Global ex UK Equities

Dorset County Council Pension Fund

Pictet Asset Management

Quarterly report as at 31 December 2014

Content

EXECUTIVE SUMMARY

World stocks ended the quarter higher, underpinned by expectations that global policymakers would take all necessary measures to avoid deflation. Following the Bank of Japan's monetary easing, the Bank of China cut its benchmark interest rate and the European Central Bank also said that it would step up asset purchases to revive the flagging euro zone economy.

Overall, our policy for the fourth quarter of 2014 delivered a performance in-line with the composite equity benchmark. The fund's quarterly relative return was supported by positive stock selection in Asia and by an underweight in European equities. However, this was offset by high levels of cash during a period of rising share prices.

Our belief is that the monetary and financial market manipulations of recent years will ultimately prove to have been misguided. Because of the high correlation between economies and markets, the most appropriate policy is to structure portfolios defensively, to raise the level of defensive assets in response to market advances and to purchase equities only after a significant equity decline.

KEY INFORMATION

Client name	Dorset County Council Pension Fund
Benchmark name	MSCI Composite *
Client reference currency	GBP
Performance inception date	31.07.1990
Market value as of 30.09.2014	402,399,128 GBP
Market value as of 31.12.2014	418,503,406 GBP
Net cash in/out	-2,684,339 GBP
Relationship manager	Akua Brako-Raja

PERFORMANCE (%)

	Portfolio	Benchmark	Excess return
3M	4.55	4.58	-0.03
YTD	10.10	10.95	-0.85
3Y (annualised)	14.65	16.04	-1.39
5Y (annualised)	10.57	11.30	-0.73
10Y (annualised)	8.56	8.96	-0.40
Since inception (annualised)	7.88	8.09	-0.21

Gross of fees and net of income (TWR)
* Benchmark: FTSE World ex UK (TR) to December 2003; MSCI Composite (50% North America, 25% Japan, 18.75% Europe ex UK; 6.25% Pacific ex Japan) to March 2006; MSCI Composite (36% North America, 32% Japan, 24% Europe ex UK, 8% Pacific ex Japan) to August 2006; MSCI World ex UK to April 2007; MSCI Composite (53% North America, 12% Japan, 29% Europe ex UK, 6% Pacific ex Japan) TR to date.

Source: Pictet Asset Management

1. Market review

World stocks ended the quarter higher, underpinned by expectations that global policymakers would take all necessary measures to avoid deflation and support growth. Following the Bank of Japan's monetary easing in the early part of the quarter, the Bank of China cut its benchmark interest rate for the first time in more than two years and hinted that it was ready to ease further to head off slowing inflation. The European Central Bank also said that it would step up asset purchases to revive the flagging euro zone economy.

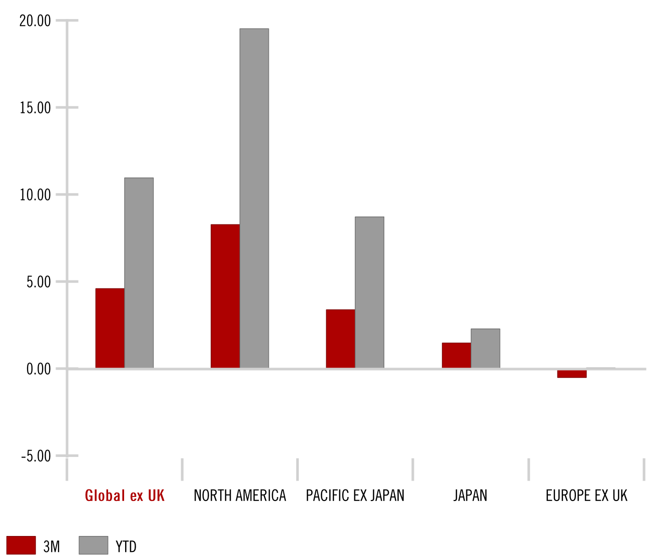
In currency markets, the USD rallied further against major and emerging currencies on expectations that strong US growth would spur the Federal Reserve to begin raising interest rates next year. The USD hit a seven-year high of near JPY121 after data showed Japan's economy had slipped back into recession, raising the prospect of more easing by the Bank of Japan next year. The EUR hit an eight-year low of USD1.20, bringing its losses this year to 12 per cent.

Also of note, oil prices extended their decline, falling sharply as concerns intensified over weak demand on the back of sluggish global growth and ample supply. OPEC's decision to refrain from cutting output at its November meeting added further momentum to the sell-off. The Brent Crude Jan 2015 oil price future ended the quarter at $53, over 50% down on the $112 level seen as recently as June 2014.

Over the quarter as a whole the MSCI World index rose by 5.1% (TR in GBP terms). Looking at the regions, the performance leader was the US (+9.0% on the quarter), boosted by upbeat economic data and an associated strong US dollar. The Europe ex UK region, in contrast, delivered a return of -0.5%, held back by disappointing corporate results and a fall in the value of the euro. Equities in Japan also struggled in relative terms as local market gains were partly offset by yen weakness, delivering a return of 1.5% in GBP terms.

REGIONAL PERFORMANCE (%)

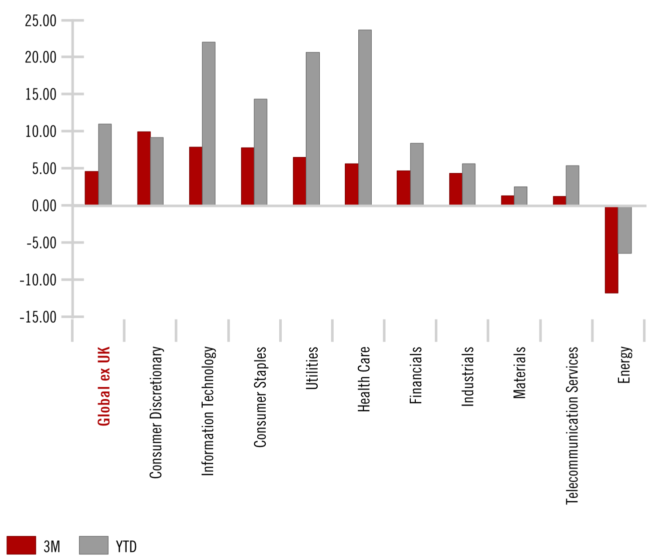
Global ex UK



Source: Pictet Asset Management / FactSet

SECTOR PERFORMANCE (%)

Global ex UK



Source: Pictet Asset Management / FactSet

2. Portfolio performance

2.1 Performance breakdown

MONTHLY PERFORMANCE* (%)

	Portfolio	Benchmark	Excess return
Dec 2014	-1.14	-1.52	0.38
Nov 2014	4.14	4.50	-0.36
Oct 2014	1.56	1.62	-0.06

Gross of fees and net of income (TWR)

Source: Pictet Asset Management

QUARTERLY PERFORMANCE* (%)

	Portfolio	Benchmark	Excess return
Q4 2014	4.55	4.58	-0.03
Q3 2014	3.20	3.02	0.18
Q2 2014	1.64	2.23	-0.59
Q1 2014	0.39	0.74	-0.35

Gross of fees and net of income (TWR)

Source: Pictet Asset Management

ANNUALISED PERFORMANCE* (%)

	Portfolio	Benchmark	Excess return
1Y	10.10	10.95	-0.85
3Y	14.65	16.04	-1.39
5Y	10.57	11.30	-0.73
Since inception (annualised)	7.88	8.09	-0.21

Gross of fees and net of income (TWR)

Source: Pictet Asset Management

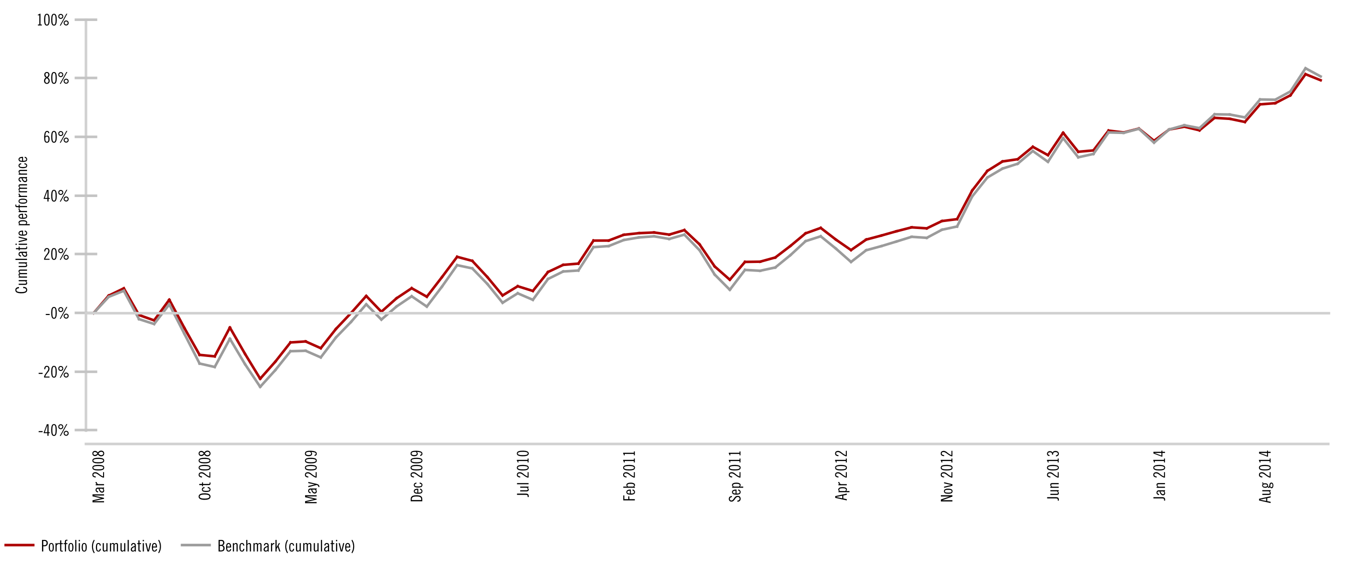
CALENDAR PERFORMANCE* (%)

	Portfolio	Benchmark	Excess return
2014	10.10	10.95	-0.85
2013	23.37	25.70	-2.33
2012	10.98	12.08	-1.10
2011	-4.61	-5.66	1.05

Gross of fees and net of income (TWR)

Source: Pictet Asset Management

PERFORMANCE* (SINCE 31.03.2008)



Gross of fees and net of income (TWR)

* Benchmark: FTSE World ex UK (TR) to December 2003; MSCI Composite (50% North America, 25% Japan, 18.75% Europe ex UK; 6.25% Pacific ex Japan) to March 2006; MSCI Composite (36% North America, 32% Japan, 24% Europe ex UK, 8% Pacific ex Japan) to August 2006; MSCI World ex UK to April 2007; MSCI Composite (53% North America, 12% Japan, 29% Europe ex UK, 6% Pacific ex Japan) TR to date.

Source: Pictet Asset Management

HEDGED OVERALL PERFORMANCE INCLUDING HISTORICAL EMERGING PERFORMANCE** (%)

	Portfolio	Benchmark	Excess return
1M	-0.89	-1.52	0.63
3M	3.92	4.58	-0.66
6M	6.24	7.74	-1.50
YTD	9.93	10.95	-1.02
1Y	9.93	10.95	-1.02
3Y (annualised)	16.49	16.15	0.34
Since inception (annualised)	8.36	9.73	-1.37

Gross of fees and net of income (TWR)

**Benchmark: FTSE World ex UK (TR) to December 2003; MSCI Composite (40% North America, 20% Japan, 15% Europe ex UK; 5% Pacific ex Japan, 20% Emerging Markets) to March 2006; MSCI Composite (27% North America, 24% Japan, 18% Europe ex UK, 6% Pacific ex Japan, 25% Emerging Markets) to August 2006; MSCI Composite (85% World ex UK, 15% Emerging Markets) to April 2007; MSCI Composite (45% North America, 10% Japan, 25% Europe ex UK, 5% Pacific ex Japan, 15% Emerging Markets) to March 2012, MSCI Composite (53% North America, 12% Japan, 29% Europe ex UK, 6% Pacific ex Japan) TR to date.

Source: Pictet Asset Management

2.2 Performance analysis

TOP 5 POSITIVE CONTRIBUTIONS (%)

Q4 2014

	Contribution
Sanofi	0.14
Pictet - Asian Equities (ex-Japan)	0.09
Eni SpA	0.09
Banco Bilbao Vizcaya Argentaria, S.A.	0.08
Banco Santander S.A.	0.07

Source: Pictet Asset Management / FactSet

TOP 5 NEGATIVE CONTRIBUTIONS (%)

Q4 2014

	Contribution
[Cash]	-0.35
Pictet - Euroland Index	-0.31
Pictet - Japan Index	-0.23
Galp Energia, SGPS S.A.	-0.15
Anthem, Inc.	-0.08

Source: Pictet Asset Management / FactSet

Overall, our policy for the fourth quarter of 2014 delivered a performance in-line with the composite equity benchmark. In these three months the fund delivered a total return of 4.55% compared to an index return of 4.58%. Looking at the quarter in more detail, the fund's quarterly relative return was supported by positive stock selection in Asia and by an underweight in European equities. However, this was offset by high levels of cash during a period of rising share prices. Over the entire turbulent period for markets between end-March 2008 and end-December 2014 the fund has performed just below the benchmark, gaining strongly in the equity downswings of 2008 and 2011, but giving relative returns back in the subsequent period of equity strength. Between end-March 2008 and end-December 2014 the total fund delivered an average annual return of 9.04% compared to an average annual index return of 9.16%. If our prognosis for the global economy and markets is correct then relative performance will improve substantially in coming quarters.

The strongest performing holdings over the quarter were Asian fund holdings, both the Japanese stock holdings and the Asian Equities ex Japan Fund. In Japan, the strongest performing stocks were generally in the yen sensitive area and included semiconductor wafer manufacturer Sumco, wafer dicing equipment manufacturer Disco, cigarette tow filter and speciality chemical manufacturer Daicel, and car maker Fuji Heavy.

The worse performing Japanese holdings were companies with exposure to commodities and included trading companies Mitsui & Co and Itochu and pump manufacturer Ebara. In Europe, the most significant detractor to performance was the portfolio's holding in GALP Energia. The stock price declined sharply on the oil price weakness. World Duty Free (WDF) fell sharply in October, a response to a profit warning made at the start of the quarter. There was also weakness in DIA, a Spanish retail operator, as deflation in Spain prompted concerns over the business model. Both these stocks did revive through the course of November.

While European stock selection acted as a drag on performance this was offset by asset allocation, attributable to a significant below benchmark holding in this poorly performing region.

GEOGRAPHIC CONTRIBUTION TO PERFORMANCE (%)

Q4 2014

	Asset allocation	Stock selection	Total
NORTH AMERICA	-0.09	-0.01	-0.10
EUROPE EX UK	0.28	-0.04	0.25
JAPAN	-	0.03	0.02
PACIFIC EX JAPAN	0.03	0.12	0.14
[Cash]	-0.35	-	-0.35
Total	**-0.13**	**0.10**	**-0.03**

Performance calculated GROSS in GBP

Source: Pictet Asset Management / FactSet

SECTOR CONTRIBUTION TO PERFORMANCE (%)

Q4 2014

	Asset allocation	Stock selection	Total
Consumer Discretionary	-0.13	0.08	-0.05
Consumer Staples	-0.07	0.07	0.01
Energy	0.16	0.01	0.18
Financials	-	0.23	0.23
Health Care	-0.03	0.27	0.24
Industrials	0.01	0.05	0.06
Information Technology	-0.07	0.08	0.01
Materials	0.09	-0.02	0.07
Telecommunication Services	0.05	-0.01	0.04
Utilities	-0.02	0.11	0.09
[Cash]	-0.36	-	-0.36
[Unassigned]	-0.54	-	-0.54
Total	**-0.90**	**0.87**	**-0.03**

Performance calculated GROSS in GBP
Unassigned refers predominantly to Pictet Funds

Source: Pictet Asset Management / FactSet

2.3 Portfolio activity

At the regional level we have not made major changes since last quarter. In our opinion no market will deliver positive returns in the next 12 months so it is a question of judging the potential magnitude of market falls. We are most concerned about Core Europe where weak credit and money growth points to economic contraction. The US economy has been stronger of late but corporate earnings are heavily distorted by policymaker interventions. In the Pacific region, Hong Kong, Singapore and Australia all have significantly overvalued property markets that are likely to unwind in the quarters ahead. Japan's policy of money printing will bring no benefits for the economy, but leave the legacy of an unsustainable level of public debt.

The US$ remains our preferred currency to hold, even after recent strength, and should appreciate further against the GBP in quarters ahead. The UK is a one trick pony, relying exclusively on London financial services and a linked overvalued property market for its growth. When this bubble bursts, which it inevitably will, UK growth will fall sharply, dragging the GBP down further against the US$.

Within Europe, several new portfolio positions were initiated during the period. In the early part of the quarter, we purchased a stake in Intesa Sanpaolo, taking advantage of the weakness in the market. A buying opportunity arose in a bank with a strong balance sheet and a good franchise at a discount to its fair value. We also initiated a position in Bayer, the diversified German Healthcare and Chemicals company, following increased visibility surrounding the spin-off of the material science division. In Japan, new positions included staffing agency and marketing media company Recruit Holdings, which had its IPO in October, advertising agency Dentsu and the car maker Honda Motor.

3. Portfolio composition

3.1 Active profile

TOP 10 OVERWEIGHT POSITIONS (%)

Company name	Portfolio	Benchmark	Active weight
Nos Sgps, Sa	0.43	-	0.43
Distribuidora Internacional De Alimentacion	0.38	0.02	0.35
Societe Generale Sa	0.51	0.16	0.35
Ontex Group N.V.	0.33	-	0.33
Carlsberg As	0.36	0.04	0.32
Obrascon Huarte Lain Sa	0.31	-	0.31
Fresenius Medical Care Ag & Co. Kgaa	0.39	0.08	0.31
Ageas Nv	0.35	0.04	0.31
Bollore	0.31	0.01	0.30
Faurecia Sa	0.29	-	0.29

Source: Pictet Asset Management

TOP 5 UNDERWEIGHT POSITIONS (%)

Company name	Portfolio	Benchmark	Active weight
Novartis Inc	0.43	1.11	-0.69
Novo Nordisk A/S	-	0.44	-0.44
Sanofi Sa	0.15	0.57	-0.41
Banco Santander SA	0.15	0.54	-0.40
Anheuser-Busch Inbev Sa	0.13	0.47	-0.35

Source: Pictet Asset Management

PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
Number of stocks	873	1,990
Weighted average market cap. (m. ref. ccy)	60,687.17	56,781.81
P/BV	3.76	3.62
P/CF (FY1)	13.88	13.44
P/E (FY1 Est)	19.31	18.67
PEG Ratio	2.46	2.14
Net Debt to Equity (%)	34.35	27.92
Active share* (%)	22.05	-

* A measure of how much of the portfolio is different from the benchmark, expressed as the sum of all absolute active weights divided by two.

Source: Pictet Asset Management / FactSet

ACTIVE SHARE* PROFILE (TOP 10 HIGHLIGHTED)

* Represented graphically by the variation of each portfolio holding from the benchmark in absolute terms.

Source: Pictet Asset Management

3.2 Allocation profile

TOP 10 HOLDINGS (%)

Company name	Portfolio	Benchmark	Active weight
Apple Inc	1.62	1.70	-0.08
Nestle Sa, Cham & Vevey	1.46	1.23	0.23
Exxon Mobil Corp	0.96	1.01	-0.05
Roche Holding Sa	0.93	0.99	-0.06
Microsoft Corp, Redmond, Wa	0.89	0.93	-0.04
Toyota Motor Corp	0.75	0.78	-0.04
Google Inc	0.74	0.77	-0.04
Johnson & Johnson	0.72	0.76	-0.04
Wells Fargo & Co	0.67	0.70	-0.03
Bayer AG	0.65	0.59	0.06

Source: Pictet Asset Management

GEOGRAPHIC PROFILE (%)

	Portfolio	Benchmark	Weight
North America	50.55	52.91	-2.36
Europe Ex UK	22.06	29.03	-6.96
Japan	12.52	12.00	0.52
Pacific Ex Japan	5.73	6.07	-0.34
Cash & Equivalent	9.14	-	9.14
Total	**100.00**	**100.00**	**0.00**

Source: Pictet Asset Management

SECTOR PROFILE (%)

	Portfolio	Benchmark	Weight
Energy	5.53	6.59	-1.06
Materials	2.81	5.25	-2.44
Industrials	8.00	11.91	-3.91
Consumer Discretionary	10.21	12.97	-2.76
Consumer Staples	7.35	9.55	-2.20
Health Care	9.23	12.57	-3.34
Financials	13.37	20.66	-7.29
Information Technology	11.12	13.52	-2.41
Telecommunication Services	2.23	3.64	-1.41
Utilities	2.29	3.34	-1.05
Unassigned Group	18.73	-	18.73
Cash & Equivalent	9.14	-	9.14
Total	**100.00**	**100.00**	**0.00**

Unassigned Group consists predominantly of Pictet Funds

Source: Pictet Asset Management

4. Market outlook

4.1 Outlook

The world economy has enjoyed an unprecedented debt supported surge in asset prices dating back to the very start of the 1980s. Over the 1980s and much of the 1990s the expansion in debt was benevolent, supporting productivity enabling investment both in domestic and overseas economies. However, since the late 1990s, the debt expansion has increasingly turned malevolent in form, funding consumption over investment, supporting current growth at the expense of future activity. Given the obvious downside risks to the global economy presented by inflated debt and asset markets, policymakers were best advised to curtail debt growth. Instead, the response has been to support inflated debt levels through near zero short-term interest rates and quantitative easing. Investors have rejoiced at the aggressive use of unorthodox measures around the world but in time the appraisal of measures since 2008 could be very different. With capital expenditure low, trend growth is falling, reducing the ultimate ability of private and public sectors alike to service record debt burdens. At some point in coming quarters, the incompatibility of record high debt and asset prices with subdued at best long-term economic growth will become clear to all and asset markets will weaken.

One concern voiced when quantitative easing started was that excessive money printing would ultimately produce significant price gains as the value of paper money was reduced. So far, however, headline and core measures of consumer inflation have remained subdued, supporting further use of quantitative easing by monetary authorities. In a sense, however, there has been inflation, but only in asset prices, a development which has brought huge wealth gains to the rich in society. Indeed, in many countries inequality has now reached levels not seen in living memory. As well as this negative, there is of course the danger that money printing may still feed through to higher inflation, but only with a considerable time lag or after further stimulus takes money printing beyond threshold levels. While an imminent upturn in headline inflation appears unlikely, when it does occur, the pace of change could be dramatic and provide a huge challenge to policymakers. Indeed, our long-term view is that future nominal economic growth will contain limited real activity gains, but be dominated by price growth. This outlook, if close to the mark, will lead to a steady erosion of living standards for households and, for investors, an environment where the vast majority of asset markets will fail to match the performance of inflation.

All market commentators should be concerned about the structural distortions caused by recent policies. Successive policy interventions since 2008 have produced a huge widening in standards of living between areas with a positive sensitivity to financial assets (London property, Hong Kong property etc.) and other areas with a bias towards the productive sectors of the economy. The ratio between the cost of London property and property in the rest of country has never been wider. This is not a source of strength, but a consequence of on-going monetary manipulation by policymakers. Ultimately, such distortions trap capital in increasingly unproductive activities at the expense of the rest of economy. As a result, growth appears to rise, but inequality grows rapidly and whole economy productivity declines. Eventually, the structure breaks and activity falls, exposing the weakness of an economy driven by market manipulation.

4.2 Strategy

Our belief is that the monetary and financial market manipulations of recent years will ultimately prove to have been misguided. True, policy action was required in the aftermath of the credit crisis to restore market and economic stability, but policymakers should have been quick to reduce the degree of intervention and not, as has happened, allow markets and economies to become dependent on the continued flow of unorthodox measures. In more normal times leading indicators such as interest rates and stock markets led growth by many quarters. Today, all key economic and market series move in lock-step, reflecting the dependence of both on financial intervention.

Because of the high correlation between economies and markets, our contention is that it is far too dangerous to keep running with the market and hope that some guide will provide an early warning that the time has come to sell. In reality, the vast majority of investors will lose heavily when the eventual market decline arrives. Given that long-term indicators of value suggest that equity prices are very high in the dominant US equity market, the most appropriate policy at present is to structure portfolios defensively, to raise the level of defensive assets in response to market advances and only to purchase equities after a significant equity decline has been seen.

Cash levels were 1½% at the market low point in March 2009, 5½% at the end of 2011, close to 8½% at the end of the final quarter of 2013 and in excess of 9% at the end of the fourth quarter of 2014. The fund's current structure is consistent with our expectation of very low future equity returns. As a result of equity sales and stock restructuring in recent quarters the portfolio is now more defensively positioned than it was before the significant falls in stock markets seen in the second half of 2008.

At the asset level we expect to continue our policy of reducing exposure to high beta, namely Euroland equities, and raising exposure to defensive assets such as low beta Asian stocks and US$ cash. While the outlook is uncertain our aim within our individual European share holdings remains to identify companies with recurring and visible cash-flow and, importantly, downside protection. For our Japanese holdings we continue to focus on companies for which the benefits of the weaker yen will be sustained given their strong competitive position in global markets. Examples include silicon wafer dicer manufacturer Disco, speciality chemical maker Daicel, the auto manufacturers and component maker Murata. The overall Dorset portfolio remains defensively structured as we move into the start of 2015.

Western commentators were quick to criticise the Japan of the 1990s for adopting a monetary regime which enabled insolvent firms to keep trading, effectively trapping capital in zombie enterprises which could not be used to support more productive parts of the economy. Today, the whole world has gladly embraced such measures, convincing investors that entire insolvent countries can be supported indefinitely. Of course which so much of the world's capital now employed unproductively, supporting defunct companies and countries, growth prospects are very poor. High share prices and low global growth make uncomfortable bedfellows – a situation which should persuade long-term investors to seek refuge in defensive assets.

5. Appendix

5.1 Risk

RISK STATISTICS EX-POST - 3 YEARS

	Portfolio
Annualised volatility (%)	8.53
Tracking error (%)	1.13
Information ratio	-1.07

Source: Pictet Asset Management

5.2 Performance and portfolio details

GEOGRAPHIC CONTRIBUTION TO PERFORMANCE (%)

Q4 2014

	Portfolio average weight	Portfolio total return	Benchmark average weight	Benchmark total return	Allocation effect	Selection effect	Total effect
Total	**100.00**	**4.55**	**100.00**	**4.58**	**-0.13**	**0.10**	**-0.03**
NORTH AMERICA	**50.99**	**8.24**	**53.34**	**8.26**	**-0.09**	**-0.01**	**-0.10**
Canada	3.35	-0.98	3.53	-0.83	0.01	-	-
United States	47.64	8.93	49.81	8.95	-0.09	-0.01	-0.10
EUROPE EX UK	**23.45**	**-0.66**	**28.65**	**-0.52**	**0.28**	**-0.04**	**0.25**
Austria	0.42	-13.65	0.13	-3.63	-0.02	-0.04	-0.06
Belgium	0.42	18.40	0.81	4.76	-	0.05	0.06
Denmark	0.85	-6.24	0.99	-4.10	0.01	-0.02	-0.01
Euroland Funds	6.22	-0.71	-	-	-0.32	-	-0.32
Finland	0.40	-3.28	0.57	1.89	-	-0.02	-0.02
France	3.76	-2.37	6.19	-2.09	0.16	-0.01	0.15
Germany	1.94	6.13	5.70	3.56	0.05	0.05	0.09
Ireland	0.03	1.42	0.20	5.92	-	0.01	-
Italy	1.32	-9.11	1.51	-9.94	0.03	0.01	0.04
Netherlands	0.38	-5.24	1.74	3.73	0.01	-0.04	-0.02
Norway	-	-	0.47	-21.93	0.14	-	0.14
Portugal	0.77	-13.75	0.11	-19.96	-0.18	0.06	-0.12
Spain	1.32	1.13	2.28	-4.54	0.09	0.08	0.16
Sweden	0.55	7.52	1.98	0.61	0.06	0.04	0.09
Switzerland	5.07	2.17	5.96	1.66	0.03	0.03	0.06
JAPAN	**12.09**	**1.70**	**11.97**	**1.48**	**-**	**0.03**	**0.02**
Japan	5.20	2.06	11.97	1.48	0.23	0.03	0.26
Japan Funds	6.89	1.44	-	-	-0.23	-	-0.23
PACIFIC EX JAPAN	**3.99**	**6.89**	**6.04**	**3.40**	**0.03**	**0.12**	**0.14**
Asia Ex Japan Funds	2.06	9.35	-	-	0.09	-	0.09
Australia	0.14	-1.65	1.52	0.25	0.04	-0.01	0.03
China	0.21	-4.70	1.23	11.69	-0.07	-0.03	-0.10
Hong Kong	0.82	5.86	0.63	6.77	-	-0.01	-0.01
Indonesia	-	-	0.16	4.67	-	-	-
Korea	0.13	-0.50	0.89	-4.01	0.07	-	0.07
Malaysia	-	-	0.23	-6.94	0.03	-	0.03
New Zealand	-	-	0.03	6.65	-	-	-
Pacific Ex Japan	0.12	1.90	-	-	0.01	-	0.01

	Portfolio average weight	Portfolio total return	Benchmark average weight	Benchmark total return	Allocation effect	Selection effect	Total effect
Philippines	-	-	0.08	4.72	-	-	-
Singapore	0.52	10.08	0.36	6.19	-	0.02	0.02
Taiwan	-	-	0.75	5.73	-0.01	-	-0.01
Thailand	-	-	0.15	-2.65	0.01	-	0.01
[Cash]	**9.48**	**0.57**	**-**	**-**	**-0.35**	**-**	**-0.35**
[Cash]	9.48	0.57	-	-	-0.36	-	-0.36

Performance calculated GROSS in GBP

Source: Pictet Asset Management / FactSet

SECTOR CONTRIBUTION TO PERFORMANCE (%)

Q4 2014

	Portfolio average weight	Portfolio total return	Benchmark average weight	Benchmark total return	Allocation effect	Selection effect	Total effect
Total	**100.00**	**4.55**	**100.00**	**4.58**	**-0.90**	**0.87**	**-0.03**
Consumer Discretionary	9.97	10.80	12.59	9.97	-0.13	0.08	-0.05
Consumer Staples	7.28	8.83	9.51	7.79	-0.07	0.07	0.01
Energy	6.14	-11.71	7.12	-11.82	0.16	0.01	0.18
Financials	13.80	6.34	20.58	4.67	-	0.23	0.23
Health Care	9.51	8.49	12.61	5.65	-0.03	0.27	0.24
Industrials	7.75	4.99	11.85	4.36	0.01	0.05	0.06
Information Technology	11.02	8.63	13.43	7.92	-0.07	0.08	0.01
Materials	2.51	0.51	5.25	1.36	0.09	-0.02	0.07
Telecommunication Services	2.34	0.57	3.73	1.23	0.05	-0.01	0.04
Utilities	2.34	11.41	3.32	6.50	-0.02	0.11	0.09
[Cash]	9.48	0.57	-	-	-0.36	-	-0.36
[Unassigned]	17.87	1.70	-	-	-0.54	-	-0.54

Performance calculated GROSS in GBP
Unassigned refers predominantly to Pictet Funds

Source: Pictet Asset Management / FactSet

6. Contacts & Disclaimer

Contacts

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