

BlackRock Pensions Limited

DC Cash Fund

Defined Contributions

As at 30 June 2010

BLACKROCK

Overview and Manager's Report

The Monetary Policy Committee (MPC) kept both interest rates and quantitative easing unchanged during the second quarter of 2010, with base rates remaining at their historical low of 0.50% and the size of the asset purchase facility at £200 billion.

During the quarter, UK economic activity showed ongoing signs of recovery, along with continuing short-term inflation pressures. Sterling money market yields continued to rise slightly in line with the ongoing market volatility and uncertainty. Three-month LIBOR rose to 0.73%, as the yield curve steepened in comparison to overnight base rates. Longer-term money market yields rose, with six-month and one-year LIBOR ending at 1.02% and 1.46% respectively. The recent increase in market volatility and risk aversion continues to cause significant price tiering between various money market issuers. High-quality issuers from well-regarded countries continue to yield at levels below LIBOR rates, while lower-quality issuers, especially those from less-regarded countries, have experienced rising risk premiums.

The DC Cash Fund outperformed its benchmark over the quarter, before fees.

The long-term global economic outlook remains challenging. The sovereign risk concerns in Europe have focused investors on the immense transfer of indebtedness from the banking sector to the public sector that has occurred in the last two years. The UK is well positioned to benefit from the aura of credibility that surrounds the new government's measures taken to date.

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): 109.1

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:

	30 Jun 06	30 Jun 07	30 Jun 08	30 Jun 09	30 Jun 10
Fund	+4.6%	+5.2%	+5.9%	+3.4%	+1.0%
Benchmark	+4.6%	+5.1%	+5.5%	+2.5%	+0.4%

Performance for:

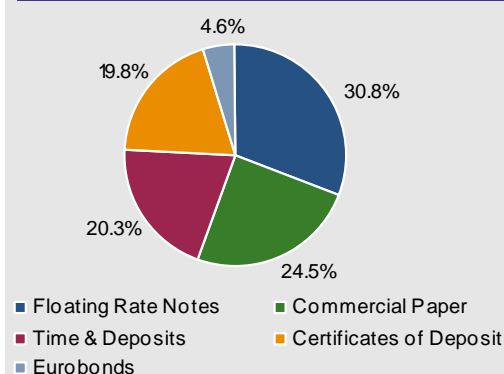
	3 months	Year to date	12 months	3 years p.a.	5 Years or since launch	5 Years or since launch p.a.
Fund	+0.2%	+0.3%	+1.0%	+3.4%	+21.6%	+4.0%
Benchmark	+0.1%	+0.2%	+0.4%	+2.8%	+19.2%	+3.6%

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



Source: BlackRock

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