

# BlackRock Pensions Limited

## DC Cash Fund

### Defined Contributions

As at 31 December 2009

# BLACKROCK

### Overview and Manager's Report

The Bank of England voted unanimously to keep both interest rates and quantitative easing unchanged at the year end, after the latter was increased by £25 billion at the November meeting. The decision to hold policy steady was in line with the ongoing recovery in both financial markets and economic activity.

The DC Cash Fund outperformed its benchmark during the fourth quarter of 2009.

Although market conditions have improved significantly over recent months and the economic contraction has moderated, the MPC minutes noted that there are "exceptional uncertainties over the outlook for inflation and activity growth, which would only be resolved over time". Based on this, the committee is likely to proceed with caution in terms of future changes to monetary policy. Market expectations are that interest rates will remain on hold for at least the next six months.

### Objectives and Policies

Aims to produce a return in excess of its benchmark principally from a portfolio of Sterling denominated cash, deposits and money-market instruments

### Fund Facts

Fund Value (£m): 98.7

Launch Date: 30 June 1995

Benchmark: 7 Day LIBID Rate

\*The fund switched benchmark on 01.07.2005. Numbers are a combination of the old benchmark (UK Local Authority 7 Day Rate) and the new benchmark stated.

Risk Rating Profile: Very Low



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

### Performance & Fund Characteristics

Performance for 12 months to:

|           | 31 Dec 05 | 31 Dec 06 | 31 Dec 07 | 31 Dec 08 | 31 Dec 09 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| Fund      | +4.8%     | +4.8%     | +5.7%     | +5.3%     | +1.6%     |
| Benchmark | +4.7%     | +4.7%     | +5.5%     | +4.7%     | +0.6%     |

Performance for:

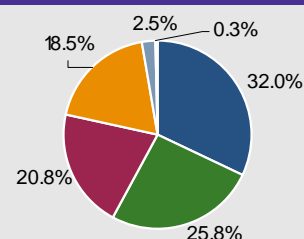
|           | 3 months | Year to date | 12 months | 3 years p.a. | 5 Years or since launch | 5 Years or since launch p.a. |
|-----------|----------|--------------|-----------|--------------|-------------------------|------------------------------|
| Fund      | +0.2%    | +1.6%        | +1.6%     | +4.2%        | +24.3%                  | +4.5%                        |
| Benchmark | +0.1%    | +0.6%        | +0.6%     | +3.6%        | +21.8%                  | +4.0%                        |

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.

### Asset Allocation



- Floating Rate Notes
- Commercial Paper
- Certificates of Deposit
- Time & Deposits
- Eurobonds/bonds
- Cash

Source: BlackRock

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