

# BlackRock Pensions Limited DC Pre-Retirement Fund

## Defined Contributions

As at 31 March 2010

# BLACKROCK

### Overview and Manager's Report

The first quarter of 2010 saw a continuation of the gradual global economic recovery, but also a heightened focus on government deficits. Greece in particular experienced a loss of investor confidence over the state of its finances; with risk of contagion to other southern European states - only a standby facility underwritten by the EU and IMF was able to reverse sentiment. Gilt markets remained largely range-bound during the quarter, albeit with long dated gilts ending weaker in response to perceived inflation risks and deficit concerns. Strong demand and low levels of issuance saw Corporate, High Yield and Emerging Market bonds perform strongly as investors sought to add yield during the quarter.

The DC Pre-Retirement Fund outperformed its benchmark over the quarter.

Allocations to overseas markets were positive for performance as long dated European government and US Treasury bonds outperformed UK gilts. Credit allocations continued to be positive for performance, as demand for corporate bonds prompted further outperformance relative to government bonds. We reduced overall credit allocations as the market continued to strengthen, and took profits on a number of holdings in the industrial sector.

The long term global economic outlook continues to remain challenging. The risk of policy-makers tightening too early and choking off recovery remain as grave as acting too slowly and allowing inflation to become embedded. The risks to the UK gilt market remain particularly high given the combination of excessive issuance, withdrawal of QE and the lack of a credible deficit reduction plan.

### Performance & Fund Characteristics

Performance for 12 months to:

	31 Mar 06	31 Mar 07	31 Mar 08	31 Mar 09	31 Mar 10
Fund	+9.4%	+0.1%	+1.7%	+2.4%	+9.2%
Benchmark	+10.8%	-1.0%	+1.3%	+4.5%	+5.8%

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	+1.8%	+1.8%	+9.2%	+4.4%	+24.6%	+4.5%
Benchmark	+1.6%	+1.6%	+5.8%	+3.8%	+22.7%	+4.2%

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.

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### Objectives and Policies

Invests mainly in long-dated UK government bonds (around 50%) and long-dated UK corporate bonds (around 50%) and aims to produce a return in excess of its benchmark.

### Fund Facts

Fund Value (£m): 64.2

Launch Date: 30 June 1995

Benchmark: 50% FTA Over 15 Year Gilt Index/50% BofA ML £ Non Gilts AAA-AA Over 15 Year Index\*

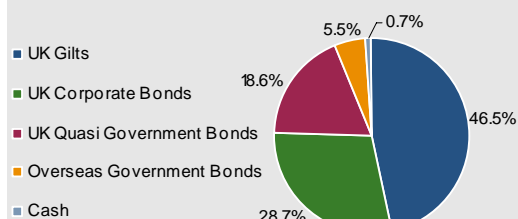
\*The benchmark changed on 01.07.2000. Benchmark numbers quoted for the longer periods are a combination of the old benchmark (FTA Over 15 Year Gilt Index) and the new benchmark.

Risk Rating Profile: Low



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