

Dorset County Pension Fund Committee – 26 June 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 (£580.6M at 31 March 2014) 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 March 2014, the FTSE All Share index was made up of 623 individual stocks ranging from HSBC Holdings, the largest UK company (market value £119.7 Billion) down to the smallest in the index, RusPetro Plc (market value £23.3 Million). Direct investment is made in the largest 350 companies, which comprises 97.2% by value of the index. Investment in the smallest companies which make up 2.8% 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 Although UK equities finished the quarter to 31 March 2014 flat in performance terms, the period showed significant swings in sentiment that related to overseas developments. In particular, tapering-related capital outflows from emerging markets and associated currency weakness saw the quarter start weakly. In addition, escalating tensions in Ukraine towards the end of the quarter caused further investor anxiety. This ensured the period ended as it began, with renewed stock market weakness.

4.2 All UK Equity markets rose in the six month period to March 2014 with the FTSE250 Index performing the best, rising 9.2% (1,366 points), whilst the FTSE100 was the worst performing major UK index rising 2.1% (136 points). In comparison, all major world indices rose in the same period with the exception of the Hang Seng which fell 3.1% (709 points). The Dow Jones rose 8.8% (1,328 points) over the same period.

4.3 All UK markets rose during the twelve month period to March 2014 with the Small Cap performing best, rising 17.5% (668 points), whilst the FTSE100 was the worst performing major UK index rising 2.9% (187 points). The FTSE100 hit its highest closing point during the year on 24 February 2014 at 6,865.9, which was its highest level since 1999. In comparison, all major indices rose over the same period apart from the Hang Seng which fell 0.7% (149 points), whilst the best performing major

world index was the Dax, rising 22.6% (1,761 points). The Dow Jones rose 12.9% (1,879 points) over the same period.

Twelve Months to 31 March 2014

Country	Index	01/04/2013	31/03/2014	% Change
UK	FTSE100	6,411.7	6,598.4	2.9
UK	FTSE250	13,923.0	16,273.7	16.9
UK	FTSE350	3,448.6	3,616.7	4.9
UK	Small Cap	3,805.6	4,473.2	17.5
UK	All Share	3,380.6	3,555.6	5.2
Japan	Nikkei225	12,397.9	14,827.8	19.6
US	Dow Jones	14,578.5	16,457.7	12.9
Hong Kong	Hang Seng	22,299.6	22,151.1	-0.7
France	Cac 40	3,731.4	4,391.5	17.7
Germany	Dax	7,795.3	9,555.9	22.6

Six Months to 31 March 2014

	Index	01/10/2013	31/03/2014	% Change
UK	FTSE100	6,462.2	6,598.4	2.1
UK	FTSE250	14,908.2	16,273.7	9.2
UK	FTSE350	3,506.1	3,616.7	3.2
UK	Small Cap	4,204.1	4,473.2	6.4
UK	All Share	3,443.9	3,555.6	3.2
Japan	Nikkei225	14,455.8	14,827.8	2.6
US	Dow Jones	15,129.7	16,457.7	8.8
Hong Kong	Hang Seng	22,859.9	22,151.1	-3.1
France	Cac 40	4,143.4	4,391.5	6.0
Germany	Dax	8,594.4	9,555.9	11.2

- 4.4 In January, the Office for National Statistics confirmed the UK economy grew by 0.7% in the fourth quarter of 2013, bringing the annual growth rate to 1.9%. This was the fastest annual rate of growth since 2007. Growth in this quarter was down slightly on the previous quarter's 0.8% figure although the annual growth remains well below the 3.4% of 2007. The UK's service sector, which makes up more than three quarters of economic output rose by 0.8%, matching its performance from the previous quarter. Industrial production fell slightly from 0.8% to 0.7% due to falling North Sea oil and gas output. The construction sector, which accounts for less than 8% of GDP fell 0.3% in the quarter, despite the recent recovery in the housing market aided by the government's Help to Buy scheme.
- 4.5 In January, it was announced that the UK's inflation rate had fallen to 2% in December, down from 2.1% the previous month. It was the first time inflation had been at or below the government-set target of 2% since November 2009. The fall was caused by slower increases in the prices of food and non-alcoholic drinks, the smallest rise since 2006. Discounts up to Christmas also helped to lower the inflation rate, with the prices of toys and computer games falling at a faster rate last month than a year ago. However, rises in gas and electricity bills as well as rising petrol prices had an upward effect on inflation.
- 4.6 In January, the US Commerce Department announced the US economy grew at a much slower rate than originally predicted. US GDP grew at an annualised rate of

2.4% in the fourth quarter of 2013, down from an initial estimate of 3.2% and lower than the 4.1% growth in the previous quarter. The revision was due to weaker than expected consumer spending, which accounts for approximately 70% of US economic activity. This was initially predicted at 3.3% but has since been changed to have grown at an annual rate of 2.6%, which was the highest quarterly reading of 2013. The US growth was affected by the sixteen day shutdown of the government in October and the severe winter weather which led to a decrease in vehicle sales. For 2013, the economy grew at a rate of 1.9%, although the contraction in public spending and higher taxes knocked about 1.5% from growth. These measures were put in place to try to counter soaring budget deficits. In comparison, the US economy grew 2.8% in 2012.

- 4.7 In February, Eurostat, the EU's statistics office announced that economic growth in the Eurozone increased, rising 0.3%, improving from 0.1% in the previous quarter. This was the third quarter of growth since the end of an eighteen month recession. The Eurozone's recovery was the fastest since Quarter Two of 2011. The German economy grew by 0.4% in this quarter, rising from 0.3% in the previous quarter, with exports and capital investment helping the figures but household spending fell. The economy grew by 1.3% in 2013. The French economic data was better than expected with growth of 0.3% in the final quarter 2013, up from zero in the previous quarter. Over the whole year France's economy grew by 0.3%. The credit rating agency Moody's upgraded Ireland's debt from junk status to investment grade (from Ba1 to Baa3) stating the Irish economy having growth potential. The recovering economy and its improved growth potential along with its return to the international bond market were reasons for the upgrade.

5 Performance

Internally managed passive portfolio

- 5.1 The internally managed passive portfolio is modelled to track the index with a tolerance of $\pm 0.5\%$ 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
31/03/14	-0.88	-0.69
Total	8.70	8.53

Notes:

- The Dorset Fund has outperformed the benchmark over the twelve month period to 31 March 2014 by 0.17% but within the allowed tolerances.

TWELVE MONTHS TO 31 MARCH 2014

Manager	Market Values		Performance	Benchmark	Benchmark
	01/04/2013	31/03/2014			Description
	£M	£M	%	%	
Internal	355.0	365.6	8.70	8.53	FTSE 350
AXA Framlington	88.3	102.8	16.44	8.81	All-Share
Standard Life	66.4	78.9	17.50	8.81	All-Share
Schroders	26.4	33.3	26.93	32.27	Small Cap
Total	536.1	580.6	11.99	9.37	

The figures for the whole UK equity portfolio show:

- The combined portfolio has outperformed its benchmark over the twelve month period by 2.62%
- Standard Life and AXA Framlington outperformed their benchmark by 8.69% and 7.63% respectively in the twelve month period to 31 March 2014 whilst Schroders underperformed their benchmark by 5.34%.

THREE AND FIVE YEAR PERFORMANCE FIGURES AGAINST THEIR BENCHMARK

Manager	Three Years		Five Years	
	Performance	Benchmark	Performance	Benchmark
	%	%	%	%
Internal	8.76	8.67	16.21	16.19
AXA Framlington	13.45	8.81	22.35	16.36
Standard Life	10.43	8.81	19.95	16.36
Schroders	17.23	19.14	29.12	26.82

Per annum

Three Year Analysis

Over the three year period AXA Framlington and Standard Life outperformed their benchmark by 4.64% and 1.62% respectively whilst Schroders underperformed its benchmark by 1.91%. The internally managed passive portfolio outperformed its benchmark by 0.09% but within its agreed tolerance.

Five Year Analysis

Over the five year period all three external managers outperformed their benchmarks. AXA Framlington outperformed its benchmark by 5.99%, whilst Standard Life and Schroders outperformed their benchmarks by 3.59% and 2.30% respectively. The internally managed passive portfolio matched its benchmark over the period.

5.3 Each external manager's commentary is summarised below:

Schroders

4th Quarter 2013/14

Performance

During the quarter, the Fund returned 1.9% against the Small Cap benchmark of 2.1%. Over the twelve month period the fund returned 26.9% against its benchmark

of 32.3%. This underperformance reflected both the strong price moves in a number of recovery stocks and the inability of some companies held by the Fund to keep pace with such a fast moving market. Moss Bros was the largest contributor to performance as the new management team returned the company to growth. MJ Gleeson benefitted from the strong housing market while Pace, Dart and James Fisher announced trading results at the top end of expectations. Essenden has been transformed under new management with the shares nearly trebling during the period. Negatives to performance included Digital Barriers and Carclo who both suffered from a delay in orders for their products; Cohort who were caught up in the general sell off in defence stocks over budget concerns, despite announcing some very strong new orders; Future and Devro both had profit warnings while Arrow Global suffered in a general sell off in financials. The company remains on track to meet market expectations.

Activity

During the quarter, two new holdings were added. Dialight was bought but fell heavily after a profit warning. The company has a very strong position in the LED lighting market and has excellent long term growth potential. Sportech shares were bought and are well positioned to take advantage of the deregulation in the American gambling market. During the period holdings in Elementis, Oxford Instruments and Pace were sold to fund Dialight and Sportech and some of the existing holdings in the fund.

Outlook and Strategy

The focus remains on investing in well financed companies with strong market positions that can continue to increase their selling prices. As the confidence of companies continues to increase a return to corporate activity is expected as their substantial cash balances are put to use. The performance of 29.12% over the longer term has been strong compared to the benchmark of 26.82%.

Standard Life

4th Quarter 2013/14

Performance

During the quarter, the fund returned 0.6% against the FTSE All Share index return of -0.6%. Over the year to 31 March 2014, the fund returned 17.5% against the index return of 8.8%. Foreign & Colonial Asset Management was a notable contributor to performance, as the shares approached the takeover price offered in the bid by Bank of Montreal. Regional airline flybe also featured strongly after investors responded well to a capital increase designed to restore its balance sheet and reposition the airline for further growth in the UK. Shares in International Consolidated Airlines also outperformed, as fresh cost cutting announcements at its Iberia brand improved profitability. Negatives to performance included shares in Barclays which weighed on performance as weaker fixed interest, currency and commodity trading affected the investment banking division's performance. Shares in bookmaker William Hill also declined after indications that the government would bow to pressure to increase regulation on lucrative fixed-odds betting terminals. Sainsbury shares fell in response to negative same-store sales data and an increasingly competitive trading environment.

Activity

The fund purchased shares in support services company Interserve during a capital increase designed to part fund the acquisition of Rentokil's facilities services business, which will bring good operational and cost benefits. Shares in Burberry were purchased after weakness related to emerging market currency concerns and disappointing guidance. The benefits from overhauling back office systems, distribution and stock replenishments should drive up sales and margins. Shares in Prudential were added to the fund following a positive meeting with management.

The holding in Verizon Communications, acquired as part of Vodafone's sale of Verizon Wireless, was sold during the quarter as the company is US listed and does not form part of the UK benchmark. Resolution was also sold due to concerns over the regulator's pending review of charges related to historic policies and closed funds and following measures in the budget which makes the purchase of pension annuities optional.

Outlook and Strategy

Investors are likely to be increasingly selective as valuations are now at more reasonable levels. Therefore, a greater focus on those attractively valued businesses demonstrating sustainable earnings growth is likely. In addition, some areas of the market have been overlooked in the recent rally, with certain emerging market-related equities in particular offering strong upside potential when sentiment towards those regions improve. Selected consumer and economically sensitive stocks continue to demonstrate value and with ample investment opportunity the environment will remain positive for equity investors as 2014 progresses. Areas in value lie in overlooked sectors such as property and mining, as well as airlines and engineering. Balance sheet strength should allow further upside for those companies able to increase dividends and add growth via acquisitions as companies increasingly concentrate on return on capital metrics.

AXA Framlington

4th Quarter 2013/14

Performance

During the quarter, the fund returned 1.0% against the FTSE All Share Index return of -0.6%. For the year to 31 March 2014 the fund returned 16.4% against its benchmark of 8.8%. Positives to performance included Ashtead Group, which was the biggest contributor to performance as the recovery in the US housing and construction became more apparent; Weir Group, where the share price improved further as US shale activity recovers; industrials, including support services which was the best performing sector and financials performed well. Xaar was the biggest negative influence to performance as the growth slowed in the first half of 2014, but the longer term attraction remains and being underweight in big oil was a negative in the oil and gas sector.

Activity

A holding of Poundland was purchased in the initial public offering. Holdings were added to included AstraZeneca, Aviva, BT, Royal Dutch B, Lloyds Banking Group and IMI. The Verizon shares received from Vodafone sale of Verizon Wireless were sold. Mulberry was also sold after a change of management and profit warning.

Outlook and Strategy

Strong GDP growth in the UK is a good background for UK equities and a slow global recovery will help growth of earnings and dividends.

6 **Review of Activity**

6.1 There has been four significant corporate action in the six month period to 31 March 2014.

- In October, the Eurasian Natural Resources Corporation Plc was involved in a Scheme of Arrangement by Eurasian Resources Group BV for £0.1M;
- In January, Invensys Plc was acquired by Schneider Electric (France) for £0.9M
- In February, a consolidation of Melrose Industries Plc took place at £0.1M

- In February, Vodafone sold its US Group (whose principal asset is its 45% stake in Verizon Wireless) to Verizon Communications. After the sale Vodafone paid out \$82.5 Billion to shareholders and consolidated its shares, cutting its market value to about £60 Billion. Its value was £116 Billion based on January's twelve year high price of £2.40. Dorset sold its Verizon shares and received four payments totalling £9.2M making a profit of £1.5 Million.

6.2 The portfolio was rebalanced twice in the six month period to March 2014. 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). In January, the total value of purchases and sales were £4.3M with a net purchase of £0.5M. There were 26 purchases (£2.4M) and 48 sales (£1.9M).

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 March 2014 is £64,674. Net income for UK stock lending was £138,435 over the same period, giving a total of £203,109. This compares to the period to 31 March 2013 where overseas stock lending was £75,051 and the UK stock lending figure was £142,140, giving a total of £217,191.

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DORSET COUNTY PENSION FUND

VALUATION OF PORTFOLIO AT CLOSE OF BUSINESS 31 MARCH 2014

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
UK EQUITIES				
MINING				
AFRICAN BARRICK GOLD LTD	22,000	120	2.63	58
ANGLO AMERICAN ORD USD0.54	242,090	2,625	15.27	3,696
ANTOFAGASTA ORD GBP0.05	66,500	103	8.36	556
BHP BILLITON ORD USD0.50	392,026	1,654	18.44	7,229
CENTAMIN EGYPT LTD	193,000	328	0.51	97
FRESNILLO	31,000	44	8.44	261
GLENCORE XSTRATA	1,782,243	4,491	3.09	5,504
KAZAKHMYS ORD GBP0.20	49,584	336	2.64	131
KENMARE RESOURCES	475,000	113	0.14	67
LONMIN ORD USD1.00	80,027	305	2.86	229
PETRA DIAMONDS	103,000	153	1.49	153
POLYMETAL INT'L	37,000	416	6.21	230
RANDGOLD RESOURCES ORD USD0.05	17,250	338	45.02	777
RIO TINTO ORD GBP0.10 (REG)	231,050	2,166	33.37	7,710
VEDANTA RESOURCES ORD USD0.10	18,500	74	9.02	167
Total MINING		13,266		26,863
OIL & GAS PRODUCERS				
AFREN PLC	201,000	200	1.41	284
BG GROUP ORD GBP0.10	630,475	1,748	11.17	7,042
BP ORD USD0.25	3,456,500	11,145	4.80	16,591
CAIRN ENERGY ORD GBP0.061	113,207	227	1.67	189
ENQUEST PLC	135,000	197	1.24	167
ESSAR ENERGY PLC	54,000	292	0.68	37
OPHIR ENERGY	95,400	434	2.40	229
PREMIER OIL ORD GBP0.50	99,348	137	2.95	293
ROYAL DUTCH 'B' ORD EURO.07	1,138,795	15,227	23.41	26,653
SOCO INTL ORD GBP0.20	41,000	96	3.96	162
TULLOW OIL ORD GBP 0.10	167,500	729	7.49	1,254
Total OIL & GAS PRODUCERS		30,432		52,902
CHEMICALS				
AZ ELECTRONIC MATERIALS	72,000	217	4.02	289
CRODA INTL ORD GBP0.10	25,000	89	25.45	636
ELEMENTIS	85,000	97	2.86	243
JOHNSON MATTHEY ORD GBP1.00	38,320	262	32.71	1,253
SYNTHOMER	50,665	94	2.83	143
VICTREX ORD GBP0.01	15,000	69	20.07	301
Total CHEMICALS		828		2,867

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
CONSTRUCTION & MATERIALS				
BALFOUR BEATTY ORD GBP0.50	128,020	317	3.00	383
CRH PLC	135,000	1,707	16.74	2,260
GALLIFORD TRY ORD GBP0.05	15,000	88	13.25	199
KELLER GROUP ORD GBP0.10	13,000	127	10.72	139
KIER GROUP ORD GBP0.01	10,000	170	16.51	165
Total CONSTRUCTION & MATERIALS		2,408		3,147
FORESTRY & PAPER				
MONDI PLC EURO.20	68,250	126	10.48	715
Total FORESTRY & PAPER		126		715
AEROSPACE & DEFENCE				
BAE SYSTEMS ORD GBP0.025	602,616	1,045	4.14	2,496
COBHAM ORD GBP0.25	202,000	136	2.99	604
MEGGITT ORD GBP0.05	147,187	338	4.80	706
QINETIQ ORD GBP0.01	119,000	205	2.26	268
ROLLS ROYCE ORD GBP0.20	347,978	925	10.74	3,737
SENIOR	76,000	95	3.07	234
ULTRA ELECTRONICS ORD GBP0.05	12,500	81	17.89	224
Total AEROSPACE & DEFENCE		2,825		8,269
ELECTRONIC & ELECTRICAL EQUIPMENT				
DOMINO PRINTING SCIENCES	21,000	67	7.84	165
HALMA ORD GBP0.10	71,017	70	5.75	408
HELLERMANNTYTON GROUP	31,000	96	3.26	101
LAIRD GROUP ORD GBP0.28125	47,000	54	3.00	141
MORGAN ADVANCE MATERIALS	53,000	106	3.58	190
OXFORD INSTRUMENTS	10,000	128	12.66	127
RENISHAW ORD GBP0.20	7,000	46	19.49	136
SPECTRIS ORD GBP0.05	22,000	112	23.17	510
XAAR ORD	14,000	118	9.38	131
Total ELECTRONIC & ELECTRICAL EQUIPMENT		797		1,909
INDUSTRIAL ENGINEERING				
BODYCOTE INT ORD GBP 0.10	36,252	152	8.07	293
FENNER	34,000	70	3.99	135
IMI ORD GBP0.25	50,968	129	14.58	743
MELROSE INDUSTRIES	198,565	327	2.97	589
ROTORK ORD GBP0.05	16,000	82	26.46	423
SPIRAX-SARCO ORD GBP0.25	13,961	81	28.90	403
WEIR GROUP ORD GBP0.125	39,250	130	25.36	995
Total INDUSTRIAL ENGINEERING		971		3,583
AUTOMOBILES & PARTS				
GKN ORD GBP0.50	303,044	261	3.90	1,183
Total AUTOMOBILES & PARTS		261		1,183

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
HOUSEHOLD GOODS & HOME CONSTRUCTION				
BARRATT DEVEL ORD GBP0.10	182,634	361	4.12	752
BELLWAY ORD GBP0.125	22,000	112	16.59	365
BERKELEY GP UNITS	22,580	83	26.20	592
BOVIS HOMES GROUP ORD GBP0.50	25,000	105	8.93	223
CREST NICHOLSON ORD GBP0.10	31,000	107	3.93	122
PERSIMMON ORD GBP0.10	56,645	267	13.46	762
RECKITT BENCKISER ORD GBP0.10	119,550	1,156	48.86	5,841
REDROW ORD GBP0.10	40,928	63	3.25	133
TAYLOR WIMPEY ORD GBP0.25	600,000	258	1.18	706
Total HOUSEHOLD GOODS & HOME CONSTRUCTION		2,514		9,497
BEVERAGES				
BARR (A G)	16,000	36	6.10	98
BRITVIC ORD GBP0.20	43,000	115	7.41	319
COCA-COLA HBC AG-CDI	37,000	644	14.92	552
DIAGEO PLC ORD GBP0.28935	466,677	2,682	18.61	8,683
SABMILLER ORD USD 0.10	175,500	1,237	29.95	5,256
Total BEVERAGES		4,715		14,907
FOOD PRODUCERS				
ASSD BRITISH FOODS ORD GBP0.0568	64,460	194	27.81	1,793
CRANWICK	9,000	63	12.23	110
DAIRY CREST ORD GBP0.25	24,500	88	4.83	118
DEVRO PLC	29,000	66	2.35	68
GRENCORE GROUP	75,000	119	2.75	206
TATE & LYLE ORD GBP0.25	87,400	244	6.68	583
UNILEVER ORD GBP0.031111	223,728	1,032	25.61	5,730
Total FOOD PRODUCERS		1,805		8,609
HEALTH CARE EQUIPMENT & SERVICES				
AL NOOR HOSPITALS GROUP	8,000	66	10.74	86
NMC HEALTH PLC	12,000	39	5.03	60
SMITH & NEPHEW ORD USD0.2	167,272	298	9.09	1,520
SYNERGY HEALTH	10,000	40	13.79	138
Total HEALTH CARE EQUIPMENT & SERVICES		444		1,804
PERSONAL GOODS				
BURBERRY GROUP ORD GBP0.0005	82,372	155	13.95	1,149
PZ CUSSONS ORD GBP0.01	56,970	87	3.52	201
SUPERGROUP PLC	6,000	38	17.07	102
TED BAKER PLC	5,000	45	21.48	107
Total PERSONAL GOODS		326		1,560
PHARMACEUTICALS & BIOTECHNOLOGY				
ASTRAZENECA ORD USD0.25	231,000	3,749	38.76	8,954
BTG	67,000	163	5.42	363
DECHRA PHARMACEUTICALS	16,000	79	6.68	107

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
GENUS	11,000	86	9.88	109
GLAXOSMITHKLINE ORD GBP0.25	901,088	4,268	15.91	14,336
HIKMA PHARMA ORD GBP0.10	25,000	98	16.59	415
SHIRE ORD GBP0.05	102,500	958	29.44	3,018
Total PHARMACEUTICALS & BIOTECHNOLOGY		9,400		27,301
TOBACCO				
BRITISH AMERICAN TOBACCO ORD GBP0.25	350,000	3,296	33.35	11,673
IMPERIAL TOBACCO ORD GBP0.10	180,262	1,712	24.22	4,366
Total TOBACCO		5,008		16,038
GENERAL RETAILERS				
BROWN (N) GROUP ORD GBP0.11	28,761	26	5.71	164
CARPHONE WAREHOUSE ORD GBP0.001	68,000	188	3.24	220
DEBENHAMS ORD GBP0.01	231,000	299	0.80	184
DIGNITY	9,813	93	14.66	144
DSG INTERNATIONAL ORD GBP0.025	680,345	380	0.49	334
DUNELM GROUP	17,000	34	9.42	160
HALFORDS GRP ORD GBP0.01	37,000	110	4.62	171
HOME RETAIL GROUP ORD GBP0.10	153,870	122	2.17	333
INCHCAPE ORD GBP0.25	86,300	167	6.46	557
JD SPORTS FASHION PLC	3,000	48	16.00	48
KINGFISHER ORD GBP0.15	440,078	831	4.21	1,854
MARKS AND SPENCER GROUP ORD GBP0.25	298,600	467	4.52	1,348
NEXT ORD GBP0.10	27,500	102	66.00	1,815
SMITH WH ORD GBP0.20	22,447	56	12.02	270
SPORTS DIRECT INT'L ORD GBP0.10	39,000	93	8.52	332
Total GENERAL RETAILERS		3,015		7,935
INDUSTRIAL METALS				
ALENT	41,281	140	3.15	130
EVRAZ PLC	94,000	321	0.80	75
FERREXPO	29,000	111	1.55	45
VESUVIUS	50,281	170	4.35	219
Total INDUSTRIAL METALS		742		468
TRAVEL & LEISURE				
888 HOLDINGS	26,000	39	1.51	39
BETFAIR GROUP	17,000	130	11.04	188
BWIN ENTERTAINMENT ORD GBP0.000015	131,900	358	1.27	167
CARNIVAL ORD USD1.66	33,865	416	22.84	773
COMPASS GROUP ORD GBP0.10	333,388	781	9.15	3,051
DOMINO'S PIZZA UK& IRL	25,000	75	5.51	138
EASYJET ORD GBP0.25	46,257	194	17.15	793
ENTERPRISE INNS ORD GBP0.025	95,000	100	1.46	139
FIRSTGROUP ORD GBP0.05	218,749	373	1.46	319
GO AHEAD GROUP ORD GBP0.10	8,000	74	18.60	149
GREENE KING ORD GBP0.125	40,799	138	9.03	368

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
INT'L CONSOLIDATED AIR	377,250	958	4.17	1,574
INTERCONTINENTAL HOTELS ORD GBP0.13617	47,819	103	19.26	921
LADBROKES ORD GBP0.28333	169,805	642	1.35	229
MARSTONS ORD GBP0.07375	107,154	108	1.44	154
MERLIN ENTERTAINMENT	62,000	227	3.76	233
MILLENNIUM & COPTHORNE HOTELS ORD GBP0.30	27,910	108	5.62	157
MITCHELLS & BUTLER ORD GBP0.085416	43,430	132	4.55	198
NATIONAL EXPRESS ORD GBP0.05	79,666	202	2.80	223
RANK GROUP ORD GBP0.13888	19,215	46	1.58	30
RESTAURANT ORD GBP0.28125	36,000	42	7.09	255
STAGECOACH GROUP ORD GBP0.009824	80,395	72	3.95	317
THOMAS COOK ORD EURO.10	266,000	343	1.80	479
TUI TRAVEL ORD GBP0.10	94,500	139	4.38	414
WETHERSPOON (JD) ORD GBP0.02	16,500	43	8.57	141
WHITBREAD ORD GBP0.76797385	33,585	179	41.62	1,398
WILLIAM HILL ORD GBP0.10	160,552	288	3.41	547
Total TRAVEL & LEISURE		6,310		13,394
MEDIA				
BRITISH SKY BROADCASTING ORD GBP0.50	180,500	815	9.13	1,647
ENTERTAINMENT ONE LTD	36,000	81	3.30	119
EUROMONEY INST INVESTOR ORD GBP0.0025	7,000	47	11.98	84
INFORMA ORD GBP0.001	112,948	275	5.28	596
ITE GROUP ORD GBP0.01	44,000	70	1.91	84
ITV ORD GBP0.10	694,146	768	1.92	1,329
MONEYSUPERMARKET.COM	68,000	91	1.87	127
PEARSON ORD GBP0.25	151,027	865	10.62	1,604
PERFORM GROUP	17,000	70	2.41	41
REED ELSEVIER ORD GBP0.1444	216,670	651	9.16	1,985
RIGHTMOVE ORD GBP0.001	18,115	56	26.37	478
UBM ORD GBP0.338068	45,437	405	6.82	310
WPP GROUP ORD GBP0.10	246,966	1,128	12.36	3,052
Total MEDIA		5,323		11,456
SUPPORT SERVICES				
AGGREKO ORD GBP0.20	47,036	102	15.01	706
ASHTHEAD GROUP ORD GBP0.10	94,000	142	9.51	893
ATKINS WS ORD GBP0.005	19,000	73	13.91	264
BABCOCK INTL GRP ORD GBP0.60	66,432	133	13.47	895
BERENDSEN PLC	31,957	90	11.17	357
BUNZL ORD GBP0.32142857	61,720	172	15.96	985
CAPITA GROUP ORD NVP	121,902	342	10.96	1,336
CARILLION ORD GBP0.50	80,699	150	3.61	292
CONNAUGHT	22,000	90	0.00	0
DCC ORD	15,500	422	32.54	504
DE LA RUE ORD GBP	17,998	144	8.14	146
DIPLOMA PLC	22,000	104	7.17	158
ELECTROCOMPONENTS ORD GBP0.10	79,000	94	2.83	223

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
EXPERIAN ORD USD0.10	187,870	451	10.81	2,031
FILTRONA ORD GBP0.25	43,749	80	8.71	381
G4S ORD GBP0.25	288,213	549	2.42	696
GRAFTON GROUP	39,000	250	6.47	252
HAYS ORD GBP0.01	262,500	125	1.45	381
HOMESERVE ORD GBP0.125	51,000	80	3.15	161
HOWDEN JOINERY GROUP	113,000	86	3.71	419
INTERSERVE ORD GBP0.10	24,000	78	7.27	174
INTERTEK GROUP ORD GBP0.01	29,850	187	30.71	917
MICHAEL PAGE INTL ORD GBP0.01	55,000	97	4.90	270
MITIE GROUP ORD GBP0.025	67,500	128	3.25	220
PAYPOINT	12,000	87	11.43	137
PREMIER FARNELL ORD GBP0.05	66,657	201	2.34	156
REGUS ORD GBP0.05	119,000	100	2.20	262
RENTOKIL INITIAL ORD GBP0.01	340,624	274	1.23	419
RPS GROUP ORD GBP0.03	41,000	98	3.12	128
SERCO ORD GBP0.02	93,000	193	4.21	392
SIG ORD GBP0.10	106,285	169	2.01	214
TRAVIS PERKINS ORD GBP0.10	45,672	180	18.84	860
WOLSELEY ORD GBP0.25	49,063	719	34.10	1,673
Total SUPPORT SERVICES		6,189		16,901
INDUSTRIAL TRANSPORT				
BBA AVIATION ORD GBP0.2976	89,200	159	3.32	296
FISHER (JAMES) & SONS	8,000	77	14.63	117
ROYAL MAIL	115,000	696	5.62	646
Total INDUSTRIAL TRANSPORT		932		1,059
FOOD & DRUG RETAILERS				
BOOKER GROUP	266,000	109	1.65	439
MORRISON (WM) ORD GBP0.10	402,283	470	2.13	857
OCADO GROUP PLC	80,000	126	4.61	368
SAINSBURY (J) ORD GBP0.28	259,000	782	3.16	819
TESCO ORD GBP0.05	1,488,212	2,228	2.95	4,396
UDG HEALTHCARE	45,000	126	3.51	158
Total FOOD & DRUG RETAILERS		3,842		7,037
FIXED LINE TELECOMMUNICATION				
BT GROUP ORD GBP0.05	1,460,398	2,777	3.80	5,542
CABLE & WIRELESS COMMU	459,000	556	0.53	241
COLT TELECOM ORD EUR1.25	58,757	435	1.48	87
KCOM GROUP	96,000	76	0.99	95
TALKTALK TELECOM	97,000	133	3.20	310
TELECOM PLUS	10,284	84	17.84	183
Total FIXED LINE TELECOMMUNICATION		4,061		6,460

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
ELECTRICITY				
DRAX GROUP ORD GBP0.11	74,744	556	7.65	571
SSE PLC ORD GBP0.50	177,940	971	14.69	2,614
Total ELECTRICITY		1,527		3,185
GAS WATER & MULTIUTILITIES				
CENTRICA ORD GBP0.06	957,474	1,536	3.30	3,156
NATIONAL GRID ORD GBP0.11395	691,086	2,849	8.22	5,681
PENNON ORD GBP0.407	68,279	143	7.43	507
SEVERN TRENT ORD GBP0.9789	44,509	218	18.23	811
UNITED UTILITIES ORD GBP1.00	127,439	455	7.88	1,004
Total GAS WATER & MULTIUTILITIES		5,202		11,159
BANKS				
BANK OF GEORGIA HLDGS	5,000	65	24.92	125
BARCLAYS ORD GBP0.25	2,980,270	6,227	2.33	6,956
HSBC HLDGS ORD USD 0.50	3,489,447	14,833	6.07	21,195
LLOYDS TSB GROUP ORD GBP0.25	8,985,923	8,485	0.75	6,703
ROYAL BANK OF SCOTLAND	387,772	5,952	3.11	1,206
STANDARD CHARTERED ORD USD0.50	366,311	2,870	12.54	4,592
Total BANKS		38,432		40,777
NON LIFE INSURANCE				
ADMIRAL GRP ORD GBP0.001	36,000	186	14.28	514
AMLIN ORD GBP0.28125	92,289	151	4.84	447
BEAZLEY GROUP ORD GBP0.05	97,421	109	2.63	256
CATLIN GROUP USD0.01	62,331	243	5.38	335
DIRECT LINE INSURANCE GRP	196,000	424	2.37	465
ESURE GROUP	46,000	142	2.79	129
HISCOX ORD GBP0.05	58,579	148	6.82	400
JARDINE LLOYD THOMPSON ORD GBP0.05	23,000	55	10.63	244
LANCASHIRE HOLDINGS LTD	34,000	189	6.84	233
RSA INSURANCE	137,216	944	0.90	123
Total NON LIFE INSURANCE		2,591		3,145
LIFE INSURANCE				
AVIVA ORD GBP0.25	547,432	3,536	4.77	2,611
LEGAL & GENERAL GP ORD GBP0.025	1,089,334	480	2.05	2,230
OLD	908,435	1,292	2.01	1,827
PARTNERSHIP ASSURANCE GROUP	27,000	108	1.38	37
PHOENIX GROUP HOLDINGS	38,479	256	6.56	252
PRUDENTIAL CORP ORD GBP0.05	473,136	1,216	12.69	6,002
RESOLUTION ORD GBP0.05	252,210	713	2.99	754
ST JAMES PLACE ORD GBP0.15	95,000	474	8.25	783
STANDARD LIFE ORD GBP0.10	437,106	1,129	3.78	1,650
Total LIFE INSURANCE		9,206		16,146

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
EQUITY INVESTMENT INSTRUMENTS				
3I INFRASTRUCTURE LTD	111,000	127	1.34	149
ABERFORTH SMALLER COS TRUST ORD GBP	18,000	57	11.31	204
ALLIANCE TRUST ORD GBP0.25	105,735	167	4.53	479
BANKERS I.T. ORD GBP0.25	21,500	38	5.70	123
BH GLOBAL LTD	8,500	80	12.06	103
BH MACRO LTD	12,500	204	19.21	240
BLACKROCK WORLD MINING TRST	32,500	85	4.60	149
BLUECREST ALLBLUE FUND LTD	83,000	123	1.73	144
BRITISH EMPIRE SEC & GEN TRUST ORD GBP0.10	29,000	57	4.87	141
CALEDONIA INVESTMENT ORD GBP0.05	6,500	39	19.23	125
CITY OF LONDON TRUST ORD GBP0.25	47,600	78	3.76	179
EDINBURGH DRAGON TRUST	37,000	53	2.44	90
EDINBURGH I.T. ORD GBP0.25	37,100	66	5.94	220
ELECTRA PRIVATE EQUITY GBP0.25	6,500	19	26.02	169
F & C INVEST TRUST ORD GBP0.25	108,000	81	3.72	401
FIDELITY CHINA SPECIAL	111,868	130	1.04	116
FIDELITY EUROPEAN VALUES ORD GBP0.25	8,000	41	15.50	124
GENESIS EMERGING MARKETS	24,000	108	4.92	118
HERALD INVESTMENT TRUST	14,000	63	6.96	97
HICL INFRASTRUCTURE CO	221,725	257	1.36	301
INTERNATIONAL PUB PTR	141,345	147	1.28	181
JOHN LAING INFRASTRUCTURE	118,125	129	1.18	139
JPMORGAN AMERICAN IT	10,000	72	11.77	118
JPMORGAN EMERGING MKTS	23,000	106	5.37	124
LAW DEBENTURE CORP	22,000	65	5.28	116
MERCANTILE TRUST	18,700	30	15.86	297
MERCHANTS TRUST ORD GBP0.25	19,000	80	4.97	95
MONKS INVESTMENT ORD GBP0.05	44,500	38	3.93	175
MURRAY INCOME ORD GBP0.25	12,500	67	7.66	96
MURRAY INTERNATIONAL ORD GBP0.25	22,800	112	10.40	237
NB GLOBAL FLOATING RATE	153,000	156	0.99	152
PERPETUAL INCOME & GRTH ORD GBP0.10	41,000	84	3.77	155
PERSONAL ASSETS TRUST	286	100	334.50	96
POLAR CAPITAL TECHNOLOGY TR	23,000	53	4.78	110
RIT CAPITAL PARTNERS ORD GBP1.00	23,479	51	13.38	314
RIVERSTONE ENERGY LTD	5,000	46	8.92	45
SCOTTISH I.T ORD GBP0.25	22,100	36	5.91	131
SCOTTISH MORTGAGE ORD GBP0.25	46,800	77	10.43	488
TEMPLE BAR IT ORD GBP0.25	12,000	85	12.10	145
TEMPLETON EMERGING MARKETS I.T. ORD GBP0.25	62,000	94	5.27	326
TR PROPERTY INVESTMENT TRUST ORD GBP0.25	58,500	41	2.47	145
WITAN IT ORD GBP0.25	36,100	52	6.85	247
WORLDWIDE HEALTH	9,000	86	12.99	117
Total EQUITY INVESTMENT INSTRUMENTS		3,675		7,719

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
REAL ESTATE INVESTMENT & SERVICES				
CAPITAL & COUNTIES PROPERTIES	123,333	195	3.50	432
COUNTRYWIDE PLC ORD GBP0.05	28,000	168	6.54	183
DAEJAN HOLDINGS ORD GBP0.25	1,000	42	48.76	49
FOXTONS GROUP	35,000	126	3.57	125
GRAINGER TRUST ORDO.05	77,000	112	2.41	186
HANSTEEN HOLDINGS	114,000	99	1.09	124
LONDON & STAMFORD PROPERTY	110,000	138	1.41	155
SAVILLS ORD 2.5GBP	24,000	84	6.66	160
ST. MODWEN PROPERTIES ORD GBP0.10	31,000	78	4.00	124
UNITE GROUP ORD GBP0.25	36,142	113	4.34	157
Total REAL ESTATE INVESTMENT & SERVICES		1,155		1,694
REAL ESTATE INVESTMENT TRUSTS				
BIG YELLOW GROUP ORD GBP0.10	23,000	110	5.45	125
BRITISH LAND ORD GBP0.25	185,000	726	6.54	1,209
CAPITAL SHOPPING CENTRES	125,333	510	2.82	353
DERWENT LONDON ORD GBP0.05	17,096	181	27.10	463
F & C COMMERCIAL PROPERTY TRUST	91,000	95	1.20	109
GREAT PORTLAND ESTATE ORD GBP0.125	65,172	167	6.31	411
HAMMERSON ORD GBP0.25	132,847	403	5.54	735
LAND SECURITIES GROUP ORD GBP0.10	145,276	636	10.21	1,483
SEGRO REIT	139,052	405	3.32	462
SHAFTESBURY ORD GBP0.25	46,666	147	6.58	307
UK COMMERCIAL PROPERTY ORD GBP0.25	77,000	64	0.80	62
WORKSPACE GROUP - ORD GBP0.10	20,000	69	5.92	118
Total REAL ESTATE INVESTMENT TRUSTS		3,513		5,839
TECHNOLOGY HARDWARE & EQUIPMENT				
ARM HOLDINGS ORD GBP0.05	259,500	416	9.98	2,590
CSR ORD GBP0.0001	31,500	124	7.26	229
IMAGINATION TECH GROUP PLC	37,000	89	2.03	75
PACE PLC	58,000	134	4.50	261
SPIRENT ORD GBP0.0333	123,000	38	0.99	121
Total TECHNOLOGY HARDWARE & EQUIPMENT		800		3,276
SOFTWARE & COMPUTER SERVICES				
AVEVA GROUP ORD GBP0.0333	11,686	123	20.92	244
COMPUTACENTER PLC ORD GBP0.05	14,400	50	6.52	94
FIDESSA GROUP	7,000	50	25.37	178
MICRO FOCUS INT'L ORD GBP0.10	26,584	95	8.30	221
PLAYTECH ORD	28,000	137	6.76	189
SAGE GROUP ORD GBP0.01	203,263	203	4.18	850
TELECITY GROUP	38,000	157	6.97	265
Total SOFTWARE & COMPUTER SERVICES		815		2,040

Description	Holding	Book Cost £000's	Market Price	Market Value £000's
FINANCIAL SERVICES				
3I GROUP ORD GBPO.738636	180,781	443	3.98	719
ABERDEEN ASSET MGT ORDGBPO.10	176,000	232	3.90	687
ASHMORE GROUP ORD GBPO.0001	73,000	196	3.32	242
BREWIN DOLPHIN HLDGS	46,000	71	3.37	155
CLOSE BROTHERS GROUP ORD GBPO.25	27,500	117	14.12	388
F & C ASSET MGT ORD GBPO.001	106,000	82	1.22	129
HARGRAVES LANSDOWN	41,000	127	14.58	598
HENDERSON GRP ORD GBPO.125	192,518	116	2.63	507
ICAP ORD GBPO.10	101,000	259	3.78	381
IG GROUP ORD GBPO.05	68,000	140	6.27	426
INTERMEDIATE CAPITAL GRP ORD GBPO.20	75,181	238	4.13	311
INTL PERSONAL FINANCE ORD GBPO.10	45,236	55	5.12	231
INVESTEC ORD GBPO.0002	92,500	245	4.84	448
IP GROUP PLC	67,620	101	2.08	141
JUPITER FUND MANAGEMENT	64,000	174	4.00	256
LONDON STOCK EXCHANGE ORD GBPO.069186	32,942	183	19.69	649
MAN GROUP ORD USD0.0342857	307,375	448	1.01	311
PARAGON GRP OF COMPANIES ORD GBP1	57,000	103	4.11	234
PROVIDENT FINANCIAL ORD GBPO.20	25,618	119	19.82	508
RATHBONE BROTHERS ORD GBPO.05	9,000	85	18.13	163
SCHRODERS ORD GBP1.00	20,999	52	25.98	546
SVG CAPITAL ORD GBP1.00	41,000	111	4.19	172
TULLETT PREBON ORD GBPO.25	39,500	111	2.82	111
Total FINANCIAL SERVICES		3,808		8,314
GENERAL INDUSTRIAL				
REXAM ORD GBPO.64285714	145,837	446	4.87	710
RPC GROUP	31,000	113	6.29	195
SMITH (DS) ORD GBPO.10	172,475	209	3.24	560
SMITHS GROUP ORD GBPO.375	72,527	363	12.72	923
Total GENERAL INDUSTRIAL		1,132		2,387
MOBILE TELECOMMUNICATIONS				
INMARSAT ORD EURO0.0005	79,000	281	7.27	574
VODAFONE GROUP ORD USD0.11428571	4,922,281	9,214	2.20	10,841
Total MOBILE TELECOMMUNICATIONS		9,495		11,415
OIL EQUIPMENT SERVICES & DISTRIBUTION				
AMEC ORD GBPO.50	55,500	175	11.22	623
HUNTING ORD GBPO.25	26,000	110	8.61	224
KENTZ CORP LTD	18,000	69	7.54	136
PETROFAC ORD USD0.025	48,000	144	14.38	690
WOOD GROUP (JOHN) ORD GBPO.03333	67,833	238	7.67	520
Total OIL EQUIPMENT SERVICES & DISTRIBUTION		735		2,193
Total UK EQUITIES		188,624		365,152

Summary of Transactions for the Period**1 April 2013 - 31 March 2014**

Cash Transaction Summary

Schedule	Purchases	Sales	Net Cash Invested
	£	£	£
UK Equities	12,020,293.58	18,529,428.34	-6,509,134.76
	<u>12,020,293.58</u>	<u>18,529,428.34</u>	<u>-6,509,134.76</u>

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	Evrax	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
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
10,584	Kazakhmys	25-Oct	2.63	27,835.92

UK Equities**Purchases**

No. of Shares	Description	Date	Price £	Cost £
284	Telecom Plus	5-Dec	14.75	4,189.00
7,000	BTG Plc	20-Jan	6.0708	42,495.60
68,000	Carphone Warehouse Group Plc	20-Jan	2.7653	188,040.40
7,000	Countrywide Plc	20-Jan	6.0677	42,473.90
27,000	F&C Asset Management Plc	20-Jan	0.8934	24,121.80
35,000	Foxtons Group Plc	20-Jan	3.5902	125,657.00
39,000	Grafton Group Plc-Uts	20-Jan	6.4201	250,383.90
9,000	Hays Plc	20-Jan	1.3635	12,271.50
31,000	Hellermannntyton Group Plc	20-Jan	3.0957	95,966.70
28,000	HSBCHoldings Plc	20-Jan	6.7471	188,918.80
8,000	International Public Partner	20-Jan	1.287	10,296.00
24,000	Intl Consolidated Airline	20-Jan	4.278	102,672.00
15,000	ITV Plc	20-Jan	2.0601	30,901.50
3,000	JD Sports Fashion Plc	20-Jan	15.9448	47,834.40
1,000	JPMorgan American Invest Tst	20-Jan	12.066	12,066.00
1,000	Land Securities Group Plc	20-Jan	10.31	10,310.00
62,000	Merlin Entertainment	20-Jan	3.6597	226,901.40
3,000	Paragon Group Companies Plc	20-Jan	3.5403	10,620.90
4,000	Phoenix Group Holdings	20-Jan	7.3778	29,511.20
5,000	Riverstone Energy Ltd	20-Jan	9.2372	46,186.00
115,000	Royal Mail Plc	20-Jan	6.0544	696,256.00
2,000	RPC Group Plc	20-Jan	6.005	12,010.00
3,000	RpPSGroup Plc	20-Jan	3.5715	10,714.50
20,000	St James's Place Plc	20-Jan	7.7258	154,516.00
4,000	Synthomer Plc	20-Jan	2.7094	10,837.60
3,000	Talktalk Telecom Group	20-Jan	3.1709	9,512.70
1,000	Temple Bar Investment Trust	20-Jan	12.6602	12,660.20
2,620	IP Group	11-Feb	1.65	4,323.00
3,142	Unite Group	24-Mar	4.10	12,882.20

12,020,293.58

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
29,291	Rolls Royce 'C' shares	6-Jan	0.01	0.00	29,926.10
121,204	Invensys	17-Jan	3.72	450,878.88	-539,719.78
3,144	Schneider Electric	17-Jan	49.05	154,207.15	154,207.15
1,000	Anglo American Plc	20-Jan	14.1	14,100.00	3,258.32
1,000	Astrazeneca Plc	20-Jan	39.366	39,366.00	23,138.50
1,000	Babcock Intl Group Plc	20-Jan	13.96	13,960.00	11,955.82
7,000	Barclays Plc	20-Jan	2.8495	19,946.50	5,319.96
1,000	Bellway Plc	20-Jan	16.3008	16,300.80	11,231.39
500	Berkeley Group Holdings	20-Jan	26.3667	13,183.35	11,336.57
2,000	BG Group Plc	20-Jan	13.465	26,930.00	21,385.10
500	BH Macro Ltd	20-Jan	20.4169	10,208.45	2,068.00
46,000	BP Plc	20-Jan	4.902	225,492.00	77,170.88
7,000	British American Tobacco Plc	20-Jan	30.9768	216,837.60	150,908.54
3,000	BT Group Plc	20-Jan	3.8123	11,436.90	5,731.51
8,500	Carpentright Plc	20-Jan	5.2548	44,665.80	-11,145.60

UK Equities

Sales

No. of Shares	Description	Date	Price	Proceeds	Profit / (Loss)
			£	£	£
34,500	Chemring Group Plc	20-Jan	2.3942	82,599.90	-46,949.53
5,000	Compass Group Plc	20-Jan	9.705	48,525.00	36,805.99
1,000	Diageo Plc	20-Jan	19.46	19,460.00	13,712.44
6,000	Dialight Plc	20-Jan	7.8334	47,000.40	-26,006.58
1,000	Drax Group Plc	20-Jan	8.12	8,120.00	676.58
500	Electra Private Equity Plc	20-Jan	23.8339	11,916.95	10,445.13
14,000	Glaxosmithkline Plc	20-Jan	16.584	232,176.00	165,861.25
5,000	Glencore Xstrata Plc	20-Jan	3.3905	16,952.50	4,354.15
17,500	Greggs Plc	20-Jan	5.0041	87,571.75	28,130.68
30,000	Hochschild Mining Plc	20-Jan	1.4907	44,721.00	-56,497.18
1,000	IMI Plc	20-Jan	15.59	15,590.00	13,380.63
1,000	Imperial Tobacco Group Plc	20-Jan	22.24	22,240.00	12,743.03
1,000	Intercontinental Hotels	20-Jan	19.94	19,940.00	17,790.00
2,000	International Personal Finance	20-Jan	4.9395	9,879.00	7,443.97
1,000	Keller Group Plc	20-Jan	11.7959	11,795.90	2,032.86
3,000	Melrose Industries Plc	20-Jan	3.1305	9,391.50	4,443.93
9,000	Menzies (John) Plc	20-Jan	6.959	62,631.00	5,366.70
2,000	National Grid Plc	20-Jan	7.92	15,840.00	7,595.72
500	Next Plc	20-Jan	62.1	31,050.00	29,196.61
1,000	Prudential Plc	20-Jan	13.64	13,640.00	11,070.92
500	Reckitt Benckiser Group Plc	20-Jan	46.97	23,485.00	18,648.13
4,000	Reed Elsevier Plc	20-Jan	9.2436	36,974.40	24,956.03
3,000	Resolution Ltd	20-Jan	3.592	10,776.00	2,272.85
2,000	Rexam Plc	20-Jan	5.145	10,290.00	4,170.30
1,000	Rio Tinto Plc	20-Jan	33.9204	33,920.40	24,543.95
3,000	Royal Dutch Shell Plc-B Shs	20-Jan	22.635	67,905.00	27,790.70
5,000	Sage Group Plc	20-Jan	4.1034	20,517.00	15,514.61
3,000	Sainsbury (J) Plc	20-Jan	3.657	10,971.00	1,911.67
32,000	Schroder Asia Pacific	20-Jan	2.3128	74,009.60	-3,733.05
500	Shire Plc	20-Jan	30.06	15,030.00	10,358.96
1,000	Standard Chartered Plc	20-Jan	13.285	13,285.00	5,450.95
3,000	SVG Capital Plc	20-Jan	4.2697	12,809.10	4,669.97
5,000	Tesco Plc	20-Jan	3.3002	16,501.00	9,014.81
1,000	Unilever Plc	20-Jan	24.23	24,230.00	19,618.18
28,000	Vodafone Group Plc	20-Jan	2.3875	66,850.00	14,437.96
1,000	WPP Plc	20-Jan	13.585	13,585.00	9,016.07
36,104	Melrose	11-Feb	3.05	110,294.43	50,752.11
2,920,124	Vodafone/Verizon (1)	28-Feb	1.87	6,559,107.86	1,093,047.69
1,182,633	Vodafone/Verizon (2)	28-Feb	0.38	2,656,403.28	444,275.51
				18,529,428.34	3,125,560.22

Other Transactions

The following Capitalisation / Consolidation issues took place

during the 12 month period 1 April 2013 - 31 March 2014

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

None this 12 month period

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
IMI Group	58,250	50,968
Hiscox	65,819	58,579

