interest rate and facility fee are subject to adjustment if our credit rating changes. We must comply with certain customary covenants including a maximum leverage ratio, as defined in the 2021 Motorola Solutions Credit Agreement. We were in compliance with our financial covenants as of December 31, 2024.

We have investment grade ratings on our senior unsecured long-term debt. During the year ended December 31, 2024, Fitch Ratings and S&P Global Ratings upgraded our credit ratings to BBB from BBB-. We continue to believe that we will be able to maintain sufficient access to the capital markets in the next twelve months and the foreseeable future.

Share Repurchase Program

Through a series of actions, the Board of Directors has authorized an aggregate share repurchase amount of up to \$18.0 billion of our outstanding shares of common stock (the "share repurchase program"). The share repurchase program does not have an expiration date. As of December 31, 2024, we used approximately \$15.8 billion of the share repurchase authority to repurchase shares, leaving approximately \$2.2 billion of authority available for future repurchases. During the year ended December 31, 2024, we paid \$3 million of 1% excise tax pursuant to the Inflation Reduction Act of 2022, related to our 2023 share repurchases in excess of issuances.

Our share repurchases for 2024, 2023, and 2022 are summarized as follows:

<i>Year</i>	<i>Shares Repurchased (in millions)</i>	<i>Average Price</i>	<i>Amount (in millions)</i>
2024	0.6	\$ 396.69	\$ 244
2023	2.9	278.56	804
2022	3.7	225.00	836

Dividends

We paid cash dividends to holders of our common stock of \$654 million in 2024, \$589 million in 2023, and \$530 million in 2022. On January 15, 2025, we paid an additional \$182 million in cash dividends to holders of our common stock.

Adequate Internal Funding Resources

We believe that we have adequate internal resources available to generate adequate amounts of cash to meet our expected working capital, capital expenditure and cash requirements for the next twelve months and the foreseeable future, as supported by the level of cash and cash equivalents in the U.S., the ability to repatriate funds from foreign jurisdictions, cash provided by operations, as well as liquidity provided by our commercial paper program backed by the 2021 Motorola Solutions Credit Agreement.

We do not anticipate a material decrease to net future cash flows generated from operations. We expect to use our available cash, investments, and debt facilities to support and invest in our business. This includes investing in our existing products and technologies, seeking new acquisition opportunities related to our strategic growth initiatives and returning cash to shareholders through common stock cash dividend payments (subject to the discretion of our Board of Directors) and share repurchases. Refer also to "Part I. Item 1A. Risk Factors" of this Form 10-K for further discussion regarding access to the capital markets.

Material Cash Requirements from Contractual and Other Obligations

Summarized in the table and text below are our short-term (within the next twelve months) and long-term material cash requirements as of December 31, 2024, which we expect to fund with a combination of operating cash flows, existing cash balances or, as needed, borrowings under new or existing debt:

(in millions)	Payments Due by Period			
	Short-term		Long-term	
Long-term debt obligations, gross ⁽¹⁾	\$	322	\$	5,726
Lease obligations ⁽²⁾		146		467
Purchase obligations ⁽³⁾		151		562
Total obligations	\$	619	\$	6,755

⁽¹⁾Amounts included represent the estimated principal payments applicable to outstanding debt. Refer to "Note 5: Debt and Credit Facilities" in "Part II. Item 8. Financial Statements and Supplementary Data" of this Form 10-K for discussion related to our long-term debt obligations.

⁽²⁾We lease certain office, factory and warehouse space, land, and other equipment, principally under non-cancelable operating leases. We are evaluating our real estate needs in order to identify opportunities to reduce long-term cash requirements for office space where practicable. Refer to "Note 3: Leases" to our consolidated financial statements in "Part II. Item 8. Financial Statements and Supplementary Data" of this Form 10-K for further discussion of these material lease obligations.

⁽³⁾Amounts included represent firm, non-cancelable commitments. Such commitments include license agreements and agreements with contract manufacturers and suppliers that either allow them to procure inventory based upon criteria as defined by us or establish the parameters defining our requirements. We do not anticipate the cancellation of any of our take-or-pay agreements in the future and estimate that purchases from these suppliers will exceed the minimum obligations during the agreement periods.

Other Contingencies

Potential Contractual Damage Claims in Excess of Underlying Contract Value: In certain circumstances, we enter into contracts with customers pursuant to which the damages that could be claimed by the customer for failed performance might exceed the revenue we receive from the contract. Contracts with these types of uncapped damages provisions are fairly rare, but individual contracts could still represent meaningful risk. There is a possibility that a claim by a counterparty to one of these contracts could result in expenses that are far in excess of the revenue received from the counterparty in connection with the contract.

Indemnification Provisions: We may provide indemnifications for losses that result from the breach of general warranties contained in certain commercial and intellectual property agreements. Historically, we have not made significant payments under these agreements, nor have there been significant claims asserted against us. However, there is an increasing risk in relation to intellectual property indemnities given the current legal climate. In indemnification cases, payment by us is conditioned on the other party making a claim pursuant to the procedures specified in the particular contract, which procedures typically allow us to challenge the other party's claims. In some instances we may have recourse against third-parties for certain payments made by us.

Legal Matters: We are a defendant in various lawsuits, claims, and actions, which arise in the normal course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on our consolidated financial position or liquidity. However, an unfavorable resolution could have a material adverse effect on our results of operations in the periods in which the matters are ultimately resolved, or in the periods in which more information is obtained that changes management's opinion of the ultimate disposition.

Long-term Customer Financing Commitments

Outstanding Commitments: Certain purchasers of our products and services may request that we provide long-term financing (defined as financing with a term of greater than one year) in connection with the sale of equipment. These requests may include all or a portion of the purchase price of the products and services. Our obligation to provide long-term financing may be conditioned on the issuance of a letter of credit in favor of us by a reputable bank to support the purchaser's credit or a pre-existing commitment from a reputable bank to purchase the long-term receivables from us. We had outstanding commitments to provide long-term financing to third-parties totaling \$105 million at December 31, 2024 and \$103 million at December 31, 2023.

Critical Accounting Estimates

This Management's Discussion and Analysis of Financial Condition and Results of Operations discusses our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period.

Management bases its estimates and judgments on historical experience, current economic and industry conditions and on various other factors that are believed to be reasonable under the circumstances. This forms the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe that the following discussion addresses our most critical accounting estimates, which are those that are most important to the portrayal of our financial condition and results of operations and require management's most difficult, subjective and complex judgments.

Revenue Recognition

We enter into arrangements which generally consist of multiple promises to our customers. We evaluate whether the promised goods and services are distinct or a series of distinct goods or services. Where contracts contain multiple performance obligations, we allocate the total estimated consideration to each performance obligation based on applying an estimated selling price ("ESP") as our best estimate of standalone selling price. We use list price as the standalone selling price for sales sold through our channel partners. Given the unique nature of the goods and services we provide to direct customers, standalone sales of our products generally do not exist. Therefore, we determine ESP by: (i) collecting all reasonably available data points including historical sales, cost and margin analyses of the product or services, and other inputs based on our normal pricing and discounting practices, (ii) making any reasonably required adjustments to the data based on market and Company-specific factors, and (iii) stratifying the data points for similar customers and circumstances, when appropriate, based on major product or service, type of customer, geographic market, and sales volume.

We account for certain system contracts on an over time basis, electing an input method of estimated costs as a measure of performance completed. The selection of costs incurred as a measure of progress aligns the transfer of control to the overall production of the customized system.

For system contracts accounted for over time using estimated costs as a measure of performance completed, we rely on estimates around the total estimated costs to complete the contract ("Estimated Costs to Complete"). Estimated Costs to Complete include direct labor, equipment and subcontracting costs. Due to the nature of the efforts required to be performed to meet the underlying performance obligation, determining Estimated Costs to Complete may be complex and subject to many variables. We have a standard and disciplined process in which management reviews the progress and performance of open contracts in order to determine the best estimate of Estimated Costs to Complete. As part of this process, management reviews information including, but not limited to, any outstanding key contract matters, progress towards completion, the project schedule, identified risks and opportunities, and the related changes in estimates of costs. The risks and opportunities include management's judgment about the ability and cost to achieve the project schedule, technical requirements, and other contract requirements. Management must make assumptions and estimates regarding labor costs, inclusive of subcontractors, and the cost of materials, among other variables. Based on this analysis, any adjustment to net sales, cost of sales, and the related impact to operating income are recorded as necessary in the period they become known. When estimates of total costs to be incurred on a contract exceed estimates of total revenue to be earned, a provision for the entire loss on the contract is recorded in the period in which the loss is determined.

Retirement Benefits

Our benefit obligations and net periodic pension costs (benefits) associated with our domestic noncontributory pension plans ("U.S. Pension Benefit Plans"), our foreign noncontributory pension plans ("Non-U.S. Plans"), as well as our domestic postretirement health care plan ("Postretirement Health Care Benefits Plan"), are determined using actuarial assumptions. The assumptions are based on management's best estimates, after consulting with outside investment advisors and actuaries.

Accounting methodologies use an attribution approach that generally spreads the effects of individual events over the service lives of the participants in the plan, or estimated average lifetime when almost all of the plan participants are considered "inactive." Examples of "events" are plan amendments and changes in actuarial assumptions such as discount rate, expected long-term rate of return on plan assets, and rate of compensation increases. As such, depending on the specific plan, we amortize gains and losses over periods ranging from eight to twenty-five years. Prior service costs are being amortized over periods ranging from one to fifteen years. Benefits under all pension plans are valued based on the projected unit credit cost method.

There are various assumptions used in calculating the net periodic costs (benefits) and related benefit obligations. One of these assumptions is the expected long-term rate of return on plan assets. The required use of the expected long-term rate of return on plan assets may result in recognized pension income that is greater or less than the actual returns of those plan assets in any given year. Over time, however, the expected long-term returns are designed to approximate the actual long-term returns. We use a five-year, market-related asset value method of recognizing asset related gains and losses.

We use long-term historical actual return experience with consideration of the expected investment mix of the plans' assets, as well as future estimates of long-term investment returns, to develop our expected rate of return assumption used in calculating the net periodic pension cost (benefit) and the net postretirement health care benefit. Our investment return assumption for the U.S. Pension Benefit Plans was 7.74% in 2024 and 7.87% in 2023. Our investment return assumption for the Postretirement Health Care Benefits Plan was 8.30% in 2024 and 8.00% in 2023. Our weighted average investment return assumption for the Non-U.S. Plans was 5.84% in 2024 and 6.18% in 2023. For the U.S. Pension Benefit Plans, a 25 bps increase in expected return on plan assets would result in \$10 million of additional net periodic pension benefit and a 25 bps decrease would result in a \$10 million reduction in net periodic pension benefit in 2024. For the Non-U.S. Pension Benefit Plans, a 25 bps increase in expected return on plan assets would result in \$4 million of additional net periodic pension benefit and a 25 bps decrease would result in a \$4 million reduction in net periodic pension benefit in 2024. For the Postretirement Health Care Benefits Plan, a change in expected return on plan assets would have a de minimis impact to net periodic pension benefit in 2024.

A second key assumption is the discount rate. The discount rate assumptions used for the U.S. Pension Benefit Plans, the Non-U.S. Plans and the Postretirement Health Care Benefits Plan reflect, at December 31 of each year, the prevailing market rates for high-quality, fixed-income debt instruments that, if the obligation was settled at the measurement date, would provide the necessary future cash flows to pay the benefit obligation when due. Our discount rates for measuring our U.S. Pension Benefit Plan obligations were 5.70% and 5.01% at December 31, 2024 and 2023, respectively. Our weighted average discount rates for measuring our Non-U.S. Plans were 5.07% and 4.3% at December 31, 2024 and 2023, respectively. Our discount rates for measuring the Postretirement Health Care Benefits Plan obligation were 5.49% and 4.92% at December 31, 2024 and 2023, respectively.

For the U.S. Pension Benefit Plans, a 25 bps increase in the discount rate on the projected benefit obligation would result in a \$109 million reduction of the projected benefit obligation and a 25 bps decrease would result in \$115 million of additional projected benefit obligation in 2024. For the Non-U.S. Pension Benefit Plans and the Postretirement Health Care Benefits Plan, a 25 bps change in our discount rate would be de minimis in 2024.

Valuation and Recoverability of Goodwill

We assess the recorded amount of goodwill for recovery on an annual basis as of the last day of the third quarter of each fiscal year. Goodwill is assessed more frequently if an event occurs or circumstances change that would indicate it is more-likely-than-not that the fair value of a reporting unit is below its carrying amount. We continually assess whether any such events and circumstances have occurred, which requires a significant amount of judgment. Such events and circumstances may include: (i) adverse changes in macroeconomic conditions, (ii) adverse changes in the industry or market in which we transact, (iii) changes in cost factors negatively impacting earnings and cash flows, (iv) negative or declining overall financial performance, (v) events affecting the carrying value or composition of a reporting unit, or (vi) a sustained decrease in share price, among others. Any such adverse event or change in circumstances could have a significant impact on the recoverability of goodwill and could have a material impact on our consolidated financial statements.

The goodwill impairment assessment is performed at the reporting unit level. A reporting unit is an operating segment or one level below an operating segment (referred to as a "component"). A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available and segment management regularly reviews the operating results of that component. When two or more components of an operating segment have similar economic characteristics, the components are aggregated and deemed a single reporting unit. An operating segment is deemed to be a reporting unit if all of its components are similar, if none of its components is a reporting unit, or if the segment comprises only a single component. Based on this guidance, we have determined that our Products and Systems Integration and Software and Services segments are comprised of three and two reporting units, respectively.

We performed a qualitative assessment to determine whether it was more-likely-than-not that the fair value of each reporting unit was less than its carrying amount for the fiscal years 2024 and 2023. In performing this qualitative assessment we assessed relevant events and circumstances including macroeconomic conditions, industry and market conditions, cost factors, overall financial performance, changes in enterprise value and entity-specific events. For fiscal years 2024 and 2023, we concluded it was more-likely-than-not that the fair value of each reporting unit exceeded its carrying value.

Valuation of Deferred Tax Assets and Liabilities

We use the asset and liability method of accounting for income taxes. Under this method, income tax expense is recognized for the amount of taxes payable or refundable for the current year. In addition, deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. Management makes assumptions, judgments and estimates to determine our current and deferred tax provision and also the deferred tax assets and liabilities. We evaluate our deferred tax assets quarterly to determine if adjustments to our valuation allowance are required based on the consideration of all available positive and negative evidence.

Our assumptions, judgments and estimates for computing the income tax provision takes into account current tax laws, our interpretation of current tax law and possible outcomes of current and future audits conducted by foreign and domestic tax authorities. We believe such estimates to be reasonable; however, the final determination of certain audits could significantly impact the amounts provided for income taxes in our financial statements.

Recent Accounting Pronouncements and Recently Adopted Accounting Pronouncements

See "Note 1: Summary of Significant Accounting Policies" to our consolidated financial statements in "Part II. Item 8: Financial Statements and Supplementary Data" of this Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our long-term debt as interest rate fluctuations impact the fair value of our long-term debt. As of December 31, 2024, we had \$6.0 billion of long-term debt, including the current portion, which is primarily priced at long-term, fixed interest rates. A hypothetical 10% decrease in interest rates as of the end of 2024 would have increased the fair value of our debt by approximately \$174 million at December 31, 2024. See "Note 5: Debt and Credit Facilities" to the consolidated financial statements included in "Part II. Item 8. Financial Statements and Supplementary Data" of this Form 10-K for more information on our long-term debt.

Foreign Currency Risk

We are exposed to foreign currency risk as a result of buying and selling in various currencies, our net investments in foreign entities, and monetary assets and liabilities denominated in a currency other than the functional currency of the legal entity holding the instrument. We use financial instruments to reduce our overall exposure to the effects of currency fluctuations on cash flows. Our policy prohibits speculation in financial instruments for profit on exchange rate price fluctuations, trading in currencies for which there are no underlying exposures, or entering into transactions for any currency to intentionally increase the underlying exposure.

Our strategy related to foreign exchange exposure management is to offset the gains or losses on the financial instruments against losses or gains on the underlying operational cash flows, net investments or monetary assets and liabilities based on our assessment of risk. We enter into derivative contracts for some of our non-functional currency cash, receivables, and payables, which are primarily denominated in major currencies that can be traded on open markets. Our policy permits us to use forward contracts and options to hedge these currency exposures. In addition, we enter into derivative contracts for some forecasted transactions or net investments in some of our overseas entities, which are designated as part of a hedging relationship if it is determined that the transaction qualifies for hedge accounting under the provisions of the authoritative accounting guidance for derivative instruments and hedging activities. A portion of our exposure is from currencies that are not traded in liquid markets and these are addressed, to the extent reasonably possible, by managing net asset positions, product pricing and component sourcing.

We had outstanding foreign exchange contracts with notional values totaling \$1.0 billion and \$1.3 billion at the end of December 31, 2024 and December 31, 2023, respectively. Management does not believe these financial instruments should subject it to undue risk due to foreign exchange movements because gains and losses on these contracts should generally offset gains and losses on the underlying assets, liabilities and transactions.

The following table shows the five largest net notional amounts of the positions to buy or sell foreign currency as of December 31, 2024 and the corresponding positions as of December 31, 2023:

Net Buy (Sell) by Currency	Notional Amount	
	2024	2023
Euro	\$ 150	\$ 322
Australian dollar	(136)	(140)
British pound	124	252
Canadian dollar	70	76
Chinese renminbi	(48)	(66)

Foreign exchange financial instruments that are subject to the effects of currency fluctuations, which may affect reported earnings, include derivative financial instruments and other monetary assets and liabilities denominated in a currency other than the functional currency of the legal entity holding the instrument. Currently, our derivative financial instruments consist primarily of currency forward contracts. Other monetary assets and liabilities denominated in a currency other than the functional currency of the legal entity consist primarily of cash, cash equivalents, accounts payable and accounts receivable. Assuming the amounts of the outstanding foreign exchange contracts represent our underlying foreign exchange risk related to monetary assets and liabilities, a hypothetical unfavorable 10% movement in the foreign exchange rates at December 31, 2024 would reduce the value of those monetary assets and liabilities by approximately \$59 million. Our market risk calculation represents an estimate of reasonably possible net losses that would be recognized assuming hypothetical 10% movements in future currency market pricing and is not necessarily indicative of actual results, which may or may not occur. It does not represent the maximum possible loss or any expected loss that may occur, since actual future gains and losses will differ from those estimated, based upon, among other things, actual fluctuation in market rates, operating exposures, and the timing thereof. We believe, however, that any such loss incurred would be offset by the effects of market rate movements on the respective underlying derivative financial instruments transactions.

Item 8: Financial Statements and Supplementary Data

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Motorola Solutions, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Motorola Solutions, Inc. and its subsidiaries (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of operations, of comprehensive income (loss), of stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition - Estimated Costs to Complete System Contracts

As described in Note 1 to the consolidated financial statements, \$2.0 billion of the Company's total net sales for the year ended December 31, 2024 was generated from system contracts. The Company's revenue recognition over time is based on an input measure of costs incurred, which depicts the transfer of control to its customers under its contracts. For system contracts accounted for over time using estimated costs as a measure of performance completed, management relies on estimates around the total estimated costs to complete the contract ("Estimated Costs to Complete"). Estimated Costs to Complete include direct labor, material and subcontracting costs. Due to the nature of the efforts required to be performed to meet the underlying performance obligation, determining Estimated Costs to Complete may be complex and subject to many variables. Management reviews the progress and performance of open contracts in order to determine the estimate of Estimated Costs to Complete. As part of this process, management reviews information including, but not limited to, any outstanding key contract matters, progress towards completion, the project schedule, identified risks and opportunities, and the related changes in estimates of costs. The risks and opportunities include management's judgment about the ability and cost to achieve the project schedule, technical requirements, and other contract requirements. Management must make assumptions and estimates regarding labor cost, inclusive of subcontractors, and the cost of materials, among other variables. Based on this analysis, any adjustment to net sales, cost of sales, and the related impact to operating income are recorded as necessary in the period they become known.

The principal considerations for our determination that performing procedures relating to revenue recognition - estimated costs to complete system contracts is a critical audit matter are (i) the significant judgment by management in developing the estimates of total net sales and Estimated Costs to Complete, including significant judgments and assumptions on a contract by contract basis and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to management's estimates of total net sales and Estimated Costs to Complete for system contracts.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the estimates of total net sales and Estimated Costs to Complete for system contracts. These procedures also included, among others, testing management's process for developing the estimates of total net sales and Estimated Costs to Complete, including evaluating, for a sample of contracts, the reasonableness of certain significant judgments and assumptions used by management. Evaluating the significant judgments and assumptions used by management in developing the estimates of total net sales and Estimated Costs to Complete involved evaluating whether the significant judgments and assumptions were reasonable considering (i) on a test basis, management's historical forecasting accuracy; (ii) on a test basis, evidence to support the relevant judgments and assumptions; (iii) the consistent application of accounting policies; and (iv) the timely identification of circumstances which may require a modification to a previous estimate.

/s/ PricewaterhouseCoopers LLP
Chicago, Illinois
February 14, 2025

We have served as the Company's auditor since 2018.

Consolidated Statements of Operations

(In millions, except per share amounts)	Years ended December 31		
	2024	2023	2022
Net sales from products	\$ 6,454	\$ 5,814	\$ 5,368
Net sales from services	4,363	4,164	3,744
Net sales	10,817	9,978	9,112
Costs of products sales	2,674	2,591	2,595
Costs of services sales	2,631	2,417	2,288
Costs of sales	5,305	5,008	4,883
Gross margin	5,512	4,970	4,229
Selling, general and administrative expenses	1,752	1,561	1,450
Research and development expenditures	917	858	779
Other charges	155	257	339
Operating earnings	2,688	2,294	1,661
Other income (expense):			
Interest expense, net	(227)	(216)	(226)
Gains on sales of investments and businesses, net	—	—	3
Other, net	(489)	68	77
Total other expense	(716)	(148)	(146)
Net earnings before income taxes	1,972	2,146	1,515
Income tax expense	390	432	148
Net earnings	1,582	1,714	1,367
Less: Earnings attributable to noncontrolling interests	5	5	4
Net earnings attributable to Motorola Solutions, Inc.	\$ 1,577	\$ 1,709	\$ 1,363
Earnings per common share:			
Basic	\$ 9.45	\$ 10.23	\$ 8.14
Diluted	9.23	9.93	7.93
Weighted average common shares outstanding:			
Basic	166.8	167.0	167.5
Diluted	170.8	172.1	171.9
Dividends declared per share	\$ 4.03	\$ 3.62	\$ 3.25

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income (Loss)

<i>(In millions)</i>	<i>Years ended December 31</i>		
	2024	2023	2022
Net earnings	\$ 1,582	\$ 1,714	\$ 1,367
Other comprehensive income (loss), net of tax (Note 4):			
Foreign currency translation adjustments	(64)	57	(155)
Derivative instruments	5	(12)	—
Defined benefit plans	60	(50)	(1)
Total other comprehensive income (loss), net of tax	1	(5)	(156)
Comprehensive income	1,583	1,709	1,211
Less: Earnings attributable to noncontrolling interests	5	5	4
Comprehensive income attributable to Motorola Solutions, Inc.	\$ 1,578	\$ 1,704	\$ 1,207

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets

(In millions, except par value)	December 31	
	2024	2023
ASSETS		
Cash and cash equivalents	\$ 2,102	\$ 1,705
Accounts receivable, net	1,952	1,710
Contract assets	1,230	1,102
Inventories, net	766	827
Other current assets	429	357
Current assets held for disposition	—	24
Total current assets	6,479	5,725
Property, plant and equipment, net	1,022	964
Operating lease assets	529	495
Investments	135	143
Deferred income taxes	1,280	1,062
Goodwill	3,526	3,401
Intangible assets, net	1,249	1,255
Other assets	375	274
Non-current assets held for disposition	—	17
Total assets	\$ 14,595	\$ 13,336
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current portion of long-term debt	\$ 322	\$ 1,313
Accounts payable	1,018	881
Contract liabilities	2,072	2,037
Accrued liabilities	1,643	1,504
Current liabilities held for disposition	—	1
Total current liabilities	5,055	5,736
Long-term debt	5,675	4,705
Operating lease liabilities	427	407
Other liabilities	1,719	1,741
Non-current liabilities held for disposition	—	8
Preferred stock, \$100 par value: 0.5 shares authorized; none issued and outstanding	—	—
Common stock, \$0.01 par value:	2	2
Authorized shares: 600.0		
Issued shares: 12/31/24—168.6; 12/31/23—167.4		
Outstanding shares: 12/31/24—167.1; 12/31/23—166.2		
Additional paid-in capital	1,940	1,622
Retained earnings	2,300	1,640
Accumulated other comprehensive loss	(2,539)	(2,540)
Total Motorola Solutions, Inc. stockholders' equity	1,703	724
Noncontrolling interests	16	15
Total stockholders' equity	1,719	739
Total liabilities and stockholders' equity	\$ 14,595	\$ 13,336

See accompanying notes to consolidated financial statements.

Consolidated Statements of Stockholders' Equity

<i>(In millions)</i>	<i>Shares</i>	<i>Common Stock and Additional Paid-in Capital</i>	<i>Accumulated Other Comprehensive Income (Loss)</i>	<i>Retained Earnings</i>	<i>Noncontrolling Interests</i>
Balance as of January 1, 2022	169.6	\$ 989	\$ (2,379)	\$ 1,350	\$ 17
Net earnings				1,363	4
Other comprehensive loss			(156)		
Issuance of common stock and stock options exercised	2.6	157			
Share repurchase program	(3.7)			(836)	
Issuances of common stock for acquisition					
Share-based compensation expenses		172			
Dividends paid to noncontrolling interest in subsidiary common stock					(6)
Dividends declared				(544)	
ASU 2020-06 modified retrospective adoption		(10)		10	
Balance as of December 31, 2022	168.5	\$ 1,308	\$ (2,535)	\$ 1,343	\$ 15
Net earnings				1,709	5
Other comprehensive loss			(5)		
Issuance of common stock and stock options exercised	1.8	104			
Share repurchase program	(2.9)			(808)	
Share-based compensation expenses		212			
Dividends paid to noncontrolling interest in subsidiary common stock					(5)
Dividends declared				(604)	
Balance as of December 31, 2023	167.4	\$ 1,624	\$ (2,540)	\$ 1,640	\$ 15
Net earnings				1,577	5
Other comprehensive income			1		
Issuance of common stock and stock options exercised	1.8	75			
Share repurchase program	(0.6)			(244)	
Share-based compensation expenses		243			
Dividends paid to noncontrolling interest in subsidiary common stock					(4)
Dividends declared				(673)	
Balance as of December 31, 2024	168.6	\$ 1,942	\$ (2,539)	\$ 2,300	\$ 16

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

(In millions)	Years ended December 31		
	2024	2023	2022
Operating			
Net earnings	\$ 1,582	\$ 1,714	\$ 1,367
Adjustments to reconcile Net earnings to Net cash provided by operating activities:			
Depreciation and amortization	336	356	440
Non-cash other charges	16	14	23
Exit of video manufacturing operations	—	24	—
Loss on ESN fixed asset impairment	—	—	147
Share-based compensation expenses	243	212	172
Gains on sales of investments and businesses, net	—	—	(3)
Losses from the extinguishment of long term debt	585	—	6
Changes in assets and liabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments:			
Accounts receivable	(246)	(180)	(112)
Inventories	62	200	(242)
Other current assets and contract assets	(213)	(82)	(1)
Accounts payable, accrued liabilities, and contract liabilities	302	(144)	451
Other assets and liabilities	(61)	(38)	(91)
Deferred income taxes	(215)	(32)	(334)
Net cash provided by operating activities	2,391	2,044	1,823
Investing			
Acquisitions and investments, net	(290)	(180)	(1,177)
Proceeds from sales of investments	40	19	46
Capital expenditures	(257)	(253)	(256)
Net cash used for investing activities	(507)	(414)	(1,387)
Financing			
Net proceeds from issuance of debt	1,288	—	595
Repayment of debt	(1,906)	(1)	(285)
Issuances of common stock	75	104	156
Purchases of common stock	(247)	(804)	(836)
Payment of dividends	(654)	(589)	(530)
Payment of dividends to noncontrolling interest	(4)	(5)	(6)
Net cash used for financing activities	(1,448)	(1,295)	(906)
Effect of exchange rate changes on cash and cash equivalents	(39)	45	(79)
Net increase (decrease) in cash and cash equivalents	397	380	(549)
Cash and cash equivalents, beginning of period	1,705	1,325	1,874
Cash and cash equivalents, end of period	\$ 2,102	\$ 1,705	\$ 1,325
<i>Supplemental Cash Flow Information</i>			
Cash paid during the period for:			
Interest paid	\$ 253	\$ 234	\$ 226
Income and withholding taxes, net of refunds	\$ 627	\$ 587	\$ 307

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

(Dollars in millions, except as noted)

1. Summary of Significant Accounting Policies

Principles of Consolidation: The consolidated financial statements include the accounts of Motorola Solutions, Inc. (the "Company" or "Motorola Solutions") and all controlled subsidiaries. All intercompany transactions and balances have been eliminated.

The consolidated financial statements as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, include, in the opinion of management, all adjustments (consisting of normal recurring adjustments and reclassifications) necessary to present fairly the Company's consolidated financial position, results of operations, statements of comprehensive income, and statements of stockholders' equity and cash flows for all periods presented.

Use of Estimates: The preparation of financial statements in conformity with United States ("U.S.") Generally Accepted Accounting Principles ("GAAP") requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Revenue Recognition: Net sales consist of a wide range of goods and services including the delivery of products, systems and system integration as well as offering software and service solutions. The Company recognizes revenue to reflect the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services.

The Products and Systems Integration segment is comprised of devices, systems, and systems integration for our Land Mobile Radio Communication ("LMR" or "LMR Communications") and Video Security and Access Control ("Video") technologies. Direct customers of the Products and Systems Integration segment are typically government, public safety agencies, procuring at state, local, and federal levels as well as large commercial customers with secure mission-critical needs. Indirect customers are defined as customers purchasing professional and commercial radios and video security, which are primarily sold through the Company's reseller partners to an end-customer base, composed of various industries where private communications systems and video security are used to secure operations and enable a mobile workforce. Contracts with the Company's customers are typically fixed fee, with consideration measured net of associated sales taxes, and, as it relates to our government customers, funded through appropriations. The Company records consideration from shipping and handling on a gross basis within Net sales. In limited instances where the Company is not the principal in the arrangement, the Company will recognize revenue on a net basis.

LMR and Video devices include two-way portable and vehicle-mounted radios, video cameras and accessories. Devices are considered capable of being distinct and distinct within the context of the Company's contracts. Revenue is recognized upon the transfer of control of the devices to the customer at a point in time, typically consistent with delivery under the applicable shipping terms. Devices are sold by both the direct sales force and through reseller partners. Revenue is generally recognized upon transfer of devices to reseller partners, rather than the end-customer, except for limited consignment arrangements. Provisions for returns and reseller discounts are made on a portfolio basis using historical data.

The Products and Systems Integration segment includes both customized communications systems and video security solutions, including the integration of these networks with devices, software, and applications within both LMR and Video technologies. For systems contracts, revenue for the year ended December 31, 2024 was \$2.0 billion compared to \$1.9 billion for the year ended December 31, 2023 and \$1.8 billion for the year ended December 31, 2022. The communications systems include the aggregation of promises to the customer to provide i) a communications network core and central processing software, base stations, consoles, and repeaters or ii) a video security solution including video analytics, network video management hardware and software, and access control solutions. The individual promises within a communications network contract are not distinct in the context of the contract, as the Company provides a significant service of integrating and customizing the goods and services promised. The communications network represents a distinct performance obligation for which revenue is recognized over time, as the Company creates an asset with no alternative use and has an enforceable right to payment for work performed. The Company's revenue recognition over time is based on an input measure of costs incurred, which depicts the transfer of control to its customers under its contracts. Products and Systems Integration revenue for communications network systems is recognized over an average duration of approximately one to two years. Individual promises of the video security solution are capable of being distinct and distinct in the context of the contract. Video security solutions are traditionally sold through reseller partners, with contracts negotiated under fixed pricing. Revenue is recognized upon the transfer of control of the video solution to the reseller partners, typically upon shipment.

The Software and Services segment provides solutions for government, public safety and commercial communications systems. Direct customers of the Software and Services segment are typically government, public safety and first-responder agencies and municipalities. Indirect customers are commercial customers who distribute our software solutions to a final end customer base. Contracts with our customers are typically fixed fee, with consideration measured net of associated sales taxes, and, as it relates to our direct customers, funded through government appropriations.

Software offerings primarily include Command Center and Video software and services which can be delivered either as an “as-a-service”, on-premise, or hybrid solution. Solutions delivered as-a-service consist of a range of promises including hosted software, technical support and the right to unspecified future software enhancements. Software is not distinct from the hosting service since the customer does not have the right to take possession of the software at any time during the term of the arrangement. Solutions delivered as-a-service are recognized over time on a straight-line basis as a series of distinct services.

On-premise and hybrid offerings generally consist of multiple promises primarily including software licenses and post-contract customer support. The promises are generally each distinct and distinct within the context of the contract as the customer benefits from each promise individually without any significant integration or interrelationship between the promises. On-premise software revenue is generally recognized at the point in time when the customer can benefit from the software which generally aligns with the beginning of the license period. Revenue for post-contract customer support is recognized over time as the customer simultaneously receives and consumes the services on a straight-line basis. In certain situations when the software license is not distinct within the context of the contract, revenue for the software license is recognized over time following the transfer of control under the arrangement. For hybrid arrangements, the on-premise software, cloud-based software, and implementation services are a single performance obligation, where in over time revenue recognition begins at the point of service activation when the customer can access the system and begin beneficial use.

Services include a continuum of service offerings beginning with repair, technical support and maintenance. More advanced offerings include: monitoring, software updates and cybersecurity services. Managed service offerings range from partial to full operation of customer-owned or Motorola Solutions-owned communications systems. Services are provided across all technologies and are both distinct and capable of being distinct in the context of the contract, representing a series of recurring services that the Company stands ready to perform over the contract term. Since services contracts typically allow for customers to terminate for convenience or for non-appropriations of fiscal funding, the contract term is generally considered to be limited to a monthly or annual basis, subject to customer renewal. While contracts with customers are typically fixed fee, certain managed services contracts may be subject to variable consideration related to the achievement of service level agreement performance measurements. The Company has not historically paid significant penalties under service level agreements, and accordingly, it does not constrain its contract price. Certain contracts may also contain variable consideration driven by the number of users. Revenue is typically recognized on services over time as a series of services performed over the contract term on a straight-line basis.

The Company enters into arrangements which generally consist of multiple promises to our customers. The Company evaluates whether the promised goods and services are distinct or a series of distinct goods or services. Where contracts contain multiple performance obligations, the Company allocates the total estimated consideration to each performance obligation based on applying an estimated selling price (“ESP”) as our best estimate of standalone selling price. We use list price as the standalone selling price for indirect sales sold through our channel partners. Given the unique nature of the goods and services we provide to direct customers, sufficient standalone sales of our products generally do not exist. Therefore, the Company determines ESP by: (i) collecting all reasonably available historical data points including sales, cost and margin analyses of the product or services, and other inputs based on its normal pricing and discounting practices, (ii) making any reasonably required adjustments to the data based on market and Company-specific factors, and (iii) stratifying the data points for similar customers and circumstances, when appropriate, based on major product or service, type of customer, geographic market, and sales volume.

The Company accounts for certain system contracts without an alternative use on an over time basis, electing an input method of estimated costs as a measure of performance completed. The selection of costs incurred as a measure of progress aligns the transfer of control to the overall production of the customized system.

For system contracts accounted for over time using estimated costs as a measure of performance completed, the Company relies on estimates around the total estimated costs to complete the contract (“Estimated Costs to Complete”). Estimated Costs to Complete include direct labor, material and subcontracting costs. Due to the nature of the efforts required to be performed to meet the underlying performance obligation, determining Estimated Costs to Complete may be complex and subject to many variables. The Company has a standard and disciplined process in which management reviews the progress and performance of open contracts in order to determine the best estimate of Estimated Costs to Complete. As part of this process, management reviews information including, but not limited to, any outstanding key contract matters, progress towards completion, the project schedule, identified risks and opportunities, and the related changes in estimates of costs. The risks and opportunities include management’s judgment about the ability and cost to achieve the project schedule, technical requirements, and other contract requirements. Management must make assumptions and estimates regarding labor cost, inclusive of subcontractors, and the cost of materials, among other variables. Based on this analysis, any adjustment to net sales, cost of sales, and the related impact to operating income are recorded as necessary in the period they become known. When estimates of total costs to be incurred on a contract exceed estimates of total revenue to be earned, a provision for the entire loss on the contract is recorded in the period in which the loss is determined.

Cash Equivalents: The Company considers all highly-liquid investments purchased with an original maturity of three months or less to be cash equivalents. Restricted cash was \$3 million and \$2 million as of December 31, 2024 and December 31, 2023, respectively.

Investments: The Company generally invests in equity securities of a strategic nature.

The Company applies the equity method of accounting for equity investments if the Company has significant influence over the issuing entity. The Company's share of the investee's underlying net income or loss is recorded to Other, net within Other income (expense).

Equity securities with readily determinable fair values are carried at fair value with changes in fair value recorded in Other, net within Other income (expense). Equity securities without readily determinable fair values are carried at cost, less impairments, if any, and adjusted for observable price changes for the identical or a similar investment of the same issuer. The Company performs a qualitative impairment assessment to determine if such investments are impaired. The qualitative assessment considers all available information, including declines in the financial performance of the issuing entity, the issuing entity's operating environment, and general market conditions. Impairments of equity securities without readily determinable fair values are recorded to Other, net within Other income (expense).

Inventories: Inventories are valued at the lower of cost (which approximates cost on a first-in, first-out basis) and net realizable value.

Property, Plant and Equipment: Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is recorded on a straight-line basis, based on the estimated useful lives of the assets (leasehold improvements, one to twenty years; machinery and equipment, one to fifteen years) and commences once the assets are ready for their intended use. When certain events or changes in operating conditions occur, useful lives of the assets may be adjusted or an impairment assessment may be performed on the recoverability of the carrying value.

Goodwill and Intangible Assets: Goodwill is assessed for impairment at least annually at the reporting unit level, or more frequently if events or circumstances occur that would more likely than not reduce the fair value of a reporting unit below its carrying value level. The Company performs its annual assessment of goodwill for impairment as of the last day of the third quarter of each fiscal year, typically through a qualitative assessment. Indicators of impairment include: (i) macroeconomic conditions, (ii) industry and market conditions, (iii) cost factors, including product and selling, general and administrative costs, (iv) overall financial performance of the Company, (v) changes in share price, and (vi) other relevant company-specific events. If it is determined that it is more-likely-than-not that the fair value of the reporting unit is less than its carrying amount, the Company will perform a quantitative goodwill impairment test, which compares the fair value of the reporting unit to its carrying value. A quantitative assessment includes the assignment of assets and liabilities to each of the Company's reporting units and an assessment of the fair value of each of the Company's reporting units. The Company utilizes an income approach (discounted cash flows) to estimate the fair value of each reporting unit, which is corroborated by market multiples when available and as appropriate. Key assumptions in the quantitative analysis include revenue growth rates (including long-term growth rates for terminal value assumptions), operating margin estimates, discount rates, and where applicable, the comparable multiples from publicly traded companies in the Company's industry.

If the carrying amount of a reporting unit exceeds its fair value, the Company would recognize an impairment loss in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

Intangible assets are amortized on a straight line basis over their respective estimated useful lives ranging from one to twenty years. The Company has no intangible assets with indefinite useful lives.

Leases: The Company leases certain office, factory and warehouse space, land and other equipment, principally under non-cancelable operating leases.

The Company determines if an arrangement is a lease at inception of the contract. The Company's key considerations in determining whether a contract is or contains a lease include establishing whether the supplier has the ability to use other assets to fulfill its service or whether the terms of the agreement enable the Company to control the use of a dedicated asset during the contract term. In the majority of the Company's contracts where it must identify whether a lease is present, it is readily determinable that the Company controls the use of the assets and obtains substantially all of the economic benefit during the term of the contract. In those contracts where identification is not readily determinable, the Company has determined that the supplier has either the ability to use another asset to provide the service or the terms of the contract give the supplier the right to operate the asset at its discretion during the term of the contract.

Right-of-use ("ROU") assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. The Company's lease payments are typically fixed or contain fixed escalators. The Company has elected to not separate lease and non-lease components for all of its current lease categories and therefore, all consideration is included in lease payments. For the Company's leases consisting of land and other equipment (i.e. "communications network sites"), future payments are subject to variability due to changes in indices or rates. The Company values its ROU assets and lease liabilities based on the index or rate in effect at lease commencement. Future changes in the indices or rates are accounted for as variable lease costs. Other variable lease costs include items that are not fixed at lease commencement including property taxes, insurance, and operating charges that vary based on usage. ROU assets also include lease payments made in advance and are net of lease incentives.

As the majority of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rates based on the information available at the commencement date in determining the present value of future payments. The Company's incremental borrowing rates are based on the term of the lease, the economic environment of the lease, and the effect of collateralization.

The Company's lease terms range from one to twenty-one years and may include options to extend the lease by one to ten years or terminate the lease after the initial non-cancelable term. The Company does not include options in the determination of the lease term for the majority of leases as sufficient economic factors do not exist that would compel it to continue to use the underlying asset beyond the initial non-cancelable term. However, for the Company's communications network site leases that are necessary to provide services to customers under managed service arrangements, the Company includes options in the lease term to the extent of the customer contracts to which those leases relate.

Impairment of Long-Lived Assets: Long-lived assets, which include intangible assets, held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. The Company evaluates recoverability of assets to be held and used by comparing the carrying amount of an asset (group) to future net undiscounted cash flows to be generated by the asset (group). If an asset (group) is considered to be impaired, the impairment to be recognized is equal to the amount by which the carrying amount of the asset (group) exceeds the asset's (group's) fair value calculated using a discounted future cash flows analysis or market comparable analysis. Assets held for sale, if any, are reported at the lower of the carrying amount or fair value less cost to sell.

Income Taxes: The Company records deferred income tax assets and liabilities based on the estimated future tax effects of differences between the financial and tax bases of assets and liabilities based on currently enacted tax laws. The Company's deferred and other tax balances are based on management's interpretation of the tax regulations and rulings in numerous tax jurisdictions. Income tax expenses and liabilities recognized by the Company also reflect its best estimates and assumptions regarding, among other things, the level of future taxable income, the effect of the Company's various tax planning strategies, and uncertain tax positions. Future tax authority rulings and changes in tax laws, changes in projected levels of taxable income, and future tax planning strategies could affect the actual effective tax rate and tax balances recorded by the Company.

Long-Term Receivables: Long-term receivables include trade receivables where contractual terms of the note agreement are greater than one year. The Company estimates credit losses on accounts receivable based on historical losses and then takes into account estimates of current and future economic conditions. Long-term receivables are considered past due if payments have not been received according to the contractual terms of the note agreement, including principal and interest. Impaired long-term receivables are valued based on the present value of expected future cash flows discounted at the receivable's effective interest rate, or the fair value of the collateral if the receivable is collateral dependent. Interest income and late fees on impaired long-term receivables are recognized only when payments are received. Previously impaired long-term receivables are no longer considered impaired and are reclassified to performing when they have performed under restructuring for four consecutive quarters.

Environmental Liabilities: The Company maintains a liability related to ongoing remediation efforts of environmental media such as groundwater, soil, and soil vapor, as well as related legal fees for a designated Superfund site under the Comprehensive Environmental Response, Compensation and Liability Act (commonly known as the "Superfund Act") incurred by a legacy business. It is the Company's policy to re-evaluate the reserve when certain events become known that will impact the future cash payments. When the timing and amount of the future cash payments are fixed or reliably determinable, the Company discounts the future cash flows used in estimating the accrual using a risk-free treasury rate. The current portion of the estimated environmental liability is included in the Accrued liabilities statement line and the non-current portion is included in the Other liabilities statement line within the Company's Consolidated Balance Sheet.

Foreign Currency: Certain non-U.S. operations within the Company use their respective local currency as their functional currency. Those operations that do not have the U.S. dollar as their functional currency translate assets and liabilities at current rates of exchange in effect at the balance sheet date and revenues and expenses using rates that approximate those in effect during the period. The resulting translation adjustments are included as a component of Accumulated other comprehensive income (loss) in the Company's Consolidated Balance Sheet. For those operations that have transactions denominated in local currency which differs from functional currency, transactions denominated in the local currency are measured in their functional currency using the current rates of exchange for monetary assets and liabilities and historical rates of exchange for nonmonetary assets. Gains and losses from remeasurement of monetary assets and liabilities are included in Other within Other income (expense) within the Company's Consolidated Statements of Operations.

The Company uses financial instruments to reduce its overall exposure to the effects of currency fluctuations on cash flows. The Company's policy prohibits speculation in financial instruments for profit on exchange rate fluctuations, trading in currencies for which there are no underlying exposures, or entering into transactions for any currency to intentionally increase the underlying exposure.

The Company's strategy related to foreign exchange exposure management is to offset the gains or losses on the financial instruments against gains or losses on the underlying operational cash flows, net investments or monetary assets and liabilities based on the Company's assessment of risk. The Company enters into derivative contracts for some of its non-functional currency cash, receivables, and payables, which are primarily denominated in major currencies that can be traded on open markets. The Company typically uses forward contracts and options to hedge these currency exposures. In addition, the Company has entered into derivative contracts for some forecasted transactions or net investments in some of its overseas entities, which are designated as part of a hedging relationship if it is determined that the transaction qualifies for hedge accounting under the provisions of the authoritative accounting guidance for derivative instruments and hedging activities. A portion of the Company's exposure is from currencies that are not traded in liquid markets and these are addressed, to the extent reasonably possible, by managing net asset positions, product pricing and component sourcing.

Derivative Instruments: For Foreign exchange contracts, not designated as hedging instruments, gains and losses are recorded immediately in Other income (expense) within the Consolidated Statements of Operations. For Equity swap contracts, which do not qualify for hedge accounting, gains and losses are recorded immediately in Selling, general and administrative expenses within the Consolidated Statements of Operations. Gains and losses pertaining to instruments designated as net investment hedges that qualify for hedge accounting are recognized as a component of Accumulated other comprehensive income. Components excluded from the assessment of hedge ineffectiveness in net investment hedges are included in Accumulated other comprehensive income at their initial value and amortized into Interest expense, net on a straight-line basis. Gains and losses pertaining to instruments designated as cash flow hedges that qualify for hedge accounting are recognized as a component of Accumulated other comprehensive income.

Fair Value Measurements: The Company holds certain fixed income securities, equity securities and derivatives, which are recognized and disclosed at fair value in the financial statements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date and is measured using the fair value hierarchy. This hierarchy prescribes valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 — Quoted prices for identical instruments in active markets.

Level 2 — Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations, in which all significant inputs are observable, in active markets.

Level 3 — Valuations derived from valuation techniques, in which one or more significant inputs are unobservable.

Earnings Per Share: The Company calculates its basic earnings per share based on the weighted-average number of common shares issued and outstanding. Net earnings attributable to Motorola Solutions, Inc. is divided by the weighted average common shares outstanding during the period to arrive at the basic earnings per share. Diluted earnings per share is calculated by dividing net earnings attributable to Motorola Solutions, by the sum of the weighted-average number of common shares used in the basic earnings per share calculation and the weighted-average number of common shares that would be issued assuming exercise or conversion of all potentially dilutive securities, excluding those securities that would be anti-dilutive to the earnings per share calculation. Both basic and diluted earnings per share amounts are calculated for net earnings attributable to Motorola Solutions for all periods presented.

Share-Based Compensation Costs: The Company grants share-based compensation awards and offers an employee stock purchase plan. The amount of compensation cost for these share-based awards is generally measured based on the fair value of the awards as of the date that the share-based awards are issued and adjusted to the estimated number of awards that are expected to vest. The fair values of stock options and stock appreciation rights are generally determined using a Black-Scholes option pricing model which incorporates assumptions about expected volatility, risk-free rate, dividend yield, and expected life. Performance-based stock options, performance stock units, and market stock units vest based on market conditions and are therefore measured under a Monte Carlo simulation in order to simulate a range of possible future unit prices for Motorola Solutions over the performance period. Compensation cost for share-based awards is recognized on a straight-line basis over the vesting period.

Defined Benefit Plans: The Company records annual expenses relating to its defined benefit plans based on calculations which include various actuarial assumptions, including discount rates, assumed asset rates of return, compensation increases, and turnover rates. The Company reviews its actuarial assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends. Under relevant accounting rules, when almost all of the plan participants are considered inactive, the amortization period for certain unrecognized gains and losses changes from the average remaining service period to the average remaining lifetime of the participants. As such, depending on the specific plan, the Company amortizes gains and losses over periods ranging from eight to twenty-five years. Prior service costs will be amortized over periods ranging from one to fifteen years. Benefits under all pension plans are valued based on the projected unit credit cost method. The Company utilizes a five-year, market-related asset value method of recognizing asset related gains and losses.

The benefit obligation and plan assets for the Company's defined benefit plans are presented on a net basis according to the plans' net funded status and measured as of December 31, 2024.

Recent Acquisitions:

On October 29, 2024, the Company acquired 3tc Software, a provider of control room software solutions for \$22 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of \$4 million to certain key employees that will be expensed over a service period of one year. The acquisition expands the Company's critical experience and innovation focused on advancing computer-aided dispatch ("CAD") for the U.K.'s public safety agencies. This business is part of the Software and Services segment.

On July 1, 2024, the Company acquired Noggin, a global provider of critical event management ("CEM") software for \$91 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of \$19 million to certain key employees that will be expensed over a service period of three years. This acquisition enhances the Company's portfolio by adding operational resilience and CEM capabilities, which help enterprises and critical infrastructure anticipate, prepare for and efficiently respond to incidents. The business is part of the Software and Services segment.

On July 1, 2024, the Company acquired a company that provides vehicle location and management solutions for \$132 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of \$3 million to certain key employees that will be expensed over a service period of three years. The acquisition expands the Company's video solutions within the Software and Services segment.

On February 13, 2024, the Company acquired Silent Sentinel, a provider of specialized, long-range cameras, for \$37 million, net of cash acquired. This acquisition complements the Company's portfolio of fixed video cameras, expanding its footprint with government and critical infrastructure customers and strengthens the Company's position as a global leader in end-to-end video security solutions. The business is part of the Products and System Integration segment.

On December 15, 2023, the Company acquired IPVideo, the creator of the HALO Smart Sensor, for \$170 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of \$5 million to certain key employees that will be expensed over a service period of one year. The HALO Smart Sensor is a multifunctional safety and security device with built-in vape detection and air quality monitoring, gunshot detection, abnormal noise and motion detection and emergency keyword detection. This acquisition adds sensor technology to the Company's physical security portfolio. The business is a part of the Products and Systems Integration segment.

On December 14, 2022, the Company acquired Rave Mobile, a leader in mass notification and incident management, for \$553 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of \$2 million to certain key employees that will be expensed over a service period of two years. This acquisition complements the Company's portfolio with a platform specifically designed to help organizations and public safety agencies communicate and collaborate during emergencies. The business is a part of the Software and Services segment.

On October 25, 2022, the Company acquired Futurecom, a leading provider of radio coverage extension solutions for public safety agencies, for \$30 million, net of cash acquired. Futurecom designs and manufactures radio frequency repeaters. This acquisition further expands the Company's communications network and device portfolios. The business is a part of the Products and Systems Integration segment.

On August 8, 2022, the Company acquired Barrett Communications, a global provider of specialized radio communications, for \$18 million, net of cash acquired. This acquisition complements the Company's existing radio portfolio, allowing the Company to use high frequency and very high frequency radio communications to support mission-critical operations. The business is a part of the Products and Systems Integration segment.

On May 12, 2022, the Company acquired Videotec, a global provider of ruggedized video security solutions, for \$23 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of \$4 million to certain key employees that will be expensed over a service period of one year. This acquisition extends the Company's breadth of high-performance video products, reinforcing the Company's strategy to be a global leader in video security solutions. The business is a part of the Products and Systems Integration segment.

On April 19, 2022, the Company acquired Calipsa, a technology leader in cloud-native advanced video analytics, for \$39 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of \$4 million to certain key employees that will be expensed over a service period of two years. This acquisition extends the Company's intelligent analytics across video security solutions and supports the accelerating trend of enterprises using cloud technologies to enhance safety and security. The business is a part of the Software and Services segment.

On March 23, 2022, the Company acquired TETRA Ireland, the provider of Ireland's National Digital Radio Service, for \$120 million, net of cash acquired. The Company was an initial shareholder of TETRA Ireland and acquired the remaining interest in the entity from the other shareholders. This acquisition expands the Company's portfolio of delivering mission-critical voice and data communications solutions to first responders and frontline workers. The business is part of the Software and Services segment.

On March 3, 2022, the Company acquired Ava, a global provider of cloud-native video security and analytics, for \$388 million, net of cash acquired. In addition, the Company issued restricted stock and restricted stock units at a fair value of \$7 million to certain key employees that will be expensed over an average service period of two years. This acquisition expands the Company's portfolio of intelligent video solutions that help to enhance safety and streamline operations. The business is a part of both the Products and Systems Integration segment and the Software and Services segment.

Recent Accounting Pronouncements:

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") No. 2024-03, "Disaggregation of Income Statement Expenses" (DISE), to enhance disclosures relating to key income statement expense topics. The ASU is effective for fiscal years beginning after December 15, 2026 and interim periods beginning in 2028, with early adoption permitted. The Company is still evaluating the complete impact of the adoption of this ASU on its disclosures.

In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which expands disclosures in an entity's income tax rate reconciliation table and disclosures regarding cash taxes paid both in the U.S. and foreign jurisdictions. This ASU is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company anticipates that it will have additional disclosures regarding cash taxes and the income tax rate reconciliation once it adopts this ASU.

Recently Adopted Accounting Pronouncements:

In November 2023, the FASB issued ASU No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," to update reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses and information used to assess segment performance. The Company adopted ASU No. 2023-07 for the year ended December 31, 2024 and applied the required retrospective transition method. Refer to "Note 13: Information by Segment and Geographic Region" to our consolidated financial statements in this "Part II. Item 8. Financial Statements and Supplementary Data" of this Form 10-K for the related disclosures.

2. Revenue from Contracts with Customers

Disaggregation of Revenue

The following table summarizes the disaggregation of our revenue by segment, geography, major product and service type and customer type for the years ended December 31, 2024, 2023 and 2022, consistent with the information reviewed by our chief operating decision maker, the chief executive officer, for evaluating the financial performance of reportable segments:

(in millions)	Years Ended								
	2024			2023			2022		
	Products and Systems Integration	Software and Services	Total	Products and Systems Integration	Software and Services	Total	Products and Systems Integration	Software and Services	Total
Regions									
North America	\$ 5,097	\$ 2,723	\$ 7,820	\$ 4,507	\$ 2,425	\$ 6,932	\$ 4,286	\$ 2,088	\$ 6,374
International	1,786	1,211	2,997	1,735	1,311	3,046	1,442	1,296	2,738
	<u>\$ 6,883</u>	<u>\$ 3,934</u>	<u>\$ 10,817</u>	<u>\$ 6,242</u>	<u>\$ 3,736</u>	<u>\$ 9,978</u>	<u>\$ 5,728</u>	<u>\$ 3,384</u>	<u>\$ 9,112</u>
Major Products and Services									
LMR Communications	\$ 5,739	\$ 2,361	\$ 8,100	\$ 5,127	\$ 2,399	\$ 7,526	\$ 4,713	\$ 2,274	\$ 6,987
Video	1,144	776	1,920	1,115	611	1,726	1,015	508	1,523
Command Center	—	797	797	—	726	726	—	602	602
	<u>\$ 6,883</u>	<u>\$ 3,934</u>	<u>\$ 10,817</u>	<u>\$ 6,242</u>	<u>\$ 3,736</u>	<u>\$ 9,978</u>	<u>\$ 5,728</u>	<u>\$ 3,384</u>	<u>\$ 9,112</u>
Customer Type									
Direct	\$ 4,238	\$ 3,586	\$ 7,824	\$ 3,619	\$ 3,396	\$ 7,015	\$ 3,368	\$ 3,057	\$ 6,425
Indirect	2,645	348	2,993	2,623	340	2,963	2,360	327	2,687
	<u>\$ 6,883</u>	<u>\$ 3,934</u>	<u>\$ 10,817</u>	<u>\$ 6,242</u>	<u>\$ 3,736</u>	<u>\$ 9,978</u>	<u>\$ 5,728</u>	<u>\$ 3,384</u>	<u>\$ 9,112</u>

Remaining Performance Obligations

Remaining performance obligations represent the revenue that is expected to be recognized in future periods related to performance obligations that are unsatisfied, or partially unsatisfied, as of the end of a period. The transaction value associated with remaining performance obligations which were not yet satisfied as of December 31, 2024 was \$9.4 billion. A total of \$4.1 billion was from Products and Systems Integration performance obligations that were not yet satisfied, of which \$2.3 billion is expected to be recognized in the next twelve months. The remaining amounts will generally be satisfied over time as systems are implemented. Remaining performance obligations from the Products and Systems Integration segment are equal to disclosed backlog for the segment. A total of \$5.3 billion was from Software and Services performance obligations that were not yet satisfied as of December 31, 2024. The determination of Software and Services performance obligations that are not satisfied

takes into account a contract term that may be limited by the customer's ability to terminate for convenience. Where termination for convenience exists in the Company's services contracts, its disclosure of the remaining performance obligations that are unsatisfied assumes the contract term is limited until renewal. As a result, remaining performance obligations from the Software and Services segment may be less than disclosed backlog in the Software and Services segment due to multi-year service contracts with termination for convenience clauses. The Company expects to recognize \$1.8 billion from unsatisfied Software and Services performance obligations over the next twelve months, with the remaining performance obligations to be recognized over time as services are performed and software is implemented.

In 2023, the Competition and Markets Authority (the "CMA") imposed a legal order on Airwave which implemented a prospective price control on Airwave (the "Charge Control"). Our remaining performance obligations for Airwave services contracted with the Home Office of the United Kingdom (the "Home Office") through December 31, 2026 was reduced by \$777 million and since August 1, 2023 our revenue under the Airwave contract has been recognized in accordance with the Charge Control. On March 13, 2024, the Company received notice of the contract extension (the "Deferred National Shutdown Notice") from the Home Office, recording additional remaining performance obligations of \$748 million in the Software and Services segment to reflect the incremental three-years of services.

Contract Balances

December 31 (in millions)	2024	2023	2022
Accounts receivable, net	\$ 1,952	\$ 1,710	\$ 1,518
Contract assets	1,230	1,102	974
Contract liabilities	2,072	2,037	1,859
Non-current contract liabilities	496	424	363

Payment terms on system contracts are typically tied to implementation milestones associated with progress on contracts, while revenue recognition is over time based on a cost-to-cost method of measuring performance. The Company may recognize a Contract asset or Contract liability, depending on whether revenue has been recognized in excess of billings or billings in excess of revenue. Services contracts are typically billed in advance, generating Contract liabilities until the Company has performed the services. The Company does not record a financing component to contracts when it expects, at contract inception, that the period between the transfer of a promised good or service and related payment terms are less than a year.

Revenue recognized during the years ended December 31, 2024 and 2023 which was previously included in Contract liabilities as of January 1, 2024 and 2023, respectively, was \$1.3 billion, compared to \$1.1 billion of revenue recognized during the year ended December 31, 2022 which was previously included in Contract liabilities as of January 1, 2022. Revenue of \$28 million was reversed during the year ended December 31, 2024 related to performance obligations satisfied, or partially satisfied, in previous periods, primarily driven by changes in the estimates of progress on system contracts, compared to \$37 million during the year ended December 31, 2023 and \$26 million during the year ended December 31, 2022.

There have been no material expected credit losses recognized on contract assets during the year ended December 31, 2024.

Contract Cost Balances

December 31 (in millions)	2024	2023	2022
Current contract cost assets	\$ 70	\$ 56	\$ 61
Non-current contract cost assets	141	119	130

Contract cost assets include incremental costs to obtain a contract, primarily related to the Company's sales incentive plans, and certain costs to fulfill contracts. Contract cost assets are amortized into expense over a period that follows the passage of control to the customer over time. Incremental costs to obtain a contract with the Company's sales incentive plans are accounted for under a portfolio approach, with amortization ranging from one year to eight years to approximate the recognition of revenues over time. Where incremental costs to obtain a contract will be recognized in one year or less, the Company applies a practical expedient around expensing amounts as incurred. Amortization of contract cost assets was \$51 million for the year ended December 31, 2024, compared to \$61 million as of the year ended December 31, 2023 and \$62 million as of the year ended December 31, 2022.

3. Leases

The Company leases certain office, factory and warehouse space, land and other equipment under various operating leases.

Components of Lease Expense

<i>(in millions)</i>	December 31, 2024	December 31, 2023	December 31, 2022
Lease expense:			
Operating lease cost	\$ 140	\$ 140	\$ 130
Short-term lease cost	1	1	1
Variable cost	47	36	33
Sublease income	(5)	(5)	(5)
Net lease expense from operating leases	\$ 183	\$ 172	\$ 159

Operating Lease Assets and Liabilities

<i>(in millions)</i>	<i>Statement Line Classification</i>	December 31, 2024	December 31, 2023
Right-of-use lease assets	Operating lease assets	\$ 529	\$ 495
Current lease liabilities	Accrued liabilities	127	125
Operating lease liabilities	Operating lease liabilities	427	407

Other Information Related to Leases

<i>(in millions)</i>	December 31, 2024	December 31, 2023	December 31, 2022
Supplemental cash flow information:			
Net cash used for operating activities related to operating leases	\$ 152	\$ 147	\$ 145
Right-of-use assets obtained in exchange for lease liabilities	\$ 150	\$ 98	\$ 221

During the year ended December 31, 2024, the Company recorded \$80 million of assets obtained in exchange for lease liabilities due to an assumption that it is reasonably certain that renewal options will be extended on its radio tower site leases operated within the Airwave radio network, consistent with the Home Office's notice of contract extension pursuant to their Deferred National Shutdown Notice through December 31, 2029. In addition, assets obtained in exchange for liabilities during the year ended December 31, 2024 included \$24 million of additional leases due to the renewal of a large managed services contract due to an assumption that it is reasonably certain that renewal options will be extended on the associated radio tower site leases. The Company recorded \$19 million of assets obtained in exchange for lease liabilities related to the ten year renewal of an International region office. During the year ended December 31, 2023, the Company included \$66 million of additional leases due to renewals of three large managed service contracts due to an assumption that it is reasonably certain that renewal options will be extended on the associated radio tower site leases.

	December 31, 2024	December 31, 2023
Weighted average remaining lease terms (years)	5	5
Weighted average discount rate	3.97 %	4.34 %

Future Lease Payments

December 31 (in millions)	Amount
2025	\$ 146
2026	128
2027	109
2028	84
2029	63
Thereafter	83
Total lease payments	\$ 613
Less: Interest	59
Present value of operating lease liabilities	\$ 554

4. Other Financial Data

Statement of Operations Information

Other Charges (Income)

Other charges (income) included in Operating earnings consist of the following:

Years ended December 31 (in millions)	2024	2023	2022
Other charges (income):			
Intangibles amortization (Note 15)	\$ 152	\$ 177	\$ 257
Reorganization of businesses (Note 14)	26	22	18
Legal settlements	7	4	23
Fixed asset impairments	2	3	12
Environmental reserve expense	2	15	—
Exit of video manufacturing operations	—	24	—
Operating lease asset impairments	6	6	24
Acquisition-related transaction fees	20	7	23
Gain on Hytera litigation	(61)	—	(15)
Other	1	(1)	(3)
	\$ 155	\$ 257	\$ 339

During the year ended December 31, 2024, the Company recognized a gain on the Hytera litigation of \$61 million for amounts recovered through legal proceedings due to theft of the Company's trade secrets. Refer to "Hytera Civil Litigation" within "Note 12: Commitments and Contingencies" to our consolidated financial statements in this "Part II. Item 8. Financial Statements and Supplementary Data" of this Form 10-K for further discussion regarding the Hytera litigation.

During the year ended December 31, 2023, the Company revised the estimate for its liability related to ongoing remediation efforts of environmental media such as groundwater, soil, and soil vapor, as well as related legal fees for a designated Superfund site under the Superfund Act incurred by a legacy business. It is the Company's policy to re-evaluate the reserve when certain events become known that will impact the future cash payments. During the year ended December 31, 2023, the Company became aware of incremental costs required in its remediation of the Superfund site. As such, the Company recorded a charge of \$15 million, increasing the reserve balance to \$127 million. The Company discounted the cash flows used in estimating this accrual using a risk-free treasury rate. As of December 31, 2024, the current portion of the estimated environmental liability is \$9 million and is included in the Accrued liabilities statement line and the non-current portion is \$119 million and is included in the "Other liabilities" statement line within the Company's Consolidated Balance Sheets.

During the year ended December 31, 2023, the Company entered into an arrangement to sell its Richmond, British Columbia and Richardson, Texas video manufacturing operations, including the machinery and equipment, inventory, transfer of employees and related facility lease to a contract manufacturer. During the year ended December 31, 2023, the Company presented the assets and liabilities as held for sale in its Consolidated Balance Sheets and recognized an impairment loss of \$24 million on the exit of these video manufacturing operations within Other charges in the Consolidated Statements of Operations, as the carrying value of the asset group was below the expected selling price. The transaction closed on February 1, 2024 resulting in a gain on the sale of these video manufacturing operations, which was de minimis.

Other Income (Expense)

Interest expense, net, and Other both included in Other income (expense) consist of the following:

<i>Years ended December 31 (in millions)</i>	2024	2023	2022
Interest expense, net:			
Interest expense	\$ (295)	\$ (249)	\$ (240)
Interest income	68	33	14
	<u>\$ (227)</u>	<u>\$ (216)</u>	<u>\$ (226)</u>
Other, net:			
Net periodic pension and postretirement benefit (Note 8)	\$ 132	\$ 99	\$ 123
Loss from the extinguishment of long-term debt (Note 5)	(585)	—	(6)
Investment impairments	(3)	(16)	(1)
Foreign currency gain (loss)	2	(53)	37
Gain (loss) on derivative instruments (Note 6)	(19)	20	(61)
Loss on equity method investments	—	—	(3)
Fair value adjustments to equity investments	(5)	13	(30)
Gain on TETRA Ireland equity method investment	—	—	21
Assessments on uncertain tax positions (Note 7)	(11)	—	—
Other	—	5	(3)
	<u>\$ (489)</u>	<u>\$ 68</u>	<u>\$ 77</u>

Earnings Per Common Share

Basic and diluted earnings per common share from net earnings attributable to Motorola Solutions, Inc. are computed as follows:

<i>Years ended December 31</i>	<i>Amounts attributable to Motorola Solutions, Inc. common stockholders</i>		
	<i>Net Earnings</i>		
	2024	2023	2022
Basic earnings per common share:			
Earnings	\$ 1,577	\$ 1,709	\$ 1,363
Weighted average common shares outstanding	166.8	167.0	167.5
Per share amount	<u>\$ 9.45</u>	<u>\$ 10.23</u>	<u>\$ 8.14</u>
Diluted earnings per common share:			
Earnings	\$ 1,577	\$ 1,709	\$ 1,363
Weighted average common shares outstanding	166.8	167.0	167.5
Add effect of dilutive securities:			
Share-based awards	4.0	3.7	3.7
1.75% senior convertible notes	—	1.5	0.7
Diluted weighted average common shares outstanding	<u>170.8</u>	<u>172.1</u>	<u>171.9</u>
Per share amount	<u>\$ 9.23</u>	<u>\$ 9.93</u>	<u>\$ 7.93</u>

In 2022 and 2023, the Company had \$1.0 billion of 1.75% senior convertible notes outstanding (the "Silver Lake Convertible Debt"). The notes were convertible based on a rate of 4.9670 per \$1,000 principal amount as of December 31, 2023 (equal to a conversion price of \$201.33 per share), adjusted for dividends declared through the date of settlement. In 2021, the Company's Board of Directors approved an irrevocable determination requiring the future settlement of the Silver Lake Convertible Debt to be in cash. Because the Company irrevocably decided to settle the principal amount of the Silver Lake Convertible Debt in cash, the Company did not reflect any shares underlying the Silver Lake Convertible Debt in its diluted weighted average shares outstanding until the average stock price per share for the period exceeded the conversion price. For the years ended December 31, 2022 and December 31, 2023, the Company included the number of shares that would be issuable upon conversion in the Company's computation of diluted earnings per share, based on the amount by which the average stock price exceeded the conversion price. In 2024, the Company repurchased the \$1.0 billion aggregate principal amount of the Silver Lake Convertible Debt for aggregate consideration of \$1.59 billion in cash, inclusive of the conversion premium, recognizing a loss on the extinguishment of \$585 million. Accordingly, in the computation of diluted earnings per common share for the year ended December 31, 2024, a total of 0.2 million shares related to the Silver Lake Convertible Debt were excluded from the computation of diluted earnings per common share because their inclusion would have been antidilutive. Refer to "Note 5: Debt and Credit Facilities" to our consolidated financial statements in this "Part II. Item 8. Financial Statements and Supplementary Data" of this Form 10-K for more information regarding the repurchase.

In the computation of diluted earnings per common share for the year ended December 31, 2024, the assumed exercise of 0.1 million options were excluded because their inclusion would have been antidilutive. In the computation of diluted earnings per common share for the year ended December 31, 2023, the assumed exercise of 0.3 million options, including 0.2 million subject to market-based contingent option agreements, were excluded because their inclusion would have been antidilutive. In the computation of diluted earnings per common share for the year ended December 31, 2022, the assumed exercise of 0.3 million options, including 0.1 million subject to market-based contingent option agreements, were excluded because their inclusion would have been antidilutive.

Balance Sheet Information

Accounts Receivable, Net

Accounts receivable, net, consists of the following:

<i>December 31</i>	2024	2023
Accounts receivable	\$ 2,035	\$ 1,779
Less allowance for credit losses	(83)	(69)
	\$ 1,952	\$ 1,710

Inventories, Net

Inventories, net, consist of the following:

<i>December 31</i>	2024	2023
Finished goods	\$ 396	\$ 328
Work-in-process and production materials	498	640
	894	968
Less inventory reserves	(128)	(141)
	\$ 766	\$ 827

Other Current Assets

Other current assets consist of the following:

<i>December 31</i>	2024	2023
Current contract cost assets (Note 2)	\$ 70	\$ 56
Contractor receivables	44	40
Tax-related deposits (Note 7)	54	32
Other	261	229
	\$ 429	\$ 357

Property, Plant and Equipment, Net

Property, plant and equipment, net, consist of the following:

<i>December 31</i>	2024	2023
Land	\$ 5	\$ 5
Leasehold improvements	441	448
Machinery and equipment	2,243	2,396
	2,689	2,849
Less accumulated depreciation	(1,667)	(1,885)
	\$ 1,022	\$ 964

Depreciation expense for the years ended December 31, 2024, 2023, and 2022 was \$184 million, \$179 million and \$183 million, respectively.

Investments

Investments consist of the following:

<i>December 31</i>	2024	2023
Common stock	\$ 23	\$ 28
Strategic investments, at cost	26	28
Company-owned life insurance policies	75	74
Equity method investments	11	13
	\$ 135	\$ 143

Other Assets

Other assets consist of the following:

<i>December 31</i>	2024	2023
Defined benefit plan assets (Note 8)	\$ 162	\$ 98
Non-current contract cost assets (Note 2)	141	119
Other	72	57
	\$ 375	\$ 274

Accounts Payable

The Company utilizes a supplier finance program that provides suppliers with the ability to accelerate payment on the Company's invoices beyond the stated payment terms. Under the terms of this program, the Company agrees to pay an intermediary the stated amount of confirmed invoices on the stated maturity dates of the invoices, and the supplier is able to negotiate earlier payment terms with the intermediary. The Company or the intermediary may terminate the agreement at any time upon 60 days' notice. The Company does not provide any forms of guarantees under this arrangement. Supplier participation in the program is solely at the supplier's discretion, and the participating suppliers negotiate their arrangements directly with the intermediary. The Company has no economic interest in a supplier's decision to participate in the program, and their participation has no bearing on our payment terms or amounts due. The stated invoice payment terms range from 75 to 120 days from the invoice date and are considered commercially reasonable.

The Company's outstanding amounts related to the suppliers participating in this program was \$38 million and \$35 million as of December 31, 2024 and December 31, 2023, respectively. Supplier finance program obligations are classified as Accounts payable within the Consolidated Balance Sheets. The following table displays a rollforward of the confirmed amount of supplier finance obligations from January 1, 2023 to December 31, 2024:

<i>(in millions)</i>	2024	2023
Confirmed obligations at the beginning of the year	\$ 35	\$ 37
Invoices confirmed during the year	139	114
Confirmed invoices paid during the year	(136)	(116)
Confirmed obligations outstanding at the end of the year	\$ 38	\$ 35

Accrued Liabilities

Accrued liabilities consist of the following:

December 31	2024	2023
Compensation	\$ 406	\$ 407
Tax liabilities (Note 7)	217	231
Dividend payable	182	163
Trade liabilities	160	140
Operating lease liabilities (Note 3)	127	125
Customer reserves	97	89
Other	454	349
	<u>\$ 1,643</u>	<u>\$ 1,504</u>

Other Liabilities

Other liabilities consist of the following:

December 31	2024	2023
Defined benefit plans (Note 8)	\$ 768	\$ 939
Non-current contract liabilities (Note 2)	496	424
Unrecognized tax benefits (Note 7)	39	26
Deferred income taxes (Note 7)	87	55
Environmental Reserve	119	119
Deferred compensation	89	70
Other	121	108
	<u>\$ 1,719</u>	<u>\$ 1,741</u>

Stockholders' Equity Information

Share Repurchase Program: Through a series of actions, the Board of Directors has authorized the Company to repurchase in the aggregate up to \$18.0 billion of its outstanding shares of common stock (the "share repurchase program"). The share repurchase program does not have an expiration date. As of December 31, 2024, the Company had used approximately \$15.8 billion of the share repurchase authority to repurchase shares, leaving approximately \$2.2 billion of authority available for future repurchases. During the year ended December 31, 2024, the Company paid \$3 million of 1% excise tax pursuant to the Inflation Reduction Act of 2022, related to its 2023 share repurchases in excess of issuances.

The Company's share repurchases for 2024, 2023, and 2022 can be summarized as follows:

Year	Shares Repurchased (in millions)	Average Price	Amount (in millions)
2024	0.6	\$ 396.69	\$ 244
2023	2.9	278.56	804
2022	3.7	225.00	836

Payment of Dividends: On November 14, 2024, the Company announced that its Board of Directors approved an increase in the quarterly cash dividend from \$0.98 per share of common stock to \$1.09 per share of common stock. During the years ended December 31, 2024, 2023, and 2022 the Company paid \$654 million, \$589 million, and \$530 million, respectively, in cash dividends to holders of its common stock. On January 15, 2025, the Company paid an additional \$182 million in cash dividends to holders of its common stock.

Accumulated Other Comprehensive Loss

The following table displays the changes in Accumulated other comprehensive loss, including amounts reclassified into income, and the affected line items in the Consolidated Statements of Operations during the years ended December 31, 2024, 2023, and 2022:

	Years ended December 31		
	2024	2023	2022
Foreign Currency Translation Adjustments:			
Balance at beginning of period	\$ (482)	\$ (539)	\$ (384)
Other comprehensive income (loss) before reclassification adjustment	(66)	61	(156)
Tax benefit (expense)	2	(4)	1
Other comprehensive income (loss), net of tax	(64)	57	(155)
Balance at end of period	\$ (546)	\$ (482)	\$ (539)
Derivative instruments:			
Balance at beginning of period	\$ (12)	\$ —	\$ —
Other comprehensive income (loss) before reclassification adjustment	4	(12)	—
Reclassification adjustment into Interest expense, net	1	—	—
Other comprehensive income (loss), net of tax	5	(12)	—
Balance at end of period	\$ (7)	\$ (12)	\$ —
Defined Benefit Plans:			
Balance at beginning of period	\$ (2,046)	\$ (1,996)	\$ (1,995)
Other comprehensive income (loss) before reclassification adjustment	44	(130)	(76)
Tax benefit (expense)	(9)	34	18
Other comprehensive income (loss) before reclassification adjustment, net of tax	35	(96)	(58)
Reclassification adjustment - Actuarial net losses into Other income (expense)	34	61	80
Reclassification adjustment - Prior service benefits into Other income (expense)	—	1	(2)
Tax expense	(9)	(16)	(21)
Reclassification adjustments into Net earnings, net of tax	25	46	57
Other comprehensive income (loss), net of tax	60	(50)	(1)
Balance at end of period	\$ (1,986)	\$ (2,046)	\$ (1,996)
Total Accumulated other comprehensive loss	\$ (2,539)	\$ (2,540)	\$ (2,535)

5. Debt and Credit Facilities

Long-Term Debt

December 31	2024	2023
4.0% senior notes due 2024	\$ —	\$ 313
1.75% senior convertible notes due 2024	—	1,000
7.5% debentures due 2025	252	252
6.5% debentures due 2025	70	70
4.6% senior notes due 2028	696	695
6.5% debentures due 2028	24	25
5.0% senior notes due 2029	396	—
4.6% senior notes due 2029	802	802
2.3% senior notes due 2030	895	894
2.75% senior notes due 2031	846	845
5.6% senior notes due 2032	596	595
5.4% senior notes due 2034	893	—
6.625% senior notes due 2037	38	38
5.5% senior notes due 2044	397	397
5.22% debentures due 2097	93	93
	5,998	6,019
Adjustments for unamortized gains on interest rate swap terminations	(1)	(1)
Less: current portion	(322)	(1,313)
Long-term debt	\$ 5,675	\$ 4,705

During the year ended December 31, 2024, the Company repaid the \$313 million aggregate principal amount of 4.0% senior notes due 2024.

As of December 31, 2024, \$252 million of 7.5% debentures, which mature in May 2025, and \$70 million of 6.5% debentures, which mature in September 2025, were presented as the Current portion of long-term debt within the Company's Consolidated Balance Sheets, as the debentures mature within the next twelve months.

On September 5, 2019, the Company entered into an agreement with Silver Lake Partners to issue \$1.0 billion of 1.75% senior convertible notes which were scheduled to mature in September 2024 (the "Silver Lake Convertible Debt"), which became fully convertible on September 5, 2021. In 2024, the Company repurchased the \$1.0 billion aggregate principal amount of the Silver Lake Convertible Debt for aggregate consideration of \$1.59 billion in cash, inclusive of the conversion premium. The repurchase of the Silver Lake Convertible Debt was accounted for as an extinguishment of debt, as the repurchase was negotiated under economically favorable terms outside of the original contractual conversion rate. A loss on the extinguishment of \$585 million was recorded, representing the excess amounts repurchased over the carrying value of debt of \$593 million, offset by accrued interest of \$8 million. The loss on the extinguishment of debt was recorded within Other Income (Expense) in the Consolidated Statements of Operations during the year ended December 31, 2024.

On March 25, 2024, the Company issued \$400 million of 5.0% senior notes due 2029 and \$900 million of 5.4% senior notes due 2034. The Company recognized net proceeds of \$1.3 billion after debt issuance costs and discounts. A portion of proceeds from the issuance of these notes was used to repurchase the \$1.0 billion aggregate principal amount of the Silver Lake Convertible Debt in 2024.

The Company has an unsecured commercial paper program, backed by the 2021 Motorola Solutions Credit Agreement (defined below), under which the Company may issue unsecured commercial paper notes up to a maximum aggregate principal amount of \$2.2 billion outstanding at any one time. Proceeds from the issuances of the commercial paper notes are expected to be used for general corporate purposes. The notes are issued at a zero-coupon rate and are issued at a discount which reflects the interest component. At maturity, the notes are paid back in full including the interest component. The notes are not redeemable prior to maturity. As of December 31, 2024 the Company had no outstanding debt under the commercial paper program.

Aggregate requirements for long-term debt maturities during the next five years are as follows: \$322 million in 2025, no maturities in 2026 or 2027, \$724 million in 2028 and \$1.2 billion in 2029.

Credit Facilities

As of December 31, 2024, the Company had a \$2.25 billion syndicated, unsecured revolving credit facility scheduled to mature in March 2026 (the "2021 Motorola Solutions Credit Agreement"). The 2021 Motorola Solutions Credit Agreement includes a letter of credit sub-limit and fronting commitments of \$450 million. An annual facility fee is payable on the undrawn amount of the credit line. The interest rate and facility fee are subject to adjustment if the Company's credit rating changes. The Company must comply with certain customary covenants including a maximum leverage ratio, as defined in the 2021 Motorola Solutions Credit Agreement. The Company was in compliance with its financial covenants as of December 31, 2024.

6. Risk Management

Foreign Currency Risk

The Company had outstanding foreign exchange contracts with notional amounts totaling \$1.0 billion and \$1.3 billion at December 31, 2024 and December 31, 2023, respectively. The Company does not believe these financial instruments should subject it to undue risk due to foreign exchange movements because gains and losses on these contracts should generally offset gains and losses on the underlying assets, liabilities and transactions.

The following table shows the Company's five largest net notional amounts of the positions to buy or sell foreign currency as of December 31, 2024 and the corresponding positions as of December 31, 2023:

Net Buy (Sell) by Currency	Notional Amount	
	2024	2023
Euro	\$ 150	\$ 322
Australian dollar	(136)	(140)
British pound	124	252
Canadian dollar	70	76
Chinese renminbi	(48)	(66)

Counterparty Risk

The use of derivative financial instruments exposes the Company to counterparty credit risk in the event of non-performance by counterparties. However, the Company's risk is limited to the fair value of the instruments when the derivative is in an asset position. The Company actively monitors its exposure to credit risk. As of December 31, 2024, all of the counterparties had investment grade credit ratings. As of December 31, 2024, the credit risk with all derivative counterparties was approximately \$10 million.

Derivative Financial Instruments

The following tables summarize the fair values and location in the Consolidated Balance Sheet of all derivative financial instruments held by the Company at December 31, 2024 and 2023:

December 31, 2024	Fair Values of Derivative Instruments	
	Other Current Assets	Accrued Liabilities
Derivatives designated as hedging instruments:		
Foreign exchange contracts	\$ 7	\$ —
Derivatives not designated as hedging instruments:		
Foreign exchange contracts	\$ 3	\$ 9
Equity swap contracts	\$ —	\$ 1
Total derivatives	\$ 10	\$ 10

Fair Values of Derivative Instruments

December 31, 2023	Other Current Assets	Accrued Liabilities
Derivatives designated as hedging instruments:		
Foreign exchange contracts	\$ 1	\$ 3
Treasury rate lock	—	12
Derivatives not designated as hedging instruments:		
Foreign exchange contracts	12	1
Equity swap contracts	1	—
Total derivatives	\$ 14	\$ 16

The following table summarizes the effect of derivatives on the Company's consolidated financial statements for the years ended December 31, 2024, 2023 and 2022:

	Financial Statement Location	2024	2023	2022
Derivatives designated as hedging instruments:				
Foreign exchange contracts	Accumulated other comprehensive income (loss)	\$ 9	\$ (4)	\$ 12
Forward points recognized	Other income (expense)	2	3	2
Treasury rate lock settlement	Accumulated other comprehensive income (loss)	4	(12)	—
Amortization of treasury rate lock	Other income (expense)	(1)	—	—
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	Other income (expense)	\$ (19)	\$ 20	\$ (61)
Equity swap contracts	Selling, general and administrative expenses	3	1	—

Net Investment Hedges

The Company uses foreign exchange forward contracts to hedge against the effect of the British pound and the Euro exchange rate fluctuations against the U.S. dollar on a portion of its net investment in certain European operations. The Company recognizes changes in the fair value of the net investment hedges as a component of foreign currency translation adjustments within Other comprehensive income to offset a portion of the change in translated value of the net investments being hedged, until the investments are sold or liquidated. As of December 31, 2024, the Company had €100 million of net investment hedges in certain Euro functional subsidiaries and £50 million of net investment hedges in certain British pound functional subsidiaries.

The Company excludes the difference between the spot rate and the forward rate of the forward contract from its assessment of hedge effectiveness. The effect of the forward points recognized is amortized on a straight line basis and recognized through interest expense within Other income (expense) in the Consolidated Statement of Operations.

Equity Swap Contracts

The Company uses equity swap contracts which serve as economic hedges against volatility within the equity markets, impacting the Company's deferred compensation plan obligations. These contracts are not designated as hedges for accounting purposes. Unrealized gains and losses on these contracts are included in Selling, general and administrative expenses in the Consolidated Statements of Operations. The notional amount of these contracts as of December 31, 2024 was \$19 million.

Treasury Rate Lock

In 2023, the Company entered into treasury rate lock agreements which locked in the interest rate for \$200 million in future debt issuances. The treasury rate lock agreements were designated and qualified as cash flow hedges. During the year ended December 31, 2024, the Company issued \$900 million of 5.4% senior notes due 2034 (the "2034 notes"). The treasury rate lock agreements were terminated upon the issuance of the 2034 notes for a net settlement loss of \$8 million. The accumulated loss recorded in Accumulated Other Comprehensive Income (AOCI) will be reclassified to Interest expense, net on a straight-line basis over the 10-year term of the 2034 notes.

7. Income Taxes

Components of Income Tax Expense

Components of earnings before income taxes are as follows:

Years ended December 31	2024	2023	2022
United States	\$ 1,705	\$ 1,744	\$ 1,312
Other nations	267	402	203
	\$ 1,972	\$ 2,146	\$ 1,515

Components of income tax expense are as follows:

Years ended December 31	2024	2023	2022
United States Federal	\$ 434	\$ 269	\$ 240
Other nations	38	125	159
States (U.S.)	133	70	83
Current income tax expense	605	464	482
United States Federal	(221)	(30)	(179)
Other nations	40	(9)	(118)
States (U.S.)	(34)	7	(37)
Deferred income tax benefit	(215)	(32)	(334)
Total income tax expense	\$ 390	\$ 432	\$ 148

Differences between income tax expense computed at the U.S. federal statutory tax rate of 21% and income tax expense as reflected in the Consolidated Statements of Operations are as follows:

Years ended December 31	2024		2023		2022	
Income tax expense at statutory rate	\$	414 21.0 %	\$	450 21.0 %	\$	318 21.0 %
State income taxes, net of federal benefit		66 3.3 %		71 3.3 %		76 5.0 %
Non-U.S. tax expense on non-U.S. earnings		24 1.2 %		15 0.7 %		1 0.1 %
U.S. tax expense (benefit) on undistributed non-U.S. earnings		(27) (1.4)%		(44) (2.1)%		(43) (2.8)%
IP reorganization		(171) (8.7)%		— — %		(77) (5.1)%
Extinguishment of Silver Lake convertible debt		148 7.5 %		— — %		— — %
Stock compensation		(45) (2.3)%		(33) (1.5)%		(68) (4.5)%
Valuation allowances		5 0.3 %		(13) (0.6)%		(51) (3.4)%
Research credits		(24) (1.2)%		(19) (0.9)%		(16) (1.1)%
Reserve for uncertain tax positions		(6) (0.3)%		(3) (0.1)%		(6) (0.4)%
Other tax expense (benefit)		6 0.3 %		8 0.4 %		14 0.9 %
	\$	390 19.8 %	\$	432 20.1 %	\$	148 9.8 %

The effective tax rate for 2024 was below the current U.S. federal statutory rate of 21% primarily due to the tax benefit recognized upon the Company's decision to implement a business initiative in 2024 which allows for additional utilization of foreign tax credit carryforwards and a higher federal derived intangible income deduction on its 2023 U.S. tax return, the recognition of excess tax benefits on share-based compensation, the 2024 estimated foreign derived intangible income deduction, and generation of research and development credits, partially offset by the non-tax deductible loss on the extinguishment of the Silver Lake Convertible Debt and 2024 estimated U.S. state income taxes.

In 2021, the Organization of Economic Cooperation and Development ("OECD") introduced its Pillar Two Framework Model Rules ("Pillar 2"), that was supported by over 130 countries worldwide, which is designed to impose a 15% global minimum tax on adjusted financial results. Certain aspects of Pillar 2 took effect on January 1, 2024, while other aspects go into effect on January 1, 2025. The Company continues to evaluate the potential impact of Pillar 2 on its business, as the countries in which it operates continue to enact legislation implementing Pillar 2. While many aspects of the application of Pillar 2 continue to be clarified, Pillar 2 did not materially impact the Company's 2024 tax liability, and is not expected to have a material impact in future years.

Deferred tax balances that were recorded within Accumulated other comprehensive loss in the Company's Consolidated Balance Sheet, rather than Income tax expense, are the result of retirement benefit adjustments and currency translation adjustments. The adjustments were charges of \$16 million for the year ended December 31, 2024, benefits of \$14 million for the year ended December 31, 2023, and charges of \$2 million for the year ended December 31, 2022.

The Company evaluates its permanent reinvestment assertions with respect to foreign earnings at each reporting period and generally, except for certain earnings that the Company intends to reinvest indefinitely due to the capital requirements of the foreign subsidiaries or due to local country restrictions, accrues for the U.S. federal and foreign income tax applicable to the earnings. As a result of the 2017 U.S. Tax Cuts and Jobs Act ("the Tax Act"), dividends from foreign subsidiaries are now exempt or the earnings have been previously subject to U.S. tax. As a result, the tax accrual for undistributed foreign earnings is limited primarily to foreign withholding taxes and tax on inherent capital gains that would result from distribution of foreign earnings which are not permanently reinvested, and such earnings may be distributed without an additional charge.

Undistributed foreign earnings that the Company intends to reinvest indefinitely amounted to, in the aggregate, \$2.0 billion at December 31, 2024. It is impracticable to determine the exact amount of unrecognized deferred tax liabilities on such earnings; however, due to the above-mentioned changes made under the Tax Act, the Company believes that the additional U.S. or foreign income tax charge with respect to such earnings, if distributed, would be immaterial.

Gross deferred tax assets were \$2.4 billion and \$2.1 billion for December 31, 2024 and December 31, 2023, respectively. Deferred tax assets, net of valuation allowances, were \$2.4 billion and \$2.0 billion at December 31, 2024 and December 31, 2023, respectively. Gross deferred tax liabilities were \$1.2 billion and \$1.0 billion at December 31, 2024 and December 31, 2023, respectively.

Significant components of deferred tax assets (liabilities) are as follows:

<i>December 31</i>	2024	2023
Inventory	\$ 30	\$ 30
Accrued liabilities and allowances	87	77
Employee benefits	221	270
Capitalized items	391	146
Tax basis differences on investments	2	4
Depreciation tax basis differences on fixed assets	(31)	(2)
Undistributed non-U.S. earnings	(23)	(28)
Tax attribute carryforwards	98	115
Business reorganization	7	9
Warranty and customer liabilities	24	22
Deferred revenue and costs	420	406
Valuation allowances	(62)	(63)
Operating lease assets	(128)	(120)
Operating lease liabilities	134	129
Other	24	10
	\$ 1,194	\$ 1,005

At December 31, 2024 and December 31, 2023, the Company had valuation allowances of \$62 million and \$63 million, respectively, against its deferred tax assets, including \$42 million and \$44 million, respectively, relating to deferred tax assets for non-U.S. subsidiaries. The Company's U.S. valuation allowance increased \$1 million during 2024 primarily due to a capital loss generated in 2024 for which the Company does not have sufficient capital gains in the carryback period nor for which it expects to generate sufficient capital gains in the near future. The Company's Non-U.S. valuation allowance decreased \$2 million during 2024 primarily due to the expiration of tax attributes. The Company believes that the remaining deferred tax assets are more-likely-than-not to be realizable based on estimates of future taxable income and the implementation of tax planning strategies.

Tax attribute carryforwards are as follows:

<i>December 31, 2024</i>	<i>Gross Tax Loss</i>	<i>Tax Effected</i>	<i>Expiration Period</i>
United States:			
U.S. tax losses	\$ 127	\$ 27	2025-2037
General business credits	—	1	2030-2036
State tax losses	—	8	2027-2044
State tax credits	—	3	2025-2043
Non-U.S. subsidiaries:			
United Kingdom tax losses	143	36	Unlimited
Canada tax losses	17	5	2034-2044
Canada tax credits	—	5	2038-2044
Other subsidiaries tax losses	66	13	Various
	\$	98	

The Company had unrecognized tax benefits of \$42 million and \$32 million at December 31, 2024 and December 31, 2023, respectively, of which approximately \$40 million and \$27 million, if recognized, would have affected the effective tax rate for 2024 and 2023, respectively.

A roll-forward of unrecognized tax benefits is as follows:

<i>(in millions)</i>	2024	2023
Balance at January 1	\$ 32	\$ 35
Additions based on tax positions related to current year	1	1
Additions for tax positions of prior years	18	1
Reductions for tax positions of prior years	(1)	(1)
Settlements and agreements	(5)	—
Lapse of statute of limitations	(3)	(4)
Balance at December 31	\$ 42	\$ 32

The Company recorded \$39 million and \$26 million of unrecognized tax benefits in Other liabilities at December 31, 2024 and December 31, 2023, respectively.

The Company has several U.S. state and non-U.S. audits pending. A summary of open tax years by major jurisdiction is presented below:

<i>Jurisdiction</i>	<i>Tax Years</i>
United States	2021-2024
Australia	2020-2024
Canada	2020-2024
Germany	2018-2024
India	1997-2024
Israel	2019-2024
Poland	2019-2024
Malaysia	2017-2024
United Kingdom	2022-2024

Although the final resolution of the Company's global tax disputes is uncertain, based on current information, in the opinion of the Company's management, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position or liquidity. However, an unfavorable resolution of the Company's global tax disputes could have a material adverse effect on the Company's results of operations in the periods, and as of the dates, on which the matters are ultimately resolved.

Based on the potential outcome of the Company's global tax examinations, the expiration of the statute of limitations for specific jurisdictions, or the continued ability to satisfy tax incentive obligations, it is reasonably possible that the unrecognized tax benefits will change within the next twelve months. The associated net tax impact on the effective tax rate, exclusive of valuation allowance changes, is estimated to be up to a \$9 million tax benefit.

At December 31, 2024, the Company had \$30 million accrued for interest and \$23 million accrued for penalties on unrecognized tax benefits. At December 31, 2023, the Company had \$23 million and \$12 million accrued for interest and penalties, respectively, on unrecognized tax benefits. The Company's policy is to classify the interest and penalty as a component of interest expense and other expense, respectively.

8. Retirement Benefits

Pension and Postretirement Health Care Benefits Plans

U.S. Pension Benefit Plans

The Company's non-contributory U.S. defined benefit plans (the "U.S. Pension Plans") provide benefits to U.S. employees hired prior to January 1, 2005, who became eligible after one year of service. The Company also has an additional non-contributory supplemental retirement benefit plan, the Motorola Supplemental Pension Plan ("MSPP"), which provided supplemental benefits to individuals by replacing benefits that are lost by such individuals under the retirement formula due to application of the limitations imposed by the Internal Revenue Code. In December 2008, the Company amended the U.S. Pension Plans and MSPP (together the "U.S. Pension Benefit Plans") such that, effective March 1, 2009: (i) no participant shall accrue any benefit or additional benefit on or after March 1, 2009, and (ii) no compensation increases earned by a participant on or after March 1, 2009 shall be used to compute any accrued benefit.

Postretirement Health Care Benefits Plan

Certain health care benefits are available to eligible domestic employees hired prior to January 1, 2002 and meeting certain age and service requirements upon termination of employment or retirement eligibility (the "Postretirement Health Care Benefits Plan"). As of January 1, 2005, the Postretirement Health Care Benefits Plan was closed to new participants. After a series of amendments, all eligible retirees under the age of 65 are provided an annual subsidy per household, versus per individual, toward the purchase of their own health care coverage from private insurance companies and for the reimbursement of eligible health care expenses. All eligible retirees over the age of 65 are entitled to one fixed-rate subsidy capped at \$560 per participant.

Non-U.S. Pension Benefit Plans

The Company also provides defined benefit plans which cover non-U.S. employees in certain jurisdictions, principally the U.K. and Germany (the "Non-U.S. Pension Benefit Plans"). Other pension plans outside of the U.S. are not material to the Company either individually or in the aggregate.

In June 2015, the Company amended its non-U.S. defined benefit plan within the United Kingdom by closing future benefit accruals to all participants effective December 31, 2015.

Net Periodic Cost (Benefit)

The net periodic cost (benefit) for pension and Postretirement Health Care Benefits plans was as follows:

<i>Years ended December 31</i>	<i>U.S. Pension Benefit Plans</i>			<i>Non-U.S. Pension Benefit Plans</i>			<i>Postretirement Health Care Benefits Plan</i>		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Service cost	\$ —	\$ —	\$ —	\$ 1	\$ 1	\$ 1	\$ —	\$ —	\$ —
Interest cost	189	190	128	57	56	29	4	5	2
Expected return on plan assets	(298)	(293)	(254)	(104)	(108)	(93)	(13)	(13)	(12)
Amortization of:									
Unrecognized net loss	25	22	62	6	37	14	3	2	4
Unrecognized prior service benefit	—	—	—	(3)	(2)	(2)	3	3	—
Net periodic cost (benefit)	\$ (84)	\$ (81)	\$ (64)	\$ (43)	\$ (16)	\$ (51)	\$ (3)	\$ (3)	\$ (6)

The status of the Company's plans is as follows:

	<i>U.S. Pension Benefit Plans</i>		<i>Non-U.S. Pension Benefit Plans</i>		<i>Postretirement Health Care Benefits Plan</i>	
	2024	2023	2024	2023	2024	2023
Change in benefit obligation:						
Benefit obligation at January 1	\$ 3,928	\$ 3,809	\$ 1,347	\$ 1,207	\$ 96	\$ 103
Service cost	—	—	1	1	—	—
Interest cost	189	190	57	56	4	5
Plan amendments	—	—	—	—	—	—
Actuarial loss (gain)	(220)	59	(156)	62	17	2
Foreign exchange valuation adjustment	—	—	(32)	66	—	—
Benefit payments	(142)	(130)	(54)	(45)	(12)	(14)
Benefit obligation at December 31	\$ 3,755	\$ 3,928	\$ 1,163	\$ 1,347	\$ 105	\$ 96
Change in plan assets:						
Fair value at January 1	\$ 3,273	\$ 3,076	\$ 1,172	\$ 1,092	\$ 134	\$ 134
Return on plan assets	112	324	(23)	56	6	14
Company contributions	6	3	9	9	—	—
Foreign exchange valuation adjustment	—	—	(21)	60	—	—
Benefit payments	(142)	(130)	(54)	(45)	(12)	(14)
Fair value at December 31	\$ 3,249	\$ 3,273	\$ 1,083	\$ 1,172	\$ 128	\$ 134
Funded status of the plan	\$ (506)	\$ (655)	\$ (80)	\$ (175)	\$ 23	\$ 38
Unrecognized net loss	1,635	1,695	796	829	88	68
Unrecognized prior service benefit (cost)	—	—	(64)	(67)	41	44
Prepaid pension cost	\$ 1,129	\$ 1,040	\$ 652	\$ 587	\$ 152	\$ 150
Components of prepaid (accrued) pension cost:						
Current benefit liability	\$ (3)	\$ (2)	\$ —	\$ —	\$ —	\$ —
Non-current benefit liability	(503)	(653)	(194)	(210)	—	—
Non-current benefit asset	—	—	114	35	23	38
Deferred income taxes	388	403	95	102	35	31
Accumulated other comprehensive loss	1,247	1,292	637	660	94	81
Prepaid pension cost	\$ 1,129	\$ 1,040	\$ 652	\$ 587	\$ 152	\$ 150

For the year ended December 31, 2024, the primary driver of the decrease in the U.S. Pension Benefit Plans' benefit obligation was higher actuarial gains due to a increase in the discount rate from 5.01% as of December 31, 2023 to 5.70% as of December 31, 2024, partially offset by actuarial losses in the benefit obligation due to updated lump-sum interest rates and demographic assumption changes. For the year ended December 31, 2023, the primary driver of the increase in the U.S. Pension Benefit Plans' benefit obligation was higher actuarial losses due to an decrease in the discount rate from 5.20% as of December 31, 2022 to 5.01% as of December 31, 2023, partially offset by actuarial gains in the benefit obligation due to updated lump-sum interest rates and mortality.

For the year ended December 31, 2024, the most significant drivers of the decrease in Non-U.S. Pension Benefit Plans' benefit obligation were the higher actuarial gains coupled with favorable foreign exchange effects. The Non-U.S. Pension Benefit Plans incurred actuarial gains primarily due to an increase in the discount rate from 4.30% as of December 31, 2023 to 5.07% as of December 31, 2024. For the year ended December 31, 2023, the most significant drivers of the increase in Non-U.S. Pension Benefit Plans' benefit obligation were the higher actuarial losses coupled with unfavorable foreign exchange effects. The Non-U.S. Pension Benefit Plans incurred actuarial losses primarily due to a decrease in the discount rate from 4.60% as of December 31, 2022 to 4.30% as of December 31, 2023.

Actuarial Assumptions

Certain actuarial assumptions such as the discount rate and the long-term rate of return on plan assets have a significant effect on the amounts reported for net periodic cost and the benefit obligation. The assumed discount rates reflect the prevailing market rates of a universe of high-quality, non-callable, corporate bonds currently available that, if the obligation were settled at the measurement date, would provide the necessary future cash flows to pay the benefit obligation when due. The long-term rates of return on plan assets represent an estimate of long-term returns on an investment portfolio consisting of a mixture of equities, fixed income, cash and other investments similar to the actual investment mix. In determining the long-term return on plan assets, the Company considers long-term rates of return on the asset classes (both historical and forecasted) in which the Company expects the plan funds to be invested.

The Company uses a full yield curve approach to estimate interest and service cost components of net periodic cost (benefit) for defined benefit pension and other post-retirement benefit plans. The full yield curve approach requires the application of the specific spot rate along the yield curve used in the determination of the projected benefit obligation to the relevant projected cash flows.

The Company used "Mortality Improvement Scale MP-2021" to calculate both the 2024 U.S. projected benefit obligations and the 2023 U.S. projected benefit obligations.

Weighted average actuarial assumptions used to determine costs for the plans at the beginning of the fiscal year were as follows:

	<i>U.S. Pension Benefit Plans</i>		<i>Non-U.S. Pension Benefit Plans</i>		<i>Postretirement Health Care Benefits Plan</i>	
	2024	2023	2024	2023	2024	2023
Discount rate	4.90 %	5.09 %	4.27 %	4.68 %	4.89 %	5.05 %
Investment return assumption	7.74 %	7.87 %	5.84 %	6.18 %	8.30 %	8.00 %

Weighted average actuarial assumptions used to determine benefit obligations for the plans were as follows:

	<i>U.S. Pension Benefit Plans</i>		<i>Non-U.S. Pension Benefit Plans</i>		<i>Postretirement Health Care Benefits Plan</i>	
	2024	2023	2024	2023	2024	2023
Discount rate	5.70 %	5.01 %	5.07 %	4.30 %	5.49 %	4.92 %
Future compensation increase rate	n/a	n/a	0.67 %	0.67 %	n/a	n/a

The following table presents the accumulated benefit obligation, projected benefit obligation and fair value of plan assets for our plans that have an accumulated benefit obligation and projected benefit obligation in excess of plan assets:

	<i>U.S. Pension Benefit Plans</i>		<i>Non U.S. Pension Benefit Plans</i>	
<i>December 31</i>	2024	2023	2024	2023
Accumulated benefit obligation	\$ 3,755	\$ 3,928	\$ 1,162	\$ 1,346
Projected benefit obligation	3,755	3,928	1,163	1,347
Fair value of plan assets	3,249	3,273	1,083	1,172

Investment Policy

The individual plans have adopted an investment policy designed to meet or exceed the expected rate of return on plan assets assumption. To achieve this, the plans retain professional advisors and investment managers that invest plan assets into various classes including, but not limited to: equity and fixed income securities, cash, cash equivalents, hedge funds, infrastructure/utilities, insurance contracts, leveraged loan funds and real estate. The Company uses long-term historical actual return experience with consideration of the expected investment mix of the plans' assets, as well as future estimates of long-term investment returns, to develop its expected rate of return assumption used in calculating the net periodic cost. The individual plans have target mixes for these asset classes, which are readjusted periodically when an asset class weighting deviates from the target mix, with the goal of achieving the required return at a reasonable risk level.

The weighted-average asset allocations by asset categories for all pension plans and the Postretirement Health Care Benefits Plan were as follows:

<i>December 31</i>	<i>All Pension Benefit Plans</i>		<i>Postretirement Health Care Benefits Plan</i>	
	2024	2023	2024	2023
Target Mix:				
Equity securities	23 %	26 %	25 %	28 %
Fixed income securities	61 %	56 %	57 %	51 %
Cash and other investments	16 %	18 %	18 %	21 %
Actual Mix:				
Equity securities	22 %	26 %	24 %	28 %
Fixed income securities	60 %	56 %	56 %	52 %
Cash and other investments	18 %	18 %	20 %	20 %

Within the equity securities asset class, the investment policy provides for investments in a broad range of publicly-traded securities including both domestic and foreign equities. Within the fixed income securities asset class, the investment policy provides for investments in a broad range of publicly-traded debt securities including: U.S. treasury issues, corporate debt securities, mortgage and asset-backed securities, as well as foreign debt securities. In the cash and other investments asset class, investments may include, but are not limited to: cash, cash equivalents, commodities, hedge funds, infrastructure/utilities, insurance contracts, leveraged loan funds and real estate.

Cash Funding

The Company made \$6 million and \$3 million of contributions to its U.S. Pension Benefit Plans during 2024 and 2023, respectively. The Company contributed \$9 million and \$9 million to its Non U.S. Pension Benefit Plans during 2024 and 2023, respectively. The Company made no contributions to its Postretirement Health Care Benefits Plan in 2024 or 2023.

Expected Future Benefit Payments

The following benefit payments are expected to be paid:

<i>Year</i>	<i>U.S. Pension Benefit Plans</i>	<i>Non-U.S. Pension Benefit Plans</i>	<i>Postretirement Health Care Benefits Plan</i>
2025	\$ 172	\$ 54	\$ 14
2026	189	55	14
2027	206	57	13
2028	224	58	12
2029	241	59	11
2030-2034	1,365	306	41

Other Benefit Plans

Split-Dollar Life Insurance Arrangements

The Company maintains a number of endorsement split-dollar life insurance policies on now-retired officers under a frozen plan. The Company had purchased the life insurance policies to insure the lives of employees and then entered into a separate agreement with the employees that split the policy benefits between the Company and the employee. Motorola Solutions owns the policies, controls all rights of ownership, and may terminate the insurance policies. To effect the split-dollar arrangement, Motorola Solutions endorsed a portion of the death benefits to the employee and upon the death of the employee, the employee's beneficiary typically receives the designated portion of the death benefits directly from the insurance company and the Company receives the remainder of the death benefits. It is currently expected that minimal cash payments will be required to fund these policies.

The net periodic pension cost for these split-dollar life insurance arrangements was \$3 million for the year ended December 31, 2024, and \$5 million for each of the years ended December 31, 2023 and 2022. The Company has recorded a liability representing the actuarial present value of the future death benefits as of the employees' expected retirement date of \$46 million and \$52 million as of December 31, 2024 and December 31, 2023, respectively.

Deferred Compensation Plan

The Company maintains a deferred compensation plan ("the Plan") for certain eligible participants. Under the Plan, participants may elect to defer base salary and cash incentive compensation in excess of 401(k) plan limitations. Participants under the Plan may choose to invest their deferred amounts in the same investment alternatives available under the 401(k) plan (as defined below). The Plan also allows for Company matching contributions for the following: (i) the first 4% of compensation deferred under the Plan, subject to a maximum of \$50,000 for officers elected by the board of directors of the Company, (ii) lost matching amounts that would have been made under the 401(k) plan if participants had not participated in the Plan, and (iii) discretionary amounts as approved by the Compensation and Leadership Committee of the board of directors.

Defined Contribution Plan

The Company has various defined contribution plans, in which all eligible employees may participate. In the U.S., the Motorola Solutions 401(k) plan (the "401(k) plan") is a contributory plan. Matching contributions are based upon the amount of the employees' contributions. The Company's expenses for material defined contribution plans for the years ended December 31, 2024, 2023 and 2022 were \$53 million, \$45 million and \$43 million, respectively.

Under the 401(k) plan, the Company may make an additional discretionary matching contribution to eligible employees. For the years ended December 31, 2024, 2023, and 2022 the Company made no discretionary contributions.

9. Share-Based Compensation and Other Incentive Plans

The Company grants options and stock appreciation rights to acquire shares of common stock to certain employees and to existing option holders of acquired companies in connection with the merging of option plans following an acquisition. Each option and stock appreciation right granted has an exercise price of no less than 100% of the fair market value of the common stock on the date of the grant. The awards have a contractual life of five to ten years and vest over two to three years. In conjunction with a change in control, stock options and stock appreciation rights assumed or replaced with comparable stock options or stock appreciation rights only become exercisable if the holder is also involuntarily terminated (for a reason other than cause) or resigns for good reason within 24 months of a change in control.

Restricted stock grants consist of shares or the rights to shares of the Company's common stock which are awarded to certain employees. The grants are restricted in such that they are subject to vesting conditions; however, restricted stock holders have voting rights, and the rights to earn dividends on unvested shares.

Restricted stock unit ("RSU") grants consist of shares or the rights to shares of the Company's common stock which are awarded to certain employees and non-employee directors. The grants are restricted such that they are subject to substantial risk of forfeiture and to restrictions on their sale or other transfer by the employee. In conjunction with a change in control, shares of RSUs assumed or replaced with comparable shares of RSUs will only have the restrictions lapse if the holder is also involuntarily terminated (for a reason other than cause) or resigns for good reason within 24 months of a change in control.

Performance-based stock options ("performance options"), market stock units ("MSUs"), and performance stock units ("PSUs") have been granted to certain Company executive officers. Performance options have a three-year performance period and are granted as a target number of units subject to adjustment based on company performance. Each performance option granted has an exercise price of no less than 100% of the fair market value of the common stock on the date of the grant. The awards have a contractual life of ten years. Shares ultimately issued for performance option awards granted are based on the actual total shareholder return ("TSR") compared to the S&P 500 over the three-year performance period based on a payout factor that corresponds to actual TSR results as established at the date of grant. Vesting occurs on the third anniversary of the grant date. Under the terms of the MSUs, vesting is conditioned upon continuous employment until the vesting date and the payout factor is at least 60% of the share price on the award date. The payout factor is the share price on vesting date divided by share price on award date, with a maximum of 200%. The share price used in the payout factor is calculated using an average of the closing prices on the grant or vesting date, and the 30 calendar days immediately preceding the grant or vesting date. Vesting occurs ratably over three years. PSUs have been granted as a portion of the Long Range Incentive Plan ("LRIP") awards issued to certain Company executive officers. The PSUs have a three-year performance period and were granted at a target number of units subject to adjustment based on company performance. The number of PSUs earned will be based on the actual TSR compared to the S&P 500 over the three-year performance period.

The employee stock purchase plan allows eligible participants to purchase shares of the Company's common stock through payroll deductions of up to 20% of eligible compensation on an after-tax basis. Plan participants cannot purchase more than \$25,000 of stock in any calendar year. The price an employee pays per share is 85% of the lower of the fair market value of the Company's stock on the close of the first trading day or last trading day of the purchase period. The plan has two purchase periods, the first from October 1 through March 31 and the second from April 1 through September 30. For each of the years ended December 31, 2024, 2023 and 2022, employees purchased 0.4 million shares, at purchase prices of \$231.98 and \$300.55 in 2024, \$194.62 and \$231.40 in 2023, and \$199.16 and \$190.37 in 2022.

Significant Assumptions Used in the Estimate of Fair Value

The Company calculates the value of each employee stock option, estimated on the date of grant, using the Black-Scholes option pricing model. The weighted-average estimated fair value of employee stock options granted during 2024, 2023 and 2022 was \$92.20, \$73.04 and \$67.18, respectively, using the following weighted-average assumptions:

	2024	2023	2022
Expected volatility	21.4 %	24.4 %	29.2 %
Risk-free interest rate	4.3 %	4.2 %	2.5 %
Dividend yield	1.4 %	1.6 %	1.9 %
Expected life (years)	5.9	5.9	6.6

The Company calculates the value of each performance option, MSU, and PSU using a Monte Carlo simulation option pricing model, estimated on the date of grant. The fair values of performance options, MSUs, and PSUs granted during 2024 were \$141.51, \$396.90 and \$515.85, respectively. The fair values of performance options, MSUs, and PSUs granted during 2023 were \$122.55, \$299.32 and \$348.27, respectively. The fair value of performance options, MSUs and PSUs granted during 2022 was \$84.73, \$244.13 and \$249.51, respectively. The following assumptions were used for the calculations.

	2024 <i>Performance Options</i>	2023 <i>Performance Options</i>	2022 <i>Performance Options</i>
Expected volatility of common stock	21.7 %	25.1 %	29.7 %
Expected volatility of the S&P 500	30.5 %	33.3 %	39.2 %
Risk-free interest rate	4.3 %	4.1 %	2.0 %
Dividend yield	1.4 %	1.7 %	2.0 %
Expected life (years)	6.5	6.5	6.5

	2024 <i>Market Stock Unit</i>	2023 <i>Market Stock Unit</i>	2022 <i>Market Stock Units</i>
Expected volatility of common stock	21.7 %	25.1 %	29.7 %
Risk-free interest rate	4.4 %	4.5 %	1.9 %
Dividend yield	1.3 %	1.5 %	1.6 %

	2024 <i>Performance Stock Units</i>	2023 <i>Performance Stock Units</i>	2022 <i>Performance Stock Units</i>
Expected volatility of common stock	21.7 %	25.1 %	29.7 %
Expected volatility of the S&P 500	30.8 %	33.3 %	39.2 %
Risk-free interest rate	4.3 %	4.6 %	1.8 %
Dividend yield	1.1 %	1.4 %	1.6 %

The Company uses the implied volatility for traded options on the Company's stock as the expected volatility assumption in the valuation of stock options, performance options, MSUs, and PSUs. The selection of the implied volatility approach was based upon the availability of actively-traded options on the Company's stock and the Company's assessment that implied volatility is more representative of future stock price trends than historical volatility. At the conclusion of each three-year PSU and performance option cycle, the Company uses the historical volatility as the expected volatility to calculate the actual TSR compared to the S&P 500.

The risk-free interest rate assumption is based upon the average daily closing rates during the year for U.S. treasury notes that have a life which approximates the expected life of the grant. The dividend yield assumption is based on the Company's future expectation of dividend payouts. The expected life represents the average of the contractual term of the options and the weighted average vesting period for all option tranches.

The Company has applied forfeiture rates, estimated based on historical data, of 10% to the stock option fair values calculated by the Black-Scholes option pricing model and 15% to RSUs. These estimated forfeiture rates are applied to grants based on their remaining vesting term and may be revised in subsequent periods if actual forfeitures differ from these estimates.

The following table summarizes information about the total stock options outstanding and exercisable under all stock option plans, at December 31, 2024 (in thousands, except exercise price and years):

Exercise price range	Options Outstanding			Options Exercisable		
	No. of options	Wtd. avg. Exercise Price	Wtd. avg. contractual life (in yrs.)	No. of options	Wtd. avg. Exercise Price	Wtd. avg. contractual life (in yrs.)
\$1-\$100	713	\$ 77	2	713	\$ 77	2
\$101-\$200	866	148	5	866	148	5
\$201-\$300	430	244	8	90	239	7
\$301-\$400	200	342	9	5	334	9
\$401 and over	13	482	9	—	—	8
	2,222			1,674		

As of December 31, 2024, the weighted average contractual life for options outstanding and exercisable was five and four years, respectively.

Current Year Activity

Total share-based compensation activity was as follows (in thousands, except exercise price):

	Stock Options		Restricted Stock Units		Restricted Stock	
	No. of Options Outstanding	Wtd. Avg. Exercise Price of Shares	No. of Non-Vested Awards	Wtd. Avg. Grant Date Fair Value	No. of Non-Vested Awards	Wtd. Avg. Grant Date Fair Value
Balance as of January 1, 2024	566	\$ 191	1,342	\$ 224	85	\$ 244
Granted	106	360	582	340	65	397
Releases/Exercised	(175)	175	(601)	225	(85)	244
Forfeited/Canceled	(6)	314	(48)	268	—	—
Balance as of December 31, 2024	491	\$ 230	1,275	\$ 275	65	\$ 397
Awards exercisable	275	174	—	—	—	—

	Performance Options		Market Stock Units		Performance Stock Units	
	No. of Options Outstanding	Wtd. Avg. Exercise Price of Shares	No. of Non-Vested Awards	Wtd. Avg. Grant Date Fair Value	No. of Non-Vested Awards	Wtd. Avg. Grant Date Fair Value
Balance as of January 1, 2024	1,798	\$ 122	89	\$ 254	213	\$ 264
Granted	104	343	37	397	132	514
Releases/Exercised	(316)	101	(69)	230	(147)	335
Adjustment for payout factor	147	179	23	179	74	321
Forfeited/Canceled	(2)	179	(1)	185	(8)	316
Balance as of December 31, 2024	1,731	\$ 144	79	\$ 331	264	\$ 407
Awards exercisable	1,399	113	—	—	—	—

At December 31, 2024 and 2023, 6.0 million and 7.2 million shares, respectively, were available for future share-based award grants under the current share-based compensation plan, covering all equity awards to employees and non-employee directors.

Total Share-Based Compensation Expense

Compensation expense for the Company's share-based compensation plans was as follows:

Years ended December 31	2024	2023	2022
Share-based compensation expense included in:			
Costs of sales	\$ 48	\$ 40	\$ 28
Selling, general and administrative expenses	132	116	98
Research and development expenditures	63	56	46
Share-based compensation expense included in Operating earnings	243	212	172
Tax benefit	51	43	34
Share-based compensation expense, net of tax	\$ 192	\$ 169	\$ 138
Decrease in basic earnings per share	\$ (1.15)	\$ (1.01)	\$ (0.82)
Decrease in diluted earnings per share	\$ (1.12)	\$ (0.98)	\$ (0.80)

At December 31, 2024, the Company had unrecognized compensation expense related to all share based awards of \$431 million, net of estimated forfeitures, expected to be recognized over the weighted average period of approximately three years and \$5 million of unrecognized compensation expense related to the employee stock purchase plan that will be recognized over the remaining purchase period. The aggregate fair value of outstanding share based awards as of December 31, 2024 was \$629 million.

Cash received from stock option exercises and the employee stock purchase plan was \$75 million, \$104 million, and \$156 million for the years ended December 31, 2024, 2023, and 2022, respectively. The total intrinsic value of options exercised during the years ended December 31, 2024, 2023, and 2022 was \$164 million, \$152 million, and \$292 million, respectively. The aggregate intrinsic value for options outstanding and exercisable as of December 31, 2024 was \$664 million and \$567 million, respectively, based on a December 31, 2024 stock price of \$462.23 per share.

Motorola Solutions Incentive Plans

The Company's incentive plans provide eligible employees with an annual payment, calculated as a percentage of an employee's eligible earnings, in the year after the close of the current calendar year if specified business goals and individual performance targets are met. The expense for awards under these incentive plans for the years ended December 31, 2024, 2023 and 2022 was \$218 million, \$205 million and \$165 million, respectively.

Long-Range Incentive Plan

The LRIP rewards elected officers for the Company's achievement of specified business goals during the period, based on a single performance objective measured over a three-year period. There were no LRIP awards with cash settlement terms for the years ended December 31, 2024 and 2023. The expense for LRIP awards with cash settlement terms was \$4 million for the year ended December 31, 2022.

10. Fair Value Measurements

Investments and Derivatives

The fair values of the Company's financial assets and liabilities by level in the fair value hierarchy as of December 31, 2024 and December 31, 2023 were as follows:

December 31, 2024	Level 1	Level 2	Total
Assets:			
Foreign exchange derivative contracts	\$ —	\$ 10	\$ 10
Common stock and equivalents	23	—	23
Liabilities:			
Foreign exchange derivative contracts	\$ —	\$ 9	\$ 9
Equity swap contracts	1	—	1

<i>December 31, 2023</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Total</i>
Assets:			
Foreign exchange derivative contracts	\$ —	\$ 13	\$ 13
Equity swap contracts	1	—	1
Common stock and equivalents	28	—	28
Liabilities:			
Foreign exchange derivative contracts	\$ —	\$ 4	\$ 4
Treasury rate lock	—	12	12

Pension and Postretirement Health Care Benefits Plan Assets

The fair values of the various pension and postretirement health care benefits plans' assets by level in the fair value hierarchy as of December 31, 2024 and 2023 were as follows:

U.S. Pension Benefit Plans

<i>December 31, 2024</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Equities	\$ 23	\$ —	\$ —	\$ 23
Commingled funds	1,039	404	—	1,443
Government fixed income securities	—	239	—	239
Corporate fixed income securities	—	905	—	905
Short-term investment funds	258	—	—	258
Private assets	—	—	203	203
Total investment securities	\$ 1,320	\$ 1,548	\$ 203	\$ 3,071
Accrued income receivable				162
Cash				16
Fair value plan assets				\$ 3,249

The following table summarizes the changes in fair value of the Level 3 assets:

	<i>2024</i>
Fair value at January 1, 2024	\$ 157
Actual return on plan assets	22
Purchases	24
Fair value at December 31, 2024	\$ 203

<i>December 31, 2023</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Equities	\$ 27	\$ —	\$ —	\$ 27
Commingled funds	1,230	479	—	1,709
Government fixed income securities	—	192	—	192
Corporate fixed income securities	—	894	—	894
Short-term investment funds	253	—	—	253
Private Assets	—	—	157	157
Total investment securities	\$ 1,510	\$ 1,565	\$ 157	\$ 3,232
Accrued income receivable				23
Cash				18
Fair value plan assets				\$ 3,273

Non-U.S. Pension Benefit Plans

<i>December 31, 2024</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Total</i>
Equities	\$ 53	\$ —	\$ 53
Commingled funds	236	35	271
Government fixed income securities	—	615	615
Short-term investment funds	56	—	56
Total investment securities	\$ 345	\$ 650	\$ 995
Cash			4
Accrued income receivable			42
Insurance contracts			42
Fair value plan assets			\$ 1,083

<i>December 31, 2023</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Total</i>
Equities	\$ 60	\$ —	\$ 60
Commingled funds	289	32	321
Government fixed income securities	—	663	663
Short-term investment funds	60	—	60
Total investment securities	\$ 409	\$ 695	\$ 1,104
Cash			5
Accrued income receivable			16
Insurance contracts			47
Fair value plan assets			\$ 1,172

Postretirement Health Care Benefits Plan

<i>December 31, 2024</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Equities	\$ 1	\$ —	\$ —	\$ 1
Commingled funds	40	16	—	56
Government fixed income securities	—	10	—	10
Corporate fixed income securities	—	37	—	37
Short-term investment funds	10	—	—	10
Private funds	—	—	8	8
Total investment securities	\$ 51	\$ 63	\$ 8	\$ 122
Accrued income receivable				6
Fair value plan assets				\$ 128

The following table summarizes the changes in fair value of the Level 3 assets:

	<i>2024</i>
Fair value at January 1, 2024	\$ 7
Purchases	1
Fair value at December 31, 2024	\$ 8

December 31, 2023	Level 1	Level 2	Level 3	Total
Equities	\$ 1	\$ —	\$ —	\$ 1
Commingled funds	49	20	—	69
Government fixed income securities	—	8	—	8
Corporate fixed income securities	—	38	—	38
Short-term investment funds	10	—	—	10
Private funds	—	—	7	7
Total investment securities	\$ 60	\$ 66	\$ 7	\$ 133
Accrued income receivable				1
Fair value plan assets				\$ 134

The following is a description of the categories of investments:

Equities — A diversified portfolio of corporate common and preferred stocks.

Commingled funds — A diversified portfolio of assets that includes corporate common and preferred stocks, emerging market and high-yield fixed income securities among others.

Government fixed income securities — Securities issued by municipal, domestic and foreign government agencies, index-linked government bonds as well as interest rate derivatives.

Corporate fixed income securities — A diversified portfolio of primarily investment grade bonds issued by corporations.

Short-term investment funds — Investments in money market accounts and derivatives with a liquidity of less than 90 days.

Private funds — A diversified portfolio of assets that includes private equity funds and private loans.

Level 1 investments include securities which are valued at the closing price reported on the active market in which the individual securities are traded. Level 2 investments consist principally of securities which are valued using independent third party pricing sources. Level 3 investments include securities with valuations derived from valuation techniques, in which one or more significant inputs are unobservable. A variety of inputs are utilized by the independent pricing sources including market based inputs, binding quotes, indicative quotes, and ongoing redemption and subscription activity. Inputs may be weighted differently for any security, and not all inputs are used for each security evaluation.

At December 31, 2024, the Company had \$1.2 billion of investments in money market government and U.S. treasury funds (Level 1) classified as Cash and cash equivalents in its Consolidated Balance Sheet, compared to \$863 million at December 31, 2023. The money market funds had quoted market prices that are approximately at par.

Using quoted market prices and market interest rates, the Company determined that the fair value of long-term debt at December 31, 2024 was \$5.8 billion. The fair value of long-term debt at December 31, 2023 was \$6.4 billion, of which the Senior Convertible Notes were \$1.6 billion (Level 2). Since considerable judgment is required in interpreting market information, the fair value of the long-term debt is not necessarily indicative of the amount which could be realized in a current market exchange. Refer to "Note 5: Debt and Credit Facilities" to our consolidated financial statements in this "Part II. Item 8. Financial Statements and Supplementary Data" of this Form 10-K for a further discussion of the Senior Convertible Notes.

All other financial instruments are carried at cost, which is not materially different from the instruments' fair values.

11. Long-term Financing and Sales of Receivables

Long-term Financing

Long-term receivables consist of receivables with payment terms greater than twelve months, long-term loans and lease receivables under sales-type leases. Long-term receivables consist of the following:

December 31	2024	2023
Long-term receivables, gross	\$ 65	\$ 36
Less allowance for losses	(2)	(2)
Long-term receivables	\$ 63	\$ 34
Less current portion	(22)	(13)
Non-current long-term receivables	\$ 41	\$ 21

The current portion of long-term receivables is included in Accounts receivable, net and the non-current portion of long-term receivables is included in Other assets in the Company's Consolidated Balance Sheet. The Company recognized \$1 million in interest income on long-term receivables for the year ended December 31, 2024, compared to no interest income for the year ended December 31, 2023 and \$1 million for the year ended December 31, 2022.

Certain purchasers of the Company's products and services may request that the Company provide long-term financing (defined as financing with a term greater than one year) in connection with the sale of products and services. These requests may include all or a portion of the purchase price of the products and services. The Company's obligation to provide long-term financing may be conditioned on the issuance of a letter of credit in favor of the Company by a reputable bank to support the purchaser's credit or a pre-existing commitment from a reputable bank to purchase the long-term receivables from the Company. The Company had outstanding commitments to provide long-term financing to third-parties totaling \$105 million at December 31, 2024 and \$103 million at December 31, 2023.

Sales of Receivables

From time to time, the Company sells accounts receivable and long-term receivables to third-parties under one-time arrangements.

The following table summarizes the proceeds received from sales of accounts receivable and long-term receivables for the years ended December 31, 2024, 2023 and 2022.

<i>Years ended December 31</i>	2024	2023	2022
Contract-specific discounting facility	\$ —	\$ —	\$ 49
Accounts receivable sales proceeds	15	96	179
Long-term receivables sales proceeds	205	182	204
Total proceeds from receivable sales	\$ 220	\$ 278	\$ 432

The Company may or may not retain the obligation to service the sold accounts receivable and long-term receivables.

At December 31, 2024, the Company had retained servicing obligations for \$794 million of long-term receivables, compared to \$813 million of long-term receivables at December 31, 2023. Servicing obligations are limited to collection activities of sold accounts receivables and long-term receivables.

Credit Quality of Long-Term Receivables and Allowance for Credit Losses

An aging analysis of financing receivables at December 31, 2024 and December 31, 2023 is as follows:

<i>December 31, 2024</i>	<i>Total Long-term Receivable</i>	<i>Current Billed Due</i>	<i>Past Due Under 90 Days</i>	<i>Past Due Over 90 Days</i>
Municipal leases secured tax exempt	\$ 31	\$ 2	\$ 1	\$ 1
Commercial loans and leases secured	34	3	—	1
Long-term receivables, including current portion	\$ 65	\$ 5	\$ 1	\$ 2

<i>December 31, 2023</i>	<i>Total Long-term Receivable</i>	<i>Current Billed Due</i>	<i>Past Due Under 90 Days</i>	<i>Past Due Over 90 Days</i>
Municipal leases secured tax exempt	\$ 15	\$ 1	\$ 1	\$ 1
Commercial loans and leases secured	21	1	—	1
Long-term receivables, including current portion	\$ 36	\$ 2	\$ 1	\$ 2

The Company uses an internally developed credit risk rating system for establishing customer credit limits. This system is aligned with and comparable to the rating systems utilized by independent rating agencies.

12. Commitments and Contingencies

Purchase Obligations

During the normal course of business, in order to manage manufacturing lead times and help ensure adequate component supply, the Company enters into agreements with contract manufacturers and suppliers that either allow it to procure inventory based upon criteria as defined by the Company or establish the parameters defining the Company's requirements. In addition, we have entered into software license agreements which are firm commitments and are not cancellable.

As of December 31, 2024, the Company had entered into firm, non-cancelable, and unconditional commitments under such arrangements through 2030. The Company expects to make total payments of \$713 million under these arrangements as follows: \$151 million in 2025, \$159 million in 2026, \$159 million in 2027, \$130 million in 2028, \$112 million in 2029 and \$2 million thereafter.

Legal Matters

Hytera Civil Litigation

On March 14, 2017, the Company filed a complaint in the U.S. District Court for the Northern District of Illinois (the "District Court") against Hytera Communications Corporation Limited of Shenzhen, China; Hytera America, Inc.; and Hytera Communications America (West), Inc. (collectively, "Hytera"), alleging trade secret theft and copyright infringement and seeking, among other things, injunctive relief, compensatory damages and punitive damages. On February 14, 2020, the Company announced that a jury decided in the Company's favor in its trade secret theft and copyright infringement case. In connection with this verdict, the jury awarded the Company \$345.8 million in compensatory damages and \$418.8 million in punitive damages, for a total of \$764.6 million. In a series of post-trial rulings in 2021, the District Court subsequently reduced the judgment to \$543.7 million, but also ordered Hytera to pay the Company \$51.1 million in pre-judgment interest and \$2.6 million in costs, as well as \$34.2 million in attorneys' fees. The Company continues to seek collection of the judgment through the ongoing legal process.

On December 17, 2020, the District Court held that Hytera must pay the Company a forward-looking reasonable royalty on products that use the Company's stolen trade secrets, and on December 15, 2021, set royalty rates for Hytera's sale of relevant products from July 1, 2019 forward. On July 5, 2022, the District Court ordered that Hytera pay into a third-party escrow on July 31, 2022, the royalties owed to the Company based on the sale of relevant products from July 1, 2019 to June 30, 2022. Hytera failed to make the required royalty payment on July 31, 2022. On August 1, 2022, Hytera filed a motion to modify or stay the District Court's previous July 5, 2022 royalty order, which the District Court denied on July 11, 2023. On August 3, 2022, the Company filed a motion seeking to hold Hytera in civil contempt for violating the royalty order by not making the required royalty payment on July 31, 2022. On August 26, 2023, the District Court granted the Company's contempt motion. As a result, on September 1, 2023, Hytera made a payment of \$56 million into the third-party escrow. In addition to the September 1, 2023 payment of \$56 million, Hytera has made de minimis quarterly royalty payments into the third-party escrow from October 2022 up through November 2024. Future royalty payments are expected to be paid directly to the Company. The aggregate amount paid into escrow of approximately \$61 million was released to the Company on November 26, 2024 and was recorded as a gain within Other Charges (Income) within the Consolidated Statement of Operations.

Following the February 14, 2020, verdict and judgment in the Company's favor, Hytera appealed to the U.S. Court of Appeals for the Seventh Circuit (the "Court of Appeals"), seeking review of the orders related to the jury's verdict as well as the District Court's royalty order. The Company filed its cross-appeal on August 5, 2022. The Court of Appeals heard oral arguments on December 5, 2023, and issued its decision on July 2, 2024. The Court of Appeals affirmed the District Court's award of \$407.4 million in damages, including exemplary damages, under the Defend Trade Secrets Act. The Court of Appeals also directed the District Court to recalculate and reduce its award of \$136.3 million in copyright infringement damages, and instructed the District Court to reconsider its denial of the Company's request for an injunction. In all other respects, the Court of Appeals affirmed the judgment of the District Court. On October 4, 2024, the Court of Appeals denied Hytera's motion for rehearing. The case was remanded to the District Court for further action per the Court of Appeals' decision. On January 2, 2025, Hytera filed a petition for writ of certiorari with the Supreme Court of the United States. Acceptance or denial of the petition is discretionary by the Supreme Court.

In 2024, the parties engaged in competing litigation in the District Court and a court in China related to the possible continued use by Hytera of the Company's trade secrets in Hytera's currently shipping products. On April 2, 2024, the District Court held Hytera in civil contempt, and issued a worldwide sales injunction of certain Hytera products and a daily fine, for Hytera's failure to withdraw its competing litigation in China. On April 16, 2024, the Court of Appeals granted Hytera's motion for an emergency stay of the contempt sanctions, to allow the Court of Appeals to review the District Court's various orders related to the competing litigation and contempt sanctions. The District Court held hearings from August 26-30, 2024, concerning whether Hytera's currently shipping products continue to misuse the Company's trade secrets and copyrighted source code. The issue is currently under consideration by the District Court.

Hytera Criminal Litigation

On January 13, 2025, Hytera pleaded guilty to one federal felony count of conspiracy to steal the Company's trade secrets in a criminal action brought by the U.S. Department of Justice against Hytera and several of its employees in the District Court. Hytera's sentencing has been scheduled for November 6, 2025. Pursuant to the plea agreement reached between Hytera and the government, Hytera's sentence may include a fine to be paid to the government and restitution to be paid to the Company in an amount to be determined by the District Court.

Hytera Bankruptcy Proceedings

Separate from the Company's litigation with Hytera, on May 27, 2020, Hytera America, Inc. and Hytera Communications America (West), Inc. each filed for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court for the Central District of California (the "Bankruptcy Court"). On February 11, 2022, the Court entered an order to confirm the liquidation plan for the two Hytera entities and distributions were made on February 25, 2022 to the creditors, including a distribution of \$13 million to the Company. On December 22, 2022, an additional distribution of \$2 million was made to the Company as well as an assignment of various delinquent accounts receivable of the bankrupt Hytera entities. On April 4, 2024, a final de minimis distribution was made to the Company. The gains from the three monetary distributions were recorded to Other charges (income) in the Company's Consolidated Statements of Operations.

13. Information by Segment and Geographic Region

The Company conducts its business globally and manages it through the following two segments:

Products and Systems Integration: The Products and Systems Integration segment offers an extensive portfolio of infrastructure, devices, accessories, video security devices and infrastructure, and the implementation and integration of such systems, devices, and applications. Within LMR Communications, the Company is a global leader in the two-way radio category, including the Company's Project 25 ("P25"), Terrestrial Trunked Radio (TETRA), Digital Mobile Radio (DMR), as well as other professional and commercial radio ("PCR") solutions. The Company provides LTE solutions for public safety, government and commercial users, including devices operating in 700 MHz, 900 MHz and Citizens' Broadband Radio Service (CBRS) frequencies. The Company's Video technology includes network video management infrastructure, fixed security, certain mobile video equipment and access control solutions. The primary customers of the Products and Systems Integration segment are government, public safety and commercial customers who operate private communications systems and video security solutions and typically manage a mobile workforce. In 2024, the segment's net sales were \$6.9 billion, representing 64% of the Company's consolidated net sales.

Software and Services: The Software and Services segment provides a broad range of solution offerings for government, public safety and commercial customers. Software includes public safety and enterprise Command Center, unified communications applications, certain mobile video equipment, and video software solutions, delivered both on-premise and "as-a-service." Services includes a continuum of service offerings beginning with repair, technical support and maintenance. More advanced technologies include monitoring, software updates and cybersecurity services. Managed services range from partial to full operation of customer-owned or Motorola Solutions-owned communications systems. In 2024, the segment's net sales were \$3.9 billion, representing 36% of the Company's consolidated net sales.

For the years ended December 31, 2024, 2023 and 2022, no single customer accounted for more than 10% of the Company's net sales.

Segment Information

The Company's chief operating decision maker, the chief executive officer, uses both segment gross margin and segment operating earnings to assess performance and allocate resources (including employees, property, and financial or capital resources) for each segment predominantly in the annual budget and forecasting process. The chief operating decision maker considers budget-to-actual variances on a monthly basis for both profit measures when making decisions about allocating capital and personnel to the segments.

The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. See "Note 1: Summary of Significant Accounting Policies" to our consolidated financial statements in this "Part II. Item 8: Financial Statements and Supplementary Data" of this Form 10-K.

The following table summarizes Net sales, significant expenses, Gross margin and Operating earnings by segment:

Years ended December 31	2024			2023			2022		
	Products and Systems Integration	Software and Services	Total	Products and Systems Integration	Software and Services	Total	Products and Systems Integration	Software and Services	Total
Net sales	\$ 6,883	\$ 3,934	\$10,817	\$ 6,242	\$ 3,736	\$ 9,978	\$ 5,728	\$ 3,384	\$ 9,112
Costs of sales	3,215	2,090	5,305	3,115	1,893	5,008	3,060	1,823	4,883
Gross margin	3,668	1,844	5,512	3,127	1,843	4,970	2,668	1,561	4,229
Selling, general and administrative expenses	1,392	360	1,752	1,239	322	1,561	1,156	294	1,450
Research and development expenditures	575	342	917	551	307	858	503	276	779
Other charges	25	130	155	94	163	257	96	243	339
Operating earnings	\$ 1,676	\$ 1,012	\$ 2,688	\$ 1,244	\$ 1,050	\$ 2,294	\$ 913	\$ 748	\$ 1,661
Total other expense			(716)			(148)			(146)
Net earnings before income taxes			\$ 1,972			\$ 2,146			\$ 1,515

The following table summarizes the Company's capital expenditures and depreciation expense by segment:

Years ended December 31	Capital Expenditures			Depreciation Expense		
	2024	2023	2022	2024	2023	2022
Products and Systems Integration	\$ 103	\$ 97	\$ 77	\$ 90	\$ 83	\$ 79
Software and Services	154	156	179	94	96	104
	\$ 257	\$ 253	\$ 256	\$ 184	\$ 179	\$ 183

The Company's chief operating decision maker does not review or allocate resources based on segment assets.

Geographic Area Information

Years ended December 31	Net Sales			Assets		
	2024	2023	2022	2024	2023	2022
United States	\$ 7,432	\$ 6,559	\$ 6,008	\$ 11,456	\$ 10,207	\$ 9,227
United Kingdom	572	769	789	2,190	2,034	2,321
Canada	388	373	366	383	362	394
Other	2,425	2,277	1,949	566	733	872
	\$ 10,817	\$ 9,978	\$ 9,112	\$ 14,595	\$ 13,336	\$ 12,814

Net sales attributed to geographic area are predominately based on the ultimate destination of the Company's products and services.

14. Reorganization of Businesses

The Company maintains a formal Involuntary Severance Plan (the "Severance Plan"), which permits the Company to offer eligible employees severance benefits based on years of service and employment grade level in the event that employment is involuntarily terminated as a result of a reduction-in-force or restructuring. The Company recognizes termination benefits based on formulas per the Severance Plan at the point in time that future settlement is probable and can be reasonably estimated based on estimates prepared at the time a restructuring plan is approved by management. Exit costs consist of contractual lease termination costs, costs to exit committed contracts and other contractual terminations. At each reporting date, the Company evaluates its accruals for employee separation and exit costs to ensure the accruals are still appropriate. In certain circumstances, accruals are no longer needed because of efficiencies in carrying out the plans or because employees previously identified for separation resigned from the Company and did not receive severance, or were redeployed due to circumstances not foreseen when the original plans were approved. In these cases, the Company reverses accruals through the Consolidated Statements of Operations where the original charges were recorded when it is determined they are no longer needed.

During 2024, 2023, and 2022 the Company continued to implement various productivity improvement plans aimed at achieving long-term, sustainable profitability by driving efficiencies and reducing operating costs. These initiatives impacted both of the Company's segments and affected employees located in all geographic regions.

2024 Charges

During 2024, the Company recorded net reorganization of business charges of \$38 million, including \$12 million of charges in Costs of sales and \$26 million of charges in Other charges in the Company's Consolidated Statements of Operations. Included in the \$38 million were charges of \$48 million related to employee separation costs, partially offset by \$6 million of reversals for employee separation accruals no longer needed and \$4 million of reversals for exit cost accruals no longer needed.

The following table displays the net charges incurred by segment:

Year ended December 31	2024
Products and Systems Integration	\$ 32
Software and Services	6
	\$ 38

Reorganization of Businesses Accruals

	Accruals at January 1	Additional Charges	Adjustments	Amount Used	Accruals at December 31
Reorganization costs \$	23	\$ 48	\$ (6)	\$ (38)	\$ 27
Exit costs \$	5	\$ —	\$ (4)	\$ —	\$ 1
	\$ 28	\$ 48	\$ (10)	\$ (38)	\$ 28

Exit Costs

At January 1, 2024, the Company had an accrual of \$5 million for exit costs related to the Company's exit of the Emergency Services Network contract with the Home Office. During the year, the Company recorded a \$4 million reversal for accruals no longer needed. The remaining \$1 million of exit costs are recorded in Accrued liabilities in the Company's Consolidated Balance Sheet at December 31, 2024, and are expected to be paid within one year.

Employee Separation Costs

At January 1, 2024, the Company had an accrual of \$23 million for employee separation costs. The 2024 additional charges of \$48 million include severance costs for approximately 720 employees, of which 460 were direct employees and 260 were indirect employees. The adjustments of \$6 million reflect reversals of accruals no longer needed. The \$38 million used in 2024 reflects cash payments to severed employees. The remaining accrual of \$27 million, which is included in Accrued liabilities in the Company's Consolidated Balance Sheet at December 31, 2024, is expected to be paid, primarily within one year to: (i) severed employees who have already begun to receive payments and (ii) approximately 140 employees to be separated in 2025.

2023 Charges

During 2023, the Company recorded net reorganization of business charges of \$53 million, including \$7 million of charges in Costs of sales and \$46 million of charges under Other charges in the Company's Consolidated Statements of Operations. Included in the \$53 million were charges of \$41 million for employee separation costs and a \$24 million impairment loss related to the exit of video manufacturing operations, partially offset by \$7 million of reversals of accruals no longer needed and \$5 million of reversals for exit cost accruals no longer needed.

The following table displays the net charges incurred by segment:

Year ended December 31	2023
Products and Systems Integration	\$ 45
Software and Services	8
	\$ 53

Reorganization of Businesses Accruals

	Accruals at January 1	Additional Charges	Adjustments	Amount Used	Accruals at December 31
Reorganization costs \$	26	\$ 41	\$ (7)	\$ (37)	\$ 23
Exit costs	10	—	(5)	—	5
	\$ 36	\$ 41	\$ (12)	\$ (37)	\$ 28

Exit Costs

At January 1, 2023, the Company had an accrual of \$10 million for exit costs related to the Company's exit of the ESN contract with the Home Office. During the year, the Company recorded a \$5 million reversal for accruals no longer needed. The remaining \$5 million of exit costs are recorded in Accrued liabilities in the Company's Consolidated Balance Sheet at December 31, 2023, and are expected to be paid within one year.

Employee Separation Costs

At January 1, 2023, the Company had an accrual of \$26 million for employee separation costs. The 2023 additional charges of \$41 million include severance costs for approximately 700 employees, of which 420 were direct employees and 280 were indirect employees. The adjustments of \$7 million reflect reversals of accruals no longer needed. The \$37 million used in 2023 reflects cash payments to severed employees. The remaining accrual of \$23 million, which was included in Accrued liabilities in the Company's Consolidated Balance Sheet at December 31, 2023, is expected to be paid, primarily within one year to: (i) severed employees who have already begun to receive payments and (ii) approximately 75 employees to be separated in 2024.

2022 Charges

During 2022, the Company recorded net reorganization of business charges of \$36 million, including \$18 million of charges in Costs of sales and \$18 million of charges under Other charges in the Company's Consolidated Statements of Operations. Included in the aggregate \$36 million were charges of \$36 million for employee separation costs and \$10 million for exit costs, partially offset by \$10 million of reversals of accruals no longer needed.

The following table displays the net charges incurred by segment:

<i>Year ended December 31</i>	2022	
Products and Systems integration	\$	21
Software and Services		15
	\$	36

15. Intangible Assets and Goodwill

The Company accounts for acquisitions using purchase accounting with the results of operations for each acquiree included in the Company's consolidated financial statements for the period subsequent to the date of acquisition.

Recent Acquisitions

On October 29, 2024, the Company acquired 3tc, a provider of control room software solutions for \$22 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of \$4 million to certain key employees that will be expensed over a service period of one year. The acquisition expands the Company's critical experience and innovation focused on advancing CAD for the U.K.'s public safety agencies. The Company recognized \$19 million of goodwill, \$4 million of identifiable intangible assets, and \$1 million of net liabilities. The goodwill is not deductible for tax purposes. The identifiable intangible asset was classified as \$4 million of developed technology and will be amortized over a period of seven years. The business is part of the Software and Services segment. The purchase accounting is not yet complete and as such, the final allocation among income tax accounts, intangible assets, net liabilities and goodwill may be subject to change.

On July 1, 2024, the Company acquired Noggin, a global provider of CEM software for \$91 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of \$19 million to certain key employees that will be expensed over a service period of three years. This acquisition enhances the Company's portfolio by adding operational resilience and CEM capabilities, which help enterprises and critical infrastructure anticipate, prepare for and efficiently respond to incidents. The Company recognized \$50 million of goodwill, \$53 million of identifiable intangible assets, and \$12 million of net liabilities. The goodwill is not deductible for tax purposes. The identifiable intangible assets were classified as \$1 million of trade names, \$7 million of customer relationships and \$45 million of developed technology and will be amortized over a period of three, fifteen and thirteen years, respectively. The business is part of the Software and Services segment. The purchase accounting is not yet complete and as such, the final allocation among income tax accounts, intangible assets, net liabilities and goodwill may be subject to change.

On July 1, 2024, the Company acquired a company that provides vehicle location and management solutions for \$132 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of \$3 million to certain key employees that will be expensed over a service period of three years. The Company recognized \$62 million of goodwill, \$65 million of identifiable intangible assets and \$5 million of net assets. The goodwill is deductible for tax purposes. The identifiable intangible assets were classified as \$11 million of trade names, \$51 million of customer relationships and \$3 million of developed technology and will be amortized over a period of nine, eighteen and six years, respectively. The acquisition expands the Company's video solutions within the Software and Services segment. The purchase accounting is not yet complete and as such, the final allocation among income tax accounts, net assets and goodwill may be subject to change.

On February 13, 2024, the Company acquired Silent Sentinel, a provider of specialized, long-range cameras, for \$37 million, net of cash acquired. This acquisition complements the Company's portfolio of fixed video cameras, expanding its footprint with government and critical infrastructure customers and strengthens the Company's position as a global leader in end-to-end video security solutions. The Company recognized \$16 million of goodwill, \$22 million of identifiable intangible assets and \$1 million of net liabilities. The goodwill is not deductible for tax purposes. The identifiable intangible assets were classified as \$1 million of trade names, \$10 million of customer relationships and \$11 million of developed technology and will be amortized over a period of two, fourteen and ten years, respectively. The business is part of the Products and System Integration segment. The purchase accounting is not yet complete and as such, the final allocation among income tax accounts, net liabilities and goodwill may be subject to change.

On December 15, 2023, the Company acquired IPVideo, the creator of the HALO Smart Sensor, for \$170 million, net of cash acquired. The transaction also included the potential for the Company to make contingent earn-out payments of up to \$15 million based on IPVideo's achievement of certain financial targets from January 1, 2024 through December 31, 2024. As of the acquisition date, the Company estimated the fair value of the contingent earn-out to be \$2 million, which was included in the purchase price. However, as of December 31, 2024, the Company concluded that the contingent earn-out targets were not achieved. In addition, the Company issued restricted stock at a fair value of \$5 million to certain key employees that will be expensed over a service period of one year. The HALO Smart Sensor is a multifunctional safety and security device with built-in vape detection and air quality monitoring, gunshot detection, abnormal noise and motion detection and emergency keyword detection. This acquisition adds sensor technology to the Company's physical security portfolio. The Company recognized \$100 million of goodwill, \$83 million of identifiable intangible assets and \$13 million of net liabilities. The goodwill is not deductible for tax purposes. The identifiable intangible assets were classified as \$8 million of trade names, \$6 million of customer relationships and \$69 million of developed technology and will be amortized over a period of eight, twelve and fifteen years, respectively. The business is a part of the Products and Systems Integration segment. The purchase accounting was completed as of the fourth quarter of 2024.

On December 14, 2022, the Company acquired Rave Mobile, a leader in mass notification and incident management, for \$553 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of \$2 million to certain key employees that will be expensed over a service period of two years. This acquisition complements the Company's portfolio with a platform specifically designed to help organizations and public safety agencies communicate and collaborate during emergencies. The Company recognized \$400 million of goodwill, \$212 million of identifiable intangible assets and \$59 million of net liabilities. The goodwill is not deductible for tax purposes. The identifiable intangible assets were classified as \$9 million of trade names, \$82 million of developed technology and \$121 million of customer relationships and will be amortized over a period of nine, seventeen years and seventeen years, respectively. The business is a part of the Software and Services segment. The purchase accounting was completed as of the fourth quarter of 2023.

On October 25, 2022, the Company acquired Futurecom, a leading provider of radio coverage extension solutions for public safety agencies, for \$30 million, net of cash acquired. Futurecom designs and manufactures radio frequency repeaters. This acquisition further expands the Company's communications network and device portfolios. The Company recognized \$10 million of goodwill, \$11 million of an identifiable intangible asset and \$9 million of net assets. The goodwill is not deductible for tax purposes. The identifiable intangible asset was classified as developed technology and will be amortized over a period of six years. The business is a part of the Products and Systems Integration segment. The purchase accounting was completed as of the fourth quarter of 2023.

On August 8, 2022, the Company acquired Barrett Communications, a global provider of specialized radio communications, for \$18 million, net of cash acquired. This acquisition complements the Company's existing radio portfolio, allowing the Company to use high frequency and very high frequency radio communications to support mission-critical operations. The Company recognized \$1 million of goodwill, \$3 million of identifiable intangible assets and \$14 million of net assets. The identifiable intangible assets were classified as \$1 million of trade names and \$2 million of developed technology, both of which will be amortized over a period of seven years. The goodwill is not deductible for tax purposes. The business is part of the Products and Systems Integration segment. The purchase accounting was completed as of the third quarter of 2023.

On May 12, 2022, the Company acquired Videotec, a global provider of ruggedized video security solutions, for \$23 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of \$4 million to certain key employees that will be expensed over a service period of one year. This acquisition extends the Company's breadth of high-performance video products, reinforcing the Company's strategy to be a global leader in video security solutions. The Company recognized \$9 million of goodwill, \$6 million of an identifiable intangible asset and \$8 million of net assets. The goodwill is not deductible for tax purposes. The identifiable intangible asset was classified as developed technology and will be amortized over a period of four years. The business is part of the Products and Systems Integration segment. The purchase accounting was completed as of the second quarter of 2023.

On April 19, 2022, the Company acquired Calipsa, a technology leader in cloud-native advanced video analytics, for \$39 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of \$4 million to certain key employees that will be expensed over a service period of two years. This acquisition extends the Company's intelligent analytics across video security solutions and supports the accelerating trend of enterprises using cloud technologies to enhance safety and security. The Company recognized \$24 million of goodwill, \$21 million of identifiable intangible assets, and \$6 million of net liabilities. The goodwill is not deductible for tax purposes. The identifiable intangible assets were classified as \$20 million of developed technology and \$1 million of customer relationships that will be amortized over a period of fifteen and three years, respectively. The business is a part of the Software and Services segment. The purchase accounting was completed as of the second quarter of 2023.

On March 23, 2022, the Company acquired TETRA Ireland, the provider of Ireland's National Digital Radio Service, for \$120 million, net of cash acquired. The Company was an initial shareholder of TETRA Ireland and acquired the remaining interest in the entity from the other shareholders. This acquisition expands the Company's portfolio of delivering mission-critical voice and data communications solutions to first responders and frontline workers. As a result of the acquisition, the Company recognized a \$21 million gain recorded within Other income (expense) on the Company's initial minority interest. The Company recognized \$47 million of goodwill, \$90 million of identifiable intangible assets, and \$6 million of net assets. The goodwill is not deductible for tax purposes. The identifiable intangible assets were classified as \$83 million of customer relationships and \$7 million of trade names that will be amortized over a period of twelve years and fourteen years, respectively. The business is part of the Software and Services segment. The purchase accounting was completed as of the first quarter of 2023.

On March 3, 2022, the Company acquired Ava, a global provider of cloud-native video security and analytics, for \$388 million, net of cash acquired. In addition, the Company issued restricted stock and restricted stock units at a fair value of \$7 million to certain key employees that will be expensed over an average service period of two years. This acquisition expands the Company's portfolio of intelligent video solutions that help to enhance safety and streamline operations. The Company recognized \$267 million of goodwill, \$165 million of identifiable intangible assets, and \$44 million of net liabilities. The goodwill is not deductible for tax purposes. The identifiable intangible assets were classified as \$144 million of developed technology and \$21 million of customer relationships that will be amortized over a period of fourteen and two years, respectively. The business is a part of both the Products and Systems Integration segment and the Software and Services segment. The purchase accounting was completed as of the first quarter of 2023.

Intangible Assets

Amortized intangible assets are comprised of the following:

December 31 (in millions)	2024		2023	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Intangible assets:				
Developed technology	\$ 1,226	\$ 535	\$ 1,156	\$ 447
Patents	2	2	2	2
Customer-related	1,609	1,093	1,566	1,055
Other intangibles	116	74	105	70
	<u>\$ 2,953</u>	<u>\$ 1,704</u>	<u>\$ 2,829</u>	<u>\$ 1,574</u>

Amortization expense on intangible assets, which is included within Other charges in the Consolidated Statements of Operations, was \$152 million, \$177 million, and \$257 million for the years ended December 31, 2024, 2023, and 2022, respectively. As of December 31, 2024, future amortization expense is estimated to be \$143 million in 2025, \$134 million in 2026, \$124 million in 2027, \$123 million in 2028, and \$112 million in 2029.

Amortized intangible assets, excluding goodwill, were comprised of the following by segment:

December 31 (in millions)	2024		2023	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Products and Systems Integration	\$ 1,017	\$ 409	\$ 985	\$ 337
Software and Services	1,936	1,295	1,844	1,237
	<u>\$ 2,953</u>	<u>\$ 1,704</u>	<u>\$ 2,829</u>	<u>\$ 1,574</u>

Goodwill

The following table displays a rollforward of the carrying amount of goodwill, net of impairment losses, by segment from January 1, 2023 to December 31, 2024:

<i>(in millions)</i>	<i>Products and Systems Integration</i>	<i>Software and Services</i>	<i>Total</i>
Balance as of January 1, 2023	\$ 1,461	\$ 1,851	\$ 3,312
Goodwill acquired	109	—	109
Purchase accounting adjustments	(2)	(29)	(31)
Foreign currency translation	—	11	11
Balance as of December 31, 2023	\$ 1,568	\$ 1,833	\$ 3,401
Goodwill acquired	16	128	144
Purchase accounting adjustments	(9)	3	(6)
Foreign currency translation	(2)	(11)	(13)
Balance as of December 31, 2024	\$ 1,573	\$ 1,953	\$ 3,526

The Company conducts its annual assessment of goodwill for impairment as of the last day of the third quarter of each fiscal year. The goodwill impairment assessment is performed at the reporting unit level which is an operating segment or one level below an operating segment.

In 2024 and 2023, the Company performed a qualitative assessment to determine whether it was more-likely-than-not that the fair value of each reporting unit was less than its carrying amount. In performing this qualitative assessment the Company assessed relevant events and circumstances including macroeconomic conditions, industry and market conditions, cost factors, overall financial performance, changes in enterprise value, and entity-specific events. For fiscal year 2024 and 2023, the Company concluded it was more-likely-than-not that the fair value of each reporting unit exceeded its carrying value. Therefore, a quantitative goodwill impairment test was not required and there was no impairment of goodwill in 2024 or 2023.

16. Valuation and Qualifying Accounts

The following table presents the valuation and qualifying account activity for the years ended December 31, 2024, 2023, and 2022:

	<i>Balance at Beginning of Period</i>	<i>Charged to Earnings</i>	<i>Used</i>	<i>Adjustments*</i>	<i>Balance at End of Period</i>
2024					
Allowance for credit losses	\$ 69	\$ 49	\$ (35)	\$ —	\$ 83
2023					
Allowance for credit losses	61	29	(21)	—	69
2022					
Allowance for credit losses	70	28	(36)	(1)	61

* Adjustments include translation adjustments

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures.

Under the supervision and with the participation of our senior management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act, as of December 31, 2024 (the "Evaluation Date"), the end of the period covered by this Form 10-K. Based on this evaluation, our chief executive officer and chief financial officer concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the information relating to Motorola Solutions, including our consolidated subsidiaries, required to be disclosed in our SEC reports: (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to Motorola Solutions' management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting.

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rule 13a-15(f) of the Exchange Act. Under the supervision and with the participation of our senior management, including our chief executive officer and chief financial officer, we assessed the effectiveness of our internal control over financial reporting as of December 31, 2024, using the criteria set forth in the *Internal Control-Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, management has concluded that our internal control over financial reporting was effective as of December 31, 2024.

The Company's independent registered public accounting firm, PricewaterhouseCoopers LLP, has issued an attestation report on the Company's internal control over financial reporting. The report on the audit of internal control over financial reporting appears in "Part II, Item 8, Financial Statements and Supplementary Data" of this Form 10-K.

Changes in Internal Control Over Financial Reporting.

There have been no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Item 9B. Other Information

During the three months ended December 31, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The response to this Item with respect to directors is incorporated herein by reference to the information under the caption “Our Board - Who We Are” of our Proxy Statement; with respect to executive officers, is contained in Part I hereof under the caption “Information About our Executive Officers”; with respect to the audit committee, is incorporated herein by reference to the information under the caption “Committees of the Board” of the Proxy Statement; and, with respect to our insider trading policies and procedures is incorporated herein by reference to the information under the caption “How Our Board Governs the Company – Company Insider Trading Prohibitions Policy” of the Proxy Statement. In addition, Motorola Solutions’ Insider Trading Prohibitions Policy is filed as Exhibit 19 to this Form 10-K.

Motorola Solutions has adopted a code of ethics, the Motorola Solutions Code of Business Conduct (the “Code”), that applies to all employees, including the Company’s principal executive officer, principal financial officer and controller (principal accounting officer). The Code is posted in the Corporate Governance section on Motorola Solutions’ Internet website, www.motorolasolutions.com/investors, and is available electronically and without charge by contacting Investor Relations at investors@motorolasolutions.com. Any legally required disclosures regarding amendments to, or waivers from, the Code applicable to executive officers will be posted on our Internet website or disclosed in a Current Report on Form 8-K filed with the SEC. The information contained on or accessible through our website is not incorporated by reference into and is not a part of this Form 10-K.

Item 11. Executive Compensation

The response to this Item is incorporated herein by reference to the information under the captions “How We Determine Director Compensation,” “How Our Directors Are Compensated,” “Compensation Discussion and Analysis,” “Compensation and Leadership Committee Report,” “Compensation and Leadership Committee Interlocks and Insider Participation,” “Named Executive Officer Compensation,” and “CEO Pay Ratio” of the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The response to this Item is incorporated herein by reference to the information under the captions “Equity Compensation Plan Information” and “Security Ownership Information” of the Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The response to this Item is incorporated herein by reference to the information under the captions “Related Person Transaction Policy and Procedures” and “Independence” of the Proxy Statement.

Item 14. Principal Accounting Fees and Services

The response to this Item is incorporated by reference to the information under the captions “Independent Registered Public Accounting Firm Fees” and “Audit Committee Pre-Approval Policies” of the Proxy Statement.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) 1. Financial Statements

See Part II, Item 8 hereof.

2. Financial Statement Schedules

All schedules omitted are inapplicable or the information required is shown in the consolidated financial statements or notes thereto.

3. Exhibits

Exhibit numbers 10.5 through 10.64 listed in this Exhibit Index are management contracts or compensatory plans or arrangements required to be filed as exhibits to this form by Item 15(b) hereof.

- 3.1 Restated Certificate of Incorporation of Motorola Solutions, Inc., dated May 15, 2024 (incorporated by reference to Exhibit 3.1 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended June 29, 2024).
- 3.2 Amended and Restated Bylaws of Motorola Solutions, Inc. effective as of November 17, 2022 (incorporated by reference to Exhibit 3.1 to Motorola Solutions, Inc.'s Current Report on Form 8-K filed on November 18, 2022).
- 4.1 (a) Senior Indenture, dated as of May 1, 1995, between The Bank of New York Mellon Trust Company, N.A. (as successor Trustee to JPMorgan Chase Bank (as successor in interest to Bank One Trust Company) and BNY Midwest Trust Company (as successor in interest to Harris Trust and Savings Bank) and Motorola, Inc. (incorporated by reference to Exhibit 4(d) of the Registrant's Registration Statement on Form S-3 filed on September 25, 1995).
- 4.1 (b) Instrument of Resignation, Appointment and Acceptance, dated as of January 22, 2001, among Motorola, Inc., Bank One Trust Company, N.A. and BNY Midwest Trust Company (as successor in interest to Harris Trust and Savings Bank) (incorporated by reference to Exhibit 4.2(b) to Motorola, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2000).
- 4.1 (c) Indenture, dated as of August 19, 2014, between Motorola Solutions, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to Motorola Solutions, Inc.'s Current Report on Form 8-K filed on August 19, 2014).
- 4.2 Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.2 to Motorola Solutions, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2023).
- 10.1 Amended and Restated Master Separation and Distribution Agreement, effective as of July 31, 2010, among Motorola Mobility Holdings, Inc. (f/k/a Motorola SpinCo Holdings Corporation), Motorola Mobility, Inc. and Motorola, Inc. (incorporated by reference to Exhibit 2.1 to Amendment No. 1 to the Form 10 Registration Statement filed on August 31, 2010 by Motorola Mobility Holdings, Inc. (formerly Motorola SpinCo Holdings Corporation)).
- 10.2 Amended and Restated Intellectual Property License Agreement, effective as of July 31, 2010, between Motorola Mobility, Inc. and Motorola, Inc. (incorporated by reference to Exhibit 10.2 to Amendment No. 1 to the Form 10 Registration Statement filed on August 31, 2010 by Motorola Mobility Holdings, Inc. (formerly Motorola SpinCo Holdings Corporation)).
- 10.3 Amended and Restated Exclusive License Agreement, effective as of July 30, 2010, between Motorola Trademark Holdings, LLC and Motorola, Inc. (incorporated by reference to Exhibit 10.3 to Amendment No. 3 to the Form 10 Registration Statement filed on November 12, 2010 by Motorola Mobility Holdings, Inc.).
- 10.4 Tax Sharing Agreement, effective as of July 31, 2010, among Motorola Mobility Holdings, Inc. (f/k/a Motorola SpinCo Holdings Corporation), Motorola Mobility, Inc. and Motorola, Inc. (incorporated by reference to Exhibit 10.4 to Amendment No. 1 to the Form 10 Registration Statement filed on August 31, 2010 by Motorola Mobility Holdings, Inc. (formerly Motorola SpinCo Holdings Corporation)).
- 10.5 Motorola Solutions Omnibus Incentive Plan of 2015 (f/k/a the Motorola Omnibus Incentive Plan of 2006), as amended and restated effective May 18, 2015 (incorporated by reference to Exhibit 10.1 to Motorola Solutions, Inc.'s Current Report on Form 8-K filed on May 21, 2015).
- 10.6 First Amendment to the Motorola Solutions Omnibus Incentive Plan of 2015 (f/k/a the Motorola Omnibus Incentive Plan of 2006), as amended and restated effective May 18, 2015 (incorporated by reference to Exhibit 10.1 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended September 26, 2020).
- 10.7 Motorola Solutions Amended and Restated Omnibus Incentive Plan of 2015, effective as of May 17, 2022 (incorporated by reference to Exhibit 10.1 to Motorola Solutions, Inc.'s Current Report on Form 8-K filed on May 20, 2022).
- 10.8 Form of Motorola Solutions, Inc. Performance Option Award Agreement for grants to Section 16 Officers on or after March 9, 2023 (incorporated by reference to Exhibit 10.11 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2023).
- 10.9 Form of Motorola Solutions, Inc. Performance Option Award Agreement for grants to Section 16 Officers from March 10, 2022 to March 8, 2023 (incorporated by reference to Exhibit 10.9 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022).
- 10.10 Form of Motorola Solutions, Inc. Performance Option Award Agreement for grants to Section 16 Officers from February 14, 2019 to March 9, 2022 (incorporated by reference to Exhibit 10.2 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 30, 2019).

- 10.11 Form of Motorola Solutions, Inc. Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options for grants to Section 16 Officers on or after March 9, 2023 (incorporated by reference to Exhibit 10.8 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2023).
- 10.12 Form of Motorola Solutions, Inc. Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options for grants to Section 16 Officers from March 10, 2022 to March 8, 2023 (incorporated by reference to Exhibit 10.6 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022).
- 10.13 Form of Motorola Solutions, Inc. Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options for grants to Section 16 Officers from May 6, 2013 to March 9, 2022 (incorporated by reference to Exhibit 10.2 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended June 29, 2013).
- 10.14 Form of Motorola Solutions, Inc. Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options for grants on or after March 9, 2023 (incorporated by reference to Exhibit 10.5 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2023).
- 10.15 Form of Motorola Solutions, Inc. Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options relating to the Motorola Solutions Omnibus Incentive Plan of 2015, as amended, for grants from March 10, 2022 to March 8, 2023 (incorporated by reference to Exhibit 10.3 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022).
- 10.16 Form of Motorola Solutions, Inc. Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options relating to the Motorola Solutions Omnibus Incentive Plan of 2015 for grants from February 15, 2018 to March 9, 2022 (incorporated by reference to Exhibit 10.4 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2018).
- 10.17 Form of Motorola Solutions, Inc. Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options relating to the Motorola Solutions Omnibus Incentive Plan of 2015 for grants from March 9, 2017 to February 14, 2018 (incorporated by reference to Exhibit 10.6 to Motorola Solutions' Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2017).
- 10.18 Form of Motorola Solutions, Inc. Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options relating to the Motorola Solutions Omnibus Incentive Plan of 2006 for grants from February 3, 2014 to March 8, 2017 (incorporated by reference to Exhibit 10.9 to Motorola Solutions, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2013).
- 10.19 Form of Motorola Solutions, Inc. Stock Option Consideration Agreement for grants on or after March 9, 2023 (incorporated by reference to Exhibit 10.6 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2023).
- 10.20 Form of Motorola Solutions, Inc. Stock Option Consideration Agreement for grants from March 10, 2022 to March 8, 2023 (incorporated by reference to Exhibit 10.4 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022).
- 10.21 Form of Motorola Solutions, Inc. Stock Option Consideration Agreement for grants from March 9, 2017 to March 9, 2022 (incorporated by reference to Exhibit 10.7 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2017).
- 10.22 Form of Motorola Solutions Stock Option Consideration Agreement for grants from February 3, 2014 to March 8, 2017 (incorporated by reference to Exhibit 10.14 to Motorola Solutions, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2013).
- 10.23 Form of Motorola Solutions, Inc. Market Stock Unit Award Agreement for grants to Section 16 Officers on or after March 9, 2023 (incorporated by reference to Exhibit 10.10 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2023).
- 10.24 Form of Motorola Solutions, Inc. Market Stock Unit Agreement for grants to Section 16 Officers from March 10, 2022 to March 8, 2023 (incorporated by reference to Exhibit 10.8 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022).
- 10.25 Form of Motorola Solutions, Inc. Restricted Stock Unit Award Agreement for grants to Section 16 Officers on or after March 9, 2023 (incorporated by reference to Exhibit 10.12 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2023).
- 10.26 Form of Motorola Solutions, Inc. Restricted Stock Unit Agreement relating to the Motorola Solutions Omnibus Incentive Plan of 2015, as amended, for grants to Section 16 Officers from March 10, 2022 to March 8, 2023 (incorporated by reference to Exhibit 10.10 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022).
- 10.27 Form of Motorola Solutions, Inc. Restricted Stock Unit Award Agreement for grants to Appointed Vice Presidents and Elected Officers on or after March 9, 2023 (incorporated by reference to Exhibit 10.3 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2023).
- 10.28 Form of Motorola Solutions, Inc. Restricted Stock Unit Agreement relating to the Motorola Solutions Omnibus Incentive Plan of 2015, as amended, for grants to Appointed Vice Presidents and Elected Officers from March 10, 2022 to March 8, 2023 (incorporated by reference to Exhibit 10.1 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022).
- 10.29 Form of Motorola Solutions, Inc. Restricted Stock Unit Agreement relating to the Motorola Solutions Omnibus Incentive Plan of 2015 for grants to Appointed Vice Presidents and Elected Officers from February 15, 2018 to March 9, 2022 (incorporated by reference to Exhibit 10.2 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2018).

- 10.30 Form of Motorola Solutions, Inc. Restricted Stock Unit Award Agreement for grants to Employees on or after March 9, 2023 (incorporated by reference to Exhibit 10.4 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2023).
- 10.31 Form of Motorola Solutions, Inc. Restricted Stock Unit Agreement relating to the Motorola Solutions Omnibus Incentive Plan of 2015, as amended, for grants to Employees from March 10, 2022 to March 8, 2023 (incorporated by reference to Exhibit 10.2 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022).
- 10.32 Form of Motorola Solutions, Inc. Restricted Stock Unit Agreement relating to the Motorola Solutions Omnibus Incentive Plan of 2015 for grants to Employees from February 15, 2018 to March 9, 2022 (incorporated by reference to Exhibit 10.3 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2018).
- 10.33 Form of Motorola Solutions, Inc. Performance Stock Unit Award Agreement for grants to non-Section 16 Officers on or after March 9, 2023 (incorporated by reference to Exhibit 10.7 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2023).
- 10.34 Form of Motorola Solutions, Inc. Performance Stock Unit Award Agreement for grants to non-Section 16 Officers from March 10, 2022 to March 8, 2023 (incorporated by reference to Exhibit 10.5 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022).
- *10.35 Form of Motorola Solutions, Inc. Performance Stock Unit Award Agreement for grants to Messrs. Molloy, Saptharishi, and Winkler on November 11, 2024.
- 10.36 Form of Motorola Solutions, Inc. Performance Stock Unit Award Agreement for grants to Section 16 Officers on or after March 9, 2023 (incorporated by reference to Exhibit 10.9 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2023).
- 10.37 Form of Motorola Solutions, Inc. Performance Stock Unit Award Agreement for grants to Section 16 Officers from March 10, 2022 to March 8, 2023 (incorporated by reference to Exhibit 10.7 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022).
- 10.38 Form of Motorola Solutions, Inc. Performance Stock Unit Award Agreement for grants to Gregory Q. Brown on or after March 9, 2023 (incorporated by reference to Exhibit 10.13 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2023).
- 10.39 Form of Motorola Solutions, Inc. Performance Stock Unit Award Agreement for grants to Gregory Q. Brown from March 10, 2022 to March 8, 2023 (incorporated by reference to Exhibit 10.11 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022).
- 10.40 Form of Motorola Solutions, Inc. Performance Option Award Agreement for grants to Gregory Q. Brown on or after March 9, 2023 (incorporated by reference to Exhibit 10.15 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2023).
- 10.41 Form of Motorola Solutions, Inc. Performance Option Award Agreement for grants to Gregory Q. Brown from March 9, 2015 to March 8, 2023 (incorporated by reference to Exhibit 10.3 to Motorola Solutions, Inc.'s Current Report on Form 8-K filed on March 11, 2015).
- 10.42 Form of Motorola Solutions Stock Option Consideration Agreement for Gregory Q. Brown for grants on or after March 9, 2023 (incorporated by reference to Exhibit 10.16 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2023).
- 10.43 Form of Motorola Solutions Stock Option Consideration Agreement for Gregory Q. Brown for grants from March 10, 2022 to March 8, 2023 under the Motorola Solutions Omnibus Incentive Plan of 2015, as amended (incorporated by reference to Exhibit 10.13 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022).
- 10.44 Form of Motorola Solutions Stock Option Consideration Agreement for Gregory Q. Brown for grants from January 4, 2011 to March 9, 2022 under the Motorola Solutions Omnibus Incentive Plan of 2006 (incorporated by reference to Exhibit 10.27 to Motorola Solutions, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).
- 10.45 Form of Motorola Solutions, Inc. Market Stock Unit Award Agreement for grants to Gregory Q. Brown on or after March 9, 2023 (incorporated by reference to Exhibit 10.14 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2023).
- 10.46 Form of Motorola Solutions, Inc. Market Stock Unit Agreement for grants to Gregory Q. Brown from March 10, 2022 to March 8, 2023 (incorporated by reference to Exhibit 10.12 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022).
- 10.47 Form of Motorola Solutions Deferred Stock Units Agreement between Motorola Solutions, Inc. and its non-employee directors, relating to the deferred stock units issued in lieu of cash compensation to directors under the Motorola Solutions Omnibus Incentive Plan of 2006, for acquisitions on or after January 1, 2012 (incorporated by reference to Exhibit 10.37 to Motorola Solutions, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2011).
- 10.48 Form of Motorola Solutions Deferred Stock Units Award between Motorola Solutions, Inc. and its non-employee directors under the Motorola Solutions Omnibus Incentive Plan of 2006 or any successor plan for grants on or after January 1, 2012 (incorporated by reference to Exhibit 10.40 to Motorola Solutions, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2011).

- 10.49 Form of Motorola Solutions Deferred Stock Units Award between Motorola Solutions, Inc. and its non-employee directors under the Motorola Solutions Omnibus Incentive Plan of 2006 or any successor plan for grants from January 4, 2011 to December 31, 2011 (incorporated by reference to Exhibit 10.39 to Motorola Solutions, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).
- 10.50 Motorola Solutions Executive Officer Short Term Incentive Plan dated January 17, 2013 (effective January 1, 2013) (incorporated by reference to Exhibit 10.50 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2012).
- 10.51 Motorola Solutions Executive Officer Short Term Incentive Plan Term Sheet (incorporated by reference to Exhibit 10.51 to Motorola Solutions, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2012).
- 10.52 Motorola Solutions Long Range Incentive Plan (LRIP), as Amended and Restated February 11, 2021 (incorporated by reference to Exhibit 10.1 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 3, 2021).
- 10.53 2022-2024 Performance Measures under the Motorola Solutions Long Range Incentive Plan (LRIP), as approved on February 15, 2022 (incorporated by reference to Exhibit 10.14 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022).
- 10.54 2023-2025 Performance Measures under the Motorola Solutions Long Range Incentive Plan (LRIP), as approved on February 24, 2023 (incorporated by reference to Exhibit 10.2 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2023).
- 10.55 2024-2026 Performance Measures under the Motorola Solutions Long Range Incentive Plan (LRIP), as approved on February 21, 2024 (incorporated by reference to Exhibit 10.1 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 30, 2024).
- 10.56 Motorola Solutions Management Deferred Compensation Plan (As Amended and Restated Effective as of June 1, 2013) (incorporated by reference to Exhibit 10.1 to Motorola Solutions, Inc.'s Current Report on Form 8-K filed on June 5, 2013).
- 10.57 Motorola Solutions, Inc. 2011 Senior Officer Change in Control Severance Plan, as amended and restated November 13, 2014 (incorporated by reference to Exhibit No. 10.54 to Motorola Solutions, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2014).
- 10.58 Motorola Solutions, Inc. 2011 Executive Severance Plan, as amended and restated November 13, 2014 (incorporated by reference to Exhibit No. 10.55 to Motorola Solutions, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2014).
- 10.59 Arrangement for directors' fees for non-employee directors (description incorporated by reference from the information under the caption "How our Directors are Compensated" of Motorola Solutions Inc.'s Proxy Statement on Schedule 14A for the 2024 Annual Meeting of Shareholders filed on March 28, 2024 ("Motorola Solutions' Proxy Statement")).
- 10.60 Description of insurance covering non-employee directors and their spouses (including a description incorporated by reference from the information under the caption "How our Directors are Compensated" of the Motorola Solutions' Proxy Statement, and incorporated by reference to Exhibit 10.1 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended on June 29, 2024).
- 10.61 Employment Agreement, dated August 27, 2008, by and between Motorola, Inc. and Gregory Q. Brown (incorporated by reference to Exhibit 10.1 to Motorola, Inc.'s Current Report on Form 8-K filed on August 29, 2008).
- 10.62 Amendment dated December 15, 2008, to the Employment Agreement dated August 27, 2008 by and between Motorola, Inc. and Gregory Q. Brown (incorporated by reference to Exhibit No. 10.50 to Motorola, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2008).
- 10.63 Second Amendment, dated May 28, 2010, to the Employment Agreement dated August 27, 2008, as amended, by and between Motorola, Inc. and Gregory Q. Brown (incorporated by reference to Exhibit 10.1 to Motorola, Inc.'s Current Report on Form 8-K filed on May 28, 2010).
- 10.64 Third Amendment, dated March 10, 2014, to the Employment Agreement dated August 27, 2008, as amended, by and between Motorola Solutions, Inc. and Gregory Q. Brown (incorporated by reference to Exhibit 10.1 to Motorola Solutions, Inc.'s Current Report on Form 8-K filed on March 13, 2014).
- 10.65 Revolving Credit Agreement, dated as of March 24, 2021, among Motorola Solutions, Inc., JPMorgan Chase Bank, N.A., as administrative agent, and the several lenders and agents party thereto (incorporated by reference to Exhibit 10.1 to Motorola Solutions, Inc.'s Current Report on Form 8-K filed on March 25, 2021).
- 10.66 First Amendment, dated as of February 8, 2023, by and among Motorola Solutions, Inc., JPMorgan Chase Bank, N.A., as administrative agent and the several lenders and agents party thereto (incorporated by reference to Exhibit 10.1 to Motorola Solutions, Inc.'s Current Report on Form 8-K filed on February 10, 2023).
- 10.67 Revised and Amended Aircraft Time Sharing Agreement, dated as of October 1, 2015, between Motorola Solutions, Inc. and Gregory Q. Brown (incorporated by reference to Exhibit 10.4 to Motorola Solutions, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended October 3, 2015).
- *19 Insider Trading Prohibitions Policy, effective as of November 14, 2024.
- *21 Subsidiaries of Motorola Solutions, Inc.
- *23.1 Consent of Independent Registered Public Accounting Firm.
- *31.1 Certification of Gregory Q. Brown pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- *31.2 Certification of Jason J. Winkler pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

- **32.1 Certification of Gregory Q. Brown pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- **32.2 Certification of Jason J. Winkler pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 97 Motorola Solutions, Inc. Compensation Recoupment Policy, effective as of November 16, 2023 (incorporated by reference to Exhibit 97 to Motorola Solutions, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2023).
- 101.INS Inline XBRL Instance Document
- 101.SCH Inline XBRL Taxonomy Extension Scheme Document
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)
 - * Filed herewith
 - ** Furnished herewith

(b) Exhibits:

See Item 15(a) 3 above.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Motorola Solutions, Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MOTOROLA SOLUTIONS, INC.

By: /S/ GREGORY Q. BROWN
 Gregory Q. Brown
 Chairman and Chief Executive Officer

February 14, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Motorola Solutions, Inc. and in the capacities and on the dates indicated.

<i>Signature</i>	<i>Title</i>	<i>Date</i>
<u>/S/ GREGORY Q. BROWN</u> Gregory Q. Brown	Chairman and Chief Executive Officer and Director (Principal Executive Officer)	February 14, 2025
<u>/S/ JASON J. WINKLER</u> Jason J. Winkler	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 14, 2025
<u>/S/ KATHERINE MAHER</u> Katherine Maher	Corporate Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 14, 2025
<u>/S/ NICOLE ANASENES</u> Nicole Anasenes	Director	February 14, 2025
<u>/S/ KENNETH D. DENMAN</u> Kenneth D. Denman	Director	February 14, 2025
<u>/S/ AYANNA M. HOWARD</u> Ayanna M. Howard	Director	February 14, 2025
<u>/S/ CLAYTON M. JONES</u> Clayton M. Jones	Director	February 14, 2025
<u>/S/ JUDY C. LEWENT</u> Judy C. Lewent	Director	February 14, 2025
<u>/S/ ELIZABETH D. MANN</u> Elizabeth D. Mann	Director	February 14, 2025
<u>/S/ GREGORY K. MONDRE</u> Gregory K. Mondre	Director	February 14, 2025
<u>/S/ JOSEPH M. TUCCI</u> Joseph M. Tucci	Director	February 14, 2025

FORM ADV

UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION AND REPORT BY EXEMPT REPORTING ADVISERS

Primary Business Name: VANGUARD GROUP INC

CRD Number: 105958

Other-Than-Annual Amendment - All Sections

Rev. 10 / 2021

4 / 10 / 2025 7:56:22 AM

WARNING: Complete this form truthfully. False statements or omissions may result in denial of your application, revocation of your registration, or criminal prosecution. You must keep this form updated by filing periodic amendments. See Form ADV General Instruction 4.

Item 1 Identifying Information

Responses to this Item tell us who you are, where you are doing business, and how we can contact you. If you are filing an *umbrella registration*, the information in Item 1 should be provided for the *filing adviser* only. General Instruction 5 provides information to assist you with filing an *umbrella registration*.

A. Your full legal name (if you are a sole proprietor, your last, first, and middle names):
THE VANGUARD GROUP, INC.

B. (1) Name under which you primarily conduct your advisory business, if different from Item 1.A.
VANGUARD GROUP INC

List on *Section 1.B. of Schedule D* any additional names under which you conduct your advisory business.

(2) If you are using this Form ADV to register more than one investment adviser under an *umbrella registration*, check this box ☐

If you check this box, complete a *Schedule R* for each relying adviser.

C. If this filing is reporting a change in your legal name (Item 1.A.) or primary business name (Item 1.B.(1)), enter the new name and specify whether the name change is of
☐ your legal name or ☐ your primary business name:

D. (1) If you are registered with the SEC as an investment adviser, your SEC file number: **801-11953**
(2) If you report to the SEC as an *exempt reporting adviser*, your SEC file number:
(3) If you have one or more Central Index Key numbers assigned by the SEC ("CIK Numbers"), all of your CIK numbers:

CIK Number
102909

E. (1) If you have a number ("CRD Number") assigned by the *FINRA's* CRD system or by the IARD system, your CRD number: **105958**

If your firm does not have a CRD number, skip this Item 1.E. Do not provide the CRD number of one of your officers, employees, or affiliates.

(2) If you have additional CRD Numbers, your additional CRD numbers:
No Information Filed

F. Principal Office and Place of Business

(1) Address (do not use a P.O. Box):
Number and Street 1:
100 VANGUARD BLVD
City:
MALVERN

State:
Pennsylvania

Number and Street 2:

Country:
United States

ZIP+4/Postal Code:
19355

If this address is a private residence, check this box: ☐

List on *Section 1.F. of Schedule D* any office, other than your principal office and place of business, at which you conduct investment advisory business. If you are applying for registration, or are registered, with one or more state securities authorities, you must list all of your offices in the state or states to which you are applying for registration or with whom you are registered. If you are applying for SEC registration, if you are registered only with the SEC, or if you are reporting to the SEC as an exempt reporting adviser, list the largest twenty-five offices in terms of numbers of employees as of the end of your most recently completed fiscal year.

(2) Days of week that you normally conduct business at your *principal office and place of business*:
☒ Monday - Friday ☐ Other:
Normal business hours at this location:
8:30AM - 5:30PM
(3) Telephone number at this location:
610-669-1000
(4) Facsimile number at this location, if any:
610-669-6600

(5) What is the total number of offices, other than your *principal office and place of business*, at which you conduct investment advisory business as of the end of your most recently completed fiscal year?

2

G. Mailing address, if different from your *principal office and place of business* address:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

H. If you are a sole proprietor, state your full residence address, if different from your *principal office and place of business* address in Item 1.F.:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

I. Do you have one or more websites or accounts on publicly available social media platforms (including, but not limited to, Twitter, Facebook and LinkedIn)?

Yes

No

If "yes," list all firm website addresses and the address for each of the firm's accounts on publicly available social media platforms on [Section 1.I. of Schedule D](#). If a website address serves as a portal through which to access other information you have published on the web, you may list the portal without listing addresses for all of the other information. You may need to list more than one portal address. Do not provide the addresses of websites or accounts on publicly available social media platforms where you do not control the content. Do not provide the individual electronic mail (e-mail) addresses of employees or the addresses of employee accounts on publicly available social media platforms.

J. Chief Compliance Officer

(1) Provide the name and contact information of your Chief Compliance Officer. If you are an *exempt reporting adviser*, you must provide the contact information for your Chief Compliance Officer, if you have one. If not, you must complete Item 1.K. below.

Name:

Other titles, if any:

Telephone number:

Facsimile number, if any:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

Electronic mail (e-mail) address, if Chief Compliance Officer has one:

(2) If your Chief Compliance Officer is compensated or employed by any *person* other than you, a *related person* or an investment company registered under the Investment Company Act of 1940 that you advise for providing chief compliance officer services to you, provide the *person's* name and IRS Employer Identification Number (if any):

Name:

IRS Employer Identification Number:

K. Additional Regulatory Contact Person: If a person other than the Chief Compliance Officer is authorized to receive information and respond to questions about this Form ADV, you may provide that information here.

Name:

Titles:

Telephone number:

Facsimile number, if any:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

Electronic mail (e-mail) address, if contact person has one:

Yes

No

L. Do you maintain some or all of the books and records you are required to keep under Section 204 of the Advisers Act, or similar state law, somewhere other than your *principal office and place of business*?

Yes

No

If "yes," complete [Section 1.L. of Schedule D](#).

M. Are you registered with a *foreign financial regulatory authority*?

Yes

No

Answer "no" if you are not registered with a foreign financial regulatory authority, even if you have an affiliate that is registered with a foreign financial regulatory authority. If "yes," complete [Section 1.M. of Schedule D](#).

N. Are you a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934?

Yes

No

O. Did you have \$1 billion or more in assets on the last day of your most recent fiscal year?

If yes, what is the approximate amount of your assets:

☐ \$1 billion to less than \$10 billion

- ☒ \$10 billion to less than \$50 billion
- ☐ \$50 billion or more

For purposes of Item 1.O. only, "assets" refers to your total assets, rather than the assets you manage on behalf of clients. Determine your total assets using the total assets shown on the balance sheet for your most recent fiscal year end.

P. Provide your *Legal Entity Identifier* if you have one:
5493002789CX3L0CJP65

A *legal entity identifier* is a unique number that companies use to identify each other in the financial marketplace. You may not have a *legal entity identifier*.

SECTION 1.B. Other Business Names

No Information Filed

SECTION 1.F. Other Offices

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:
14321 N. NORTHSIGHT BLVD

City:
SCOTTSDALE

State:
Arizona

Country:
United States

Number and Street 2:

ZIP+4/Postal Code:
85260

If this address is a private residence, check this box: ☐

Telephone Number:
480-713-8456

Facsimile Number, if any:

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:
155468

How many *employees* perform investment advisory functions from this office location?
16

- Are other business activities conducted at this office location? (check all that apply)
- ☒ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☐ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☒ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:
2201 WATER RIDGE PKWY

City:
CHARLOTTE

State:
North Carolina

Country:
United States

Number and Street 2:

ZIP+4/Postal Code:
28217

If this address is a private residence, check this box: ☐

Telephone Number:704-306-7773

Facsimile Number, if any:

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:155467

How many *employees* perform investment advisory functions from this office location?1

Are other business activities conducted at this office location? (check all that apply)

☒ (1) Broker-dealer (registered or unregistered)

☐ (2) Bank (including a separately identifiable department or division of a bank)

☐ (3) Insurance broker or agent

☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

☒ (5) Registered municipal advisor

☐ (6) Accountant or accounting firm

☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

SECTION 1.I. Website Addresses

List your website addresses, including addresses for accounts on publicly available social media platforms where you control the content (including, but not limited to, Twitter, Facebook and/or LinkedIn). You must complete a separate Schedule D Section 1.I. for each website or account on a publicly available social media platform.

Address of Website/Account on Publicly Available Social Media Platform:HTTPS://WWW.INSTAGRAM.COM/LIFEATVANGUARD

Address of Website/Account on Publicly Available Social Media Platform:HTTPS://WWW.YOUTUBE.COM/VANGUARD

Address of Website/Account on Publicly Available Social Media Platform:HTTPS://X.COM/VANGUARD_INSTL

Address of Website/Account on Publicly Available Social Media Platform:https://marketing.vanguard.com

Address of Website/Account on Publicly Available Social Media Platform:HTTPS://WWW.LINKEDIN.COM/COMPANY/VANGUARD-ADVISOR-SERVICES

Address of Website/Account on Publicly Available Social Media Platform:HTTPS://INSTAGRAM.COM/VANGUARDGROUP

Address of Website/Account on Publicly Available Social Media Platform:HTTPS://WWW.VANGUARD.COM

Address of Website/Account on Publicly Available Social Media Platform:HTTPS://WWW.FACEBOOK.COM/VANGUARD

Address of Website/Account on Publicly Available Social Media Platform:HTTPS://X.COM/VANGUARD_GROUP

Address of Website/Account on Publicly Available Social Media Platform:HTTPS://X.COM/VANGUARD_FA

Address of Website/Account on Publicly Available Social Media Platform:https://www.pinterest.com/Vanguard_Group/

Address of Website/Account on Publicly Available Social Media Platform:	https://www.reddit.com/user/VanguardGroup/
Address of Website/Account on Publicly Available Social Media Platform:	https://www.linkedin.com/in/vanguardjohnjames/
Address of Website/Account on Publicly Available Social Media Platform:	https://www.linkedin.com/showcase/vanguard-investment-research/posts/?feedView=all
Address of Website/Account on Publicly Available Social Media Platform:	HTTPS://WWW.LINKEDIN.COM/IN/MORTIMERJBUCKLEY
Address of Website/Account on Publicly Available Social Media Platform:	HTTPS://WWW.LINKEDIN.COM/COMPANY/VANGUARD
Address of Website/Account on Publicly Available Social Media Platform:	HTTPS://PRESSROOM.VANGUARD.COM/#/
Address of Website/Account on Publicly Available Social Media Platform:	HTTPS://WWW.LINKEDIN.COM/COMPANY/VANGUARD-INSTITUTIONAL-INVESTING
Address of Website/Account on Publicly Available Social Media Platform:	HTTPS://WWW.VANGUARDJOBS.COM

SECTION 1.L. Location of Books and Records

Complete the following information for each location at which you keep your books and records, other than your *principal office and place of business*. You must complete a separate Schedule D, Section 1.L. for each location.

Name of entity where books and records are kept:
IRON MOUNTAIN INC

Number and Street 1: 2500 HENDERSON DRIVE		Number and Street 2:	
City: SHARON HILL	State: Pennsylvania	Country: United States	ZIP+4/Postal Code: 19079

If this address is a private residence, check this box: ☐

Telephone Number: 610-725-0200 X3008	Facsimile number, if any:

This is (check one):

☐ one of your branch offices or affiliates.

☒ a third-party unaffiliated recordkeeper.

☐ other.

Briefly describe the books and records kept at this location.
STORAGE OF CLIENT AND OTHER FILES CONTAINING CONTRACTS, CORRESPONDENCE, RECOMMENDATIONS AND TRANSACTIONS, IN ADDITION TO PROGRAMMING CODE.

Name of entity where books and records are kept:
AMAZON.COM, INC.

Number and Street 1: 410 TERRY AVENUE NORTH		Number and Street 2:	
City: SEATTLE	State: Washington	Country: United States	ZIP+4/Postal Code: 98109

If this address is a private residence, check this box: ☐

Telephone Number:
206-266-1000

Facsimile number, if any:

- This is (check one):
- ☐ one of your branch offices or affiliates.
 - ☐ a third-party unaffiliated recordkeeper.
 - ☒ other.

Briefly describe the books and records kept at this location.
STORAGE OF CLIENT AND OTHER FILES CONTAINING CONTRACTS, CORRESPONDENCE, RECOMMENDATIONS AND TRANSACTIONS, IN ADDITION TO PROGRAMMING CODE.

Name of entity where books and records are kept:
SMARSH, INC.

Number and Street 1:
851 SW 6TH AVE

City:
PORTLAND

State:
Oregon

Country:
United States

Number and Street 2:
SUITE 800

ZIP+4/Postal Code:
97204

If this address is a private residence, check this box: ☐

Telephone Number:
866-762-7741

Facsimile number, if any:

- This is (check one):
- ☐ one of your branch offices or affiliates.
 - ☐ a third-party unaffiliated recordkeeper.
 - ☒ other.

Briefly describe the books and records kept at this location.
RETENTION OF ELECTRONIC MESSAGES

SECTION 1.M. Registration with Foreign Financial Regulatory Authorities

No Information Filed

Item 2 SEC Registration / Reporting

Responses to this Item help us (and you) determine whether you are eligible to register with the SEC. Complete this Item 2.A. only if you are applying for SEC registration or submitting an *annual updating amendment* to your SEC registration. If you are filing an *umbrella registration*, the information in Item 2 should be provided for the *filing adviser* only.

- A.

To register (or remain registered) with the SEC, you must check **at least one** of the Items 2.A.(1) through 2.A.(12), below. If you are submitting an *annual updating amendment* to your SEC registration and you are no longer eligible to register with the SEC, check Item 2.A.(13). [Part 1A Instruction 2](#) provides information to help you determine whether you may affirmatively respond to each of these items.

You (the adviser):

☒ (1) are a **large advisory firm** that either:

(a) has regulatory assets under management of \$100 million (in U.S. dollars) or more; or

(b) has regulatory assets under management of \$90 million (in U.S. dollars) or more at the time of filing its most recent *annual updating amendment* and is registered with the SEC;

☐ (2) are a **mid-sized advisory firm** that has regulatory assets under management of \$25 million (in U.S. dollars) or more but less than \$100 million (in U.S. dollars) and you are either:

(a) not required to be registered as an adviser with the *state securities authority* of the state where you maintain your *principal office and place of business*; or

(b) not subject to examination by the *state securities authority* of the state where you maintain your *principal office and place of business*;

Click [HERE](#) for a list of states in which an investment adviser, if registered, would not be subject to examination by the state securities authority.

- ☐

(3)

Reserved
- ☐

(4)

have your *principal office and place of business* **outside the United States**;
- ☒

(5)

are **an investment adviser (or subadviser) to an investment company** registered under the Investment Company Act of 1940;
- ☐

(6)

are **an investment adviser to a company which has elected to be a business development company** pursuant to section 54 of the Investment Company Act of 1940 and has not withdrawn the election, and you have at least \$25 million of regulatory assets under management;
- ☐

(7)

are a **pension consultant** with respect to assets of plans having an aggregate value of at least \$200,000,000 that qualifies for the exemption in rule 203A-2(a);
- ☐

(8)

are a **related adviser** under rule 203A-2(b) that *controls*, is *controlled* by, or is under common *control* with, an investment adviser that is registered with the SEC, and your *principal office and place of business* is the same as the registered adviser;

If you check this box, complete *Section 2.A.(8) of Schedule D*.

☐

(9)

are an **adviser** relying on rule 203A-2(c) because you **expect to be eligible for SEC registration within 120 days**;

If you check this box, complete *Section 2.A.(9) of Schedule D*.

☐

(10)

are a **multi-state adviser** that is required to register in 15 or more states and is relying on rule 203A-2(d);

If you check this box, complete *Section 2.A.(10) of Schedule D*.

☐

(11)

are an **Internet adviser** relying on rule 203A-2(e);

If you check this box, complete *Section 2.A.(11) of Schedule D*.

☐

(12)

have **received an SEC order** exempting you from the prohibition against registration with the SEC;

If you check this box, complete *Section 2.A.(12) of Schedule D*.

☐

(13)

are **no longer eligible** to remain registered with the SEC.

State Securities Authority Notice Filings and State Reporting by Exempt Reporting Advisers

C. Under state laws, SEC-registered advisers may be required to provide to *state securities authorities* a copy of the Form ADV and any amendments they file with the SEC. These are called *notice filings*. In addition, *exempt reporting advisers* may be required to provide *state securities authorities* with a copy of reports and any amendments they file with the SEC. If this is an initial application or report, check the box(es) next to the state(s) that you would like to receive notice of this and all subsequent filings or reports you submit to the SEC. If this is an amendment to direct your *notice filings* or reports to additional state(s), check the box(es) next to the state(s) that you would like to receive notice of this and all subsequent filings or reports you submit to the SEC. If this is an amendment to your registration to stop your *notice filings* or reports from going to state(s) that currently receive them, uncheck the box(es) next to those state(s).

Jurisdictions

☐ AL	☐ IL	☐ NE	☐ SC
☐ AK	☐ IN	☐ NV	☐ SD
☐ AZ	☐ IA	☐ NH	☐ TN
☐ AR	☐ KS	☐ NJ	☐ TX
☐ CA	☐ KY	☐ NM	☐ UT
☐ CO	☐ LA	☐ NY	☐ VT
☐ CT	☐ ME	☐ NC	☐ VI
☐ DE	☐ MD	☐ ND	☐ VA
☐ DC	☐ MA	☐ OH	☐ WA
☐ FL	☐ MI	☐ OK	☐ WV
☐ GA	☐ MN	☐ OR	☐ WI
☐ GU	☐ MS	☐ PA	☐ WY
☐ HI	☐ MO	☐ PR	
☐ ID	☐ MT	☐ RI	

If you are amending your registration to stop your notice filings or reports from going to a state that currently receives them and you do not want to pay that state's notice filing or report filing fee for the coming year, your amendment must be filed before the end of the year (December 31).

SECTION 2.A.(8) Related Adviser

If you are relying on the exemption in rule 203A-2(b) from the prohibition on registration because you *control*, are *controlled* by, or are under common *control* with an investment adviser that is registered with the SEC and your *principal office and place of business* is the same as that of the registered adviser, provide the following information:

Name of Registered Investment Adviser

CRD Number of Registered Investment Adviser

SECTION 2.A.(9) Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days

If you are relying on rule 203A-2(c), the exemption from the prohibition on registration available to an adviser that expects to be eligible for SEC registration within 120 days, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations. You must make both of these representations:

☐ I am not registered or required to be registered with the SEC or a *state securities authority* and I have a reasonable expectation that I will be eligible to register with the SEC within 120 days after the date my registration with the SEC becomes effective.

☐ I undertake to withdraw from SEC registration if, on the 120th day after my registration with the SEC becomes effective, I would be prohibited by Section 203A(a) of the Advisers Act from registering with the SEC.

SECTION 2.A.(10) Multi-State Adviser

If you are relying on rule 203A-2(d), the multi-state adviser exemption from the prohibition on registration, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations.

If you are applying for registration as an investment adviser with the SEC, you must make both of these representations:

☐ I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of 15 or more states to register as an investment adviser with the *state securities authorities* in those states.

☐ I undertake to withdraw from SEC registration if I file an amendment to this registration indicating that I would be required by the laws of fewer than 15 states to register as an investment adviser with the *state securities authorities* of those states.

If you are submitting your *annual updating amendment*, you must make this representation:

☐ Within 90 days prior to the date of filing this amendment, I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of at least 15 states to register as an investment adviser with the *state securities authorities* in those states.

SECTION 2.A.(11) Internet Adviser

If you are relying on rule 203A-2(e), the Internet adviser exemption from the prohibition on registration, you are required to make a representation about your eligibility for SEC registration. By checking the appropriate box, you will be deemed to have made the required representation.

If you are applying for registration as an investment adviser with the SEC or changing your existing Item 2 response regarding your eligibility for SEC registration, you must make this representation:

☐ I will provide investment advice on an ongoing basis to more than one client exclusively through an *operational interactive website*.

If you are filing an annual updating amendment to your existing registration and are continuing to rely on the Internet adviser exemption for SEC registration, you must make this representation:

☐ I have provided and will continue to provide investment advice on an ongoing basis to more than one client exclusively through an *operational interactive website*.

SECTION 2.A.(12) SEC Exemptive Order

If you are relying upon an SEC *order* exempting you from the prohibition on registration, provide the following information:

Application Number:
803-

Date of *order*:

Item 3 Form of Organization

If you are filing an *umbrella registration*, the information in Item 3 should be provided for the *filing adviser* only.

- A. How are you organized?

☒ Corporation

☐ Sole Proprietorship

☐ Limited Liability Partnership (LLP)

☐ Partnership

☐ Limited Liability Company (LLC)

☐ Limited Partnership (LP)

☐ Other (specify):

If you are changing your response to this Item, see [Part 1A Instruction 4](#).

- B. In what month does your fiscal year end each year?

DECEMBER

C. Under the laws of what state or country are you organized?

StateCountry

PennsylvaniaUnited States

If you are a partnership, provide the name of the state or country under whose laws your partnership was formed. If you are a sole proprietor, provide the name of the state or country where you reside.

If you are changing your response to this Item, see [Part 1A Instruction 4](#).

Item 4 Successions

YesNo

A. Are you, at the time of this filing, succeeding to the business of a registered investment adviser, including, for example, a change of your structure or legal status (e.g., form of organization or state of incorporation)?

If "yes", complete Item 4.B. and [Section 4 of Schedule D](#).

B. Date of Succession: (MM/DD/YYYY)

If you have already reported this succession on a previous Form ADV filing, do not report the succession again. Instead, check "No." See [Part 1A Instruction 4](#).

SECTION 4 Successions

No Information Filed

Item 5 Information About Your Advisory Business - Employees, Clients, and Compensation

Responses to this Item help us understand your business, assist us in preparing for on-site examinations, and provide us with data we use when making regulatory policy. [Part 1A Instruction 5.a](#) provides additional guidance to newly formed advisers for completing this Item 5.

Employees

If you are organized as a sole proprietorship, include yourself as an employee in your responses to Item 5.A. and Items 5.B.(1), (2), (3), (4), and (5). If an employee performs more than one function, you should count that employee in each of your responses to Items 5.B.(1), (2), (3), (4), and (5).

A. Approximately how many employees do you have? Include full- and part-time employees but do not include any clerical workers.

651

B. (1) Approximately how many of the employees reported in 5.A. perform investment advisory functions (including research)?

330

(2) Approximately how many of the employees reported in 5.A. are registered representatives of a broker-dealer?

148

(3) Approximately how many of the employees reported in 5.A. are registered with one or more state securities authorities as investment adviser representatives?

0

(4) Approximately how many of the employees reported in 5.A. are registered with one or more state securities authorities as investment adviser representatives for an investment adviser other than you?

0

(5) Approximately how many of the employees reported in 5.A. are licensed agents of an insurance company or agency?

0

(6) Approximately how many firms or other persons solicit advisory clients on your behalf?

0

In your response to Item 5.B.(6), do not count any of your employees and count a firm only once – do not count each of the firm's employees that solicit on your behalf.

Clients

In your responses to Items 5.C. and 5.D. do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.

- C. (1) To approximately how many *clients* for whom you do not have regulatory assets under management did you provide investment advisory services during your most recently completed fiscal year?
0
- (2) Approximately what percentage of your *clients* are non-*United States persons*?
0%

D. For purposes of this Item 5.D., the category "*individuals*" includes trusts, estates, and 401(k) plans and IRAs of individuals and their family members, but does not include businesses organized as sole proprietorships.

The category "*business development companies*" consists of companies that have made an election pursuant to section 54 of the Investment Company Act of 1940. Unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, do not answer (1)(d) or (3)(d) below.

Indicate the approximate number of your *clients* and amount of your total regulatory assets under management (reported in Item 5.F. below) attributable to each of the following type of *client*. If you have fewer than 5 *clients* in a particular category (other than (d), (e), and (f)) you may check Item 5.D.(2) rather than respond to Item 5.D.(1).

The aggregate amount of regulatory assets under management reported in Item 5.D.(3) should equal the total amount of regulatory assets under management reported in Item 5.F.(2)(c) below.

If a *client* fits into more than one category, select one category that most accurately represents the *client* to avoid double counting *clients* and assets. If you advise a registered investment company, business development company, or pooled investment vehicle, report those assets in categories (d), (e), and (f) as applicable.

Type of <i>Client</i>	(1) Number of <i>Client(s)</i>	(2) Fewer than 5 <i>Clients</i>	(3) Amount of Regulatory Assets under Management
(a) Individuals (other than <i>high net worth individuals</i>)	0	☐	\$ 0
(b) <i>High net worth individuals</i>	0	☐	\$ 0
(c) Banking or thrift institutions	0	☐	\$ 0
(d) Investment companies	212		\$ 10,246,278,445,228
(e) Business development companies	0		\$ 0
(f) Pooled investment vehicles (other than investment companies and business development companies)	1		\$ 317,600,405
(g) Pension and profit sharing plans (but not the plan participants or government pension plans)	0	☐	\$ 0
(h) Charitable organizations	0	☐	\$ 0
(i) State or municipal <i>government entities</i> (including government pension plans)	0	☐	\$ 0
(j) Other investment advisers	0	☐	\$ 0
(k) Insurance companies	0	☐	\$ 0
(l) Sovereign wealth funds and foreign official institutions	0	☐	\$ 0
(m) Corporations or other businesses not listed above	0	☐	\$ 0
(n) Other:	0	☐	\$ 0

Compensation Arrangements

- E. You are compensated for your investment advisory services by (check all that apply):
- ☒

(1) A percentage of assets under your management
- ☐

(2) Hourly charges
- ☐

(3) Subscription fees (for a newsletter or periodical)
- ☐

(4) Fixed fees (other than subscription fees)
- ☐

(5) Commissions
- ☐

(6) *Performance-based fees*
- ☒

(7) Other (specify): ALLOCATED SHARE OF VANGUARD'S TOTAL COST OF OPERATIONS

Item 5 Information About Your Advisory Business - Regulatory Assets Under Management

Regulatory Assets Under Management

Yes

No

F. (1) Do you provide continuous and regular supervisory or management services to securities portfolios?

(2) If yes, what is the amount of your regulatory assets under management and total number of accounts?

U.S. Dollar Amount

Total Number of Accounts

Discretionary:

(a)

\$ 10,246,596,045,633

(d)

212

Non-Discretionary:

(b)

\$ 0

(e)

0

Total:

(c)

\$ 10,246,596,045,633

(f)

212

Part 1A Instruction 5.b. explains how to calculate your regulatory assets under management. You must follow these instructions carefully when completing this Item.

(3) What is the approximate amount of your total regulatory assets under management (reported in Item 5.F.(2)(c) above) attributable to *clients* who are non-*United States persons*?

\$ 317,600,405

Item 5 Information About Your Advisory Business - Advisory Activities

Advisory Activities

- G. What type(s) of advisory services do you provide? Check all that apply.
- ☐ (1) Financial planning services
- ☐ (2) Portfolio management for individuals and/or small businesses
- ☒ (3) Portfolio management for investment companies (as well as "business development companies" that have made an election pursuant to section 54 of the Investment Company Act of 1940)
- ☒ (4) Portfolio management for pooled investment vehicles (other than investment companies)
- ☒ (5) Portfolio management for businesses (other than small businesses) or institutional *clients* (other than registered investment companies and other pooled investment vehicles)
- ☐ (6) Pension consulting services
- ☒ (7) Selection of other advisers (including *private fund* managers)
- ☒ (8) Publication of periodicals or newsletters
- ☐ (9) Security ratings or pricing services
- ☐ (10) Market timing services
- ☐ (11) Educational seminars/workshops
- ☐ (12) Other(specify):

Do not check Item 5.G.(3) unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, including as a subadviser. If you check Item 5.G.(3), report the 811 or 814 number of the investment company or investment companies to which you provide advice in Section 5.G.(3) of Schedule D.

- H. If you provide financial planning services, to how many *clients* did you provide these services during your last fiscal year?
- ☐ 0
- ☐ 1 - 10
- ☐ 11 - 25
- ☐ 26 - 50
- ☐ 51 - 100
- ☐ 101 - 250
- ☐ 251 - 500
- ☐ More than 500
- If more than 500, how many?
(round to the nearest 500)

In your responses to this Item 5.H., do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.

- I. (1) Do you participate in a *wrap fee program*?

Yes No

☐ ☒
- (2) If you participate in a *wrap fee program*, what is the amount of your regulatory assets under management attributable to acting as:
- (a) *sponsor* to a *wrap fee program*

\$

(b) portfolio manager for a *wrap fee program*?

\$

(c) *sponsor* to and portfolio manager for the same *wrap fee program*?

\$

If you report an amount in Item 5.I.(2)(c), do not report that amount in Item 5.I.(2)(a) or Item 5.I.(2)(b).

If you are a portfolio manager for a wrap fee program, list the names of the programs, their sponsors and related information in Section 5.I.(2) of Schedule D.

If your involvement in a wrap fee program is limited to recommending wrap fee programs to your clients, or you advise a mutual fund that is offered through a wrap fee program, do not check Item 5.I.(1) or enter any amounts in response to Item 5.I.(2).

- J. (1) In response to Item 4.B. of Part 2A of Form ADV, do you indicate that you provide investment advice only with respect to limited types of investments?

Yes No

☐ ☒
- (2) Do you report *client* assets in Item 4.E. of Part 2A that are computed using a different method than the method used to compute your regulatory assets under management?
- ☐ ☒

K. Separately Managed Account <i>Clients</i>		Yes	No
(1) Do you have regulatory assets under management attributable to <i>clients</i> other than those listed in Item 5.D.(3)(d)-(f) (separately managed account <i>clients</i>)?		☐	☒
If yes, complete <i>Section 5.K.(1) of Schedule D</i> .			
(2) Do you engage in borrowing transactions on behalf of any of the separately managed account <i>clients</i> that you advise?		☐	☐
If yes, complete <i>Section 5.K.(2) of Schedule D</i> .			
(3) Do you engage in derivative transactions on behalf of any of the separately managed account <i>clients</i> that you advise?		☐	☐
If yes, complete <i>Section 5.K.(2) of Schedule D</i> .			
(4) After subtracting the amounts in Item 5.D.(3)(d)-(f) above from your total regulatory assets under management, does any custodian hold ten percent or more of this remaining amount of regulatory assets under management?		☐	☐
If yes, complete <i>Section 5.K.(3) of Schedule D</i> for each custodian.			
L. Marketing Activities		Yes	No
(1) Do any of your <i>advertisements</i> include:			
(a) Performance results?		☐	☒
(b) A reference to specific investment advice provided by you (as that phrase is used in rule 206(4)-1(a)(5))?		☐	☒
(c) <i>Testimonials</i> (other than those that satisfy rule 206(4)-1(b)(4)(ii))?		☐	☒
(d) <i>Endorsements</i> (other than those that satisfy rule 206(4)-1(b)(4)(ii))?		☐	☒
(e) <i>Third-party ratings</i> ?		☐	☒
(2) If you answer "yes" to L(1)(c), (d), or (e) above, do you pay or otherwise provide cash or non-cash compensation, directly or indirectly, in connection with the use of <i>testimonials</i> , <i>endorsements</i> , or <i>third-party ratings</i> ?		☐	☒
(3) Do any of your <i>advertisements</i> include <i>hypothetical performance</i> ?		☐	☒
(4) Do any of your <i>advertisements</i> include <i>predecessor performance</i> ?		☐	☒

SECTION 5.G.(3) Advisers to Registered Investment Companies and Business Development Companies

If you check Item 5.G.(3), what is the SEC file number (811 or 814 number) of each of the registered investment companies and business development companies to which you act as an adviser pursuant to an advisory contract? You must complete a separate Schedule D Section 5.G.(3) for each registered investment company and business development company to which you act as an adviser.

SEC File Number
811 - 00121

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 00834

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number 811 - 01027
Provide the regulatory assets under management of all <i>parallel managed accounts</i> related to a registered investment company (or series thereof) or business development company that you advise.
No Information Filed

SEC File Number 811 - 01530
Provide the regulatory assets under management of all <i>parallel managed accounts</i> related to a registered investment company (or series thereof) or business development company that you advise.
No Information Filed

SEC File Number 811 - 01766
Provide the regulatory assets under management of all <i>parallel managed accounts</i> related to a registered investment company (or series thereof) or business development company that you advise.
No Information Filed

SEC File Number 811 - 02368
Provide the regulatory assets under management of all <i>parallel managed accounts</i> related to a registered investment company (or series thereof) or business development company that you advise.
No Information Filed

SEC File Number 811 - 02554
Provide the regulatory assets under management of all <i>parallel managed accounts</i> related to a registered investment company (or series thereof) or business development company that you advise.
No Information Filed

SEC File Number
811 - 02652

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 02687

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 02968

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 0296899

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 03916

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 03919

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 04098

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 04474

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 04526

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 04570

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 04571

Provide the regulatory assets under management of all <i>parallel managed accounts</i> related to a registered investment company (or series thereof) or business development company that you advise. No Information Filed
SEC File Number 811 - 04681 Provide the regulatory assets under management of all <i>parallel managed accounts</i> related to a registered investment company (or series thereof) or business development company that you advise. No Information Filed
SEC File Number 811 - 05340 Provide the regulatory assets under management of all <i>parallel managed accounts</i> related to a registered investment company (or series thereof) or business development company that you advise. No Information Filed
SEC File Number 811 - 05445 Provide the regulatory assets under management of all <i>parallel managed accounts</i> related to a registered investment company (or series thereof) or business development company that you advise. No Information Filed
SEC File Number 811 - 05628 Provide the regulatory assets under management of all <i>parallel managed accounts</i> related to a registered investment company (or series thereof) or business development company that you advise. No Information Filed
SEC File Number 811 - 05962 Provide the regulatory assets under management of all <i>parallel managed accounts</i> related to a registered investment company (or series thereof) or business development company that you advise. No Information Filed

SEC File Number 811 - 05972 Provide the regulatory assets under management of all <i>parallel managed accounts</i> related to a registered investment company (or series thereof) or business development company that you advise. No Information Filed
SEC File Number 811 - 06083 Provide the regulatory assets under management of all <i>parallel managed accounts</i> related to a registered investment company (or series thereof) or business development company that you advise. No Information Filed

SEC File Number 811 - 06093 Provide the regulatory assets under management of all <i>parallel managed accounts</i> related to a registered investment company (or series thereof) or business development company that you advise. No Information Filed

SEC File Number 811 - 07043 Provide the regulatory assets under management of all <i>parallel managed accounts</i> related to a registered investment company (or series thereof) or business development company that you advise. No Information Filed

SEC File Number 811 - 07175 Provide the regulatory assets under management of all <i>parallel managed accounts</i> related to a registered investment company (or series thereof) or business development company that you advise. No Information Filed

SEC File Number
811 - 07239

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 07443

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 07803

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 09005

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 21478

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 22619

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SEC File Number
811 - 58431

Provide the regulatory assets under management of all *parallel managed accounts* related to a registered investment company (or series thereof) or business development company that you advise.

No Information Filed

SECTION 5.I.(2) Wrap Fee Programs

No Information Filed

SECTION 5.K.(1) Separately Managed Accounts

After subtracting the amounts reported in Item 5.D.(3)(d)-(f) from your total regulatory assets under management, indicate the approximate percentage of this remaining amount attributable to each of the following categories of assets. If the remaining amount is at least \$10 billion in regulatory assets under management, complete Question (a). If the remaining amount is less than \$10 billion in regulatory assets under management, complete Question (b).

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment* . Mid-year is the date six months before the end of year date. Each column should add up to 100% and numbers should be rounded to the nearest percent.

Investments in derivatives, registered investment companies, business development companies, and pooled investment vehicles should be reported in those categories. Do not report those investments based on related or underlying portfolio assets. Cash equivalents include bank deposits, certificates of deposit, bankers' acceptances and similar bank instruments.

Some assets could be classified into more than one category or require discretion about which category applies. You may use your own internal methodologies and the conventions of your service providers in determining how to categorize assets, so long as the methodologies or conventions are consistently applied and consistent with information you report internally and to current and prospective clients. However, you should not double count assets, and your responses must be consistent with any instructions or other guidance relating to this Section.

(a)	Asset Type	Mid-year	End of year
	(i) Exchange-Traded Equity Securities	%	%
	(ii) Non Exchange-Traded Equity Securities	%	%
	(iii) U.S. Government/Agency Bonds	%	%
	(iv) U.S. State and Local Bonds	%	%
	(v) Sovereign Bonds	%	%
	(vi) Investment Grade Corporate Bonds	%	%

(vii) Non-Investment Grade Corporate Bonds	%	%
(viii) Derivatives	%	%
(ix) Securities Issued by Registered Investment Companies or Business Development Companies	%	%
(x) Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies)	%	%
(xi) Cash and Cash Equivalents	%	%
(xii) Other	%	%

Generally describe any assets included in "Other"

(b)

Asset Type	End of year
(i) Exchange-Traded Equity Securities	%
(ii) Non Exchange-Traded Equity Securities	%
(iii) U.S. Government/Agency Bonds	%
(iv) U.S. State and Local Bonds	%
(v) Sovereign Bonds	%
(vi) Investment Grade Corporate Bonds	%
(vii) Non-Investment Grade Corporate Bonds	%
(viii) Derivatives	%
(ix) Securities Issued by Registered Investment Companies or Business Development Companies	%
(x) Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies)	%
(xi) Cash and Cash Equivalents	%
(xii) Other	%

Generally describe any assets included in "Other"

SECTION 5.K.(2) Separately Managed Accounts - Use of Borrowingsand Derivatives

☒ No information is required to be reported in this Section 5.K.(2) per the instructions of this Section 5.K.(2)

If your regulatory assets under management attributable to separately managed accounts are at least \$10 billion, you should complete Question (a). If your regulatory assets under management attributable to separately managed accounts are at least \$500 million but less than \$10 billion, you should complete Question (b).

(a) In the table below, provide the following information regarding the separately managed accounts you advise. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise. End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. Mid-year is the date six months before the end of year date.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the dollar amount of any *borrowings* and (b) the *gross notional value* of all derivatives, by (ii) the regulatory assets under management of the account.

In column 2, provide the dollar amount of *borrowings* for the accounts included in column 1.

In column 3, provide aggregate *gross notional value* of derivatives divided by the aggregate regulatory assets under management of the accounts included in column 1 with respect to each category of derivatives specified in 3(a) through (f).

You may, but are not required to, complete the table with respect to any separately managed account with regulatory assets under management of less than \$10,000,000.

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

(i) Mid-Year

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings	(3) Derivative Exposures					
			(a) Interest Rate Derivative	(b) Foreign Exchange Derivative	(c) Credit Derivative	(d) Equity Derivative	(e) Commodity Derivative	(f) Other Derivative
Less than 10 %	\$	\$	0 %	0 %	0 %	0 %	0 %	0 %
10-149 %	\$	\$ 0	0 %	0 %	0 %	0 %	0 %	0 %

150 % or more	\$ 0	\$ 0	0 %	0 %	0 %	0 %	0 %	0 %

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

(ii) End of Year

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings	(3) Derivative Exposures					
			(a) Interest Rate Derivative	(b) Foreign Exchange Derivative	(c) Credit Derivative	(d) Equity Derivative	(e) Commodity Derivative	(f) Other Derivative
Less than 10 %	\$ 0	\$ 0	0 %	0 %	0 %	0 %	0 %	0 %
10-149 %	\$ 0	\$ 0	0 %	0 %	0 %	0 %	0 %	0 %
150 % or more	\$ 0	\$ 0	0 %	0 %	0 %	0 %	0 %	0 %

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

(b) In the table below, provide the following information regarding the separately managed accounts you advise as of the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the dollar amount of any *borrowings* and (b) the *gross notional value* of all derivatives, by (ii) the regulatory assets under management of the account.

In column 2, provide the dollar amount of *borrowings* for the accounts included in column 1.

You may, but are not required to, complete the table with respect to any separately managed accounts with regulatory assets under management of less than \$10,000,000.

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings
Less than 10 %	\$ 0	\$ 0
10-149 %	\$ 0	\$ 0
150 % or more	\$ 0	\$ 0

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

SECTION 5.K.(3) Custodians for Separately Managed Accounts

No Information Filed

Item 6 Other Business Activities

In this Item, we request information about your firm's other business activities.

A. You are actively engaged in business as a (check all that apply):

- ☐
(1) broker-dealer (registered or unregistered)
- ☐
(2) registered representative of a broker-dealer
- ☒
(3) commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐
(4) futures commission merchant
- ☐
(5) real estate broker, dealer, or agent
- ☐
(6) insurance broker or agent
- ☐
(7) bank (including a separately identifiable department or division of a bank)
- ☐
(8) trust company
- ☐
(9) registered municipal advisor
- ☐
(10) registered security-based swap dealer
- ☐
(11) major security-based swap participant
- ☐
(12) accountant or accounting firm
- ☐
(13) lawyer or law firm
- ☐
(14) other financial product salesperson (specify):

		Yes	No
B.	(1) Are you actively engaged in any other business not listed in Item 6.A. (other than giving investment advice)?	☒	☐
	(2) If yes, is this other business your primary business?	☒	☐
If "yes," describe this other business on Section 6.B.(2) of Schedule D , and if you engage in this business under a different name, provide that name.			
		Yes	No
	(3) Do you sell products or provide services other than investment advice to your advisory clients?	☒	☐
If "yes," describe this other business on Section 6.B.(3) of Schedule D , and if you engage in this business under a different name, provide that name.			

No Information Filed

Describe your primary business (not your investment advisory business):

VGI PROVIDES ITS FUND CLIENTS WITH CORPORATE, MANAGEMENT & ADMINISTRATIVE MUTUAL FUND SERVICES, INCLUDING LEGAL, ACCOUNTING, TRANSFER AGENCY & DISTRIBUTION SERVICES.

If you engage in that business under a different name, provide that name:

Describe other products or services you sell to your *client*. You may omit products and services that you listed in Section 6.B.(2) above.
SAME AS 6.B.(2).

If you engage in that business under a different name, provide that name:

In this Item, we request information about your financial industry affiliations and activities. This information identifies areas in which conflicts of interest may occur between you and your *clients*.

A. This part of Item 7 requires you to provide information about you and your *related persons*, including foreign affiliates. Your *related persons* are all of your *advisory affiliates* and any *person* that is under common *control* with you.

You have a *related person* that is a (check all that apply):

☒	(1)	broker-dealer, municipal securities dealer, or government securities broker or dealer (registered or unregistered)
☒	(2)	other investment adviser (including financial planners)
☒	(3)	registered municipal advisor
☐	(4)	registered security-based swap dealer
☐	(5)	major security-based swap participant
☒	(6)	commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
☐	(7)	futures commission merchant
☒	(8)	banking or thrift institution
☒	(9)	trust company
☐	(10)	accountant or accounting firm
☐	(11)	lawyer or law firm
☒	(12)	insurance company or agency
☒	(13)	pension consultant
☐	(14)	real estate broker or dealer
☐	(15)	sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
☒	(16)	sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

Note that Item 7.A. should not be used to disclose that some of your employees perform investment advisory functions or are registered representatives of a broker-dealer. The number of your firm's employees who perform investment advisory functions should be disclosed under Item 5.B.(1). The number of your firm's employees who are registered representatives of a broker-dealer should be disclosed under Item 5.B.(2).

Note that if you are filing an umbrella registration, you should not check Item 7.A.(2) with respect to your relying advisers, and you do not have to complete Section 7.A. in Schedule D for your relying advisers. You should complete a Schedule R for each relying adviser.

For each related person, including foreign affiliates that may not be registered or required to be registered in the United States, complete [Section 7.A. of Schedule D](#).

You do not need to complete Section 7.A. of Schedule D for any related person if: (1) you have no business dealings with the related person in connection with advisory services you provide to your clients; (2) you do not conduct shared operations with the related person; (3) you do not refer clients or business to the related

person, and the related person does not refer prospective clients or business to you; (4) you do not share supervised persons or premises with the related person; and (5) you have no reason to believe that your relationship with the related person otherwise creates a conflict of interest with your clients.

You must complete [Section 7.A. of Schedule D](#) for each related person acting as qualified custodian in connection with advisory services you provide to your clients (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)), regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.

SECTION 7.A. Financial Industry Affiliations

Complete a separate Schedule D Section 7.A. for each *related person* listed in Item 7.A.

1. Legal Name of *Related Person*:
VANGUARD INVESTMENTS CANADA INC.

2. Primary Business Name of *Related Person*:
VANGUARD INVESTMENTS CANADA INC.

3. *Related Person's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)
802 - 107926
or
Other

4. *Related Person's*

(a) *CRD* Number (if any):
283519

(b) CIK Number(s) (if any):

CIK Number
1816312

5. *Related Person* is: (check all that apply)

(a) ☒ broker-dealer, municipal securities dealer, or government securities broker or dealer

(b) ☒ other investment adviser (including financial planners)

(c) ☐ registered municipal advisor

(d) ☐ registered security-based swap dealer

(e) ☐ major security-based swap participant

(f) ☒ commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

(g) ☐ futures commission merchant

(h) ☐ banking or thrift institution

(i) ☐ trust company

(j) ☐ accountant or accounting firm

(k) ☐ lawyer or law firm

(l) ☐ insurance company or agency

(m) ☐ pension consultant

(n) ☐ real estate broker or dealer

(o) ☐ sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles

(p) ☒ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

6. Do you *control* or are you *controlled* by the *related person*?

YesNo

7. Are you and the *related person* under common *control*?

NoYes

8.

(a) Does the *related person* act as a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?

NoYes

(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the *related person* and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person*?

NoNo

(c) If you have answered "yes" to question 8.(a) above, provide the location of the *related person's* office responsible for *custody* of your *clients'* assets:

Number and Street 1:City:State:If this address is a private residence, check this box: ☐

Number and Street 2:Country:ZIP+4/Postal Code:

9.

(a) If the *related person* is an investment adviser, is it exempt from registration?

YesNo

(b) If the answer is yes, under what exemption?
PRIVATE FUND ADVISER EXEMPTION

10.

(a) Is the *related person* registered with a *foreign financial regulatory authority* ?

YesNo

(b) If the answer is yes, list the name and country, in English of each *foreign financial regulatory authority* with which the *related person* is registered.

Name of Country / English Name of Foreign Financial Regulatory Authority	
Canada - Ontario Securities Commission	

11. Do you and the *related person* share any *supervised persons*?

12. Do you and the *related person* share the same physical location?

1. Legal Name of *Related Person*:
VANGUARD ADVISERS, INC.

2. Primary Business Name of *Related Person*:
VANGUARD ADVISERS, INC.

3. *Related Person's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)
801 - 49601
or
Other

4. *Related Person's*

(a) *CRD* Number (if any):
106715

(b) CIK Number(s) (if any):

CIK Number
947529

5. *Related Person* is: (check all that apply)

(a) ☐ broker-dealer, municipal securities dealer, or government securities broker or dealer

(b) ☒ other investment adviser (including financial planners)

(c) ☒ registered municipal advisor

(d) ☐ registered security-based swap dealer

(e) ☐ major security-based swap participant

(f) ☐ commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

(g) ☐ futures commission merchant

(h) ☐ banking or thrift institution

(i) ☐ trust company

(j) ☐ accountant or accounting firm

(k) ☐ lawyer or law firm

(l) ☐ insurance company or agency

(m) ☐ pension consultant

(n) ☐ real estate broker or dealer

(o) ☐ sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles

(p) ☐ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

Yes

No

6. Do you *control* or are you *controlled* by the *related person*?

7. Are you and the *related person* under common *control*?

8. (a) Does the *related person* act as a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?

(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the *related person* and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person*?

(c) If you have answered "yes" to question 8.(a) above, provide the location of the *related person's* office responsible for *custody* of your *clients'* assets:

Number and Street 1:Number and Street 2:

City:State:Country:ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

Yes

No

9. (a) If the *related person* is an investment adviser, is it exempt from registration?

(b) If the answer is yes, under what exemption?

10. (a) Is the *related person* registered with a *foreign financial regulatory authority* ?

(b) If the answer is yes, list the name and country, in English of each *foreign financial regulatory authority* with which the *related person* is registered.

No Information Filed

11. Do you and the *related person* share any *supervised persons*?

12. Do you and the *related person* share the same physical location?

1. Legal Name of *Related Person*:
VANGUARD INVESTMENTS UK, LIMITED

2. Primary Business Name of *Related Person*:
VANGUARD INVESTMENTS UK, LIMITED

3. *Related Person's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)
802 - 108191
or
Other

4. *Related Person's*

(a) *CRD* Number (if any):
283775

(b) CIK Number(s) (if any):

CIK Number
1816749

5. *Related Person* is: (check all that apply)

(a) ☐ broker-dealer, municipal securities dealer, or government securities broker or dealer

(b) ☒ other investment adviser (including financial planners)

(c) ☐ registered municipal advisor

(d) ☐ registered security-based swap dealer

(e) ☐ major security-based swap participant

(f) ☐ commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

(g) ☐ futures commission merchant

(h) ☐ banking or thrift institution

(i) ☐ trust company

(j) ☐ accountant or accounting firm

(k) ☐ lawyer or law firm

(l) ☐ insurance company or agency

(m) ☐ pension consultant

(n) ☐ real estate broker or dealer

(o) ☐ sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles

(p) ☒ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

Yes

No

6. Do you *control* or are you *controlled* by the *related person*?

7. Are you and the *related person* under common *control*?

8. (a) Does the *related person* act as a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?

(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the *related person* and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person*?

(c) If you have answered "yes" to question 8.(a) above, provide the location of the *related person's* office responsible for *custody* of your *clients'* assets:

Number and Street 1:City:State:

Number and Street 2:Country:ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

Yes

No

9. (a) If the *related person* is an investment adviser, is it exempt from registration?

(b) If the answer is yes, under what exemption?
PRIVATE FUND ADVISER EXEMPTION

10. (a) Is the *related person* registered with a *foreign financial regulatory authority* ?

(b) If the answer is yes, list the name and country, in English of each *foreign financial regulatory authority* with which the *related person* is registered.

Name of Country / English Name of Foreign Financial Regulatory Authority
United Kingdom - Financial Conduct Authority

11. Do you and the *related person* share any *supervised persons*?

12. Do you and the *related person* share the same physical location?

3. *Related Person's SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)*
 801 - 76825
 or
 Other

- (b) CIK Number(s) (if any):

CIK Number
1811242

- (p) ☐ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

7. Are you and the *related person* under common control?



- (c) If you have answered "yes" to question 8.(a) above, provide the location of the *related person's* office responsible for *custody* of your *clients'* assets:
- | | | | |
|--|--------|----------------------|--------------------|
| Number and Street 1: | | Number and Street 2: | |
| City: | State: | Country: | ZIP+4/Postal Code: |
| If this address is a private residence, check this box: ☐ | | | |



- (b) If the answer is yes, under what exemption?

- (b) If the answer is yes, list the name and country, in English of each *foreign financial regulatory authority* with which the *related person* is registered.
- No Information Filed

11. Do you and the *related person* share any *supervised persons*?



12. Do you and the *related person* share the same physical location?



- VANGUARD GROUP EUROPE GMBH

2. Primary Business Name of *Related Person*:

VANGUARD GROUP EUROPE GMBH

3. Related Person's SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)

-

or

Other

4. Related Person's

(a) CRD Number (if any):

(b) CIK Number(s) (if any):

No Information Filed

5. Related Person is: (check all that apply)

(a) ☒ broker-dealer, municipal securities dealer, or government securities broker or dealer

(b) ☐ other investment adviser (including financial planners)

(c) ☐ registered municipal advisor

(d) ☐ registered security-based swap dealer

(e) ☐ major security-based swap participant

(f) ☐ commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

(g) ☐ futures commission merchant

(h) ☒ banking or thrift institution

(i) ☐ trust company

(j) ☐ accountant or accounting firm

(k) ☐ lawyer or law firm

(l) ☐ insurance company or agency

(m) ☐ pension consultant

(n) ☐ real estate broker or dealer

(o) ☐ sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles

(p) ☐ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

6. Do you control or are you controlled by the related person?

Yes

No

7. Are you and the related person under common control?

Yes

No

8. (a) Does the related person act as a qualified custodian for your clients in connection with advisory services you provide to clients?

(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the related person and thus are not required to obtain a surprise examination for your clients' funds or securities that are maintained at the related person?

(c) If you have answered "yes" to question 8.(a) above, provide the location of the related person's office responsible for custody of your clients' assets:

Number and Street 1:

City:

State:

Number and Street 2:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

9. (a) If the related person is an investment adviser, is it exempt from registration?

(b) If the answer is yes, under what exemption?

Yes

No

10. (a) Is the related person registered with a foreign financial regulatory authority ?

(b) If the answer is yes, list the name and country, in English of each foreign financial regulatory authority with which the related person is registered.

Name of Country/English Name of Foreign Financial Regulatory Authority
Germany - German Federal Financial Supervisory Agency

11. Do you and the related person share any supervised persons?

Yes

No

12. Do you and the related person share the same physical location?

Yes

No

1. Legal Name of Related Person:

VANGUARD INVESTMENTS AUSTRALIA LIMITED

2. Primary Business Name of Related Person:

VANGUARD INVESTMENTS AUSTRALIA LIMITED

3. Related Person's SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)

801 - 107761

or

Other

4. Related Person's

(a) CRD Number (if any):

282933

(b) CIK Number(s) (if any):

CIK Number

1550100

5. Related Person is: (check all that apply)

(a) ☐ broker-dealer, municipal securities dealer, or government securities broker or dealer

(b) ☒ other investment adviser (including financial planners)

(c) ☐ registered municipal advisor

(d) ☐ registered security-based swap dealer

(e) ☐ major security-based swap participant

(f) ☐ commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

(g) ☐ futures commission merchant

(h) ☐ banking or thrift institution

(i) ☐ trust company

(j) ☐ accountant or accounting firm

(k) ☐ lawyer or law firm

(l) ☐ insurance company or agency

(m) ☐ pension consultant

(n) ☐ real estate broker or dealer

(o) ☐ sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles

(p) ☒ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

6. Do you control or are you controlled by the related person?

Yes

No

7. Are you and the related person under common control?

8. (a) Does the related person act as a qualified custodian for your clients in connection with advisory services you provide to clients?

(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the related person and thus are not required to obtain a surprise examination for your clients' funds or securities that are maintained at the related person?

(c) If you have answered "yes" to question 8.(a) above, provide the location of the related person's office responsible for custody of your clients' assets:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

9. (a) If the related person is an investment adviser, is it exempt from registration?

(b) If the answer is yes, under what exemption?

10. (a) Is the related person registered with a foreign financial regulatory authority ?

(b) If the answer is yes, list the name and country, in English of each foreign financial regulatory authority with which the related person is registered.

Name of Country / English Name of Foreign Financial Regulatory Authority

Australia - Australian Securities and Investments Commission

11. Do you and the related person share any supervised persons?

12. Do you and the related person share the same physical location?

1. Legal Name of Related Person:

VANGUARD ASSET MANAGEMENT, LIMITED

2. Primary Business Name of Related Person:

VANGUARD ASSET MANAGEMENT, LIMITED

3. Related Person's SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)

801 - 107653

or

Other

4. Related Person's

5. *Related Person* is: (check all that apply)

(a)

☒

broker-dealer, municipal securities dealer, or government securities broker or dealer

(b)

☐

other investment adviser (including financial planners)

(c)

☐

registered municipal advisor

(d)

☐

registered security-based swap dealer

(e)

☐

major security-based swap participant

(f)

☐

commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

(g)

☐

futures commission merchant

(h)

☐

banking or thrift institution

(i)

☐

trust company

(j)

☐

accountant or accounting firm

(k)

☐

lawyer or law firm

(l)

☐

insurance company or agency

(m)

☐

pension consultant

(n)

☐

real estate broker or dealer

(o)

☐

sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles

(p)

☐

sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

Yes

No

6. Do you *control* or are you *controlled* by the *related person*?

7. Are you and the *related person* under common *control*?

8. (a) Does the *related person* act as a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?

(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the *related person* and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person*?

(c) If you have answered "yes" to question 8.(a) above, provide the location of the *related person's* office responsible for *custody* of your *clients'* assets:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

Yes

No

9. (a) If the *related person* is an investment adviser, is it exempt from registration?

(b) If the answer is yes, under what exemption?

10. (a) Is the *related person* registered with a *foreign financial regulatory authority* ?

(b) If the answer is yes, list the name and country, in English of each *foreign financial regulatory authority* with which the *related person* is registered.

No

Information Filed

11. Do you and the *related person* share any *supervised persons*?

12. Do you and the *related person* share the same physical location?

1. Legal Name of *Related Person*:

VANGUARD FIDUCIARY TRUST COMPANY

2. Primary Business Name of *Related Person*:

VANGUARD FIDUCIARY TRUST COMPANY

3. *Related Person's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)

-

or

Other

028-11554

4. *Related Person's*

(a) *CRD* Number (if any):

(b) CIK Number(s) (if any):

CIK Number

933478

5. Related Person is: (check all that apply)

(a) ☐ broker-dealer, municipal securities dealer, or government securities broker or dealer

(b) ☐ other investment adviser (including financial planners)

(c) ☐ registered municipal advisor

(d) ☐ registered security-based swap dealer

(e) ☐ major security-based swap participant

(f) ☒ commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

(g) ☐ futures commission merchant

(h) ☐ banking or thrift institution

(i) ☒ trust company

(j) ☐ accountant or accounting firm

(k) ☐ lawyer or law firm

(l) ☐ insurance company or agency

(m) ☐ pension consultant

(n) ☐ real estate broker or dealer

(o) ☐ sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles

(p) ☒ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

Yes

No

6. Do you control or are you controlled by the related person?

☒

☐

7. Are you and the related person under common control?

☐

☒

8. (a) Does the related person act as a qualified custodian for your clients in connection with advisory services you provide to clients?

☐

☒

(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the related person and thus are not required to obtain a surprise examination for your clients' funds or securities that are maintained at the related person?

☐

☐

(c) If you have answered "yes" to question 8.(a) above, provide the location of the related person's office responsible for custody of your clients' assets:

Number and Street 1:Number and Street 2:

City:State:Country:ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

Yes

No

9. (a) If the related person is an investment adviser, is it exempt from registration?

☐

☐

(b) If the answer is yes, under what exemption?

10. (a) Is the related person registered with a foreign financial regulatory authority ?

☐

☒

(b) If the answer is yes, list the name and country, in English of each foreign financial regulatory authority with which the related person is registered.

No Information Filed

11. Do you and the related person share any supervised persons?

☒

☐

12. Do you and the related person share the same physical location?

☒

☐

1. Legal Name of Related Person:

VANGUARD SUPER PTY LTD.

2. Primary Business Name of Related Person:

VANGUARD SUPER PTY LTD.

3. Related Person's SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)

-

or

Other

4. Related Person's

(a) CRD Number (if any):

(b) CIK Number(s) (if any):

No Information Filed

5. Related Person is: (check all that apply)

(a) ☐ broker-dealer, municipal securities dealer, or government securities broker or dealer

(b) ☐ other investment adviser (including financial planners)

(c) ☐ registered municipal advisor

(d) ☐ registered security-based swap dealer

(e) ☐ major security-based swap participant

- (g) ☐ futures commission merchant
- (h) ☐ banking or thrift institution
- (i) ☒ trust company
- (j) ☐ accountant or accounting firm
- (k) ☐ lawyer or law firm
- (l) ☐ insurance company or agency



Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

Yes No

○ ○

(b) If the answer is yes, list the name and country, in English of each *foreign financial regulatory authority* with which the *related person* is registered.

Name of Country/English Name of Foreign Financial Regulatory Authority

Australia - Australian Securities and Investments Commission

Other - AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

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11

- (h) ☐ banking or thrift institution
- (i) ☐ trust company
- (j) ☐ accountant or accounting firm
- (k) ☐ lawyer or law firm
- (l) ☐ insurance company or agency
- (m) ☐ pension consultant
- (n) ☐ real estate broker or dealer
- (o) ☐ sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
- (p) ☐ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

Yes No

○ ○

(c) If you have answered "yes" to question 8.(a) above, provide the location of the *related person's* office responsible for *custody* of your *clients'* assets:

Number and Street 1:		Number and Street 2:	
City:	State:	Country:	ZIP+4/Postal Code:
If this address is a private residence, check this box: ☐			

Yes No



No Information Filed



- Yes No

Yes No

[illegible]

VANGUARD GROUP (IRELAND) LIMITED

VANGUARD GROUP (IRELAND) LIMITED

802 - 112172

or

Other

(a) *CRD* Number (if any):

285297

CIK Number

1816678

(a) ☐ broker-dealer, municipal securities dealer, or government securities broker or dealer

(c) ☐ registered municipal advisor

(d) ☐ registered security-based swap dealer

(e) ☐ major security-based swap participant

(f) ☐ commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

(g)  futures commission merchant

(h) ☐ banking or thrift institution

(i) ☐ trust company

(j) ☐ accountant or accounting firm

(k) ☐ lawyer or law firm

(l) ☐ insurance company or agency

(m)  pension consultant

(n) real estate broker or dealer

(o) ☐ sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles

(p) ☒ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

6.

Do you *control* or are you *controlled* by the *related person*?

Yes

No

7.

Are you and the *related person* under common *control*?

8.

(a)

Does the *related person* act as a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?

(b)

If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the *related person* and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person*?

(c)

If you have answered "yes" to question 8.(a) above, provide the location of the *related person's* office responsible for *custody* of your *clients'* assets:
Number and Street 1:

City:

State:

Number and Street 2:

Country:

ZIP+ 4/Postal Code:

If this address is a private residence, check this box: ☐

Yes

No

9.

(a)

If the *related person* is an investment adviser, is it exempt from registration?

(b)

If the answer is yes, under what exemption?
PRIVATE FUND ADVISER EXEMPTION

10.

(a)

Is the *related person* registered with a *foreign financial regulatory authority* ?

(b)

If the answer is yes, list the name and country, in English of each *foreign financial regulatory authority* with which the *related person* is registered.

Name of Country/English Name of Foreign Financial Regulatory Authority
Ireland - Central Bank of Ireland

11.

Do you and the *related person* share any *supervised persons*?

12.

Do you and the *related person* share the same physical location?

1.

Legal Name of *Related Person*:
VANGUARD NATIONAL TRUST COMPANY, N.A.

2.

Primary Business Name of *Related Person*:
VANGUARD NATIONAL TRUST COMPANY

3.

Related Person's SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)
-
or
Other

4.

Related Person's
(a) CRD Number (if any):

(b) CIK Number(s) (if any):

No Information Filed

5.

Related Person is: (check all that apply)
(a) ☐ broker-dealer, municipal securities dealer, or government securities broker or dealer
(b) ☐ other investment adviser (including financial planners)
(c) ☐ registered municipal advisor
(d) ☐ registered security-based swap dealer
(e) ☐ major security-based swap participant
(f) ☐ commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
(g) ☐ futures commission merchant
(h) ☒ banking or thrift institution
(i) ☒ trust company
(j) ☐ accountant or accounting firm
(k) ☐ lawyer or law firm
(l) ☐ insurance company or agency
(m) ☐ pension consultant
(n) ☐ real estate broker or dealer
(o) ☐ sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
(p) ☐ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

Yes

No

6.

Do you *control* or are you *controlled* by the *related person*?

7. Are you and the *related person* under common control?

8. (a) Does the *related person* act as a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?

(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the *related person* and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person*?

(c) If you have answered "yes" to question 8.(a) above, provide the location of the *related person's* office responsible for *custody* of your *clients'* assets:
Number and Street 1: Number and Street 2:
City: State: Country: ZIP+4/Postal Code:
If this address is a private residence, check this box: ☐

9. (a) If the *related person* is an investment adviser, is it exempt from registration?

(b) If the answer is yes, under what exemption?

10. (a) Is the *related person* registered with a *foreign financial regulatory authority* ?

(b) If the answer is yes, list the name and country, in English of each *foreign financial regulatory authority* with which the *related person* is registered.

No Information Filed

11. Do you and the *related person* share any *supervised persons*?

12. Do you and the *related person* share the same physical location?

1. Legal Name of *Related Person*:
VGI INSURANCE INC

2. Primary Business Name of *Related Person*:
VGI INSURANCE INC

3. *Related Person's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)
-
or
Other

4. *Related Person's*
(a) *CRD* Number (if any):

(b) *CIK* Number(s) (if any):

No Information Filed

5. *Related Person* is: (check all that apply)
(a) ☐ broker-dealer, municipal securities dealer, or government securities broker or dealer
(b) ☐ other investment adviser (including financial planners)
(c) ☐ registered municipal advisor
(d) ☐ registered security-based swap dealer
(e) ☐ major security-based swap participant
(f) ☐ commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
(g) ☐ futures commission merchant
(h) ☐ banking or thrift institution
(i) ☐ trust company
(j) ☐ accountant or accounting firm
(k) ☐ lawyer or law firm
(l) ☒ insurance company or agency
(m) ☐ pension consultant
(n) ☐ real estate broker or dealer
(o) ☐ sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
(p) ☐ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

6. Do you *control* or are you *controlled* by the *related person*?

7. Are you and the *related person* under common control?

8. (a) Does the *related person* act as a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?

(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the *related person* and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person*?

(c)

If you have answered "yes" to question 8.(a) above, provide the location of the *related person's* office responsible for *custody* of your *clients'* assets:

Number and Street 1:

City:

If this address is a private residence, check this box: ☐

Number and Street 2:

Country:

ZIP+4/Postal Code:

Yes

No

9.

(a)

If the *related person* is an investment adviser, is it exempt from registration?

(b)

If the answer is yes, under what exemption?

10.

(a)

Is the *related person* registered with a *foreign financial regulatory authority* ?

(b)

If the answer is yes, list the name and country, in English of each *foreign financial regulatory authority* with which the *related person* is registered.

No Information Filed

11.

Do you and the *related person* share any *supervised persons*?

12.

Do you and the *related person* share the same physical location?

Item 7 Private Fund Reporting

Yes

No

B.

Are you an adviser to any *private fund*?

If "yes," then for each private fund that you advise, you must complete a [Section 7.B.\(1\) of Schedule D](#), except in certain circumstances described in the next sentence and in Instruction 6 of the [Instructions to Part 1A](#). If you are registered or applying for registration with the SEC or reporting as an SEC exempt reporting adviser, and another SEC-registered adviser or SEC exempt reporting adviser reports this information with respect to any such private fund in Section 7.B.(1) of Schedule D of its Form ADV (e.g., if you are a subadviser), do not complete Section 7.B.(1) of Schedule D with respect to that private fund. You must, instead, complete [Section 7.B.\(2\) of Schedule D](#).

If in either case, if you seek to preserve the anonymity of a private fund client by maintaining its identity in your books and records in numerical or alphabetical code, or similar designation, pursuant to rule 204-2(d), you may identify the private fund in Section 7.B.(1) or 7.B.(2) of Schedule D using the same code or designation in place of the fund's name.

SECTION 7.B.(1) Private Fund Reporting

Funds per Page:

15

Total Funds: 1

A.

PRIVATE FUND

Information About the Private Fund

1.

(a)

Name of the *private fund*:

CSF PRIVATE FUND

(b)

Private fund identification number:
(include the "805-" prefix also)

805-1178567505

2.

Under the laws of what state or country is the *private fund* organized:

State:

Country:

Cayman Islands

3.

(a)

Name(s) of General Partner, Manager, Trustee, or Directors (or *persons* serving in a similar capacity):

Name of General Partner, Manager, Trustee, or Director

VGMF I (CAYMAN) LIMITED

(b)

If filing an *umbrella registration*, identify the *filing adviser* and/or *relying adviser(s)* that sponsor(s) or manage(s) this *private fund*.

No Information Filed

4.

The *private fund* (check all that apply; you must check at least one):

☐

(1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940

☒

(2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5.

List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

6.

(a) Is this a "master fund" in a master-feeder arrangement?

Yes

No

(b) If yes, what is the name and *private fund* identification number (if any) of the feeder funds investing in this *private fund*?

No Information Filed

(c) Is this a "feeder fund" in a master-feeder arrangement?

Yes

No

(d) If yes, what is the name and *private fund* identification number (if any) of the master fund in which this *private fund* invests?

Name of *private fund*:

Private fund identification number:
(include the "805-" prefix also)

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7.

If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

No Information Filed

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

8.

(a) Is this *private fund* a "fund of funds"?

Yes

No

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

(b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?

9.

During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?

Yes

No

10. What type of fund is the *private fund*?

☒ hedge fund

☐ liquidity fund

☐ private equity fund

☐ real estate fund

☐ securitized asset fund

☐ venture capital fund

☐ Other *private fund*:

NOTE: For definitions of these fund types, please see [Instruction 6 of the Instructions to Part 1A](#).

11.

Current gross asset value of the *private fund*:

\$ 317,600,405

Ownership

12.

Minimum investment commitment required of an investor in the *private fund*:

\$ 1

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the organizational documents of the fund).

13. Approximate number of the *private fund*'s beneficial owners:

1

14. What is the approximate percentage of the *private fund* beneficially owned by you and your *related persons*:

100%

15.

(a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:

0%

YesNo

(b) If the private fund qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*?

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:

0%

Your Advisory Services

YesNo

17. (a) Are you a subadviser to this *private fund*?

(b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

YesNo

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*?

(b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

No Information Filed

YesNo

19. Are your *clients* solicited to invest in the *private fund*?

NOTE: For purposes of this question, do not consider feeder funds of the *private fund*.

20. Approximately what percentage of your *clients* has invested in the *private fund*?

1%

Private Offering

YesNo

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933?

22. If yes, provide the *private fund's* Form D file number (if any):

No Information Filed

B. SERVICE PROVIDERS

Auditors

YesNo

23. (a) (1) Are the *private fund's* financial statements subject to an annual audit?

(2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP?

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

No Information Filed

YesNo

(g) Are the *private fund's* audited financial statements for the most recently completed fiscal year distributed to the *private fund's* investors?

(h) Do all of the reports prepared by the auditing firm for the *private fund* since your last *annual updating amendment* contain unqualified opinions?

Yes

No

Report Not Yet Received

If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.

Prime Broker

YesNo

24. (a) Does the *private fund* use one or more prime brokers?

If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

No Information Filed

Custodian

Yes No

25. (a) Does the *private fund* use any custodians (including the prime brokers listed above) to hold some or all of its assets?

☒ ☐

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

Additional Custodian Information : 1 Record(s) Filed.

If the answer to question 25.(a) is "yes," respond to questions (b) through g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

(b) Legal name of custodian:
STATE STREET BANK & TRUST COMPANY

(c) Primary business name of custodian:
STATE STREET BANK & TRUST COMPANY

(d) The location of the custodian's office responsible for *custody* of the *private fund*'s assets (city, state and country):
City: BOSTON State: Massachusetts Country: United States

Yes No

(e) Is the custodian a *related person* of your firm?

☐ ☒

(f) If the custodian is a broker-dealer, provide its SEC registration number (if any):
-
CRD Number (if any):

(g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

Administrator

Yes No

26. (a) Does the *private fund* use an administrator other than your firm?

☐ ☒

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

No Information Filed

27. During your last fiscal year, what percentage of the *private fund*'s assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

0%

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

Marketers

Yes No

28. (a) Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes?

☐ ☒

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

Item 8 Participation or Interest in Client Transactions

In this Item, we request information about your participation and interest in your *clients'* transactions. This information identifies additional areas in which conflicts of interest may occur between you and your *clients*. Newly-formed advisers should base responses to these questions on the types of participation and interest that you expect to engage in during the next year.

Like Item 7, Item 8 requires you to provide information about you and your *related persons*, including foreign affiliates.

Proprietary Interest in Client Transactions

A. Do you or any *related person*:

(1) buy securities for yourself from advisory *clients*, or sell securities you own to advisory *clients* (principal transactions)?

Yes

No

(2) buy or sell for yourself securities (other than shares of mutual funds) that you also recommend to advisory *clients*?

Yes

No

(3) recommend securities (or other investment products) to advisory *clients* in which you or any *related person* has some other proprietary (ownership) interest (other than those mentioned in Items 8.A.(1) or (2))?

Yes

No

Sales Interest in Client Transactions

B. Do you or any *related person*:

(1) as a broker-dealer or registered representative of a broker-dealer, execute securities trades for brokerage customers in which advisory *client* securities are sold to or bought from the brokerage customer (agency cross transactions)?

Yes

No

(2) recommend to advisory *clients*, or act as a purchaser representative for advisory *clients* with respect to, the purchase of securities for which you or any *related person* serves as underwriter or general or managing partner?

Yes

No

(3) recommend purchase or sale of securities to advisory *clients* for which you or any *related person* has any other sales interest (other than the receipt of sales commissions as a broker or registered representative of a broker-dealer)?

Yes

No

Investment or Brokerage Discretion

C. Do you or any *related person* have *discretionary authority* to determine the:

(1) securities to be bought or sold for a *client's* account?

Yes

No

(2) amount of securities to be bought or sold for a *client's* account?

Yes

No

(3) broker or dealer to be used for a purchase or sale of securities for a *client's* account?

Yes

No

(4) commission rates to be paid to a broker or dealer for a *client's* securities transactions?

Yes

No

D. If you answer "yes" to C.(3) above, are any of the brokers or dealers *related persons*?

Yes

No

E. Do you or any *related person* recommend brokers or dealers to *clients*?

Yes

No

F. If you answer "yes" to E. above, are any of the brokers or dealers *related persons*?

Yes

No

G. (1) Do you or any *related person* receive research or other products or services other than execution from a broker-dealer or a third party ("soft dollar benefits") in connection with *client* securities transactions?

Yes

No

(2) If "yes" to G.(1) above, are all the "soft dollar benefits" you or any *related persons* receive eligible "research or brokerage services" under section 28(e) of the Securities Exchange Act of 1934?

Yes

No

H. (1) Do you or any *related person*, directly or indirectly, compensate any *person* that is not an *employee* for *client* referrals?

Yes

No

(2) Do you or any *related person*, directly or indirectly, provide any *employee* compensation that is specifically related to obtaining *clients* for the firm (cash or non-cash compensation in addition to the *employee's* regular salary)?

Yes

No

I. Do you or any *related person*, including any *employee*, directly or indirectly, receive compensation from any *person* (other than you or any *related person*) for *client* referrals?

Yes

No

In your response to Item 8.I., do not include the regular salary you pay to an employee.

In responding to Items 8.H. and 8.I., consider all cash and non-cash compensation that you or a related person gave to (in answering Item 8.H.) or received from (in answering Item 8.I.) any person in exchange for client referrals, including any bonus that is based, at least in part, on the number or amount of client referrals.

Item 9 Custody

In this Item, we ask you whether you or a *related person* has *custody* of *client* (other than *clients* that are investment companies registered under the Investment Company Act of 1940) assets and about your custodial practices.

A. (1) Do you have *custody* of any advisory *clients'*:

Yes

No

- (a) cash or bank accounts?

(b) securities?
-

If you are registering or registered with the SEC, answer "No" to Item 9.A.(1)(a) and (b) if you have custody solely because (i) you deduct your advisory fees directly from your clients' accounts, or (ii) a related person has custody of client assets in connection with advisory services you provide to clients, but you have overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)-2(d)(5)) from the related person.

- (2) If you checked "yes" to Item 9.A.(1)(a) or (b), what is the approximate amount of *client* funds and securities and total number of *clients* for which you have custody:
- U.S. Dollar Amount

Total Number of *Clients*

(a) \$

(b)

If you are registering or registered with the SEC and you have custody solely because you deduct your advisory fees directly from your clients' accounts, do not include the amount of those assets and the number of those clients in your response to Item 9.A.(2). If your related person has custody of client assets in connection with advisory services you provide to clients, do not include the amount of those assets and number of those clients in your response to 9.A.(2). Instead, include that information in your response to Item 9.B.(2).

- B. (1) In connection with advisory services you provide to *clients*, do any of your *related persons* have custody of any of your advisory *clients*':
- (a) cash or bank accounts?

(b) securities?
-

You are required to answer this item regardless of how you answered Item 9.A.(1)(a) or (b).

- (2) If you checked "yes" to Item 9.B.(1)(a) or (b), what is the approximate amount of *client* funds and securities and total number of *clients* for which your *related persons* have custody:
- U.S. Dollar Amount

Total Number of *Clients*

(a) \$

(b)

- C. If you or your *related persons* have custody of *client* funds or securities in connection with advisory services you provide to *clients*, check all the following that apply:
- (1) A qualified custodian(s) sends account statements at least quarterly to the investors in the pooled investment vehicle(s) you manage.

(2) An *independent public accountant* audits annually the pooled investment vehicle(s) that you manage and the audited financial statements are distributed to the investors in the pools.

(3) An *independent public accountant* conducts an annual surprise examination of *client* funds and securities.

(4) An *independent public accountant* prepares an internal control report with respect to custodial services when you or your *related persons* are qualified custodians for *client* funds and securities.
-

If you checked Item 9.C.(2), C.(3) or C.(4), list in [Section 9.C. of Schedule D](#) the accountants that are engaged to perform the audit or examination or prepare an internal control report. (If you checked Item 9.C.(2), you do not have to list auditor information in [Section 9.C. of Schedule D](#) if you already provided this information with respect to the private funds you advise in [Section 7.B.\(1\) of Schedule D](#)).

- D. Do you or your *related person(s)* act as qualified custodians for your *clients* in connection with advisory services you provide to *clients*?
- (1) you act as a qualified custodian

(2) your *related person(s)* act as qualified custodian(s)
-

If you checked "yes" to Item 9.D.(2), all related persons that act as qualified custodians (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)) must be identified in [Section 7.A. of Schedule D](#), regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.

- E. If you are filing your *annual updating amendment* and you were subject to a surprise examination by an *independent public accountant* during your last fiscal year, provide the date (MM/YYYY) the examination commenced:
- F. If you or your *related persons* have custody of *client* funds or securities, how many *persons*, including, but not limited to, you and your *related persons*, act as qualified custodians for your *clients* in connection with advisory services you provide to *clients*?

SECTION 9.C. Independent Public Accountant

No Information Filed

Item 10 Control Persons

In this Item, we ask you to identify every *person* that, directly or indirectly, *controls* you. If you are filing an *umbrella registration*, the information in Item 10 should be provided for the *filing adviser* only.

If you are submitting an initial application or report, you must complete Schedule A and Schedule B. Schedule A asks for information about your direct owners and executive officers. Schedule B asks for information about your indirect owners. If this is an amendment and you are updating information you reported on either Schedule A or Schedule B (or both) that you filed with your initial application or report, you must complete Schedule C.

	Yes	No
A. Does any <i>person</i> not named in Item 1.A. or Schedules A, B, or C, directly or indirectly, <i>control</i> your management or policies?	☐	☒
<i>If yes, complete Section 10.A. of Schedule D.</i>		
B. If any <i>person</i> named in Schedules A, B, or C or in Section 10.A. of Schedule D is a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934, please complete Section 10.B. of Schedule D .		

SECTION 10.A. Control Persons

No Information Filed

SECTION 10.B. Control Person Public Reporting Companies

No Information Filed

Item 11 Disclosure Information

In this Item, we ask for information about your disciplinary history and the disciplinary history of all your *advisory affiliates*. We use this information to determine whether to grant your application for registration, to decide whether to revoke your registration or to place limitations on your activities as an investment adviser, and to identify potential problem areas to focus on during our on-site examinations. One event may result in "yes" answers to more than one of the questions below. In accordance with General Instruction 5 to Form ADV, "you" and "your" include the *filing adviser* and all *relying advisers* under an *umbrella registration*.

Your *advisory affiliates* are: (1) all of your current *employees* (other than *employees* performing only clerical, administrative, support or similar functions); (2) all of your officers, partners, or directors (or any *person* performing similar functions); and (3) all *persons* directly or indirectly *controlling* you or *controlled* by you. If you are a "separately identifiable department or division" (SID) of a bank, see the Glossary of Terms to determine who your *advisory affiliates* are.

If you are registered or registering with the SEC or if you are an exempt reporting adviser, you may limit your disclosure of any event listed in Item 11 to ten years following the date of the event. If you are registered or registering with a state, you must respond to the questions as posed; you may, therefore, limit your disclosure to ten years following the date of an event only in responding to Items 11.A.(1), 11.A.(2), 11.B.(1), 11.B.(2), 11.D.(4), and 11.H.(1)(a). For purposes of calculating this ten-year period, the date of an event is the date the final order, judgment, or decree was entered, or the date any rights of appeal from preliminary orders, judgments, or decrees lapsed.

You must complete the appropriate Disclosure Reporting Page ("DRP") for "yes" answers to the questions in this Item 11.

	Yes	No
Do any of the events below involve you or any of your <i>supervised persons</i> ?	☒	☐

For "yes" answers to the following questions, complete a Criminal Action DRP:

	Yes	No
A. In the past ten years, have you or any <i>advisory affiliate</i> :		
(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any <i>felony</i> ?	☐	☒
(2) been <i>charged</i> with any <i>felony</i> ?	☐	☒
<i>If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.A.(2) to charges that are currently pending.</i>		
B. In the past ten years, have you or any <i>advisory affiliate</i> :		
(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a <i>misdemeanor</i> involving: investments or an <i>investment-related</i> business, or any fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?	☐	☒
(2) been <i>charged</i> with a <i>misdemeanor</i> listed in Item 11.B.(1)?	☐	☒
<i>If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.B.(2) to charges that are currently pending.</i>		

For "yes" answers to the following questions, complete a Regulatory Action DRP:

	Yes	No
C. Has the SEC or the Commodity Futures Trading Commission (CFTC) ever:		
(1) <i>found</i> you or any <i>advisory affiliate</i> to have made a false statement or omission?	☐	☒
(2) <i>found</i> you or any <i>advisory affiliate</i> to have been <i>involved</i> in a violation of SEC or CFTC regulations or statutes?	☒	☐
(3) <i>found</i> you or any <i>advisory affiliate</i> to have been a cause of an <i>investment-related</i> business having its authorization to do business denied,	☐	☒

suspended, revoked, or restricted?			
(4) entered an <i>order</i> against you or any <i>advisory affiliate</i> in connection with <i>investment-related</i> activity?		☐	☐
(5) imposed a civil money penalty on you or any <i>advisory affiliate</i> , or <i>ordered</i> you or any <i>advisory affiliate</i> to cease and desist from any activity?		☐	☐
D. Has any other federal regulatory agency, any state regulatory agency, or any <i>foreign financial regulatory authority</i> :			
(1) ever <i>found</i> you or any <i>advisory affiliate</i> to have made a false statement or omission, or been dishonest, unfair, or unethical?		☐	☐
(2) ever <i>found</i> you or any <i>advisory affiliate</i> to have been <i>involved</i> in a violation of <i>investment-related</i> regulations or statutes?		☐	☐
(3) ever <i>found</i> you or any <i>advisory affiliate</i> to have been a cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?		☐	☐
(4) in the past ten years, entered an <i>order</i> against you or any <i>advisory affiliate</i> in connection with an <i>investment-related</i> activity?		☐	☐
(5) ever denied, suspended, or revoked your or any <i>advisory affiliate's</i> registration or license, or otherwise prevented you or any <i>advisory affiliate</i> , by <i>order</i> , from associating with an <i>investment-related</i> business or restricted your or any <i>advisory affiliate's</i> activity?		☐	☐
E. Has any <i>self-regulatory organization</i> or commodities exchange ever:			
(1) <i>found</i> you or any <i>advisory affiliate</i> to have made a false statement or omission?		☐	☐
(2) <i>found</i> you or any <i>advisory affiliate</i> to have been <i>involved</i> in a violation of its rules (other than a violation designated as a " <i>minor rule violation</i> " under a plan approved by the SEC)?		☐	☐
(3) <i>found</i> you or any <i>advisory affiliate</i> to have been the cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?		☐	☐
(4) disciplined you or any <i>advisory affiliate</i> by expelling or suspending you or the <i>advisory affiliate</i> from membership, barring or suspending you or the <i>advisory affiliate</i> from association with other members, or otherwise restricting your or the <i>advisory affiliate's</i> activities?		☐	☐
F. Has an authorization to act as an attorney, accountant, or federal contractor granted to you or any <i>advisory affiliate</i> ever been revoked or suspended?		☐	☐
G. Are you or any <i>advisory affiliate</i> now the subject of any regulatory <i>proceeding</i> that could result in a "yes" answer to any part of Item 11.C., 11.D., or 11.E.?		☐	☐
For "yes" answers to the following questions, complete a Civil Judicial Action DRP:			
H. (1) Has any domestic or foreign court:		Yes	No
(a) in the past ten years, <i>enjoined</i> you or any <i>advisory affiliate</i> in connection with any <i>investment-related</i> activity?		☐	☐
(b) ever <i>found</i> that you or any <i>advisory affiliate</i> were <i>involved</i> in a violation of <i>investment-related</i> statutes or regulations?		☐	☐
(c) ever dismissed, pursuant to a settlement agreement, an <i>investment-related</i> civil action brought against you or any <i>advisory affiliate</i> by a state or <i>foreign financial regulatory authority</i> ?		☐	☐
(2) Are you or any <i>advisory affiliate</i> now the subject of any civil <i>proceeding</i> that could result in a "yes" answer to any part of Item 11.H.(1)?		☐	☐

Item 12 Small Businesses

The SEC is required by the Regulatory Flexibility Act to consider the effect of its regulations on small entities. In order to do this, we need to determine whether you meet the definition of "small business" or "small organization" under rule 0-7.

Answer this Item 12 only if you are registered or registering with the SEC **and** you indicated in response to Item 5.F.(2)(c) that you have regulatory assets under management of less than \$25 million. You are not required to answer this Item 12 if you are filing for initial registration as a state adviser, amending a current state registration, or switching from SEC to state registration.

For purposes of this Item 12 only:

- Total Assets refers to the total assets of a firm, rather than the assets managed on behalf of *clients*. In determining your or another *person's* total assets, you may use the total assets shown on a current balance sheet (but use total assets reported on a consolidated balance sheet with subsidiaries included, if that amount is larger).
- Control* means the power to direct or cause the direction of the management or policies of a *person*, whether through ownership of securities, by contract, or otherwise. Any *person* that directly or indirectly has the right to vote 25 percent or more of the voting securities, or is entitled to 25 percent or more of the profits, of another *person* is presumed to *control* the other *person*.

	Yes	No
A. Did you have total assets of \$5 million or more on the last day of your most recent fiscal year?	☐	☐
If "yes," you do not need to answer Items 12.B. and 12.C.		
B. Do you:		
(1) <i>control</i> another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of \$25 million or more on the last day of its most recent fiscal year?	☐	☐
(2) <i>control</i> another <i>person</i> (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year?	☐	☐
C. Are you:		
(1) <i>controlled</i> by or under common <i>control</i> with another investment adviser that had regulatory assets under management (calculated in response to	☐	☐

Item 5.F.(2)(c) of Form ADV) of \$25 million or more on the last day of its most recent fiscal year?

(2)

controlled by or under common control with another person (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year?

Schedule A

Direct Owners and Executive Officers

1. Complete Schedule A only if you are submitting an initial application or report. Schedule A asks for information about your direct owners and executive officers. Use Schedule C to amend this information.
2. Direct Owners and Executive Officers. List below the names of:

(a) each Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Compliance Officer(Chief Compliance Officer is required if you are registered or applying for registration and cannot be more than one individual), director, and any other individuals with similar status or functions;

(b) if you are organized as a corporation, each shareholder that is a direct owner of 5% or more of a class of your voting securities, unless you are a public reporting company (a company subject to Section 12 or 15(d) of the Exchange Act);
Direct owners include any person that owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 5% or more of a class of your voting securities. For purposes of this Schedule, a person beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.

(c) if you are organized as a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 5% or more of your capital;

(d) in the case of a trust that directly owns 5% or more of a class of your voting securities, or that has the right to receive upon dissolution, or has contributed, 5% or more of your capital, the trust and each trustee; and

(e) if you are organized as a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 5% or more of your capital, and (ii) if managed by elected managers, all elected managers.
3. Do you have any indirect owners to be reported on Schedule B?

Yes

No
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner or executive officer is an individual.
5. Complete the Title or Status column by entering board/management titles; status as partner, trustee, sole proprietor, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are:

NA - less than 5%

B - 10% but less than 25%

D - 50% but less than 75%

A - 5% but less than 10%

C - 25% but less than 50%

E - 75% or more
7. (a) In the Control Person column, enter "Yes" if the person has control as defined in the Glossary of Terms to Form ADV, and enter "No" if the person does not have control. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are control persons.
- (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
- (c) Complete each column.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Title or Status	Date Title or Status Acquired MM/YYYY	Ownership Code	Control Person	PR	CRD No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.
VANGUARD ADMIRAL FUNDS	DE	STOCKHOLDER	12/1992	NA	N	N	
VANGUARD OHIO TAX-FREE FUNDS	DE	STOCKHOLDER	06/1990	NA	N	N	
VANGUARD VALLEY FORGE FUNDS	DE	STOCKHOLDER	11/1992	NA	N	N	
VANGUARD TAX-MANAGED FUNDS	DE	STOCKHOLDER	09/1994	NA	N	N	
VANGUARD WHITEHALL FUNDS	DE	STOCKHOLDER	02/1996	NA	N	N	
VANGUARD HORIZON FUNDS	DE	STOCKHOLDER	06/1995	NA	N	N	
VANGUARD SCOTTSDALE FUNDS	DE	STOCKHOLDER	11/2009	NA	N	N	
VANGUARD NEW JERSEY TAX-FREE FUNDS	DE	STOCKHOLDER	09/1987	NA	N	N	
VANGUARD CALIFORNIA TAX-FREE FUNDS	DE	STOCKHOLDER	10/1985	NA	N	N	
VANGUARD NEW YORK TAX-FREE FUNDS	DE	STOCKHOLDER	01/1986	NA	N	N	
VANGUARD PENNSYLVANIA TAX-FREE FUNDS	DE	STOCKHOLDER	01/1986	NA	N	N	
VANGUARD QUANTITATIVE FUNDS	DE	STOCKHOLDER	08/1986	NA	N	N	
VANGUARD VARIABLE INSURANCE FUNDS	DE	STOCKHOLDER	04/1991	NA	N	N	
VANGUARD MASSACHUSETTS TAX-EXEMPT FUNDS	DE	STOCKHOLDER	07/1992	NA	N	N	
VANGUARD WELLINGTON FUND	DE	STOCKHOLDER	05/1975	NA	N	N	
VANGUARD WINDSOR FUNDS	DE	STOCKHOLDER	05/1975	NA	N	N	
VANGUARD WORLD FUND	DE	STOCKHOLDER	05/1975	NA	N	N	
VANGUARD TRUSTEES' EQUITY FUND	DE	STOCKHOLDER	02/1980	NA	N	N	
VANGUARD EXPLORER FUND	DE	STOCKHOLDER	12/1975	NA	N	N	
VANGUARD WELLESLEY INCOME FUND	DE	STOCKHOLDER	05/1975	NA	N	N	
VANGUARD INDEX FUNDS	DE	STOCKHOLDER	08/1976	C	Y	N	
VANGUARD BOND INDEX FUNDS	DE	STOCKHOLDER	12/1986	A	N	N	
VANGUARD FENWAY FUNDS	DE	STOCKHOLDER	11/1987	NA	N	N	
VANGUARD MALVERN FUNDS	DE	STOCKHOLDER	11/1988	NA	N	N	

VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	DE	STOCKHOLDER	04/1990	NA	N	N	
VANGUARD FIXED INCOME SECURITIES FUNDS	DE	STOCKHOLDER	05/1975	NA	N	N	
VANGUARD MONEY MARKET RESERVES	DE	STOCKHOLDER	05/1975	A	N	N	
VANGUARD MUNICIPAL BOND FUNDS	DE	STOCKHOLDER	09/1977	NA	N	N	
VANGUARD SPECIALIZED FUNDS	DE	STOCKHOLDER	10/1983	NA	N	N	
VANGUARD CHESTER FUNDS	DE	STOCKHOLDER	08/1984	NA	N	N	
PEROLD, ANDRE, FRANCOIS	I	DIRECTOR	12/2004	NA	Y	N	4660204
VANGUARD MONTGOMERY FUNDS	DE	STOCKHOLDER	11/2007	NA	N	N	
VOLANAKIS, PETER, FREDERICK	I	DIRECTOR	12/2008	NA	Y	N	5648569
VANGUARD STAR FUNDS	DE	STOCKHOLDER	03/2009	NA	N	N	
VANGUARD CHARLOTTE FUNDS	DE	STOCKHOLDER	10/2011	NA	N	N	
MCISAAC, CHRISTOPHER, DAVIS	I	MANAGING DIRECTOR	03/2012	NA	Y	N	2928259
MALPASS, SCOTT, CHARLES	I	DIRECTOR	03/2012	NA	Y	N	2532347
LOUGHRIDGE, MARK	I	LEAD INDEPENDENT DIRECTOR AND CHAIRMAN OF THE BOARD	03/2012	NA	Y	N	6048361
ROLLINGS, MICHAEL, THOMAS	I	MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER	06/2016	NA	Y	N	1592402
JAMES, JOHN, MARK	I	MANAGING DIRECTOR	12/2016	NA	Y	N	5594356
RASKIN, SARAH, BLOOM	I	DIRECTOR	07/2017	NA	Y	N	6844984
DAVIS, GREGORY	I	MANAGING DIRECTOR, PRESIDENT, DIRECTOR AND CHIEF INVESTMENT OFFICER	07/2017	NA	Y	N	2416369
VANGUARD INSTITUTIONAL INDEX FUNDS	DE	STOCKHOLDER	02/2018	NA	N	N	
BRENNAN, JOSEPH, PATRICK	I	MANAGING DIRECTOR AND CHIEF RISK OFFICER	09/2018	NA	Y	N	2193881
VALENTE, LAUREN, MARIE	I	MANAGING DIRECTOR	09/2020	NA	Y	N	6119944
BENCHENER, MATTHEW, JOHN	I	MANAGING DIRECTOR	12/2020	NA	Y	N	5569805
Thomas, David, Anthony	I	DIRECTOR	07/2021	NA	Y	N	7423571
BUNCH, TARA, LYNN	I	DIRECTOR	11/2021	NA	Y	N	7470785
Tandon, Nitin	I	MANAGING DIRECTOR AND CHIEF INFORMATION OFFICER	11/2021	NA	Y	N	7482798
ANGELL, JACQUELINE, MARY	I	CHIEF COMPLIANCE OFFICER	11/2022	NA	Y	N	5606776
Reid, Grant, Fergus	I	DIRECTOR	07/2023	NA	Y	N	7790086
BOATENG, AMMA, ACHEAMPOMAA	I	MANAGING DIRECTOR	01/2024	NA	Y	N	4677078
PASTOR, LUBOS	I	DIRECTOR	01/2024	NA	Y	N	7847932
MURPHY, JOHN	I	DIRECTOR	06/2024	NA	Y	N	7942313
RAMJI, SALIM	I	CHIEF EXECUTIVE OFFICER AND DIRECTOR	07/2024	NA	Y	N	4797124
ROBINSON, TONYA, TERRELL	I	GENERAL COUNSEL, MANAGING DIRECTOR, AND SECRETARY	10/2024	NA	Y	N	7997955
Couture, Jon, Nicholas	I	MANAGING DIRECTOR	12/2024	NA	Y	N	8020879
ROTENBERG, JOANNA, MICHELLE	I	MANAGING DIRECTOR	01/2025	NA	Y	N	7559067
VENNEMAN, BARBARA	I	DIRECTOR	02/2025	NA	Y	N	8058733
PATTERSON, REBECCA, HOPE	I	DIRECTOR	02/2025	NA	Y	N	5480298

Schedule B

Indirect Owners

- Complete Schedule B only if you are submitting an initial application or report. Schedule B asks for information about your indirect owners; you must first complete Schedule A, which asks for information about your direct owners. Use Schedule C to amend this information.
- Indirect Owners. With respect to each owner listed on Schedule A (except individual owners), list below:
 - in the case of an owner that is a corporation, each of its shareholders that beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 25% or more of a class of a voting security of that corporation;
 - For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.
 - in the case of an owner that is a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 25% or more of the partnership's capital;
 - in the case of an owner that is a trust, the trust and each trustee; and
 - in the case of an owner that is a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 25% or more of the LLC's capital, and (ii) if managed by elected managers, all elected managers.
- Continue up the chain of ownership listing all 25% owners at each level. Once a public reporting company (a company subject to Sections 12 or 15(d) of the

- Exchange Act) is reached, no further ownership information need be given.
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner is an individual.
5. Complete the Status column by entering the owner's status as partner, trustee, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are: C - 25% but less than 50% E - 75% or more
 D - 50% but less than 75% F - Other (general partner, trustee, or elected manager)
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.
- (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
- (c) Complete each column.

No Information Filed

Schedule D - Miscellaneous

You may use the space below to explain a response to an Item or to provide any other information.

Under Schedule A, John Murphy has no middle name. Under Schedule A, Nitin Tandon has no middle name. Under Schedule A, Lubos Pastor has no middle name. Under Schedule A, Mark Loughridge has no middle name. Under Schedule A, Gregory Davis has no middle name. Under Schedule A, Salim Ramji has no middle name. Under Schedule A, Barbara Venneman has no middle name. Section 7. We have affiliates that are not listed because we've met one or more of the exceptions of the SEC's guidance regarding related persons. A list of affiliates can be provided upon request.

Schedule R

No Information Filed

DRP Pages

CRIMINAL DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

REGULATORY ACTION DISCLOSURE REPORTING PAGE (ADV)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)	☐ 11.C(2)	☐ 11.C(3)	☐ 11.C(4)	☐ 11.C(5)
☐ 11.D(1)	☒ 11.D(2)	☐ 11.D(3)	☒ 11.D(4)	☐ 11.D(5)
☐ 11.E(1)	☐ 11.E(2)	☐ 11.E(3)	☐ 11.E(4)	
☐ 11.F.	☐ 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

CRD Number:	106715	This <i>advisory affiliate</i> is ☒ a Firm ☐ an Individual
Registered:	☒ Yes ☐ No	
Name:	VANGUARD ADVISERS INC (For individuals, Last, First, Middle)	

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
☐ SEC ☐ Other Federal ☒ State ☐ SRO ☐ Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF BANKING AND SECURITIES
2. Principal Sanction:
Other
Other Sanctions:
ADMINISTRATIVE ASSESSMENT
3. Date Initiated (MM/DD/YYYY):
10/10/2017 ☐ Exact ☒ Explanation
If not exact, provide explanation:
DATE INITIAL INQUIRY RELATED TO THIS MATTER WAS RECEIVED.
4. Docket/Case Number:
17-0077
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:
No Product
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
FROM FEBRUARY 2017 UNTIL DECEMBER 2017, VANGUARD ADVISERS, INC., DUE TO ADMINISTRATIVE ERROR, EMPLOYED AN INVESTMENT ADVISER REPRESENTATIVE WHO, ALTHOUGH REGISTERED AS AN INVESTMENT ADVISER REPRESENTATIVE IN ARIZONA, WAS NOT REGISTERED AS AN INVESTMENT ADVISER REPRESENTATIVE IN PENNSYLVANIA.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

11. Resolution Date (MM/DD/YYYY):

12/20/2017 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions Ordered (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 23,480.00
- ☐ Revocation/Expulsion/Denial
- ☐ Disgorgement/Restitution
- ☐ Censure
- ☐ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions Ordered:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
AN ADMINISTRATIVE ASSESSMENT OF \$23,480 WAS LEVIED AGAINST VAI. PAYMENT WAS MADE JANUARY 9, 2018.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).
AN INVESTMENT ADVISER REPRESENTATIVE ("IAR") CHANGED HIS PERSONAL RESIDENCE FROM ARIZONA TO PENNSYLVANIA. AS A RESULT OF AN ADMINISTRATIVE ERROR, VANGUARD ADVISERS, INC. DID NOT IMMEDIATELY UPDATE HIS REGISTRATION TO REFLECT PENNSYLVANIA AS HIS NEW PLACE OF EMPLOYMENT. VANGUARD ADVISERS, INC. SELF IDENTIFIED THE ISSUE.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☒ 11.D(2)
- ☐ 11.D(3)
- ☒ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☐ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11

that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
☐ SEC ☐ Other Federal ☐ State ☐ SRO ☒ Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
FINANCIAL SUPERVISORY SERVICE ("FSS"), SOUTH KOREA

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
NONE

3. Date Initiated (MM/DD/YYYY):
06/18/2020 ☒ Exact ☐ Explanation
If not exact, provide explanation:

4. Docket/Case Number:
CAPITAL MARKET INVESTIGATION DEPARTMENT, INVESTIGATION TEAM 3 - 1076

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
N/A

6. Principal Product Type:
Equity Listed (Common & Preferred Stock)
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
THE SOUTH KOREAN FINANCIAL SUPERVISORY SERVICE CLAIMED THAT ON THREE OCCASIONS FROM 2018 TO 2019 THE VANGUARD GROUP, INC. ("VGI"), ENGAGED IN THE SALE OF TWO KOREAN-LISTED SECURITIES WITHOUT CORRESPONDING OWNERSHIP OF THE POSITIONS, A PRACTICE WHICH IS PROHIBITED UNDER SOUTH KOREAN LAW.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Decision & Order of Offer of Settlement

11. Resolution Date (MM/DD/YYYY):
09/24/2020 ☒ Exact ☐ Explanation
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 104,575.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial

Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
ON OCTOBER 12, 2020, \$83,660 (KRW 96 MILLION) WAS ACCEPTED AS PAYMENT, WHICH REFLECTS A DISCOUNT FROM THE \$104,575 (KRW 120 MILLION) ORIGINALLY SOUGHT.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

ON SEPTEMBER 24, 2020, THE SOUTH KOREAN FINANCIAL SERVICES COMMISSION IMPOSED AN ADMINISTRATIVE FINE IN THE AMOUNT OF \$104,575 (KRW 120 MILLION) ON VGI, IN CONNECTION WITH THREE INSTANCES DURING 2018 AND 2019 IN WHICH VGI SOLD TWO KOREAN-LISTED SECURITIES WITHOUT CORRESPONDING OWNERSHIP OF THE POSITION, A PRACTICE WHICH IS PROHIBITED UNDER SOUTH KOREAN LAW.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)	☐ 11.C(2)	☐ 11.C(3)	☐ 11.C(4)	☐ 11.C(5)
☐ 11.D(1)	☒ 11.D(2)	☐ 11.D(3)	☒ 11.D(4)	☐ 11.D(5)
☐ 11.E(1)	☐ 11.E(2)	☐ 11.E(3)	☐ 11.E(4)	
☐ 11.F.	☐ 11.G.			

Use a separate *DRP* for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one *DRP*. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one *DRP* to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate *DRP*.

PART I

A. The *person(s)* or entity(ies) for whom this *DRP* is being filed is (are):

☒ You (the advisory firm)
☐ You and one or more of your *advisory affiliates*
☐ One or more of your *advisory affiliates*

If this *DRP* is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV *DRP* - ADVISORY AFFILIATE

No Information Filed

☐ This *DRP* should be removed from the *ADV* record because the *advisory affiliate(s)* is no longer associated with the adviser.
☐ This *DRP* should be removed from the *ADV* record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☒ SEC ☐ Other Federal ☐ State ☐ SRO ☒ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):
02/03/2021 ☒ Exact ☐ Explanation
If not exact, provide explanation:
4. Docket/Case Number:
CAPITAL MARKET INVESTIGATION DEPARTMENT, INVESTIGATION TEAM 3 - 116
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:
Equity Listed (Common & Preferred Stock)
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
THE SOUTH KOREAN FINANCIAL SUPERVISORY SERVICE (FSS) CLAIMED THAT ON SEPTEMBER 27, 2019 THE VANGUARD GROUP, INC. ("VGI"), ENGAGED IN THE SALE OF ONE KOREAN-LISTED SECURITY WITHOUT CORRESPONDING OWNERSHIP OF THE POSITION, A PRACTICE WHICH IS PROHIBITED UNDER SOUTH KOREAN LAW.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Decision & Order of Offer of Settlement
11. Resolution Date (MM/DD/YYYY):
12/22/2021 ☒ Exact ☐ Explanation
If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 15,409.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
ON DECEMBER 22, 2021 \$15,409 (KRW 18 MILLION) WAS SUBMITTED AS PAYMENT.
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).
ON NOVEMBER 12, 2021, THE SOUTH KOREAN FINANCIAL SERVICES COMMISSION IMPOSED AN ADMINISTRATIVE FINE IN THE AMOUNT OF \$15,409 (KRW 18 MILLION) ON VGI, IN CONNECTION WITH ONE INCIDENT DURING 2019 IN WHICH VGI SOLD A KOREAN-LISTED SECURITY WITHOUT CORRESPONDING OWNERSHIP OF THE POSITION, A PRACTICE THAT IS PROHIBITED UNDER SOUTH KOREAN LAW.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☒ 11.D(2)

☐ 11.D(3)

☒ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☐ SRO
- ☒ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
GERMAN FEDERAL FINANCIAL SUPERVISORY AUTHORITY ("BAFIN")

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

05/11/2021 ☒ Exact ☐ Explanation
If not exact, provide explanation:

4. Docket/Case Number:

WA 17-WP 3120-2021/0030

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Mutual Fund(s)
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

BAFIN CLAIMED THAT THE VANGUARD GROUP, INC. ("VGI") ERRED IN PERFORMING A TECHNICAL PROCESS FROM 2017 TO 2019, WHICH LED TO UNTIMELY VOTING RIGHTS NOTIFICATIONS FOR THREE POSITIONS IN CONNECTION WITH SECURITIES LENDING ARRANGEMENTS.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Decision & Order of Offer of Settlement

11. Resolution Date (MM/DD/YYYY):

12/07/2021 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 376,996.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

ON DECEMBER 7, 2021 \$376,996 (EUR 290,000) WAS ACCEPTED AS PAYMENT.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

ON NOVEMBER 25 2021, BAFIN IMPOSED AN ADMINISTRATIVE FINE IN THE AMOUNT OF \$376,996 (EUR 290,000) ON VGI, RELATED TO A TECHNICAL ERROR IN FULFILLING VOTING RIGHTS NOTIFICATION OBLIGATIONS WITHIN THE PRESCRIBED PERIOD FOR THREE POSITIONS FROM 2017 THRU 2019.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)
- ☐ 11.D(1)

☒ 11.D(2)

☐ 11.D(3)

☒ 11.D(4)

☐ 11.D(5)
- ☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)
- ☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	164593	This <i>advisory affiliate</i> is ☒ a Firm ☐ an Individual
Registered:	☒ Yes ☐ No	
Name:	VANGUARD GLOBAL ADVISERS, LLC (For individuals, Last, First, Middle)	

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☐ SRO ☒ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINANCIAL SUPERVISORY SERVICE ("FSS"), SOUTH KOREA
2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

02/03/2021 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

CAPITAL MARKET INVESTIGATION DEPARTMENT, INVESTIGATION TEAM 3 - 116
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Equity Listed (Common & Preferred Stock)

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE SOUTH KOREAN FINANCIAL SUPERVISORY SERVICE CLAIMED THAT ON MARCH 18, 2020 VANGUARD GLOBAL ADVISERS, LLC ("VGA"), ENGAGED IN THE SALE OF ONE KOREAN-LISTED SECURITY WITHOUT CORRESPONDING OWNERSHIP OF THE POSITION, A PRACTICE WHICH IS PROHIBITED UNDER SOUTH KOREAN LAW.
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Decision & Order of Offer of Settlement

11. Resolution Date (MM/DD/YYYY):
12/22/2021 ☒ Exact ☐ Explanation
If not exact, provide explanation:

12. Resolution Detail:
A. Were any of the following Sanctions *Ordered* (check all appropriate items)?
☒ Monetary/Fine Amount: \$ 19,177.00
☐ Revocation/Expulsion/Denial
☐ Censure
☐ Bar
☐ Disgorgement/Restitution
☐ Cease and Desist/Injunction
☐ Suspension
B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
ON DECEMBER 22, 2021, \$19,177 (KRW 22.5 MILLION) WAS SUBMITTED AS PAYMENT.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).
ON NOVEMBER 12, 2021, THE SOUTH KOREAN FINANCIAL SERVICES COMMISSION IMPOSED AN ADMINISTRATIVE FINE IN THE AMOUNT OF \$19,177 (KRW 22.5 MILLION) ON VGA, IN CONNECTION WITH ONE INCIDENT DURING 2020 IN WHICH VGA SOLD A KOREAN-LISTED SECURITY WITHOUT CORRESPONDING OWNERSHIP OF THE POSITION, WHICH IS A PRACTICE THAT IS PROHIBITED UNDER SOUTH KOREAN LAW.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)	☐ 11.C(2)	☐ 11.C(3)	☐ 11.C(4)	☐ 11.C(5)
☐ 11.D(1)	☒ 11.D(2)	☐ 11.D(3)	☒ 11.D(4)	☐ 11.D(5)
☐ 11.E(1)	☐ 11.E(2)	☐ 11.E(3)	☐ 11.E(4)	
☐ 11.F.	☐ 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
☐ You (the advisory firm)
☐ You and one or more of your *advisory affiliates*
☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a CRD number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	282933	This <i>advisory affiliate</i> is ☒ a Firm ☐ an Individual
Registered:	☒ Yes ☐ No	
Name:	VANGUARD INVESTMENTS AUSTRALIA LIMITED (For individuals, Last, First, Middle)	

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☒ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☒ SEC

☐ Other Federal

☐ State

☐ SRO

☒ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
FINANCIAL SUPERVISORY SERVICE ("FSS"), SOUTH KOREA
2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

02/24/2022 ☒ Exact ☐ Explanation
If not exact, provide explanation:
4. Docket/Case Number:

CAPITAL MARKET INVESTIGATION DEPARTMENT, INVESTIGATION TEAM 3 - 116
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Equity Listed (Common & Preferred Stock)
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE SOUTH KOREAN FINANCIAL SUPERVISORY SERVICE CLAIMED THAT ON MARCH 31, 2020 VANGUARD INVESTMENTS AUSTRALIA LIMITED ("VIA"), ENGAGED IN THE SALE OF TWO KOREAN-LISTED SECURITIES WITHOUT CORRESPONDING OWNERSHIP OF THE POSITIONS, A PRACTICE WHICH IS PROHIBITED UNDER SOUTH KOREAN LAW.
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Decision & Order of Offer of Settlement
11. Resolution Date (MM/DD/YYYY):

02/24/2022 ☒ Exact ☐ Explanation
If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 19,821.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
ON FEBRUARY 02/24/2022 ~ \$ 19821 (KRW 24 MILLION) WAS SUBMITTED AS VOLUNTARY PAYMENT, A DISCOUNT FROM THE KRW 30 MILLION ORIGINALLY SOUGHT.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

ON FEBRUARY 24, 2022, THE FINANCIAL SERVICES COMMISSION IMPOSED AN ADMINISTRATIVE FINE IN THE AMOUNT OF ~\$ 19821 (KRW 24 MILLION) ON VIA, (A DISCOUNT FROM KRW 30 MILLION FOR VOLUNTARY PAYMENT) IN CONNECTION WITH ONE INCIDENT DURING 2020 IN WHICH VIA SOLD TWO KOREAN-LISTED SECURITIES WITHOUT CORRESPONDING OWNERSHIP OF THE POSITIONS, WHICH IS A PRACTICE THAT IS PROHIBITED UNDER SOUTH KOREAN LAW.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)	☐ 11.C(2)	☐ 11.C(3)	☐ 11.C(4)	☐ 11.C(5)
☐ 11.D(1)	☐ 11.D(2)	☐ 11.D(3)	☐ 11.D(4)	☐ 11.D(5)
☐ 11.E(1)	☒ 11.E(2)	☐ 11.E(3)	☐ 11.E(4)	
☐ 11.F.	☐ 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	7452	This <i>advisory affiliate</i> is ☒ a Firm ☐ an Individual
Registered:	☒ Yes ☐ No	
Name:	VANGUARD MARKETING CORPORATION (For individuals, Last, First, Middle)	

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.
- ☒ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ *SRO*

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

CENSURE
3. Date Initiated (MM/DD/YYYY):

11/04/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

2020066956001
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Options

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA ALLEGES THAT VANGUARD MARKETING CORPORATION ("VMC") VIOLATED FINRA RULES 2360(B)(23)(A) AND 2010 BY ACCEPTING A CLIENT'S OPTIONS EXERCISE INSTRUCTIONS ON MAY 22, 2020, AFTER THE 5:30 PM CUTOFF TIME, AND FINRA RULES 3110 AND 2010 BY FAILING TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE REQUIREMENTS FOR HANDLING OPTION EXERCISE INSTRUCTIONS AFTER THE EXERCISE CUT-OFF TIME.
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:
- If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.
10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):

11/04/2022 ☒ Exact ☐ Explanation

If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 50,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

FINRA ASSESSED A FINE OF \$50,000.00 AGAINST VMC (THE APPLICANT). VMC PAID THE FINE BY WIRE ON NOVEMBER 16, 2022.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

WITHOUT ADMITTING OR DENYING FINRA'S ALLEGATIONS OR FINDINGS, VMC AGREED TO THE IMPOSITION OF A CENSURE AND A FINE IN THE AMOUNT OF \$50,000.00.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)	☐ 11.C(2)	☐ 11.C(3)	☐ 11.C(4)	☐ 11.C(5)
☐ 11.D(1)	☒ 11.D(2)	☐ 11.D(3)	☒ 11.D(4)	☐ 11.D(5)
☐ 11.E(1)	☐ 11.E(2)	☐ 11.E(3)	☐ 11.E(4)	
☐ 11.F.	☐ 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	282933	This <i>advisory affiliate</i> is ☒ a Firm ☐ an Individual
Registered:	☒ Yes ☐ No	
Name:	VANGUARD INVESTMENTS AUSTRALIA LIMITED (For individuals, Last, First, Middle)	

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC ☐ Other Federal ☐ State ☐ SRO ☒ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
11/11/2022 ☒ Exact ☐ Explanation
If not exact, provide explanation:

4. Docket/Case Number:
S02553190, S02553191, S02553192

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUSTRALIAN REGISTERED MANAGED INVESTMENT SCHEME

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
ASIC ALLEGED THAT VIA ISSUED A PRODUCT DISCLOSURE STATEMENT (PDS) FOR THREE FUNDS THAT STATED THAT THE INDEX TRACKED BY THE FUNDS EXCLUDED CERTAIN SECURITIES WHICH WERE NOT IN FACT EXCLUDED BY THE INDEX METHODOLOGY. ASIC HAS ACKNOWLEDGED THAT THE MISSTATEMENTS WERE AN INADVERTENT ERROR AND NOT INTENTIONAL.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Other

11. Resolution Date (MM/DD/YYYY):
12/02/2022 ☒ Exact ☐ Explanation
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 27,116.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
VIA RECEIVED THREE INFRINGEMENT NOTICES FROM ASIC FOR AN INADVERTENT MISDESCRIPTION IN THE PDS DOCUMENTS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).
VIA SELF-IDENTIFIED AN ERROR IN THE PDS TO ASIC FOR THE VANGUARD INTERNATIONAL SHARES SELECT EXCLUSIONS INDEX FUNDS AND ISSUED A SUPPLEMENTARY PDS FOR EACH OF THE AFFECTED FUNDS, CORRECTING THE ERROR, AND COMMUNICATED THE UPDATE TO INVESTORS. THE NOTICES RESULTED IN A TOTAL FINE OF ~\$27,116 USD (\$39,960 AUD). THE NOTICES WERE PAID IN FULL ON OR BEFORE 12/2/2022.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)	☐ 11.C(2)	☐ 11.C(3)	☐ 11.C(4)	☐ 11.C(5)
☐ 11.D(1)	☒ 11.D(2)	☐ 11.D(3)	☒ 11.D(4)	☐ 11.D(5)
☐ 11.E(1)	☐ 11.E(2)	☐ 11.E(3)	☐ 11.E(4)	
☐ 11.F.	☐ 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	282933	This <i>advisory affiliate</i> is ☒ a Firm ☐ an Individual
Registered:	☒ Yes ☐ No	
Name:	VANGUARD INVESTMENTS AUSTRALIA LIMITED (For individuals, Last, First, Middle)	

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☐ SRO ☒ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINANCIAL MARKETS AUTHORITY (FMA), NEW ZEALAND
2. Principal Sanction:

Reprimand

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

03/03/2023 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

- NA
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
NA
6. Principal Product Type:
Other
Other Product Types:
AUSTRALIAN REGISTERED MANAGED INVESTMENT SCHEME

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
THE FMA ISSUED A WARNING TO VANGUARD INVESTMENTS AUSTRALIA LIMITED (VIA) FOR FAILING TO COMPLY WITH ITS FINANCIAL MARKETS CONDUCT REGULATIONS 2014 REQUIRING DISCLOSURE OF THREE ASIC INFRINGEMENT NOTICES "AS SOON AS PRACTICABLE AFTER THE ACTION IS TAKEN OR THE POWER IS EXERCISED AND NO LATER THAN 5 WORKING DAYS AFTER THE DAY ON WHICH THE ACTION IS TAKEN OR THE POWER IS EXERCISED."
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:
NA

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Other
11. Resolution Date (MM/DD/YYYY):
03/27/2023 ☒ Exact ☐ Explanation
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$
☐ Revocation/Expulsion/Denial
☐ Censure
☐ Bar

☐ Disgorgement/Restitution
☐ Cease and Desist/Injunction
☐ Suspension

B. Other Sanctions *Ordered*:
NA
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
A FORMAL WARNING WAS ISSUED.
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).
THE FMA ISSUED A FORMAL WARNING TO VIA FOR FAILING TO LODGE THE REQUIRED NOTICE ON THE NEW ZEALAND COMPANIES OFFICE DISCLOSE REGISTER WITHIN THE REQUIRED FIVE-DAY TIMEFRAME REGARDING THE THREE INFRINGEMENT NOTICES ISSUED BY ASIC.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)
☐ 11.D(1)
☐ 11.E(1)
☐ 11.F.

☐ 11.C(2)
☐ 11.D(2)
☒ 11.E(2)
☐ 11.G.

☐ 11.C(3)
☐ 11.D(3)
☐ 11.E(3)

☐ 11.C(4)
☐ 11.D(4)
☐ 11.E(4)

☐ 11.C(5)
☐ 11.D(5)

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	7452	This <i>advisory affiliate</i> is	☒ a Firm	☐ an Individual
Registered:	☒ Yes ☐ No			
Name:	VANGUARD MARKETING CORPORATION (For individuals, Last, First, Middle)			

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
2. Principal Sanction:

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

05/25/2023 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

2020068469601
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

No Product

Other Product Types:

UNSPECIFIED SECURITIES
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA FOUND THAT FROM NOVEMBER 2019 TO SEPTEMBER 2020, VMC OVERSTATED PROJECTED YIELD AND PROJECTED ANNUAL INCOME FOR NINE MONEY MARKET FUNDS ON CERTAIN BROKERAGE ACCOUNT STATEMENTS. FINRA ALSO FOUND THAT FROM AT LEAST OCTOBER 2019 TO JUNE 2021, CERTAIN ACCOUNT STATEMENTS INACCURATELY PRESENTED MARKET APPRECIATION/DEPRECIATION AND INVESTMENT RETURNS. THE AFOREMENTIONED ERRORS DID NOT AFFECT THE ACTUAL MARKET YIELD PAID TO CUSTOMERS OR HOLDINGS INFORMATION DISPLAYED ON CUSTOMER STATEMENTS AND HAVE BEEN RESOLVED. FINRA ALSO FOUND THAT THE FIRM FAILED TO REASONABLY SUPERVISE ITS ACCOUNT STATEMENTS BY FAILING TO TIMELY ADDRESS CUSTOMER REPORTS OF INACCURACIES. THEREFORE, FINRA FOUND THAT VMC VIOLATED FINRA RULES 2210, 3110, 4511 AND 2010.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):
05/25/2023 ☒ Exact ☐ Explanation
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 800,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
NA
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FIRM WAS CENSURED AND FINED \$800,000. VMC PAID THE FINE BY WIRE ON JUNE 1, 2023.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, VMC AGREED TO THE IMPOSITION OF A CENSURE AND A FINE IN THE AMOUNT OF \$800,000, VMC'S LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY FINRA ON MAY 25, 2023.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action				
Check item(s) being responded to:				
☐ 11.C(1)	☐ 11.C(2)	☐ 11.C(3)	☐ 11.C(4)	☐ 11.C(5)
☐ 11.D(1)	☒ 11.D(2)	☐ 11.D(3)	☒ 11.D(4)	☐ 11.D(5)
☐ 11.E(1)	☐ 11.E(2)	☐ 11.E(3)	☐ 11.E(4)	
☐ 11.F.	☐ 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☒ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

ATTORNEY GENERAL OF THE STATE OF NEW YORK
2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.
3. Date Initiated (MM/DD/YYYY):

01/17/2025 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

ASSURANCE NO. 25-003
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Mutual Fund(s)

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ON JANUARY 17, 2025, THE NEW YORK ATTORNEY GENERAL ISSUED A SETTLED ASSURANCE OF DISCONTINUANCE IN WHICH IT FOUND THAT VGI VIOLATED THE MARTIN ACT (N.Y. GENERAL BUSINESS LAW § 352 ET SEQ.) AND N.Y. EXECUTIVE LAW § 63(12) BY FAILING TO DISCLOSE TO INVESTORS IN INVESTOR TRFS OF THE IMPACT ON CAPITAL GAINS DISTRIBUTIONS AND RESULTING CAPITAL GAINS TAX LIABILITY THAT WOULD RESULT FROM LOWERING THE MINIMUM INVESTMENT FOR THE INSTITUTIONAL TRFS.
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

01/17/2025 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 166,700,000.00
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar

- ☒ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
WITHOUT ADMITTING OR DENYING THE FINDINGS, VMC AND VGI AGREED NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS AND WERE ORDERED TO PAY (I) \$135 MILLION IN REMEDIATION, SUBJECT TO \$42.094 MILLION IN OFFSETS (\$92.91 MILLION NET OF OFFSETS); (II) A PENALTY OF \$13.5 MILLION; AND (III) \$14.7 MILLION IN DISGORGEMENT AND \$3.5 MILLION IN PREJUDGMENT INTEREST. THE REQUIRED MONETARY RELIEF WAS DEEMED SATISFIED BY PAYMENT TO SEC FAIR FUND IN RELATED ACTION. ON JANUARY 24, 2025, VGI PAID \$106,410,000 INTO THE SEC FAIR FUND, COMPRISING THE \$13.5 MILLION CIVIL PENALTY AND \$92.9 MILLION IN RESTITUTION.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).
THE ALLEGATIONS, DISPOSITION, FINDINGS, AND SANCTIONS OF THE ORDER ARE DESCRIBED IN ITEMS 7 AND 12.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☒ 11.C(2)
- ☐ 11.C(3)
- ☒ 11.C(4)
- ☒ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☐ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and

only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☒ SEC

☐ Other Federal

☐ State

☐ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

THE SECURITIES AND EXCHANGE COMMISSION
2. Principal Sanction:

Cease and Desist

Other Sanctions:

CENSURE MONETARY FINE
3. Date Initiated (MM/DD/YYYY):

01/17/2025 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

FILE NO. 3-22435
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Mutual Fund(s)

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ON JANUARY 17, 2025, U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC") ISSUED A SETTLED ADMINISTRATIVE ORDER IN WHICH IT FOUND THAT THE VANGUARD GROUP ("VGI") WILLFULLY VIOLATED SECTION 206(4) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT"), AND RULES 206(4)-7 AND 206(4)-8 THEREUNDER BY (I) FAILING TO DISCLOSE TO INVESTORS IN THE INVESTOR TARGET RETIREMENT FUNDS ("TRFS") OF THE IMPACT ON CAPITAL GAINS DISTRIBUTIONS AND RESULTING CAPITAL GAINS TAX LIABILITY AS A RESULT OF LOWERING THE MINIMUM INVESTMENT FOR THE INSTITUTIONAL TRFS AND (II) NOT HAVING IN PLACE, ADOPTED, OR IMPLEMENTED WRITTEN POLICIES AND PROCEDURES DURING 2020 AND 2021 TO ADDRESS THE ACCURACY OF DISCLOSURES WITH RESPECT TO CERTAIN MUTUAL FUNDS. THE SEC ALSO FOUND THAT VGI CAUSED CERTAIN MUTUAL FUNDS TO VIOLATE SECTION 17(A)(2) OF THE SECURITIES ACT OF 1933 ("SECURITIES ACT") AND SECTION 34(B) OF THE INVESTMENT COMPANY ACT OF 1940 ("INVESTMENT COMPANY ACT"). WITHOUT ADMITTING OR DENYING THE FINDINGS, VGI WAS (I) CENSURED; (II) ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT, SECTION 206(4) OF THE ADVISERS ACT AND RULES 206(4)-7 AND 206(4)-8 THEREUNDER, AND SECTION 34(B) OF THE INVESTMENT COMPANY ACT.
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:
- If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.
10. How was matter resolved:

Decision & Order of Offer of Settlement
11. Resolution Date (MM/DD/YYYY):

01/17/2025 ☒ Exact ☐ Explanation

If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 31,700,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☒ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived: WITHOUT ADMITTING OR DENYING THE FINDINGS, VGI WAS (I) CENSURED; (II) ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT, SECTION 206(4) OF THE ADVISERS ACT AND RULES 206(4)-7 AND 206(4)-8 THEREUNDER, AND SECTION 34(B) OF THE INVESTMENT COMPANY ACT; (III) ORDERED TO PAY \$14.7 MILLION IN DISGORGEMENT AND \$3.5 MILLION IN PREJUDGMENT INTEREST; AND (IV) ORDERED TO PAY A \$13.5 MILLION CIVIL MONEY PENALTY. DISGORGEMENT AND INTEREST AMOUNTS DEEMED SATISFIED BY PAYMENT OF \$92.9 MILLION TO FAIR FUND IN CONNECTION WITH RELATED STATE ACTIONS. ON JANUARY 24, 2025, VGI PAID \$106,410,000 INTO THE SEC FAIR FUND, COMPRISING THE \$13.5 MILLION CIVIL PENALTY AND \$92.9 MILLION IN RESTITUTION.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

THE ALLEGATIONS, DISPOSITION, FINDINGS, AND SANCTIONS OF THE ORDER ARE DESCRIBED IN ITEMS 7 AND 12.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)	☐ 11.C(2)	☐ 11.C(3)	☐ 11.C(4)	☐ 11.C(5)
☐ 11.D(1)	☒ 11.D(2)	☐ 11.D(3)	☒ 11.D(4)	☐ 11.D(5)
☐ 11.E(1)	☐ 11.E(2)	☐ 11.E(3)	☐ 11.E(4)	
☐ 11.F.	☐ 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☒ You (the advisory firm)
 - ☐ You and one or more of your *advisory affiliates*
 - ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or CRD records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☒ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

DIVISION OF SECURITIES, WISCONSIN DEPARTMENT OF FINANCIAL INSTITUTIONS

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.

3. Date Initiated (MM/DD/YYYY):

03/10/2025 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

DFI CASE NO. S-245138 (LX)

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Mutual Fund(s)

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ON MARCH 10, 2025, THE WISCONSIN DEPARTMENT OF FINANCIAL INSTITUTIONS, DIVISION OF SECURITIES, ISSUED A SETTLED CONSENT ORDER IN WHICH IT FOUND THAT (I) THE VANGUARD GROUP ("VGI") VIOLATED WIS. STAT. § 551.501(2) BY FAILING TO DISCLOSE THE POTENTIAL FOR HIGHER CAPITAL GAINS DISTRIBUTIONS FROM LOWERING THE INVESTMENT MINIMUM OF THE INSTITUTIONAL TARGET RETIREMENT FUNDS ("TRFS"); AND (II) THE VANGUARD MARKETING CORPORATION ("VMC") VIOLATED WIS. ADMIN CODE § DFI-SEC 4.05(2) BY FAILING TO ADEQUATELY SUPERVISE ITS AGENTS TO ENSURE THAT THEY TOOK ADEQUATE STEPS TO DISCLOSE THE RISK THAT INVESTORS THAT HELD INVESTOR TRFS IN TAXABLE ACCOUNTS COULD POTENTIALLY EXPERIENCE TAX CONSEQUENCES AS RESULT OF LOWERING THE INVESTMENT MINIMUM FOR THE INSTITUTIONAL TRFS.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

03/10/2025 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 166,700,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

N/A

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit

within the space provided).

WITHOUT ADMITTING OR DENYING THE FINDINGS, VMC AND VGI AGREED NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS AND WERE ORDERED TO PAY (I) \$135 MILLION IN REMEDIATION, SUBJECT TO CERTAIN OFFSETS; (II) A PENALTY OF \$13.5 MILLION; AND (III) \$14.7 MILLION IN DISGORGEMENT AND \$3.5 MILLION IN PREJUDGMENT INTEREST. PENALTIES AND REMEDIATION DEEMED SATISFIED BY PAYMENT TO SEC FAIR FUND IN RELATED ACTION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action				
Check item(s) being responded to:				
☐ 11.C(1)	☐ 11.C(2)	☐ 11.C(3)	☐ 11.C(4)	☐ 11.C(5)
☐ 11.D(1)	☒ 11.D(2)	☐ 11.D(3)	☒ 11.D(4)	☐ 11.D(5)
☐ 11.E(1)	☐ 11.E(2)	☐ 11.E(3)	☐ 11.E(4)	
☐ 11.F.	☐ 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☒ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES, DIVISION OF FINANCIAL REGULATION

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.

3.

Date Initiated (MM/DD/YYYY):

03/10/2025 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4.

Docket/Case Number:

CASE NO. S-25-0017
5.

Advisory Affiliate

Employing Firm when activity occurred which led to the regulatory action (if applicable):
6.

Principal Product Type:

Mutual Fund(s)

Other Product Types:
7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):

ON MARCH 10, 2025, THE OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES, DIVISION OF FINANCIAL REGULATION, ISSUED A SETTLED CONSENT ORDER IN WHICH IT FOUND THAT (I) THE VANGUARD GROUP ("VGI") VIOLATED OREGON REV. STAT. 59.135(2) BY FAILING TO DISCLOSE THE POTENTIAL FOR HIGHER CAPITAL GAINS DISTRIBUTIONS FROM LOWERING THE INVESTMENT MINIMUM OF THE INSTITUTIONAL TARGET RETIREMENT FUNDS ("TRFS"); AND (II) THE VANGUARD MARKETING CORPORATION ("VMC") VIOLATED OREGON REV. STAT 59.205(13) AND OREGON ADMIN. RULE 441-205-0210(3) BY FAILING TO ADEQUATELY SUPERVISE ITS AGENTS TO ENSURE THAT THEY TOOK ADEQUATE STEPS TO DISCLOSE THE RISK THAT INVESTORS THAT HELD INVESTOR TRFS IN TAXABLE ACCOUNTS COULD POTENTIALLY EXPERIENCE TAX CONSEQUENCES AS RESULT OF LOWERING THE INVESTMENT MINIMUM FOR THE INSTITUTIONAL TRFS.
8.

Current Status?

☐ Pending ☐ On Appeal ☒ Final
9.

If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.

How was matter resolved:

Settled
11.

Resolution Date (MM/DD/YYYY):

03/10/2025 ☒ Exact ☐ Explanation

If not exact, provide explanation:
12.

Resolution Detail:

A.

Were any of the following Sanctions Ordered (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 166,700,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions Ordered:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

N/A

13.

Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

WITHOUT ADMITTING OR DENYING THE FINDINGS, VMC AND VGI AGREED NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS AND WERE ORDERED TO PAY (I) \$135 MILLION IN REMEDIATION, SUBJECT TO CERTAIN OFFSETS; (II) A PENALTY OF \$13.5 MILLION; AND (III) \$14.7 MILLION IN DISGORGEMENT AND \$3.5 MILLION IN PREJUDGMENT INTEREST. PENALTIES AND REMEDIATION DEEMED SATISFIED BY PAYMENT TO SEC FAIR FUND IN RELATED ACTION.
- GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.
- Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)	☐ 11.C(2)	☐ 11.C(3)	☐ 11.C(4)	☐ 11.C(5)
☐ 11.D(1)	☒ 11.D(2)	☐ 11.D(3)	☒ 11.D(4)	☐ 11.D(5)
☐ 11.E(1)	☐ 11.E(2)	☐ 11.E(3)	☐ 11.E(4)	
☐ 11.F.	☐ 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☒ State
- ☐ SRO
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SOUTH DAKOTA DIVISION OF INSURANCE & SECURITIES

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.

3. Date Initiated (MM/DD/YYYY):

03/12/2025 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Mutual Fund(s)

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ON MARCH 12, 2025, THE SOUTH DAKOTA DEPARTMENT OF LABOR AND REGULATION, DIVISION OF INSURANCE, ISSUED A SETTLED CONSENT ORDER IN WHICH IT FOUND THAT (I) THE VANGUARD GROUP ("VGI") VIOLATED S. DAKOTA CODIFIED LAWS 47-31B-501 BY FAILING TO DISCLOSE THE POTENTIAL FOR HIGHER CAPITAL GAINS DISTRIBUTIONS FROM LOWERING THE INVESTMENT MINIMUM OF THE INSTITUTIONAL TARGET RETIREMENT FUNDS ("TRFS"); AND (II) THE VANGUARD MARKETING CORPORATION ("VMC") VIOLATED S. DAKOTA CODIFIED LAWS 47-31B-412 BY FAILING TO ADEQUATELY SUPERVISE ITS AGENTS TO ENSURE THAT THEY TOOK ADEQUATE STEPS TO DISCLOSE THE RISK THAT INVESTORS THAT HELD INVESTOR TRFS IN TAXABLE ACCOUNTS COULD POTENTIALLY EXPERIENCE TAX CONSEQUENCES AS RESULT OF LOWERING THE INVESTMENT MINIMUM FOR THE INSTITUTIONAL TRFS

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

03/12/2025 ☒ Exact ☐ Explanation

If not exact, provide explanation:

11. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 166,700,000.00
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☒ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

N/A

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

WITHOUT ADMITTING OR DENYING THE FINDINGS, VMC AND VGI AGREED NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS AND WERE ORDERED TO PAY (I) \$135 MILLION IN REMEDIATION, SUBJECT TO CERTAIN OFFSETS; (II) A PENALTY OF \$13.5 MILLION; AND (III) \$14.7 MILLION IN DISGORGEMENT AND \$3.5 MILLION IN PREJUDGMENT INTEREST. PENALTIES AND REMEDIATION DEEMED SATISFIED BY PAYMENT TO SEC FAIR FUND IN RELATED ACTION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☒ 11.D(2)
- ☐ 11.D(3)
- ☒ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☐ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☒ State

☐ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

STATE OF CONNECTICUT, DEPARTMENT OF BANKING
2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.
3. Date Initiated (MM/DD/YYYY):

03/25/2025

☒ Exact

☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

MATTER NO. 25-202513-S
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Mutual Fund(s)

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ON MARCH 25, 2025, THE STATE OF CONNECTICUT DEPARTMENT OF BANKING ISSUED A SETTLED CONSENT ORDER IN WHICH IT FOUND THAT (I) THE VANGUARD GROUP ("VGI") VIOLATED CONNECTICUT GEN. STAT § 36B-5(A)(2) BY FAILING TO DISCLOSE THE POTENTIAL FOR HIGHER CAPITAL GAINS DISTRIBUTIONS FROM LOWERING THE INVESTMENT MINIMUM OF THE INSTITUTIONAL TARGET RETIREMENT FUNDS ("TRFS"); AND (II) THE VANGUARD MARKETING CORPORATION ("VMC") VIOLATED REGULATIONS OF CONNECTICUT STATE AGENCIES § 36B-31-6(F) BY FAILING TO ADEQUATELY SUPERVISE ITS AGENTS TO ENSURE THAT THEY TOOK ADEQUATE STEPS TO DISCLOSE THE RISK THAT INVESTORS THAT HELD INVESTOR TRFS IN TAXABLE ACCOUNTS COULD POTENTIALLY EXPERIENCE TAX CONSEQUENCES AS RESULT OF LOWERING THE INVESTMENT MINIMUM FOR THE INSTITUTIONAL TRFS.
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

03/25/2025 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 166,700,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

N/A

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

WITHOUT ADMITTING OR DENYING THE FINDINGS, VMC AND VGI AGREED NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS AND WERE ORDERED TO PAY (I) \$135 MILLION IN REMEDIATION, SUBJECT TO CERTAIN OFFSETS; (II) A PENALTY OF \$13.5 MILLION; AND (III) \$14.7 MILLION IN DISGORGEMENT AND \$3.5 MILLION IN PREJUDGMENT INTEREST. PENALTIES AND REMEDIATION DEEMED SATISFIED BY PAYMENT TO SEC FAIR FUND IN RELATED ACTION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)	☐ 11.C(2)	☐ 11.C(3)	☐ 11.C(4)	☐ 11.C(5)
☐ 11.D(1)	☒ 11.D(2)	☐ 11.D(3)	☒ 11.D(4)	☐ 11.D(5)
☐ 11.E(1)	☐ 11.E(2)	☐ 11.E(3)	☐ 11.E(4)	
☐ 11.F.	☐ 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
☐ SEC ☐ Other Federal ☒ State ☐ SRO ☐ Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES
2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.
3. Date Initiated (MM/DD/YYYY):
03/21/2025 ☒ Exact ☐ Explanation
If not exact, provide explanation:
4. Docket/Case Number:
DOCKET NO. 250010
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:
Mutual Fund(s)
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
ON MARCH 21, 2025, THE PA DEPARTMENT OF BANKING AND SECURITIES ISSUED A SETTLED CONSENT ORDER IN WHICH IT FOUND THAT (I) THE VANGUARD GROUP ("VGI") VIOLATED 70 PENN. STAT. § 1-401 (B) BY FAILING TO DISCLOSE THE POTENTIAL FOR HIGHER CAPITAL GAINS DISTRIBUTIONS FROM LOWERING THE INVESTMENT MINIMUM OF THE INSTITUTIONAL TARGET RETIREMENT FUNDS ("TRFS"); AND (II) THE VANGUARD MARKETING CORPORATION ("VMC") VIOLATED 70 PENN. STAT. § 1-305 (A)(VII) BY FAILING TO ADEQUATELY SUPERVISE ITS AGENTS TO ENSURE THAT THEY TOOK ADEQUATE STEPS TO DISCLOSE THE RISK THAT INVESTORS THAT HELD INVESTOR TRFS IN TAXABLE ACCOUNTS COULD POTENTIALLY EXPERIENCE TAX CONSEQUENCES AS RESULT OF LOWERING THE INVESTMENT MINIMUM FOR THE INSTITUTIONAL TRFS.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled
11. Resolution Date (MM/DD/YYYY):
03/21/2025 ☒ Exact ☐ Explanation
If not exact, provide explanation:
12. Resolution Detail:
A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 166,700,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
N/A

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

WITHOUT ADMITTING OR DENYING THE FINDINGS, VMC AND VGI AGREED NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS AND WERE ORDERED TO PAY (I) \$135 MILLION IN REMEDIATION, SUBJECT TO CERTAIN OFFSETS; (II) A PENALTY OF \$13.5 MILLION; AND (III) \$14.7 MILLION IN DISGORGEMENT AND \$3.5 MILLION IN PREJUDGMENT INTEREST. PENALTIES AND REMEDIATION DEEMED SATISFIED BY PAYMENT TO SEC FAIR FUND IN RELATED ACTION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)	☐ 11.C(2)	☐ 11.C(3)	☐ 11.C(4)	☐ 11.C(5)
☐ 11.D(1)	☒ 11.D(2)	☐ 11.D(3)	☒ 11.D(4)	☐ 11.D(5)
☐ 11.E(1)	☐ 11.E(2)	☐ 11.E(3)	☐ 11.E(4)	
☐ 11.F.	☐ 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or CRD records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☒ State

☐ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS, SECURITIES DIVISION

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.

3. Date Initiated (MM/DD/YYYY):

03/18/2025

☒ Exact

☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

ORDER NO. S-22-3439-25-CO01

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Mutual Fund(s)

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ON MARCH 18, 2025, THE STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION, ISSUED A SETTLED CONSENT ORDER IN WHICH IT FOUND THAT (I) THE VANGUARD GROUP ("VGI") VIOLATED REV. WASH. CODE 21.20.010 BY FAILING TO DISCLOSE THE POTENTIAL FOR HIGHER CAPITAL GAINS DISTRIBUTIONS FROM LOWERING THE INVESTMENT MINIMUM OF THE INSTITUTIONAL TARGET RETIREMENT FUNDS ("TRFS"); AND (II) THE VANGUARD MARKETING CORPORATION ("VMC") VIOLATED WASHINGTON ADMIN. CODE 460-20C-150 BY FAILING TO ADEQUATELY SUPERVISE ITS AGENTS TO ENSURE THAT THEY TOOK ADEQUATE STEPS TO DISCLOSE THE RISK THAT INVESTORS THAT HELD INVESTOR TRFS IN TAXABLE ACCOUNTS COULD POTENTIALLY EXPERIENCE TAX CONSEQUENCES AS RESULT OF LOWERING THE INVESTMENT MINIMUM FOR THE INSTITUTIONAL TRFS.

8. Current Status?

☐ Pending

☐ On Appeal

☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

03/18/2025

☒ Exact

☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 166,700,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

N/A

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

WITHOUT ADMITTING OR DENYING THE FINDINGS, VMC AND VGI AGREED NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS AND WERE ORDERED TO PAY (I) \$135 MILLION IN REMEDIATION, SUBJECT TO CERTAIN OFFSETS; (II) A PENALTY OF \$13.5 MILLION; AND (III) \$14.7 MILLION IN DISGORGEMENT AND \$3.5 MILLION IN PREJUDGMENT INTEREST. PENALTIES AND REMEDIATION DEEMED SATISFIED BY PAYMENT TO SEC FAIR FUND IN RELATED ACTION.

GENERAL INSTRUCTIONS

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Regulatory Action				
Check item(s) being responded to:				
☐ 11.C(1)	☐ 11.C(2)	☐ 11.C(3)	☐ 11.C(4)	☐ 11.C(5)
☐ 11.D(1)	☒ 11.D(2)	☐ 11.D(3)	☒ 11.D(4)	☐ 11.D(5)
☐ 11.E(1)	☐ 11.E(2)	☐ 11.E(3)	☐ 11.E(4)	
☐ 11.F.	☐ 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☒ You (the advisory firm)
 - ☐ You and one or more of your *advisory affiliates*
 - ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
- ☐ SEC ☐ Other Federal ☒ State ☐ SRO ☐ Foreign
- (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
- STATE OF NEW MEXICO, REGULATION AND LICENSING DEPARTMENT, SECURITIES DIVISION
2. Principal Sanction:
- Civil and Administrative Penalt(ies) /Fine(s)
- Other Sanctions:
- AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.

3. Date Initiated (MM/DD/YYYY):
03/21/2025 ☒ Exact ☐ Explanation
If not exact, provide explanation:

4. Docket/Case Number:
MS 24-12-19

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Mutual Fund(s)
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
ON MARCH 21, 2025, THE STATE OF NEW MEXICO REGULATION AND LICENSING DEPARTMENT SECURITIES DIVISION, ISSUED A SETTLED CONSENT ORDER IN WHICH IT FOUND THAT (I) THE VANGUARD GROUP ("VGI") VIOLATED NEW MEXICO STATUTES ANNOTATED 1978, § 58-13C-501 BY FAILING TO DISCLOSE THE POTENTIAL FOR HIGHER CAPITAL GAINS DISTRIBUTIONS FROM LOWERING THE INVESTMENT MINIMUM OF THE INSTITUTIONAL TARGET RETIREMENT FUNDS ("TRFS"); AND (II) THE VANGUARD MARKETING CORPORATION ("VMC") VIOLATED NEW MEXICO STATUTES ANNOTATED 1978, § 58-13C-412(C)(9) AND NEW MEXICO ADMIN. CODE. 12.11.4.10 FAILING TO ADEQUATELY SUPERVISE ITS AGENTS TO ENSURE THAT THEY TOOK ADEQUATE STEPS TO DISCLOSE THE RISK THAT INVESTORS THAT HELD INVESTOR TRFS IN TAXABLE ACCOUNTS COULD POTENTIALLY EXPERIENCE TAX CONSEQUENCES AS RESULT OF LOWERING THE INVESTMENT MINIMUM FOR THE INSTITUTIONAL TRFS.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

11. Resolution Date (MM/DD/YYYY):
03/21/2025 ☒ Exact ☐ Explanation
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 166,700,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
N/A

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).
WITHOUT ADMITTING OR DENYING THE FINDINGS, VMC AND VGI AGREED NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS AND WERE ORDERED TO PAY (I) \$135 MILLION IN REMEDIATION, SUBJECT TO CERTAIN OFFSETS; (II) A PENALTY OF \$13.5 MILLION; AND (III) \$14.7 MILLION IN DISGORGEMENT AND \$3.5 MILLION IN PREJUDGMENT INTEREST. PENALTIES AND REMEDIATION DEEMED SATISFIED BY PAYMENT TO SEC FAIR FUND IN RELATED ACTION.

☐ 11.C(1)	☐ 11.C(2)	☐ 11.C(3)	☐ 11.C(4)	☐ 11.C(5)
☐ 11.D(1)	☒ 11.D(2)	☐ 11.D(3)	☒ 11.D(4)	☐ 11.D(5)
☐ 11.E(1)	☐ 11.E(2)	☐ 11.E(3)	☐ 11.E(4)	
☐ 11.F.	☐ 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☒ You (the advisory firm)
 - ☐ You and one or more of your *advisory affiliates*
 - ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
☐ SEC ☐ Other Federal ☒ State ☐ SRO ☐ Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
STATE OF VERMONT, DEPARTMENT OF FINANCIAL REGULATION
2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.
3. Date Initiated (MM/DD/YYYY):
03/11/2025 ☒ Exact ☐ Explanation
If not exact, provide explanation:
4. Docket/Case Number:
DOCKET NO. 25-003-S
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:
Mutual Fund(s)
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ON MARCH 11, 2025, THE VERMONT DEPARTMENT OF FINANCIAL REGULATION ISSUED A SETTLED CONSENT ORDER IN WHICH IT FOUND THAT (I) THE VANGUARD GROUP ("VGI") VIOLATED 9 VERMONT STAT. ANN. § 5501 BY FAILING TO DISCLOSE THE POTENTIAL FOR HIGHER CAPITAL GAINS DISTRIBUTIONS FROM LOWERING THE INVESTMENT MINIMUM OF THE INSTITUTIONAL TARGET RETIREMENT FUNDS ("TRFS"); AND (II) THE VANGUARD MARKETING CORPORATION ("VMC") VIOLATED VERMONT SECS. REG. § 2-2(B)(2) BY FAILING TO ADEQUATELY SUPERVISE ITS AGENTS TO ENSURE THAT THEY TOOK ADEQUATE STEPS TO DISCLOSE THE RISK THAT INVESTORS THAT HELD INVESTOR TRFS IN TAXABLE ACCOUNTS COULD POTENTIALLY EXPERIENCE TAX CONSEQUENCES AS RESULT OF LOWERING THE INVESTMENT MINIMUM FOR THE INSTITUTIONAL TRFS.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

03/11/2025 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 166,700,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

N/A

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

WITHOUT ADMITTING OR DENYING THE FINDINGS, VMC AND VGI AGREED NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS AND WERE ORDERED TO PAY (I) \$135 MILLION IN REMEDIATION, SUBJECT TO CERTAIN OFFSETS; (II) A PENALTY OF \$13.5 MILLION; AND (III) \$14.7 MILLION IN DISGORGEMENT AND \$3.5 MILLION IN PREJUDGMENT INTEREST. PENALTIES AND REMEDIATION DEEMED SATISFIED BY PAYMENT TO SEC FAIR FUND IN RELATED ACTION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☒ 11.D(2)

☐ 11.D(3)

☒ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate **DRP** for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one **DRP**. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one **DRP** to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate **DRP**.

PART I

A. The *person(s)* or entity(ies) for whom this **DRP** is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).
If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☒ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

COLORADO SECURITIES COMMISSIONER
2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.
3. Date Initiated (MM/DD/YYYY):

04/01/2025 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

2025-CDS-006
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Mutual Fund(s)

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ON APRIL 1, 2025, THE STATE OF COLORADO SECURITIES COMMISSIONER ISSUED A SETTLED CONSENT ORDER IN WHICH IT FOUND THAT (I) THE VANGUARD GROUP ("VGI") VIOLATED COLORADO REVISED STATUTES § 11-51-501(1)(B) BY FAILING TO DISCLOSE THE POTENTIAL FOR HIGHER CAPITAL GAINS DISTRIBUTIONS FROM LOWERING THE INVESTMENT MINIMUM OF THE INSTITUTIONAL TARGET RETIREMENT FUNDS ("TRFS"); AND (II) THE VANGUARD MARKETING CORPORATION ("VMC") VIOLATED 3 CODE OF COLORADO REGULATIONS 704-1, RULE 51-4.7(H) BY FAILING TO ADEQUATELY SUPERVISE ITS AGENTS TO ENSURE THAT THEY TOOK ADEQUATE STEPS TO DISCLOSE THE RISK THAT INVESTORS THAT HELD INVESTOR TRFS IN TAXABLE ACCOUNTS COULD POTENTIALLY EXPERIENCE TAX CONSEQUENCES AS RESULT OF LOWERING THE INVESTMENT MINIMUM FOR THE INSTITUTIONAL TRFS.
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

04/01/2025 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 166,700,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

N/A

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

WITHOUT ADMITTING OR DENYING THE FINDINGS, VMC AND VGI AGREED NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS AND WERE ORDERED TO PAY (I) \$135 MILLION IN REMEDIATION, SUBJECT TO CERTAIN OFFSETS; (II) A PENALTY OF \$13.5 MILLION; AND (III) \$14.7 MILLION IN DISGORGEMENT AND \$3.5 MILLION IN PREJUDGMENT INTEREST. PENALTIES AND REMEDIATION DEEMED SATISFIED BY PAYMENT TO SEC FAIR FUND IN RELATED ACTION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)	☐ 11.C(2)	☐ 11.C(3)	☐ 11.C(4)	☐ 11.C(5)
☐ 11.D(1)	☒ 11.D(2)	☐ 11.D(3)	☒ 11.D(4)	☐ 11.D(5)
☐ 11.E(1)	☐ 11.E(2)	☐ 11.E(3)	☐ 11.E(4)	
☐ 11.F.	☐ 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
☐ SEC ☐ Other Federal ☒ State ☐ SRO ☐ Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
STATE OF NEW HAMPSHIRE, DEPARTMENT OF STATE, BUREAU OF SECURITIES REGULATION
2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.
3. Date Initiated (MM/DD/YYYY):
03/21/2025 ☒ Exact ☐ Explanation
If not exact, provide explanation:
4. Docket/Case Number:
INV2022-00041
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:
Mutual Fund(s)
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
ON MARCH 21, 2025, THE STATE OF NEW HAMPSHIRE DEPARTMENT OF STATE BUREAU OF SECURITIES REGULATION, ISSUED A SETTLED CONSENT ORDER IN WHICH IT FOUND THAT (I) THE VANGUARD GROUP ("VGI") VIOLATED N.H. REV. STAT. ANN. 421-B:5-501(A)(2) BY FAILING TO DISCLOSE THE POTENTIAL FOR HIGHER CAPITAL GAINS DISTRIBUTIONS FROM LOWERING THE INVESTMENT MINIMUM OF THE INSTITUTIONAL TARGET RETIREMENT FUNDS ("TRFS"); AND (II) THE VANGUARD MARKETING CORPORATION ("VMC") VIOLATED N.H. REV. STAT. ANN. 421-B:4-412(D)(9) BY FAILING TO ADEQUATELY SUPERVISE ITS AGENTS TO ENSURE THAT THEY TOOK ADEQUATE STEPS TO DISCLOSE THE RISK THAT INVESTORS THAT HELD INVESTOR TRFS IN TAXABLE ACCOUNTS COULD POTENTIALLY EXPERIENCE TAX CONSEQUENCES AS RESULT OF LOWERING THE INVESTMENT MINIMUM FOR THE INSTITUTIONAL TRFS.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled
11. Resolution Date (MM/DD/YYYY):
03/21/2025 ☒ Exact ☐ Explanation
If not exact, provide explanation:
12. Resolution Detail:
A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 166,700,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
N/A

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

WITHOUT ADMITTING OR DENYING THE FINDINGS, VMC AND VGI AGREED NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS AND WERE ORDERED TO PAY (I) \$135 MILLION IN REMEDIATION, SUBJECT TO CERTAIN OFFSETS; (II) A PENALTY OF \$13.5 MILLION; AND (III) \$14.7 MILLION IN DISGORGEMENT AND \$3.5 MILLION IN PREJUDGMENT INTEREST. PENALTIES AND REMEDIATION DEEMED SATISFIED BY PAYMENT TO SEC FAIR FUND IN RELATED ACTION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)	☐ 11.C(2)	☐ 11.C(3)	☐ 11.C(4)	☐ 11.C(5)
☐ 11.D(1)	☒ 11.D(2)	☐ 11.D(3)	☒ 11.D(4)	☐ 11.D(5)
☐ 11.E(1)	☐ 11.E(2)	☐ 11.E(3)	☐ 11.E(4)	
☐ 11.F.	☐ 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or CRD records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☒ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

STATE OF NEW JERSEY, BUREAU OF SECURITIES

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.

3. Date Initiated (MM/DD/YYYY):
03/21/2025 ☒ Exact ☐ Explanation
If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Mutual Fund(s)
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
ON MARCH 21, 2025, THE STATE OF NEW JERSEY BUREAU OF SECURITIES, ISSUED A SETTLED CONSENT ORDER IN WHICH IT FOUND THAT (I) THE VANGUARD GROUP ("VGI") VIOLATED NEW JERSEY STATUTES ANNOTATED 49:3-52(B) BY FAILING TO DISCLOSE THE POTENTIAL FOR HIGHER CAPITAL GAINS DISTRIBUTIONS FROM LOWERING THE INVESTMENT MINIMUM OF THE INSTITUTIONAL TARGET RETIREMENT FUNDS ("TRFS"); AND (II) THE VANGUARD MARKETING CORPORATION ("VMC") VIOLATED NEW JERSEY STATUTES ANNOTATED 49:3-58(A)(2)(XI) BY FAILING TO ADEQUATELY SUPERVISE ITS AGENTS TO ENSURE THAT THEY TOOK ADEQUATE STEPS TO DISCLOSE THE RISK THAT INVESTORS THAT HELD INVESTOR TRFS IN TAXABLE ACCOUNTS COULD POTENTIALLY EXPERIENCE TAX CONSEQUENCES AS RESULT OF LOWERING THE INVESTMENT MINIMUM FOR THE INSTITUTIONAL TRFS.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

11. Resolution Date (MM/DD/YYYY):
03/21/2025 ☒ Exact ☐ Explanation
If not exact, provide explanation:

12. Resolution Detail:
A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 166,700,000.00
☐ Revocation/Expulsion/Denial
☐ Censure
☐ Bar

☒ Disgorgement/Restitution
☐ Cease and Desist/Injunction
☐ Suspension

B. Other Sanctions *Ordered*:
AGREEMENT NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY APPLICABLE LAWS.
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
N/A

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).
WITHOUT ADMITTING OR DENYING THE FINDINGS, VMC AND VGI AGREED NOT TO ENGAGE, OR ATTEMPT TO ENGAGE, IN CONDUCT IN VIOLATION OF ANY

CIVIL JUDICIAL ACTION DISCLOSURE REPORTING PAGE (ADV)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Item 11.H. of Part 1A or Item 2.F. of Part 1B of Form ADV.

Civil Judicial

Check Part 1A item(s) being responded to:

☐ 11.H(1)(a)☒ 11.H(1)(b)☐ 11.H(1)(c)☐ 11.H(2)

Check Part 1B item(s) being responded to:

☐ 2.F(1)☐ 2.F(2)☐ 2.F(3)☐ 2.F(4)☐ 2.F(5)

Use a separate *DRP* for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one *DRP*. File with a completed Execution Page.

One event may result in more than one affirmative answer to Item 11.H. of Part 1A or Item 2.F. of Part 1B. Use only one *DRP* to report details related to the same event. Unrelated civil judicial actions must be reported on separate *DRPs*.

PART I

- A. The *person(s)* or entity(ies) for whom this *DRP* is being filed is (are):
- ☐ You (the advisory firm)
☐ You and one or more of your *advisory affiliates*
☒ One or more of your *advisory affiliates*

If this *DRP* is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV *DRP* - ADVISORY AFFILIATE

CRD Number:

282933

Registered:

☒ Yes ☐ No

Name:

VANGUARD INVESTMENTS
AUSTRALIA LIMITED
(For individuals, Last, First, Middle)

This *advisory affiliate* is

☒ a Firm ☐ an Individual

- ☐ This *DRP* should be removed from the *ADV* record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This *DRP* should be removed from the *ADV* record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.H.(1)(a), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.
- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Court Action initiated by: (Name of regulator, *foreign financial regulatory authority*, *SRO*, commodities exchange, agency, firm, private plaintiff, etc.)
- AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

2. Principal Relief Sought:
Civil Penalty(ies)/Fine(s)
Other Relief Sought:
ADVERSE PUBLICITY NOTICE

3. Filing Date of Court Action (MM/DD/YYYY):
07/24/2023 ☒ Exact ☐ Explanation
If not exact, provide explanation:

4. Principal Product Type:
Mutual Fund(s)
Other Product Types:

5. Formal Action was brought in (include name of Federal, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case Number):
SERVED BY FEDERAL COURT OF AUSTRALIA, VICTORIA CASE# - VID563/2023

6. *Advisory Affiliate* Employing Firm when activity occurred which led to the civil judicial action (if applicable):
NA

7. Describe the allegations related to this civil action (your response must fit within the space provided):
ON 25 JULY 2023, ASIC LODGED CIVIL PENALTY PROCEEDINGS IN THE FEDERAL COURT OF AUSTRALIA AGAINST VANGUARD INVESTMENTS AUSTRALIA LTD (VIA), ALLEGING MISREPRESENTATIONS IN RELATION TO CLAIMS ABOUT CERTAIN ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) EXCLUSIONARY SCREENS APPLIED TO INVESTMENTS IN THE VANGUARD ETHICALLY CONSCIOUS GLOBAL AGGREGATE BOND INDEX AND ETF. ASIC ALLEGED THAT THE DESCRIPTION OF THE EXCLUSIONARY SCREENS IN THE PRODUCT DISCLOSURE STATEMENTS (PDS) DID NOT PROVIDE A SUFFICIENTLY DETAILED EXPLANATION THAT CERTAIN COMPANY DEBT ISSUERS LACKING ESG RESEARCH COVERAGE WERE INCLUDED IN THE BENCHMARK SUCH THAT THE FUND AND ETF HAD EXPOSURE TO CERTAIN SECURITIES THAT MAY NOT HAVE REASONABLY EXPECTED BY INVESTORS. IN ADDITION, ANCILLIARY STATEMENTS MADE BY VIA, IN THE FORM OF A MEDIA RELEASE AND TWO INDUSTRY PRESENTATIONS, WERE ALLEGED TO NOT ADEQUATELY DISCLOSE THE LIMITATIONS OF THE EXCLUSIONARY SCREENS APPLIED TO THE PRODUCTS.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, action appealed to (provide name of court) and Date Appeal Filed (MM/DD/YYYY):
N/A

10. If pending, date notice/process was served (MM/DD/YYYY):
☒ Exact ☐ Explanation
If not exact, provide explanation:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 14 only.

11. How was matter resolved:
Judgment Rendered

12. Resolution Date (MM/DD/YYYY):
09/25/2024 ☒ Exact ☐ Explanation
If not exact, provide explanation:

13. Resolution Detail:

A. Were any of the following Sanctions Ordered or Relief Granted(check appropriate items)?

☒ Monetary/Fine Amount: \$ 8,772,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions:
VIA TO PUBLISH A WRITTEN ADVERSE PUBLICITY NOTICE SPECIFIED IN THE ANNEXURE TO THE ORDERS; AND MAINTAIN THE PRESCRIBED NOTICE UNTIL 25 SEPTEMBER 2025 (12 MONTHS FROM THE DATE OF THE ORDERS)

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement, or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
N/A

14. Provide a brief summary of circumstances related to the action(s), allegation(s), disposition(s) and/or finding(s) disclosed above (your response must fit within the space provided).

ON 25 JULY 2023, ASIC LODGED CIVIL PENALTY PROCEEDINGS IN THE FEDERAL COURT OF AUSTRALIA AGAINST VANGUARD INVESTMENTS AUSTRALIA LTD (VIA), ALLEGING MISREPRESENTATIONS IN RELATION TO CLAIMS ABOUT CERTAIN ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) EXCLUSIONARY SCREENS APPLIED TO INVESTMENTS IN THE VANGUARD ETHICALLY CONSCIOUS GLOBAL AGGREGATE BOND INDEX AND ETF. ASIC ALLEGED THAT THE DESCRIPTION OF THE EXCLUSIONARY SCREENS IN THE PRODUCT DISCLOSURE STATEMENTS (PDS) DID NOT PROVIDE A SUFFICIENTLY DETAILED EXPLANATION THAT CERTAIN COMPANY DEBT ISSUERS LACKING ESG RESEARCH COVERAGE WERE INCLUDED IN THE BENCHMARK SUCH THAT THE FUND AND ETF HAD EXPOSURE TO CERTAIN SECURITIES THAT MAY NOT HAVE REASONABLY EXPECTED BY INVESTORS. IN ADDITION, ANCILLIARY STATEMENTS MADE BY VIA, IN THE FORM OF A MEDIA RELEASE AND TWO INDUSTRY PRESENTATIONS, WERE ALLEGED TO NOT ADEQUATELY DISCLOSE THE LIMITATIONS OF THE EXCLUSIONARY SCREENS APPLIED TO THE PRODUCTS. IN CONSIDERING THE FACTS, JUSTICE O'BRYAN OF THE FEDERAL COURT ISSUED A REASONS FOR JUDGEMENT AND ORDERS ON 25 SEPTEMBER 2024, THAT OBLIGATES:1) VIA TO PAY PECUNIARY PENALTY TO THE COMMONWEALTH OF AUSTRALIA OF AUD\$12.9 MILLION WHICH WAS PAID IN FULL ON 14 OCTOBER 2024;2) VIA TO PUBLISH ADVERSE PUBLICITY NOTICES AS PRESCRIBED BY THE ANNEXURE ACCOMPANYING THE ORDERS BY 25 OCTOBER 2024 ON SPECIFIED INTERNET WEB ADDRESSES UNTIL AT LEAST 25 SEPTEMBER 2025; AND3) ASIC TO PAY VIA'S COSTS OF AND INCIDENTAL TO THE HEARING ON 8 MARCH 2024 AND VIA TO OTHERWISE PAY THE COSTS OF THE PROCEEDINGS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Item 11.H. of Part 1A or Item 2.F. of Part 1B of Form ADV.

Civil Judicial

Check Part 1A item(s) being responded to:

☐ 11.H(1)(a)☐ 11.H(1)(b)☐ 11.H(1)(c)☒ 11.H(2)

Check Part 1B item(s) being responded to:

☐ 2.F(1)☐ 2.F(2)☐ 2.F(3)☐ 2.F(4)☐ 2.F(5)

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Item 11.H. of Part 1A or Item 2.F. of Part 1B. Use only one DRP to report details related to the same event. Unrelated civil judicial actions must be reported on separate DRPs.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)
☐ You and one or more of your *advisory affiliates*
☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.H.(1)(a), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Court Action initiated by: (Name of regulator, *foreign financial regulatory authority*, *SRO*, commodities exchange, agency, firm, private plaintiff, etc.) ATTORNEYS GENERALS OF TEXAS, ALABAMA, ARKANSAS, INDIANA, IOWA, KANSAS, MISSOURI, MONTANA, NEBRASKA, WEST VIRGINIA & WYOMING.

2. Principal Relief Sought:
Other
Other Relief Sought:
EQUITABLE RELIEF

3. Filing Date of Court Action (MM/DD/YYYY):
11/27/2024 ☒ Exact ☐ Explanation
If not exact, provide explanation:

4. Principal Product Type:
Mutual Fund(s)
Other Product Types:

5. Formal Action was brought in (include name of Federal, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case Number):
UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS; TYLER DIVISION; CASE 6:24-CV-00437.

6. *Advisory Affiliate* Employing Firm when activity occurred which led to the civil judicial action (if applicable):
NA

7. Describe the allegations related to this civil action (your response must fit within the space provided):
VIOLATION OF SECTION 7 OF THE CLAYTON ACT, 15 U.S.C. § 18; VIOLATIONS OF SECTION 1 OF THE SHERMAN ACT 15 U.S.C. § 1; TEXAS, MONTANA AND WEST VIRGINIA STATE LAW ANTITRUST CLAIMS.

8. Current Status? ☒ Pending ☐ On Appeal ☐ Final

9. If on appeal, action appealed to (provide name of court) and Date Appeal Filed (MM/DD/YYYY):

10. If pending, date notice/process was served (MM/DD/YYYY):
12/03/2024 ☐ Exact ☒ Explanation
If not exact, provide explanation:
SERVED IN PERSON ON 12/3/24 BUT THE COURT DOCKET INDICATES THE SERVICE DATE AS 12/4/24.

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 14 only.

11. How was matter resolved:
12. Resolution Date (MM/DD/YYYY):
☐ Exact ☐ Explanation
If not exact, provide explanation:
13. Resolution Detail:

A. Were any of the following Sanctions Ordered or Relief Granted(check appropriate items)?

☐ Monetary/Fine Amount: \$
☐ Revocation/Expulsion/Denial
☐ Censure
☐ Bar

☐ Disgorgement/Restitution
☐ Cease and Desist/Injunction
☐ Suspension

B. Other Sanctions:

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement, or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

14. Provide a brief summary of circumstances related to the action(s), allegation(s), disposition(s) and/or finding(s) disclosed above (your response must fit within the space provided).
VIOLATION OF SECTION 7 OF THE CLAYTON ACT, 15 U.S.C. § 18; VIOLATIONS OF SECTION 1 OF THE SHERMAN ACT 15 U.S.C. § 1; TEXAS, MONTANA AND WEST VIRGINIA STATE LAW ANTITRUST CLAIMS.
- Part 2

Exemption from brochure delivery requirements for SEC-registered advisers

SEC rules exempt SEC-registered advisers from delivering a firm brochure to some kinds of clients. If these exemptions excuse you from delivering a brochure to *all* of your advisory clients, you do not have to prepare a brochure.

Are you exempt from delivering a brochure to all of your clients under these rules?

YesNo

If no, complete the ADV Part 2 filing below.

Amend, retire or file new brochures:

Part 3

CRS	Type(s)	Affiliate Info	Retire
There are no CRS filings to display.			

Execution Pages

DOMESTIC INVESTMENT ADVISER EXECUTION PAGE

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint the Secretary of State or other legally designated officer, of the state in which you maintain your *principal office and place of business* and any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such *persons* may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding*, or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of the state in which you maintain your *principal office and place of business* or of any state in which you are submitting a *notice filing*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:
JACQUELINE MARY ANGELL

Date: MM/DD/YYYY
04/10/2025

Printed Name:
JACQUELINE MARY ANGELL

Title:
CHIEF COMPLIANCE OFFICER

Adviser *CRD* Number:
105958

NON-RESIDENT INVESTMENT ADVISER EXECUTION PAGE

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

1. Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint each of the Secretary of the SEC, and the Secretary of State or other legally designated officer, of any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such persons may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding* or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of any state in which you are submitting a *notice filing*.

2. Appointment and Consent: Effect on Partnerships

If you are organized as a partnership, this irrevocable power of attorney and consent to service of process will continue in effect if any partner withdraws from or

is admitted to the partnership, provided that the admission or withdrawal does not create a new partnership. If the partnership dissolves, this irrevocable power of attorney and consent shall be in effect for any action brought against you or any of your former partners.

3. *Non-Resident* Investment Adviser Undertaking Regarding Books and Records

By signing this Form ADV, you also agree to provide, at your own expense, to the U.S. Securities and Exchange Commission at its principal office in Washington D.C., at any Regional or District Office of the Commission, or at any one of its offices in the United States, as specified by the Commission, correct, current, and complete copies of any or all records that you are required to maintain under Rule 204-2 under the Investment Advisers Act of 1940. This undertaking shall be binding upon you, your heirs, successors and assigns, and any *person* subject to your written irrevocable consents or powers of attorney or any of your general partners and *managing agents*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the *non-resident* investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:	Date: MM/DD/YYYY
Printed Name:	Title:
Adviser <i>CRD</i> Number:	
105958	

**MOTOROLA SOLUTIONS, INC.
ATTACHMENT TO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT REGARDING
BLACKROCK, INC.**

BlackRock, Inc., 50 Hudson Yards, New York, NY 10001, a publicly traded investment management and technology services firm (and not an investment advisor), as of March 1, 2024, owns more than 9.24%, but less than 22.5%, beneficially for its third party investors.

Pursuant to Rule 1(i) of the Rules Regarding Economic Disclosure Statement and Affidavit ("EDS") promulgated pursuant to Section 2-154-050 of the Municipal Code, BlackRock, Inc. may in lieu of an EDS, provide a copy of its most recent Form 10-K. Accordingly, attached hereto is BlackRock, Inc. Form 10-K.

MOTOROLA SOLUTIONS, INC.
ATTACHMENT TO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT REGARDING
THE VANGUARD GROUP

The Vanguard Group, 100 Vanguard Boulevard; Malvern, PA 19355, a registered investment adviser, as of March 15, 2025, owns more than 12.2%, but less than 22.5%, beneficially for its third party investors.

Pursuant to Rule 1(g) of the Rules Regarding Economic Disclosure Statement and Affidavit ("EDS") promulgated pursuant to Section 2-154-050 of the Municipal Code, The Vanguard Group may in lieu of an EDS, provide a copy of its most recent Form ADV and its most recent amendment thereto. Accordingly, attached hereto is The Vanguard Group Form ADV (which was downloaded March 28, 2022 from <https://reports.adviserinfo.sec.gov/reports/ADV/105958/PDF/105958.pdf>)