

BlackRock Pensions Limited

AEGON Ethical Fund

Defined Contributions

As at 31 December 2009

BLACKROCK

Overview and Manager's Report

UK equities made further progress in the fourth quarter of 2009, building on the record gains enjoyed in the third quarter despite growing concerns around sovereign defaults, notably in Dubai and Greece. Despite broadly supportive economic data, UK GDP Q3 data provided a negative surprise as the domestic economy continued to shrink. The Mining sector was the largest positive contributor to the market's gain as commodity prices rose, while mounting pressure on capital ratios caused the Bank sector to fall. In a reversal of the trend year-to-date, larger company stocks outperformed small and mid-cap companies.

The AEGON Ethical Fund underperformed its benchmark during the fourth quarter.

While equity valuations have risen during 2009, we believe that current valuations remain supportive for equities; however, further gains are likely to be led by growth in earnings rather than a further re-rating. Within the market we believe that there are stock selection opportunities from investment in companies that will benefit from the stronger growth in overseas markets and from the companies that are best positioned for the recovery.

Objectives and Policies

Invests mainly in UK equities, avoiding investing in companies that do unacceptable harm to people, animals or the environment and is suited to those investors who have particularly strong ethical beliefs. The Fund aims to produce a return in excess of its benchmark. Investment in this Fund involves a higher than usual degree of risk.

Fund Facts

Fund Value (£m): 0.5

Launch Date: 31 March 2002

Benchmark: FTSE All Share Index

Risk Rating Profile: High



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	+24.5%	+34.1%	+1.6%	-27.6%	+23.0%
Benchmark	+22.0%	+16.8%	+5.3%	-29.9%	+30.1%

Performance for:

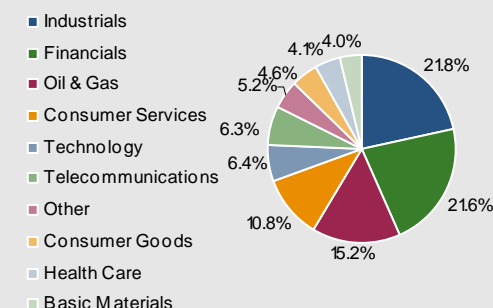
	3 months	Year to date	12 months	3 years p.a.	5 Years or since launch	5 Years or since launch p.a.
Fund	-0.7%	+23.0%	+23.0%	-3.3%	+51.1%	+8.6%
Benchmark	+5.5%	+30.1%	+30.1%	-1.3%	+36.8%	+6.5%

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

Top Ten Holdings

	Fund (%)
Vodafone	6.3
BG Group	4.2
Tullow Oil	3.3
Cairn Energy	3.3
Capita	2.3
Victrex	2.2
Prudential	2.1
Bellway	2.1
Connaught	2.0
Schroders	2.0
Total	29.8

Source: BlackRock

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