

MEMORANDUM

To: **Board of Trustees, Fresno County Employees' Retirement Association**

From: **Jeffrey MacLean, Wurts & Associates**
Wade Millen, Manager Research Group

Date: **September 13, 2007**

Re: **BlackRock: Departure of President Ralph Schlosstein**

BlackRock, Inc. recently announced that firm co-founder, Ralph Schlosstein will step down as President and a Director in order to pursue other entrepreneurial interests. Mr. Schlosstein will remain with the firm as an advisor until early 2008 to help ensure an effective transition. According to BlackRock, Mr. Schlosstein announced his intentions in early 2007 to current Chairman and CEO Larry Fink. At that time, a plan was drafted and has been worked on for some time. Rob Kapito, who is currently head of the Portfolio Management Group and one of the eight original founders of the firm, will assume Mr. Schlosstein's role as President. In his role, Mr. Kapito will be responsible for the day-to-day oversight of key operating units including Account Management, Portfolio Management, Real Estate and BlackRock Solutions.

Overall, we feel that Mr. Schlosstein's departure is not insignificant by any means given his historical contribution to BlackRock's business, growth, and cultural development. However, from a day-to-day portfolio management standpoint we do not believe that his departure and Mr. Kapito's assumption of the role as President will have a material impact on our client's fixed income portfolios. Keith Anderson will continue as Global CIO for Fixed Income and Scott Amero's role as Co-Head of Fixed Income remains unchanged. They will both continue to report to Mr. Kapito. The bios for Mr. Schlosstein and Mr. Kapito are included in the appendix section as well as Blackrock's press release. Wurts & Associates will continue to monitor this situation and update you if new information becomes available.

APPENDIX

Biographies:

Robert S. Kapito, Vice Chairman, President

Mr. Kapito oversees all portfolio management within BlackRock, including the Fixed Income, Equity, Liquidity, and Alternative Investment Groups. Mr. Kapito also serves as President and a Director for BlackRock's family of closed-end mutual funds. Prior to founding BlackRock in 1988, Mr. Kapito was a Vice President in the Mortgage Products Group at The First Boston Corporation. Mr. Kapito joined First Boston in 1979 in the Public Finance Department. Mr. Kapito left First Boston to complete his MBA degree and returned to the firm in 1983 in the Mortgage Products Group. While with this Group, Mr. Kapito initially traded mortgage securities and then became the head trader of collateralized mortgage obligations (CMOs). Ultimately, Mr. Kapito became head of Mortgage Capital Markets with responsibility for marketing and pricing all mortgage-backed and asset-backed securities underwritten by First Boston. In 1982, Mr. Kapito worked as a strategic consultant with Bain & Co. and with two private companies in Europe. Mr. Kapito currently serves as Chairman of the Hope & Heroes Children's Cancer Fund and as President of the Board of Directors of Periwinkle National Theatre, a national non-profit arts-in-education organization. Periwinkle aids counselors and educators in their efforts to reach young people about difficult and socially relevant issues such as substance abuse prevention. Mr. Kapito earned a BS degree in economics from the Wharton School of the University of Pennsylvania in 1979, and an MBA degree from Harvard Business School in 1983.

Ralph L. Schlosstein, Fmr. President and Director

Mr. Schlosstein is Chairman of the Board of BlackRock's family of closed-end mutual funds; Chairman of the Board, Trustee and President of the BlackRock Liquidity Funds; and a Director of several of BlackRock's alternative investment vehicles. In addition, he is the co-chair of the Alternatives Operating Committee and he oversees BlackRock's Illiquid Market and Alternative Investments business. Prior to founding BlackRock in 1988, Mr. Schlosstein was a Managing Director of Lehman Brothers Inc. Mr. Schlosstein joined Lehman in 1981 and became co-head of the Mortgage and Savings Institutions Group in 1984. Mr. Schlosstein also started Lehman's Interest Rate Swap Group. From 1977 to 1981, Mr. Schlosstein worked for the Federal government. Initially, he was Deputy to the Assistant Secretary of the Treasury Department, where he was responsible for administering the New York City loan program and for advising the Treasury Secretary on municipal finance issues. Subsequently, he became Associate Director of The White House Domestic Policy Staff, where he was responsible for advising the President on urban policy, economic development and housing issues. From 1974 to 1977, Mr. Schlosstein was an economist for the Congressional Joint Economic Committee. Mr. Schlosstein earned a BA degree, cum laude, in economics from Denison University in 1972, and completed his coursework for a Masters of Public Policy from the Graduate School of Public and International Affairs at the University of Pittsburgh.

BlackRock, Inc. Press Release:

Ralph Schlosstein To Leave BlackRock in Early 2008

Robert Kapito Named President; Assumes Oversight of Key Operating Units

New York, Sept. 6, 2007 – BlackRock, Inc. (NYSE: BLK) today announced that Ralph L. Schlosstein, a co-founder of the firm, notified the Board of his intent to step down as President and a Director in order to pursue other entrepreneurial interests. BlackRock’s Board of Directors unanimously appointed Robert S. Kapito as President effective immediately. Mr. Schlosstein will remain with the firm as an advisor until early 2008, helping to ensure an effective transition.

Mr. Kapito is currently a Director and Vice Chairman of BlackRock and Head of Portfolio Management. In his new role as President, he will be responsible for day-to-day oversight of key operating units, including the Account Management and Portfolio Management Groups, Real Estate and BlackRock Solutions. He will report to BlackRock Chairman and CEO Laurence D. Fink.

“Ralph has been a tremendous partner, and his leadership and financial expertise have been key drivers of BlackRock’s success and global expansion,” stated Mr. Fink. “He has touched every component of our business, from creating early closed-end funds to building our insurance business, launching BlackRock Solutions and overseeing our alternatives business. Most recently, Ralph played a vitally important role as leader of the State Street Research and MLIM integrations. Ralph approached me earlier this year to consider the possibility of pursuing outside entrepreneurial interests at some point in the future. He and I have worked closely together over the past several months to develop a transition plan that ensures BlackRock will not miss a beat. I am profoundly grateful for his contributions, and hopeful that BlackRock will be able to play an important role in supporting Ralph’s future endeavors.

“We are well positioned for this transition. Rob is an outstanding executive who has been instrumental in ensuring the cross-functional coordination, focus on investment results, and commitment to collaborative customer relationships that differentiate BlackRock. Importantly, he has also demonstrated an abiding commitment to the growth of our employees, the development of a unified team and the evolution of our vibrant corporate culture. I look forward to working with Rob and the many strong leaders throughout our firm as we continue building BlackRock’s franchise.”

Mr. Schlosstein noted, “I have had the incredible opportunity to help build BlackRock from scratch to the global success it enjoys today, and I am grateful for the chance to have worked so closely with Larry Fink, the entire leadership team and our dedicated employees and clients. I am very excited about pursuing my longstanding

entrepreneurial interests, knowing that BlackRock is in great hands and that it will move forward to even greater success.”

Mr. Kapito (50) joined BlackRock at its inception in March 1988, and has served in several leadership positions including co-head of Fixed Income, head of Portfolio Management and Vice Chairman. Prior to joining BlackRock, Mr. Kapito served as Vice President of First Boston