BlackRock Pensions Limited
DC Balanced Growth Fund
Defined Contributions
As at 31 March 2010

BLACKROCK

Overview and Manager's Report

Risk assets, including equities, rallied over the first quarter as investors were motivated by the return of risk appetite and the resolution of factors that drove January's sell-off. Sentiment was boosted by better macroeconomic and corporate data, and dovish central bank statements, while issues from earlier in the period - the debt crisis in Greece and sovereign risk among them - diminished somewhat on investors' radars.

The DC Balanced Growth Fund outperformed its benchmark over the quarter.

The main positive contribution came from UK stock selection where Carnival saw strong cruise bookings and the reinstatement of the dividend sent a positive signal to the market, also Compass Group, which gave a reassuring trading update noting higher margins. British Airways rose on recovering industry passenger numbers despite labour issues, and Barclays reported good results.

On the negative side, not holding Nintendo at the announcement of the 3D Nintendo DS release detracted from relative performance in Japan as was holding computer manufacturers in the Asia Pacific market which underperformed. Elsewhere, the American, Continental European and Emerging Markets portfolios performed broadly in line with their respective markets with high returns for the sterling investor from US and Japanese equities over the quarter.

The fixed income portfolio also outperformed over the first quarter, led by our larger-than-benchmark (but gradually reducing) corporate bond exposure and careful security selection.

We continue to believe that the global economic recovery will gather pace over the course of 2010 and that monetary policy will be accommodative for the foreseeable future.

Performance & Fund Characteristics

Performance for 12 months to:

	31 Mar 06	31 Mar 07	31 Mar 08	31 Mar 09	31 Mar 10
Fund	+29.3%	+8.0%	-0.2%	-18.6%	+41.5%
Benchmark	+25.8%	+7.2%	-2.8%	-19.3%	+39.9%

Performance for:

	3 months	Year to date	12 months	3 years p.a.	5 Years or since launch	5 Years or since launch p.a.
Fund	+7.4%	+7.4%	+41.5%	+4.7%	+60.4%	+9.9%
Benchmark	+6.3%	+6.3%	+39.9%	+3.2%	+48.1%	+8.2%

Source: BlackRock. Performance shown is gross of fees.
Please call our helpline to check the charges that will apply to your investment.

Past performance is not a guide to future performance. The value of investments and the income from them can fluctuate and are not guaranteed. Investors may not get back the amount invested. Rates of exchange may cause the value of investments to go up or down. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Any objective or target will be treated as a target only and should not be considered as an assurance or guarantee of performance of the Fund or any part of it. The Fund objectives and policies include a guide to the main investments to which the Fund is likely to be exposed. The Fund is not necessarily restricted to holding these investments only. Subject to the Fund's objectives, the Fund may hold any investments and utilise any investment techniques, including the use of derivatives, permitted under the FSA's New Conduct of Business Sourcebook which contain the rules by which investment of the Fund is governed. The BlackRock Pensions Limited notional fund units have a single unit price. The unit prices are normally calculated on each business day. For performance reporting, notional units are valued at special closing prices on the last working day of each quarter to enable comparison with the relevant benchmark index. Issued by BlackRock Pensions Limited, which is authorised and regulated by the Financial Services Authority. BlackRock Pensions Limited, 33 King William Street, London EC4R 9AS. Phone: 020 7743 3000 Fax: 020 7743 1000. Registered in England number 2348841. BlackRock is a trading name of BlackRock Pensions Limited.

Contact Us:

Phone: 01733 353663 **Email:** uk.dc@blackrock.com

Web: www.blackrock.co.uk/pensions

Objectives and Policies

Invests mainly in equities and to a lesser extent government securities, cash and other fixed interest investments, in the UK and overseas. The Fund aims to produce a return in excess of its benchmark. The Benchmark will evolve over time to reflect market, industry and internal views and developments as to an appropriate asset mix for a broadly invested fund.

Fund Facts

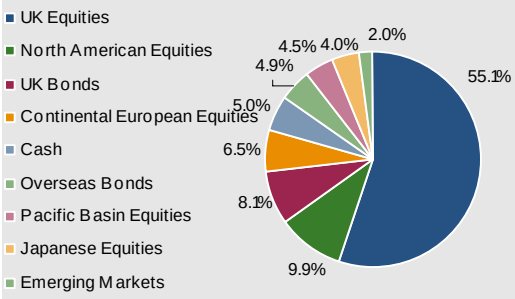
Fund Value (£m):	£317.2
Launch Date:	30 June 1998
Benchmark:	Fixed Weight Benchmark*

* The fund was benchmarked against the CAPS Pooled Fund Median until 30.09.2005. Longer term numbers shown are 12 month Fixed Weight Benchmark chainlinked to CAPS Pooled Fund Median

Risk Rating Profile: Medium

These ratings give an indication of the risk level of a fund only in relation to BPL's overall fund range.

Asset Allocation



Source: BlackRock

Largest Equity Holdings

Holding	Fund (%)	Holding	Fund (%)
UK			
Rio Tinto	3.2	IBM	0.2
HSBC	3.0	**Japan**	
Europe		Toyota	0.1
Novartis	0.3	Honda	0.1
Banco Santa	0.2	**Pacific**	
US		BHP Billiton	0.3
Microsoft	0.3	Samsung Electronics	0.3
Total			**8.2**

Source: BlackRock