

Introduction to BlackRock and your Fund Options

BLACKROCK

This leaflet gives you more information about the transfer of your pension benefits from the Kingfisher Retirement Trust to a pension account in your name with BlackRock Pensions Limited. Please read this carefully, in conjunction with the separate 'Key Features' document and the other information you have been given.

Who are BlackRock?

BlackRock is one of the world's largest investment management firms. In the UK we have previously traded under the name of Merrill Lynch Investment Managers, until that company merged with BlackRock in September 2006.

Our headquarters are in New York, and we have offices in 18 countries, maintaining a major presence in North America, Europe, Asia-Pacific, and the Middle East. In the UK we have offices in London and Edinburgh.

BlackRock Pensions Limited is a UK registered insurance company established to provide investment and administration services to pension schemes. One of the products we provide is called a Section 32a Trustee Transfer Plan (or simply 'S32a').

Your Fund Options

The planned date of transfer from the Kingfisher Retirement Trust to the BlackRock S32a Trustee Transfer Plan is expected to be on or around 31 March 2007. On the date of the transfer we will receive your transfer value from Zurich Assurance (who is the investment manager for the Kingfisher Retirement Trust). We will then re-invest this money into appropriate BlackRock Pensions funds.

The funds have been chosen to offer the closest 'match' to the current Zurich funds (although they are not identical). The table overleaf shows the current Zurich fund listed alongside the comparable BlackRock fund. Our fund names start with 'DC' which stands for 'Defined Contribution' which describes this type of pension plan.

Once your transfer payment has been invested (in accordance with the table overleaf) you will be able to switch investment funds in the future.



Fund options

Zurich Fund

With Profits Fund

BlackRock Pensions Fund

DC Target Return Fund

This Fund targets a consistent yearly investment return of 3.5% above the Bank of England base rate. See below for an example. You should be aware that the achievement of the targeted rate of return is not guaranteed.

Money Pension Fund

DC Cash Fund

Invests with building societies, banks and other leading institutions.

Long Dated Gilt Pension Fund

DC Long Gilt Fund

Invests mainly in long-dated UK government bonds.

Managed Pensions Fund

DC Balanced Growth Fund

Invests mainly in equities (company shares) and to a lesser extent government securities, cash and other fixed interest investments, in the UK and overseas.

Environmental Opportunities Pension Fund

AEGON UK Ethical Fund

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. BlackRock have outsourced the investment of this fund to another company – AEGON Asset Management.

Equity Managed Pension Fund

DC 50/50 Global Growth Fund

Invests mainly in UK equities (around 50%) and overseas equities (around 50%)

UK Index Tracker Pension Fund

DC UK Equity Index Tracker Fund

Invests mainly in equities within the FTSE All Share Index and aims to track the index.

Example

If you currently invest in Zurich's With Profits Fund your money will automatically be transferred to BlackRock's DC Target Return Fund. This Fund aims to generate a positive investment return each year whatever the conditions in financial markets. The Fund is designed to achieve this by specifically aiming to deliver a total yearly return of 3.5% higher than the Bank of England's Base Interest Rate (UK Base Rate). So, if the UK Base Rate is 5% the fund will target a return of 8.5% a year. This target then changes as the base rate moves – for example, if the UK Base Rate changed to say 4% the fund's target would change to 7.5% p.a.

You should be aware that the achievement of the targeted rate of return is not guaranteed and that the value of the DC Target Return Fund can, like other investment funds, go down as well as up.

Next Steps

Once the transfer has taken place you will receive your individual account details direct from BlackRock. In the meantime, if you would like more details about BlackRock or the fund options, have a look at our website at:

blackrock.co.uk/pensions/kingfisher

This site will be available from 6 January 2007.

Past performance is not a guide to future performance. The value of investments and the income from them, may go down as well as up and are not guaranteed. Investors may not get back the amount invested. For the protection of everybody concerned, we normally record phone calls. Tax relief is subject to government legislation and so may change. This document relates to the products of, and is 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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