

Dorset County Pension Fund Committee – 4 March 2014

UK Equity Report

Report of the Internal Manager

1. Purpose of the Report

1.1 To review the management of the UK equity portfolio.

2. Recommendations

2.1 That the report and performance be noted.

3. Background

3.1 The UK Equity portfolio has 3 active managers, AXA Framlington, Standard Life and Schroders as well as the internally managed passive fund. This combination of managers and styles is designed to give the opportunity of outperformance against the FTSE All Share index and has a two thirds passive and one third active mix. Details of the combined portfolio (£594.0M at 31 December 2013) are shown in the table at paragraph 5.2.

3.2 The internally managed passive fund aims to track as closely as possible the FTSE 350 index which measures the progress of the majority of the UK equity market. At 31 December 2013, the FTSE All Share index was made up of 623 individual stocks ranging from HSBC Holdings, the largest UK company (market value £124.7 Billion) down to the smallest in the index, Manchester & London Investment Trust Plc (market value £30.4 Million). Direct investment is made in the largest 350 companies, which comprises 97.3% by value of the index. Investment in the smallest companies which make up 2.7% of the index is achieved by a holding in the Schroders Institutional UK Smaller Companies Fund which is managed on an active basis.

4. Market Background

4.1 All UK Equity markets rose in the three month period to December 2013 with the FTSE250 Index performing the best, rising 6.9% (1,027 points), whilst the FTSE100 was the worst performing major UK index rising 4.4% (287 points). In comparison, all major world indices rose in the same period with the Nikkei225 rising 12.7% (1,836 points) whilst the Dow Jones rose 9.6% (1,447 points).

4.2 All UK markets rose during the nine month period to December 2013 with the FTSE250 performing best, rising 12.5% (1,548 points), whilst the FTSE100 was the worst performing major UK index rising 8.7% (514 points). The FTSE100 hit its highest point during the year on 22 May 2013 at 6,875.6, which was its highest level since 1999. In comparison, all major world indices rose in the same period with the exception of the Hang Seng which fell 1.6% (357 points) with the Nikkei225 rising 19.3% (2,003 points), whilst the Dow Jones rose 11.3% (1,474 points) and ended the year at an all time high of 16,576.7 and the Dax recorded an all-time high of 9,589.4 on 27 December 2013. The table on the next page shows the changes in indices for the three and nine month period to 31 December 2013.

Nine Months to 31 December 2013

Country	Index	31/03/2013	31/12/2013	% Change
UK	FTSE100	5,897.8	6,411.7	8.7
UK	FTSE250	12,375.0	13,923.0	12.5
UK	FTSE350	3,157.0	3,448.6	9.2
UK	Small Cap	3,419.1	3,805.6	11.3
UK	All Share	3,093.4	3,380.6	9.3
Japan	Nikkei225	10,395.2	12,397.9	19.3
US	Dow Jones	13,104.1	14,578.5	11.3
Hong Kong	Hang Seng	22,656.9	22,299.6	-1.6
France	Cac 40	3,641.1	3,731.4	2.5
Germany	Dax	7,612.4	7,795.3	2.4

Three Months to 31 December 2013

	Index	30/09/2013	31/12/2013	% Change
UK	FTSE100	6,462.2	6,749.1	4.4
UK	FTSE250	14,908.2	15,935.4	6.9
UK	FTSE350	3,506.1	3,674.3	4.8
UK	Small Cap	4,204.1	4,431.1	5.4
UK	All Share	3,443.9	3,609.6	4.8
Japan	Nikkei225	14,455.8	16,291.3	12.7
US	Dow Jones	15,129.7	16,576.7	9.6
Hong Kong	Hang Seng	22,859.9	23,306.4	2.0
France	Cac 40	4,143.4	4,296.0	3.7
Germany	Dax	8,594.4	9,552.2	11.1

- 4.3 In October, it was announced that the UK economy grew by 0.8% in the three month period to September 2013, a rise from the previous quarter of 0.7% and is the best quarterly performance since 2010. The Office for National Statistics data showed construction was up 2.5% over the quarter, the second successive quarter of growth after a volatile performance over the past year. Production grew by 0.5%, though this remains 12.8% off its 2008 level, while within this, manufacturing improved 0.9%. The services sector, which represents three-quarters of economic output, grew by 0.7% and is now 0.4% above its pre-crisis peak in the first quarter of 2008. The economy has now grown for three successive quarters for the first time since 2011 but still remains 2.5% smaller than its pre-crisis peak unlike other developed countries.
- 4.4 In October, an agreement to extend the US debt limit, and end the government shutdown was reached before the country was due to hit the maximum \$16.7 trillion (£10.5 trillion) limit on the US national debt, a move which would have set the country on course to default. The agreement meant that the sixteen day government shutdown was ended, as the deal would allow borrowing to rise only until 7 February, with full federal government funding provided until 15 January. The deal followed a warning from ratings agency Fitch that it could cut its AAA rating for the country, reinforcing the need for urgency from Congress to remove the threat of default hanging over the US economy.
- 4.5 In November, the European Central Bank (ECB) cut its benchmark interest rate to a new record low of 0.25%, down from 0.50%. The decision was based on a sudden drop in Eurozone inflation, which fell to an annual rate of 0.7% in October, well below

the ECB's official target of just under 2%. The euro fell sharply in response whilst European shares rose.

- 4.6 In December, it was announced that the US economy grew by 4.1% in the three month period to September 2013, a rise from the previous quarter of 2.5% growth, which was the largest rise in two years. Consumer spending, which accounts for more than two thirds of the US economy grew 2%. There were stronger spending on health care and recreation which increased spending on services to 0.7% and business spending grew by 4.8%. The Federal Reserve announced that a slowdown in an effort to boost the US economy, reducing its bond buying programme by \$10 Billion a month to \$75 Billion a month. The reason for the move was put down to stronger job growth and belief that the US economy has finally strengthened sufficiently that it no longer needs so much support. The \$10 Billion reduction comes from two areas; the Federal Reserve would reduce its US Treasury purchases from \$45 Billion to \$40 Billion per month as well as its buying of mortgage-backed securities from \$40 Billion to \$35 Billion per month.

5 Performance

Internally managed passive portfolio

- 5.1 The internally managed passive portfolio is modelled to track the index with a tolerance of +/-0.5% pa allowing for the costs of rebalancing. The figures shown below are for this part of the Fund only.

Quarter To	Dorset %	Index %
30/06/13	-1.62	-1.72
30/09/13	5.78	5.46
31/12/13	5.31	5.44
Total	<u>9.59</u>	<u>9.28</u>

Notes:

- The Dorset Fund has outperformed the benchmark over the nine month period to 31 December 2013 but within the allowed tolerances.

5.2

NINE MONTHS TO 31 DECEMBER 2013					
Manager	Market Values		Performance	Benchmark	Benchmark Description
	31/03/2013	31/12/2013	%	%	
	£M	£M			
Internal	355.0	380.7	9.59	9.28	FTSE 350
AXA Framlington	88.3	101.8	15.24	9.50	All-Share
Standard Life	66.4	78.8	18.93	9.50	All-Share
Schroders	26.4	32.7	24.46	29.59	Small Cap
Total	<u>536.1</u>	<u>594.0</u>	<u>12.4</u>	<u>10.0</u>	

The figures for the whole UK equity portfolio show:

- The combined portfolio has outperformed its benchmark over the nine month period by 2.4%
- Standard Life and AXA Framlington outperformed their benchmark by 9.43%

and 5.74% respectively in the nine month period to 31 December 2013 whilst Schroders underperformed their benchmark by 5.13%.

5.3 Each external manager's commentary is summarised below:

Schroders

3rd Quarter 2013/14

Performance

During the quarter, the Fund returned 7.5% which matched the Small Cap benchmark. This quarter produced another significant positive performance from smaller companies, outperforming the broader UK equity market. Although the fund matched the benchmark in this quarter it underperformed 37.9% against its benchmark of 43.9% over twelve months. This underperformance reflects both the strong share price moves in a number of recovery stocks and the inability of a list of companies owned to keep pace with such a fast moving market. Colefax was the largest contributor to performance as demand for its fabrics picked up. Ted Baker continued to increase sales in both the UK and overseas, while Arrow Group was an attractively priced new issue in the Financial sector. Pace's profits continued under the new management team while the acquisition by Oxford Instruments of Andor was well received in the market. Dart Group experienced profit taking after a strong run and was visited in November with the company still having substantial growth opportunities. Both Devro and Games Workshop both had profit warnings. In terms of stocks not owned, the main negative to performance came from not owning recovery stocks such as Darty, Trinity Mirror and Northgate.

Activity

During the quarter, advantage was taken of an attractive new issue market to take positions in Servelec which supplies software systems to the NHS and Tungsten which is involved in financial services. New holdings were brought in Craneware which is also involved in selling software to the NHS; Stanley Gibbons which used equity to finance the acquisition of Noble and Flybe where the shares were sold at an attractive price. All these purchases were financed by new subscriptions to the fund.

Outlook and Strategy

The focus remains on investing in companies with strong balance sheets, sensible management, clear business models, identifiable barriers to entry, prudent accounts and, where possible, pricing power. This approach has generated long term value but underperforms when highly indebted recovery plays are the trend.

Standard Life

3rd Quarter 2013/14

Performance

During the quarter, the Fund returned 5.5% against the FTSE All Share Index return of 5.5%. Over the year to 31 December 2013, the Fund returned 30.0% against the index return of 20.8%. Electrical retailer Darty was a notable contributor to performance, with the shares rising due to better than expected half year results. Good like-for-like sales in its core French market, market share gains and reduced costs were the principal drivers. International Consolidated Airlines Group also outperformed as it increased its profit targets in the quarter due to strong performance at Vueling and British Airways. Improving yields on key transatlantic routes and in premium travel also supported the shares. The fund also benefitted from the meteoric rise in Royal Mail shares following its initial public offering. Negatives to performance included Essar Energy who reported higher losses than expected, as increased interest charges, foreign exchange and depreciation costs with declining refining margins affected earnings. Shares in mining firm Vedanta also underperformed as iron ore extraction and transportation was banned in Goa, while larger than expected debt levels also weighed on the shares. In mining, Glencore

Xstrata shares were also relatively weak, primarily in response to lower coal prices.

Activity

The holding in Barclays was added to during the quarter by participating in the rights issue required to increase its capital levels. The holding in HSBC was added to following weakness in the shares driven by negative sentiment towards emerging markets. The potential is for the dividend to grow in excess of earnings while clarification on both regulation and tapering should be supportive and are seen as positives. Sales activity included the reduction of the holding in BskyB following BT's aggressive pursuit of sports broadcasting rights packages. This suggests the risks of higher costs for sports rights are increasing and that BskyB will have less pricing power in future. The holding in Marks & Spencer was reduced where the success of the food business is being more than offset by continued poor general merchandise sales. Some profit was taken in Enterprise Inns following a strong run in the shares after reports showed like-for-like net income growth for the first time in six years.

Outlook and Strategy

Given the strong rally in UK equities throughout 2013, the belief is the market may consolidate for a period as investors digest the general implications of the gathering strength of the economy. With valuations now broadly at more reasonable levels, investors are likely to be more selective as they seek more attractively valued businesses with growing earnings rather than betting on further valuation re-rating. Despite the market's progress, the value is in many consumer and industrial cyclical companies, as well as in underappreciated emerging market related stocks. Ultimately the improving economic environment will continue to support UK equities and provide ample investment opportunity in 2014. The general financial health of the companies analysed remain encouraging and therefore little credit risk, particularly as more and more companies focus on cash-based returns measures which will benefit share prices. The focus continues to be on finding companies in a variety of industries which benefit from capital discipline.

AXA Framlington

3rd Quarter 2013/14

Performance

During the quarter, the Fund returned 7.7% against the FTSE All Share Index return of 5.5%. For the year to date the Fund returned 29.7% against its benchmark of 20.8%. Positives to performance included Xaar which was the biggest contributor to performance in the quarter due to further global adoption of the digital printhead technology; RPC which made an attractive acquisition in household, cosmetic and healthcare packaging and Consumer services, which includes media and retailers was the best performing sector. Negatives to performance was Imagination Technologies which was the biggest negative, as changes to earnings expectations for the next two years weighed on the stock, which has been heavily shorted; the Technology sector, given the pace of change across a broad spectrum of industries was the worst performing sector and being underweight in big oil was a negative influence in the quarter.

Activity

It was an active quarter for acquisitions and additions with holdings added to in IMI, Clinigen, Lloyds Bank, Vodafone, Rio Tinto and GlaxoSmithkline. A new position was added in AstraZeneca, as their patent protection approaches, which has been largely discounted and the focus remains on their phase III pipeline of cancer and biologics which replaced the bad news on patent expiries. Holdings of Experian, SDL, Diageo and Antofagasta were sold. Weir Group was further reduced and some profits were taken in retailers Dixons and Next.

Outlook and Strategy

The economic recovery in the USA, UK and Japan has helped sentiment towards equities and tapering has removed some liquidity from emerging markets and their currencies have weakened. The Initial Public Offerings and merger/takeover activity is likely to increase in 2014.

6 **Review of Activity**

6.1 There has been one significant corporate action in the three month period to 31 December 2013.

- In October, the Eurasian Natural Resources Corporation Plc was involved in a Scheme of Arrangement by Eurasian Resources Group BV for £0.1M

6.2 The portfolio was rebalanced once in the three month period to December 2013. In October, the total value of purchases and sales were £6.9M with a net sale of £0.4M. There were 22 purchases (£3.2M) and 77 sales (£3.6M).

7 **Stock Lending**

7.1 Stock lending is managed in the UK on an agency basis by HSBC, and overseas on the same basis by Pictet.

7.2 Total overseas stock lending income for the year to 31 December 2013 is £60,965. Net income for UK stock lending was £101,190 over the same period, giving a total of £162,155. This compares to the period to 31 December 2012 where overseas stock lending was £65,550 and the UK stock lending figure was £105,495, giving a total of £171,045.

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February 2014

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DORSET COUNTY PENSION FUND

VALUATION OF PORTFOLIO AT CLOSE OF BUSINESS 31 DECEMBER 2013

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
UK EQUITIES				
MINING				
AFRICAN BARRICK GOLD LTD	22,000	120	1.86	41
ANGLO AMERICAN ORD USD0.54	243,090	2,636	13.20	3,209
ANTOFAGASTA ORD GBP0.05	66,500	103	8.24	548
BHP BILLITON ORD USD0.50	392,026	1,654	18.66	7,315
CENTAMIN EGYPT LTD	193,000	328	0.45	86
FRESNILLO	31,000	44	7.42	230
GLENCORE XSTRATA	1,787,243	4,503	3.13	5,589
HOCHSCHILD MINING ORD GBP0.25	30,000	101	1.40	42
KAZAKHMYS ORD GBP0.20	49,584	336	2.18	108
KENMARE RESOURCES	475,000	113	0.21	98
LONMIN ORD USD1.00	80,027	305	3.09	247
PETRA DIAMONDS	103,000	153	1.18	122
POLYMETAL INT'L	37,000	416	5.75	213
RANDGOLD RESOURCES ORD USD0.05	17,250	338	37.89	654
RIO TINTO ORD GBP0.10 (REG)	232,050	2,176	34.06	7,902
VEDANTA RESOURCES ORD USD0.10	18,500	74	9.33	173
Total MINING		13,400		26,576
OIL & GAS PRODUCERS				
AFREN PLC	201,000	200	1.69	340
BG GROUP ORD GBP0.10	632,475	1,754	12.98	8,206
BP ORD USD0.25	3,502,500	11,293	4.88	17,094
CAIRN ENERGY ORD GBP0.061	113,207	227	2.70	305
ENQUEST PLC	135,000	197	1.35	182
ESSAR ENERGY PLC	54,000	292	0.72	39
OPHIR ENERGY	95,400	434	3.28	313
PREMIER OIL ORD GBP0.50	99,348	137	3.14	312
ROYAL DUTCH 'B' ORD EUR0.07	1,141,795	15,267	22.80	26,027
SOCO INTL ORD GBP0.20	41,000	96	3.94	162
TULLOW OIL ORD GBP 0.10	167,500	729	8.55	1,432
Total OIL & GAS PRODUCERS		30,626		54,412
CHEMICALS				
AZ ELECTRONIC MATERIALS	72,000	217	3.95	284
CRODA INTL ORD GBP0.10	25,000	89	24.53	613
ELEMENTIS	85,000	97	2.69	229
JOHNSON MATTHEY ORD GBP1.00	38,320	262	32.73	1,254
SYNTHOMER	46,665	83	2.51	117
VICTREX ORD GBP0.01	15,000	69	18.37	276
Total CHEMICALS		817		2,773
CONSTRUCTION & MATERIALS				
BALFOUR BEATTY ORD GBP0.50	128,020	317	2.87	367
CRH PLC	135,000	1,707	15.23	2,056
GALLIFORD TRY ORD GBP0.05	15,000	88	11.69	175
KELLER GROUP ORD GBP0.10	14,000	137	11.45	160
KIER GROUP ORD GBP0.01	10,000	170	18.29	183

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
Total CONSTRUCTION & MATERIALS		2,418		2,942
FORESTRY & PAPER				
MONDI PLC EUR0.20	68,250	126	10.46	714
Total FORESTRY & PAPER		126		714
AEROSPACE & DEFENCE				
BAE SYSTEMS ORD GBP0.025	602,616	1,045	4.35	2,618
CHEMRING GROUP ORD GBP0.05	34,500	130	2.24	77
COBHAM ORD GBP0.25	202,000	136	2.74	554
MEGGITT ORD GBP0.05	147,187	338	5.28	776
QINETIQ ORD GBP0.01	119,000	205	2.17	258
ROLLS ROYCE ORD GBP0.20	347,978	925	12.73	4,430
SENIOR	76,000	95	3.07	233
ULTRA ELECTRONICS ORD GBP0.05	12,500	81	19.28	241
Total AEROSPACE & DEFENCE		2,955		9,188
ELECTRONIC & ELECTRICAL EQUIPMENT				
DIALIGHT	6,000	73	8.55	51
DOMINO PRINTING SCIENCES	21,000	67	7.65	161
HALMA ORD GBP0.10	71,017	70	6.03	428
LAIRD GROUP ORD GBP0.28125	47,000	54	2.77	130
MORGAN ADVANCE MATERIALS	53,000	106	3.16	167
OXFORD INSTRUMENTS	10,000	128	17.59	176
RENISHAW ORD GBP0.20	7,000	46	19.41	136
SPECTRIS ORD GBP0.05	22,000	112	25.51	561
XAAR ORD	14,000	118	11.20	157
Total ELECTRONIC & ELECTRICAL EQUIPMENT		774		1,967
INDUSTRIAL ENGINEERING				
BODYCOTE INT ORD GBP 0.10	36,252	152	6.69	243
FENNER	34,000	70	4.85	165
IMI ORD GBP0.25	59,250	131	15.25	904
MELROSE INDUSTRIES	237,669	392	3.06	727
ROTORK ORD GBP0.05	16,000	82	28.70	459
SPIRAX-SARCO ORD GBP0.25	13,961	81	29.89	417
WEIR GROUP ORD GBP0.125	39,250	130	21.32	837
Total INDUSTRIAL ENGINEERING		1,038		3,751
AUTOMOBILES & PARTS				
GKN ORD GBP0.50	303,044	261	3.73	1,129
Total AUTOMOBILES & PARTS		261		1,129
HOUSEHOLD GOODS & HOME CONSTRUCTION				
BARRATT DEVEL ORD GBP0.10	182,634	361	3.48	636
BELLWAY ORD GBP0.125	23,000	117	15.70	361
BERKELEY GP UNITS	23,080	85	26.51	612
BOVIS HOMES GROUP ORD GBP0.50	25,000	105	7.93	198
CREST NICHOLSON ORD GBP0.10	31,000	107	3.65	113
PERSIMMON ORD GBP0.10	56,645	267	12.39	702
RECKITT BENCKISER ORD GBP0.10	120,050	1,161	47.88	5,748
REDROW ORD GBP0.10	40,928	63	3.12	128
TAYLOR WIMPEY ORD GBP0.25	600,000	258	1.12	669
Total HOUSEHOLD GOODS & HOME CONSTRUCTION		2,525		9,167

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
BEVERAGES				
BARR (A G)	16,000	36	5.65	90
BRITVIC ORD GBP0.20	43,000	115	6.90	296
COCA-COLA HBC AG	37,000	644	17.60	651
DIAGEO PLC ORD GBP0.28935	467,677	2,688	19.99	9,349
SABMILLER ORD USD 0.10	175,500	1,237	30.97	5,435
Total BEVERAGES		4,721		15,822
FOOD PRODUCERS				
ASSD BRITISH FOODS ORD GBP0.0568	64,460	194	24.45	1,576
CRANWICK	9,000	63	11.86	107
DAIRY CREST ORD GBP0.25	24,500	88	5.40	132
DEVRO PLC	29,000	66	2.86	83
GREENCORE GROUP	75,000	119	2.22	167
TATE & LYLE ORD GBP0.25	87,400	244	8.09	707
UNILEVER ORD GBP0.031111	224,728	1,036	24.82	5,578
Total FOOD PRODUCERS		1,810		8,349
HEALTH CARE EQUIPMENT & SERVICES				
AL NOOR HOSPITALS GROUP	8,000	66	8.98	72
NMC HEALTH PLC	12,000	39	4.38	53
SMITH & NEPHEW ORD USD0.2	167,272	298	8.61	1,439
SYNERGY HEALTH	10,000	40	12.03	120
Total HEALTH CARE EQUIPMENT & SERVICES		444		1,684
PERSONAL GOODS				
BURBERRY GROUP ORD GBP0.0005	82,372	155	15.16	1,249
PZ CUSSONS ORD GBP0.01	56,970	87	3.76	214
SUPERGROUP PLC	6,000	38	14.15	85
TED BAKER PLC	5,000	45	22.64	113
Total PERSONAL GOODS		326		1,661
PHARMACEUTICALS & BIOTECHNOLOGY				
ASTRAZENECA ORD USD0.25	232,000	3,765	35.75	8,293
BTG	60,000	120	5.74	344
DECHRA PHARMACEUTICALS	16,000	79	6.99	112
GENUS	11,000	86	12.97	143
GLAXOSMITHKLINE ORD GBP0.25	915,088	4,335	16.12	14,747
HIKMA PHARMA ORD GBP0.10	25,000	98	11.97	299
SHIRE ORD GBP0.05	103,000	962	28.51	2,937
Total PHARMACEUTICALS & BIOTECHNOLOGY		9,444		26,874
TOBACCO				
BRITISH AMERICAN TOBACCO ORD GBP0.25	357,000	3,362	32.36	11,553
IMPERIAL TOBACCO ORD GBP0.10	181,262	1,721	23.37	4,236
Total TOBACCO		5,084		15,789
GENERAL RETAILERS				
BROWN (N) GROUP ORD GBP0.11	28,761	26	5.32	153
CARPETRIGHT ORD GBP0.01	8,500	56	5.00	43
DEBENHAMS ORD GBP0.01	231,000	299	0.73	169
DIGNITY	9,813	93	14.32	141
DSG INTERNATIONAL ORD GBP0.025	680,345	380	0.48	330
DUNELM GROUP	17,000	34	9.00	153
HALFORDS GRP ORD GBP0.01	37,000	110	4.46	165

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
HOME RETAIL GROUP ORD GBP0.10	153,870	122	1.91	295
INCHCAPE ORD GBP0.25	86,300	167	6.14	529
KINGFISHER ORD GBP0.15	440,078	831	3.85	1,692
MARKS AND SPENCER GROUP ORD GBP0.25	298,600	467	4.33	1,292
NEXT ORD GBP0.10	28,000	104	54.45	1,525
SMITH WH ORD GBP0.20	22,447	56	10.00	224
SPORTS DIRECT INT'L ORD GBP0.10	39,000	93	7.15	279
Total GENERAL RETAILERS		2,837		6,988
INDUSTRIAL METALS				
ALENT	41,281	140	3.50	144
EVRAZ PLC	94,000	321	1.12	105
FERREXPO	29,000	111	1.91	55
VESUVIUS	50,281	170	5.10	256
Total INDUSTRIAL METALS		742		561
TRAVEL & LEISURE				
888 HOLDINGS	26,000	39	1.71	45
BETFAIR GROUP	17,000	130	10.80	184
BWIN ENTERTAINMENT ORD GBP0.000015	131,900	358	1.23	162
CARNIVAL ORD USD1.66	33,865	416	25.01	847
COMPASS GROUP ORD GBP0.10	338,388	793	9.68	3,274
DOMINO'S PIZZA UK& IRL	25,000	75	5.13	128
EASYJET ORD GBP0.25	46,257	194	15.34	710
ENTERPRISE INNS ORD GBP0.025	95,000	100	1.53	145
FIRSTGROUP ORD GBP0.05	218,749	373	1.24	270
GO AHEAD GROUP ORD GBP0.10	8,000	74	17.58	141
GREENE KING ORD GBP0.125	40,799	138	8.81	359
INT'L CONSOLIDATED AIR	353,250	855	4.01	1,417
INTERCONTINENTAL HOTELS	48,819	105	20.13	983
LADBROKES ORD GBP0.28333	169,805	642	1.79	303
MARSTONS ORD GBP0.07375	107,154	108	1.43	154
MILLENNIUM & COPTHORNE HOTELS	27,910	108	5.92	165
MITCHELLS & BUTLER ORD GBP0.085416	43,430	132	4.22	183
NATIONAL EXPRESS ORD GBP0.05	79,666	202	2.75	219
RANK GROUP ORD GBP0.13888	19,215	46	1.35	26
RESTAURANT ORD GBP0.28125	36,000	42	5.92	213
STAGECOACH GROUP ORD GBP0.009824	80,395	72	3.78	304
THOMAS COOK ORD EUR0.10	266,000	343	1.67	444
TUI TRAVEL ORD GBP0.10	94,500	139	4.12	390
WETHERSPOON (JD) ORD GBP0.02	16,500	43	7.62	126
WHITBREAD ORD GBP0.76797385	33,585	179	37.45	1,258
WILLIAM HILL ORD GBP0.10	160,552	288	4.02	645
Total TRAVEL & LEISURE		5,994		13,094
MEDIA				
BRITISH SKY BROADCASTING ORD GBP0.50	180,500	815	8.44	1,523
ENTERTAINMENT ONE LTD	36,000	81	2.58	93
EUROMONEY INST INVESTOR	7,000	47	13.50	95
INFORMA ORD GBP0.001	112,948	275	5.73	647
ITE GROUP ORD GBP0.01	44,000	70	3.07	135
ITV ORD GBP0.10	679,146	737	1.94	1,316
MONEYSUPERMARKET.COM	68,000	91	1.81	123
PEARSON ORD GBP0.25	151,027	865	13.41	2,025
PERFORM GROUP	17,000	70	2.24	38
REED ELSEVIER ORD GBP0.1444	220,670	663	8.99	1,983

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
RIGHTMOVE ORD GBP0.001	18,115	56	27.33	495
UBM ORD GBP0.338068	45,437	405	6.54	297
WPP GROUP ORD GBP0.10	247,966	1,133	13.79	3,419
Total MEDIA		5,309		12,189
SUPPORT SERVICES				
AGGREKO ORD GBP0.20	47,036	102	17.09	804
ASHTREAD GROUP ORD GBP0.10	94,000	142	7.60	714
ATKINS WS ORD GBP0.005	19,000	73	14.12	268
BABCOCK INTL GRP ORD GBP0.60	67,432	135	13.52	912
BERENDSEN PLC	31,957	90	9.28	296
BUNZL ORD GBP0.32	61,720	172	14.47	893
CAPITA GROUP ORD NVP	121,902	342	10.35	1,262
CARILLION ORD GBP0.50	80,699	150	3.30	267
CONNAUGHT	22,000	90	0.00	0
DCC ORD	15,500	422	29.53	458
DE LA RUE ORD GBP	17,998	144	8.71	157
DIPLOMA PLC	22,000	104	6.75	149
ELECTROCOMPONENTS ORD GBP0.10	79,000	94	2.79	220
EXPERIAN ORD USD0.10	187,870	451	11.12	2,089
FILTRONA ORD GBP0.25	43,749	80	8.50	372
G4S ORD GBP0.25	288,213	549	2.62	755
HAYS ORD GBP0.01	253,500	113	1.29	328
HOMESERVE ORD GBP0.125	51,000	80	2.75	140
HOWDEN JOINERY GROUP	113,000	86	3.44	389
INTERSERVE ORD GBP0.10	24,000	78	6.23	150
INTERTEK GROUP ORD GBP0.01	29,850	187	31.41	938
MENZIES(JOHN) PLC	9,000	57	7.08	64
MICHAEL PAGE INTL ORD GBP0.01	55,000	97	4.88	268
MITIE GROUP ORD GBP0.025	67,500	128	3.17	214
PAYPOINT	12,000	87	10.09	121
PREMIER FARNELL ORD GBP0.05	66,657	201	2.22	148
REGUS ORD GBP0.05	119,000	100	2.17	258
RENTOKIL INITIAL ORD GBP0.01	340,624	274	1.16	394
RPS GROUP ORD GBP0.03	38,000	87	3.36	128
SERCO ORD GBP0.02	93,000	193	4.99	464
SIG ORD GBP0.10	106,285	169	2.11	224
TRAVIS PERKINS ORD GBP0.10	45,672	180	18.69	854
WOLSELEY ORD GBP0.25	49,063	719	34.25	1,680
Total SUPPORT SERVICES		5,974		16,376
INDUSTRIAL TRANSPORT				
BBA AVIATION ORD GBP0.2976	89,200	159	3.21	286
FISHER (JAMES) & SONS	8,000	77	12.50	100
Total INDUSTRIAL TRANSPORT		236		386
FOOD & DRUG RETAILERS				
BOOKER GROUP	266,000	109	1.62	432
GREGGS ORD GBP0.20	17,500	59	4.31	75
MORRISON (WM) ORD GBP0.10	402,283	470	2.61	1,050
OCADO GROUP PLC	80,000	126	4.41	352
SAINSBURY (J) ORD GBP0.28	262,000	791	3.65	956
TESCO ORD GBP0.05	1,493,212	2,236	3.34	4,993
UDG HEALTHCARE	45,000	126	3.24	146
Total FOOD & DRUG RETAILERS		3,918		8,003

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
FIXED LINE TELECOMMUNICATION				
BT GROUP ORD GBP0.05	1,463,398	2,783	3.79	5,546
CABLE & WIRELESS COMMU	459,000	556	0.56	258
COLT TELECOM ORD EUR1.25	58,757	435	1.28	75
KCOM GROUP	96,000	76	0.97	93
TALKTALK TELECOM	94,000	123	3.06	288
TELECOM PLUS	10,284	84	17.70	182
Total FIXED LINE TELECOMMUNICATION		4,058		6,443
ELECTRICITY				
DRAX GROUP ORD GBP0.11	75,744	564	8.00	606
SSE PLC ORD GBP0.50	177,940	971	13.68	2,434
Total ELECTRICITY		1,535		3,040
GAS WATER & MULTIUTILITIES				
CENTRICA ORD GBP0.061728395	957,474	1,536	3.47	3,324
NATIONAL GRID ORD GBP0.11395	693,086	2,857	7.88	5,462
PENNON ORD GBP0.407	68,279	143	6.59	450
SEVERN TRENT ORD GBP0.9789	44,509	218	17.05	759
UNITED UTILITIES ORD GBP1.00	127,439	455	6.72	856
Total GAS WATER & MULTIUTILITIES		5,210		10,850
BANKS				
BANK OF GEORGIA HLDGS	5,000	65	23.90	120
BARCLAYS ORD GBP0.25	2,987,270	6,242	2.72	8,121
HSBC HLDGS ORD USD 0.50	3,461,447	14,644	6.62	22,925
LLOYDS TSB GROUP ORD GBP0.25	8,985,923	8,485	0.79	7,067
ROYAL BANK OF SCOTLAND	387,772	5,952	3.38	1,311
STANDARD CHARTERED ORD USD0.50	367,311	2,878	13.60	4,995
Total BANKS		38,265		44,539
NON LIFE INSURANCE				
ADMIRAL GRP ORD GBP0.001	36,000	186	13.09	471
AMLIN ORD GBP0.28125	92,289	151	4.57	422
BEAZLEY GROUP ORD GBP0.05	97,421	109	2.71	264
CATLIN GROUP USD0.01	62,331	243	5.81	362
DIRECT LINE INSURANCE GRP	196,000	424	2.50	489
ESURE GROUP	46,000	142	2.46	113
HISCOX ORD GBP0.05	65,819	148	6.94	457
JARDINE LLOYD THOMPSON ORD GBP0.05	23,000	55	10.18	234
LANCASHIRE HOLDINGS LTD	34,000	189	8.10	275
RSA INSURANCE	686,082	944	0.91	627
Total NON LIFE INSURANCE		2,591		3,715
LIFE INSURANCE				
AVIVA ORD GBP0.25	547,432	3,536	4.50	2,461
LEGAL & GENERAL GP ORD GBP0.025	1,089,334	480	2.23	2,425
OLD	908,435	1,292	1.89	1,717
PARTNERSHIP ASSURANCE GROUP	27,000	108	2.94	79
PHOENIX GROUP HOLDINGS	34,479	226	7.24	249
PRUDENTIAL CORP ORD GBP0.05	474,136	1,218	13.39	6,349
RESOLUTION ORD GBP0.05	255,210	721	3.54	903
ST JAMES PLACE ORD GBP0.15	75,000	319	7.24	543
STANDARD LIFE ORD GBP0.10	437,106	1,129	3.59	1,571
Total LIFE INSURANCE		9,033		16,296

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
EQUITY INVESTMENT INSTRUMENTS				
3I INFRASTRUCTURE LTD	111,000	127	1.34	148
ABERFORTH SMALLER COS TRUST ORD GBP	18,000	57	10.95	197
ALLIANCE TRUST ORD GBP0.25	105,735	167	4.49	475
BANKERS I.T. ORD GBP0.25	21,500	38	5.83	125
BH GLOBAL LTD	8,500	80	12.07	103
BH MACRO LTD	13,000	212	20.79	270
BLACKROCK WORLD MINING TRST	32,500	85	4.65	151
BLUECREST ALLBLUE FUND LTD	83,000	123	1.75	145
BRITISH EMPIRE SEC & GEN TRUST	29,000	57	4.85	141
CALEDONIA INVESTMENT ORD GBP0.05	6,500	39	19.00	124
CITY OF LONDON TRUST ORD GBP0.25	47,600	78	3.78	180
EDINBURGH DRAGON TRUST	37,000	53	2.45	91
EDINBURGH I.T. ORD GBP0.25	37,100	66	6.04	224
ELECTRA PRIVATE EQUITY GBP0.25	7,000	21	23.80	167
F & C INVEST TRUST ORD GBP0.25	108,000	81	3.78	408
FIDELITY CHINA SPECIAL	111,868	130	1.06	119
FIDELITY EUROPEAN VALUES ORD GBP0.25	8,000	41	15.25	122
GENESIS EMERGING MARKETS	24,000	108	5.00	120
HERALD INVESTMENT TRUST	14,000	63	6.85	96
HICL INFRASTRUCTURE CO	221,725	257	1.34	298
INTERNATIONAL PUB PTR	133,345	136	1.28	170
JOHN LAING INFRASTRUCTURE	118,125	129	1.15	135
JPMORGAN AMERICAN IT	9,000	60	11.88	107
JPMORGAN EMERGING MKTS	23,000	106	5.43	125
LAW DEBENTURE CORP	22,000	65	5.29	116
MERCANTILE TRUST	18,700	30	15.45	289
MERCHANTS TRUST ORD GBP0.25	19,000	80	5.11	97
MONKS INVESTMENT ORD GBP0.05	44,500	38	3.86	172
MURRAY INCOME ORD GBP0.25	12,500	67	7.87	98
MURRAY INTERNATIONAL ORD GBP0.25	22,800	112	10.52	240
NB GLOBAL FLOATING RATE	153,000	156	1.05	161
PERPETUAL INCOME & GRTH ORD GBP0.10	41,000	84	3.75	154
PERSONAL ASSETS TRUST	286	100	321.30	92
POLAR CAPITAL TECHNOLOGY TR	23,000	53	4.92	113
RIT CAPITAL PARTNERS ORD GBP1.00	23,479	51	12.60	296
SCHRODERS ASIA PACIFIC FUND	32,000	78	2.35	75
SCOTTISH I.T. ORD GBP0.25	22,100	36	5.93	131
SCOTTISH MORTGAGE ORD GBP0.25	46,800	77	10.35	484
TEMPLE BAR IT ORD GBP0.25	11,000	72	12.41	137
TEMPLETON EMERGING MARKETS I.T.	62,000	94	5.29	328
TR PROPERTY INVESTMENT TRUST	58,500	41	2.27	133
WITAN IT ORD GBP0.25	36,100	52	6.68	241
WORLDWIDE HEALTH	9,000	86	12.39	112
Total EQUITY INVESTMENT INSTRUMENTS		3,681		7,707
REAL ESTATE INVESTMENT & SERVICES				
CAPITAL & COUNTIES PROPERTIES	123,333	195	3.29	406
COUNTRYWIDE PLC ORD GBP0.05	21,000	126	5.95	125
DAEJAN HOLDINGS ORD GBP0.25	1,000	42	45.13	45
GRAINGER TRUST ORD0.05	77,000	112	2.04	157
HANSTEEN HOLDINGS	114,000	99	1.08	123
LONDON & STAMFORD PROPERTY	110,000	138	1.38	152
SAVILLS ORD 2.5GBP	24,000	84	6.40	154
ST. MODWEN PROPERTIES ORD GBP0.10	31,000	78	3.66	113

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
UNITE GROUP ORD GBP0.25	33,000	100	4.03	133
Total REAL ESTATE INVESTMENT & SERVICES		974		1,408
REAL ESTATE INVESTMENT TRUSTS				
BIG YELLOW GROUP ORD GBP0.10	23,000	110	4.78	110
BRITISH LAND ORD GBP0.25	185,000	726	6.29	1,164
CAPITAL SHOPPING CENTRES	125,333	510	3.10	388
DERWENT LONDON ORD GBP0.05	17,096	181	24.90	426
F & C COMMERCIAL PROPERTY TRUST	91,000	95	1.20	109
GREAT PORTLAND ESTATE ORD GBP0.125	65,172	167	5.99	390
HAMMERSON ORD GBP0.25	132,847	403	5.02	667
LAND SECURITIES GROUP ORD GBP0.10	144,276	625	9.64	1,390
SEGRO REIT	139,052	405	3.34	464
SHAFTESBURY ORD GBP0.25	46,666	147	6.25	292
UK COMMERCIAL PROPERTY ORD GBP0.25	77,000	64	0.77	59
WORKSPACE GROUP - ORD GBP0.10	20,000	69	5.27	105
Total REAL ESTATE INVESTMENT TRUSTS		3,503		5,564
TECHNOLOGY HARDWARE & EQUIPMENT				
ARM HOLDINGS ORD GBP0.05	259,500	416	10.97	2,847
CSR ORD GBP0.0001	31,500	124	6.32	199
IMAGINATION TECH GROUP PLC	37,000	89	1.78	66
PACE PLC	58,000	134	3.18	185
SPIRENT ORD GBP0.0333	123,000	38	1.04	127
Total TECHNOLOGY HARDWARE & EQUIPMENT		800		3,423
SOFTWARE & COMPUTER SERVICES				
AVEVA GROUP ORD GBP0.0333	11,686	123	21.59	252
COMPUTACENTER PLC ORD GBP0.05	14,400	50	6.30	91
FIDESSA GROUP	7,000	50	22.53	158
INVENSYS ORD GBP0.10	121,204	991	5.07	615
MICRO FOCUS INT'L ORD GBP0.10	26,584	95	7.66	204
PLAYTECH ORD	28,000	137	7.31	205
SAGE GROUP ORD GBP0.01	208,263	208	4.04	841
TELECITY GROUP	38,000	157	7.25	275
Total SOFTWARE & COMPUTER SERVICES		1,810		2,640
FINANCIAL SERVICES				
3I GROUP ORD GBP0.738636	180,781	443	3.85	696
ABERDEEN ASSET MGT ORDGBP0.10	176,000	232	4.95	871
ASHMORE GROUP ORD GBP0.0001	73,000	196	4.01	293
BREWIN DOLPHIN HLDGS	46,000	71	3.05	140
CLOSE BROTHERS GROUP ORD GBP0.25	27,500	117	13.70	377
F & C ASSET MGT ORD GBP0.001	79,000	58	0.92	72
HARGRAVES LANSDOWN	41,000	127	13.54	555
HENDERSON GRP ORD GBP0.125	192,518	116	2.28	439
ICAP ORD GBP0.10	101,000	259	4.52	456
IG GROUP ORD GBP0.05	68,000	140	6.13	417
INTERMEDIATE CAPITAL GRP ORD GBP0.20	75,181	238	4.19	315
INTL PERSONAL FINANCE ORD GBP0.10	47,236	58	4.96	234
INVESTEC ORD GBP0.0002	92,500	245	4.37	404
IP GROUP PLC	65,000	96	1.70	110
JUPITER FUND MANAGEMENT	64,000	174	3.85	246
LONDON STOCK EXCHANGE ORD GBP0.069	32,942	183	17.32	571
MAN GROUP ORD USD0.0342857	307,375	448	0.85	261

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
PARAGON GRP OF COMPANIES ORD GBP1	54,000	92	3.71	200
PROVIDENT FINANCIAL ORD GBP0.20	25,618	119	16.20	415
RATHBONE BROTHERS ORD GBP0.05	9,000	85	16.14	145
SCHRODERS ORD GBP1.00	20,999	52	25.98	546
SVG CAPITAL ORD GBP1.00	44,000	119	4.32	190
TULLETT PREBON ORD GBP0.25	39,500	111	3.75	148
Total FINANCIAL SERVICES		3,779		8,103
GENERAL INDUSTRIAL				
REXAM ORD GBP0.64285714	147,837	452	5.30	784
RPC GROUP	29,000	101	5.90	171
SMITH (DS) ORD GBP0.10	172,475	209	3.32	573
SMITHS GROUP ORD GBP0.375	72,527	363	14.79	1,073
Total GENERAL INDUSTRIAL		1,126		2,600
MOBILE TELECOMMUNICATIONS				
INMARSAT ORD EURO0.0005	79,000	281	7.56	597
VODAFONE GROUP ORD USD0.11	9,052,187	16,944	2.37	21,454
Total MOBILE TELECOMMUNICATIONS		17,226		22,051
OIL EQUIPMENT SERVICES & DISTRIBUTION				
AMEC ORD GBP0.50	55,500	175	10.86	603
HUNTING ORD GBP0.25	26,000	110	7.80	203
KENTZ CORP LTD	18,000	69	6.32	114
PETROFAC ORD USD0.025	48,000	144	12.18	585
WOOD GROUP (JOHN) ORD GBP0.03333	67,833	238	6.84	464
Total OIL EQUIPMENT SERVICES & DISTRIBUTION		735		1,968
Total UK EQUITIES		196,103		380,741

Summary of Transactions for the Period**1 April - 31 December 2013**

Cash Transaction Summary

Schedule	Purchases	Sales	Net Cash Invested
	£	£	£
UK Equities	9,600,500.86	6,683,929.94	2,916,570.92
	----- 9,600,500.86	----- 6,683,929.94	----- 2,916,570.92

UK Equities**Purchases**

No. of Shares	Description	Date	Price £	Cost £
29,552	William Hill	5-Apr	2.45	72,402.40
198	HICL Infrastructure	9-Apr	1.20	236.61
930,243	Glencore Xstrata	1-May	1.49	1,390,445.66
23,000	HICL Infrastructure	14-Jun	1.29	29,739.00
4,000	Royal Bank of Scotland Group	14-Jun	3.14	12,573.97
1,000	Berendsen	14-Jun	7.61	7,605.00
8,000	Fisher James and Sons	14-Jun	9.59	76,680.48
1,000	Rolls-Royce Holdings	14-Jun	11.90	11,900.00
2,000	Phoenix Group Holdings	14-Jun	6.50	13,002.85
4,000	Morgan Advanced Materials	14-Jun	2.70	10,795.88
5,000	Brewin Dolphin Holdings	14-Jun	2.34	11,698.50
42,000	HSBC Holdings	14-Jun	6.89	289,389.12
1,000	Murray International Trust	14-Jun	11.35	11,352.27
2,000	BAE Systems	14-Jun	3.91	7,814.19
1,000	Rathbone Bros	14-Jun	15.47	15,469.35
47,000	Direct Line Insurance Group Ord	14-Jun	2.14	100,567.60
128,000	Barclays Ord	14-Jun	3.00	384,301.49
5,000	Sports Direct International	14-Jun	5.20	26,005.92
36	Personal Assets Trust	14-Jun	346.60	12,477.60
5,000	Ophir Energy	14-Jun	3.64	18,208.82
170,000	Thomas Cook Group	14-Jun	1.18	199,795.26
1,000	Wood John Group	14-Jun	7.96	7,961.74
5,000	Filtrona	14-Jun	6.88	34,413.84
6,000	Ocado Group	14-Jun	3.22	19,302.23
1,000	CRH	14-Jun	13.34	13,339.30
18,000	British Land Reit	14-Jun	6.00	107,960.74
23,000	Glencore Xstrata	14-Jun	3.15	72,384.21
22,000	St.James's Place	14-Jun	5.55	122,128.31
31,000	Dixons Retail	14-Jun	0.42	12,965.09
26,000	888 Holdings	14-Jun	1.50	38,932.24
12,000	NMC Health	14-Jun	3.28	39,338.11
32,000	Schroder Asia Pacific Fund	14-Jun	2.43	77,742.65
6,000	Home Retail Group	14-Jun	1.35	8,120.01
1,000	Close Bros Group	14-Jun	9.45	9,454.90
10,000	Rentokil Initial	14-Jun	0.89	8,923.83
2,000	Bodycote	14-Jun	5.11	10,215.50
3,000	St Modwen Properties Reit	14-Jun	2.86	8,567.23
12,000	Keller Group	14-Jun	9.47	113,621.74
131,249	First Group	25-Jun	0.85	111,561.65
4,000	Arm Holdings	24-Jul	9.19	36,757.12
6,000	BG Group	24-Jul	12.03	72,180.47
1,000	Bank of Georgia Holdings	24-Jul	17.83	17,830.27
23,000	Crest Nicholson Holdings	24-Jul	3.42	78,589.55
3,000	City of London Investment Trust	24-Jul	3.70	11,098.34

UK Equities**Purchases**

No. of Shares	Description	Date	Price £	Cost £
14,000	Countrywide	24-Jul	6.08	85,131.75
16,000	DCC	24-Jul	27.20	435,174.03
46,000	Esure Group	24-Jul	3.09	142,167.46
25,000	Evraz	24-Jul	1.06	26,590.50
7,000	ITV	24-Jul	1.56	10,911.78
7,000	Jupiter Fund Management	24-Jul	3.27	22,870.23
2,000	Keller Group	24-Jul	11.53	23,060.82
21,000	Intu Properties Reit	24-Jul	3.39	71,156.84
90,000	Lloyds Banking Group Ord	24-Jul	0.69	61,728.03
20,000	Moneysupermarket.Com	24-Jul	2.07	41,459.50
12,000	Ophir Energy	24-Jul	3.86	46,333.60
4,000	Perform Group	24-Jul	5.10	20,410.10
3,000	Phoenix Group Holdings	24-Jul	7.29	21,860.54
12,000	RSA Insurance Group	24-Jul	1.27	15,266.42
2,000	SabMiller	24-Jul	32.70	65,398.93
16,000	St.James's Place	24-Jul	5.88	94,003.49
68,000	Thomas Cook Group	24-Jul	1.50	101,824.56
1,000	Ultra Electronics Holdings	24-Jul	18.33	18,332.61
3,000	Unite Group Reit	24-Jul	3.83	11,480.73
14,000	Xaar	24-Jul	8.43	118,018.82
1,613	Petropavlovsk	26-Jul	0.96	1,548.48
603,454	Barclays	30-Sep	1.85	1,116,389.90
33,750	John Laing	30-Sep	1.11	37,462.50
8,000	Al Noor Hospitals Group	14-Oct	8.28	66,266.40
1,000	BH Macro Ltd	14-Oct	20.63	20,632.70
37,000	Coca-Cola HBC	14-Oct	17.42	644,395.70
7,000	Countrywide Plc	14-Oct	5.77	40,397.70
8,000	Crest Nicholson Holdings	14-Oct	3.56	28,460.00
49,000	Direct Line Insurance Group	14-Oct	2.11	103,169.50
36,000	Entertainment One Ltd	14-Oct	2.26	81,439.20
24,000	G4s Plc	14-Oct	2.42	58,029.60
155,000	Glencore Xstrata Plc	14-Oct	3.31	512,957.00
75,000	Greencore Group Plc	14-Oct	1.59	119,175.00
12,000	HICL Infrastructure Co Ltd	14-Oct	1.33	15,953.61
47,000	Intl Consolidated Airline	14-Oct	3.39	159,546.20
3,000	Kier Group Plc	14-Oct	17.56	52,669.50
4,000	Lancashire Holdings Ltd	14-Oct	7.76	31,058.64
1,108,000	Lloyds Banking Group Plc	14-Oct	0.75	833,770.00
10,000	National Grid Plc	14-Oct	7.52	75,224.00
83,000	NB Global Floating	14-Oct	1.04	86,660.30
27,000	Partnership Assurance Group	14-Oct	4.02	108,480.60
705	Phoenix Group Holdings	14-Oct	7.50	5,287.01
1,295	Phoenix Group Holdings	14-Oct	7.50	9,708.62
28,000	Thomas Cook Group Plc	14-Oct	1.49	41,818.00
12,000	WPP Plc	14-Oct	12.41	148,944.00

UK Equities**Purchases**

No. of Shares	Description	Date	Price £	Cost £
10,584	Kazakhmys	25-Oct	2.63	27,835.92
284	Telecom Plus	5-Dec	14.75	4,189.00

9,600,500.86

UK Equities**Sales**

No. of Shares	Description	Date	Price £	Proceeds £	Profit / (Loss) £
304,998	Xstrata	1-May	4.56	1,390,445.66	0.00
2,000	Alliance Trust	14-Jun	4.26	8,524.19	5,372.39
500	Astrazeneca	14-Jun	32.38	16,190.00	8,076.25
500	BH Global	14-Jun	11.50	5,750.00	1,072.20
2,000	BH Macro	14-Jun	21.67	43,330.00	11,493.49
49,500	British Assets Trust	14-Jun	1.28	63,360.00	26,038.97
2,000	BSKYB Group	14-Jun	7.97	15,940.00	6,912.01
5,000	BTG	14-Jun	3.72	18,600.00	8,588.91
500	Derwent London Reit	14-Jun	23.04	11,518.94	6,226.01
28,000	Dexion Absolute	14-Jun	1.49	41,692.00	2,385.93
500	Diageo	14-Jun	19.04	9,519.21	6,645.43
1,000	Hargreaves Lansdown	14-Jun	9.15	9,154.09	6,066.90
3,000	JD Sports Fashion	14-Jun	8.80	26,400.00	2,467.50
17,000	Londonmetric Property Reit	14-Jun	1.08	18,324.09	-3,036.27
6,000	Morrison WM Supermarkets	14-Jun	2.66	15,980.27	8,964.79
104,000	Raven Russia Reit	14-Jun	0.75	77,480.00	13,208.00
13,000	Royal Dutch Shell B	14-Jun	21.77	283,043.79	109,215.15
4,000	Sage Group	14-Jun	3.40	13,588.45	9,787.75
62,000	Stobart Group	14-Jun	0.78	48,050.00	-31,289.75
9,000	Alent	24-Jul	3.66	32,897.74	2,448.88
8,000	Bluecrest Allblue Fund	24-Jul	1.81	14,449.46	2,555.98
5,000	British American Tobacco	24-Jul	34.40	172,023.12	124,930.94
500	BH Global	24-Jul	11.92	5,960.00	1,282.20
3,000	British Sky Broadcasting	24-Jul	8.32	24,952.38	11,410.39
4,000	Compass Group	24-Jul	8.85	35,393.82	26,018.62
25,000	Dexion Absolute	24-Jul	1.50	37,375.00	2,280.30
38,000	Heritage Oil	24-Jul	1.58	60,200.55	-72,138.21
1,000	Intercontinental Hotels Group	24-Jul	19.43	19,433.64	17,283.64
2,000	Imperial Tobacco Group	24-Jul	22.09	44,170.53	25,176.59
4,000	Monks Investment Trust	24-Jul	3.64	14,573.12	11,188.22
20,000	New World Resources	24-Jul	0.58	11,692.44	-48,719.56
31,000	Petropavlovsk	24-Jul	1.01	31,425.54	-319,421.07
3,000	Reed Elsevier	24-Jul	8.00	23,991.09	14,977.32
14,000	SDL	24-Jul	2.99	41,793.99	-21,395.01
4,000	Sage Group	24-Jul	3.58	14,329.20	10,327.29
5,000	SVG Capital	24-Jul	4.04	20,217.23	6,652.02
123,000	Vodafone Group	24-Jul	1.95	239,505.60	9,266.98
41,766	Rolls Royce 'C' Shares	3-Jul	0.00	0.00	41,766.38
1,000	Amec Plc	14-Oct	10.83	10,829.30	7,677.31
2,000	Anglo American Plc	14-Oct	15.19	30,377.60	8,694.24
54,000	Anite Plc	14-Oct	1.13	60,917.40	-9,320.40
3,000	Arm Holdings Plc	14-Oct	9.83	29,484.60	24,676.43
1,000	Associated British Foods Plc	14-Oct	19.59	19,591.90	16,583.34

UK Equities**Sales**

No. of Shares	Description	Date	Price	Proceeds	Profit / (Loss)
			£	£	£
2,000	Astrazeneca Plc	14-Oct	31.79	63,588.60	31,133.60
500	Aveva Group Plc	14-Oct	25.26	12,627.90	7,376.94
5,000	Aviva Plc	14-Oct	4.25	21,251.50	-11,045.50
6,000	BAE Systems Plc	14-Oct	4.41	26,452.20	16,045.01
30,000	Barclays Plc	14-Oct	2.77	82,962.00	20,276.81
6,000	BG Group Plc	14-Oct	12.03	72,197.40	55,562.69
4,000	BHP Billiton Plc	14-Oct	18.16	72,630.40	55,752.92
69,000	BP Plc	14-Oct	4.42	305,118.00	82,636.32
3,000	British American Tobacco Plc	14-Oct	32.41	97,220.70	68,965.39
2,000	British Sky Broadcasting	14-Oct	8.74	17,484.00	8,456.01
14,000	BT Group Plc	14-Oct	3.53	49,373.80	22,748.65
5,000	BTG Plc	14-Oct	3.77	18,849.00	8,837.91
16,000	Bumi Plc	14-Oct	2.11	33,782.40	-104,331.20
500	Carnival Plc	14-Oct	20.61	10,307.10	4,172.39
10,000	Centrica Plc	14-Oct	3.59	35,941.00	19,895.45
3,000	Compass Group Plc	14-Oct	8.58	25,751.70	18,720.30
1,000	CRH	14-Oct	15.28	15,284.60	2,643.10
500	DCC	14-Oct	25.63	12,812.90	-786.29
11,000	Debenhams Plc	14-Oct	1.08	11,834.90	-2,389.81
5,000	Diageo Plc	14-Oct	19.55	97,739.50	69,001.70
2,000	Experian Plc	14-Oct	11.71	23,428.40	18,623.08
12,000	Fidelity China Special	14-Oct	1.02	12,223.20	-1,767.57
3,000	GKN	14-Oct	3.59	10,758.90	8,178.40
9,000	Glaxosmithkline Plc	14-Oct	15.59	140,340.60	97,709.69
1,000	Hikma Pharmaceuticals Plc	14-Oct	10.66	10,657.00	6,745.82
33,000	HSBC Holdings Plc	14-Oct	6.88	226,967.40	87,356.43
1,000	IMI Plc	14-Oct	14.82	14,821.40	12,612.03
2,000	Imperial Tobacco Group Plc	14-Oct	22.18	44,369.40	25,375.46
2,000	Inmarsat Plc	14-Oct	7.11	14,214.60	7,090.44
1,000	Intercontinental Hotels Grou	14-Oct	18.12	18,115.60	15,965.60
350	Intertek Group Plc	14-Oct	32.57	11,401.22	9,204.18
7,000	ITV Plc	14-Oct	1.84	12,887.00	5,286.85
20,400	JPmorgan Indian Inv Trust	14-Oct	3.36	68,537.88	11,235.17
4,000	Kingfisher Plc	14-Oct	3.74	14,953.20	7401.61
2,000	Land Securities Group Plc	14-Oct	9.55	19,094.40	10426.43
11,000	Legal & General Group Plc	14-Oct	1.98	21,772.30	16920.6
3,000	Marks & Spencer Group Plc	14-Oct	4.76	14,291.40	9600.11
1,000	Mondi Plc	14-Oct	10.69	10,691.40	8848.82
1,000	Next Plc	14-Oct	50.37	50,372.90	46666.11
9,000	Old Mutual Plc	14-Oct	1.91	17,164.80	4,365.65
2,000	Pearson Plc	14-Oct	13.01	26,027.40	14,566.25
11,000	Petra Diamonds Ltd	14-Oct	1.16	12,806.20	-3,529.78
1,000	Petrofac Ltd	14-Oct	13.59	13,590.40	10,596.93
1,613	Petropavlovsk Plc	14-Oct	0.70	1,123.29	-425.19

UK Equities**Sales**

No. of Shares	Description	Date	Price	Proceeds	Profit / (Loss)
			£	£	£
5,000	Prudential Plc	14-Oct	11.78	58,910.50	46,065.08
1,000	Reckitt Benckiser Group Plc	14-Oct	43.58	43,581.80	33,908.06
2,000	Reed Elsevier Plc	14-Oct	8.38	16,769.40	10,760.22
500	Rightmove Plc	14-Oct	24.07	12,036.05	10,495.70
2,000	Rio Tinto Plc	14-Oct	30.82	61,641.60	42,888.70
4,000	Rolls-Royce Holdings Plc	14-Oct	11.20	44,810.40	34,177.48
500	Rotork Plc	14-Oct	27.94	13,970.90	11,403.51
27,500	Royal Dutch Shell Plc-B	14-Oct	21.26	584,562.00	216,847.57
2,000	SabMiller Plc	14-Oct	29.74	59,476.00	45,375.74
46,197	Salamander Energy Plc	14-Oct	1.06	48,816.37	-35,392.76
1,000	Scottish Mortgage Inv Tr Plc	14-Oct	9.48	9,484.90	7,848.93
2,000	Shire Plc	14-Oct	24.52	49,033.60	30,349.44
1,000	Smith & Nephew Plc	14-Oct	7.83	7,827.00	6,044.35
1,000	Smiths Group Plc	14-Oct	13.96	13,962.60	8,951.42
2,000	SSE Plc	14-Oct	14.39	28,788.80	17,873.76
4,000	Standard Chartered Plc	14-Oct	14.66	58,640.40	27,304.18
5,000	Standard Life Plc	14-Oct	3.55	17,753.00	4,835.54
15,000	Tesco Plc	14-Oct	3.60	54,040.50	31,581.93
2,000	Tullow Oil Plc	14-Oct	9.99	19,972.00	11,271.22
1,000	Ultra Electronics Hldgs Plc	14-Oct	18.66	18,656.60	12,162.51
2,000	Unilever Plc	14-Oct	23.84	47,675.80	38,452.16
41,000	Utilico Emerging Markets Ltd	14-Oct	1.83	75,091.50	10,491.90
85,000	Vodafone Group Plc	14-Oct	2.22	188,377.00	29,269.01
1,000	Weir Group Plc/The	14-Oct	23.29	23,285.10	19,972.67
1,000	WH Smith Plc	14-Oct	9.05	9,047.40	6,551.10
2,000	William Hill Plc	14-Oct	4.19	8,381.60	4,790.65
4,000	Wm Morrison Supermarkets	14-Oct	2.80	11,184.80	6,507.81
500	Wolseley Plc	14-Oct	32.06	16,030.30	8,943.32
46,000	Eurasian Resources	25-Oct	1.65	75,826.19	-444,382.13
				6,683,929.94	1,150,473.06
				6,683,929.94	1,150,473.06

Other Transactions

The following Capitalisation / Consolidation issues took place
during the 6 month period 1 April - 31 December 2013

<u>Company</u>	<u>Old Holding</u>	<u>New Holding</u>
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Capitalisation Issues

None this quarter

Consolidation Issues

Hiscox	73,955	65,819
Spirax Sarco	14,500	13,961
Sage	227,500	216,265
Invensys	151,505	121,204
Computacenter	16,000	14,400
Aveva	13,000	12,186
Dignity	10,571	9,813
Micro Focus	28,800	26,584
Wolseley	50,700	49,063