PICTET
1805

Global ex UK Equities

Dorset County Council Pension Fund

Pictet Asset Management

Quarterly report as at 31 March 2015

Content

EXECUTIVESUMMARY

World stocks rose over the quarter, extending the bull market in shares which commenced in early March 2009. The S&P Composite Index, for example, rose 210% in the six years from the market low of 9th March 2009 to 9th March 2015. This market gain is one of the largest six year gains seen in the past hundred years, only beaten by 1929 and 1999. Overall, our policy for the first quarter of 2015 delivered a performance in-line with the composite equity benchmark. In these three months the fund delivered a total return of 8.82% compared to an index return of 8.84%. Looking at the quarter in more detail, the fund's quarterly relative return was supported by positive stock selection in the Europe ex UK region. However, this was offset by high levels of cash during a period of rising share prices.

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. Cash levels stand at 9% of the fund, close to the maximum of 10%. In an unconstrained structure, we would advise increasing the level of defensive assets aggressively at the present time.

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 31.12.2014	418,503,406 GBP
Market value as of 31.03.2015	454,704,106 GBP
Net cash in/out	-658,375 GBP
Relationship manager	Akua Brako-Raja

PERFORMANCE (%)

	Portfolio	Benchmark	Excess return
3M	8.81	8.84	-0.03
YTD	8.81	8.84	-0.03
3Y (annualised)	14.78	15.93	-1.15
5Y (annualised)	10.36	11.06	-0.70
10Y (annualised)	9.40	9.86	-0.46
Since inception (annualised)	8.17	8.37	-0.20

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 rose over the quarter, extending the bull market in shares which commenced in early March 2009. The S&P Composite Index, for example, rose 210% in the six years from the market low of 9th March 2009 to 9th March 2015. This market gain is one of the largest six year gains seen in the past hundred years, only beaten by 1929 and 1999. Given how markets performed in the aftermath of these previous peaks the hope this time is that central bank support will prevent any significant share price weakness.

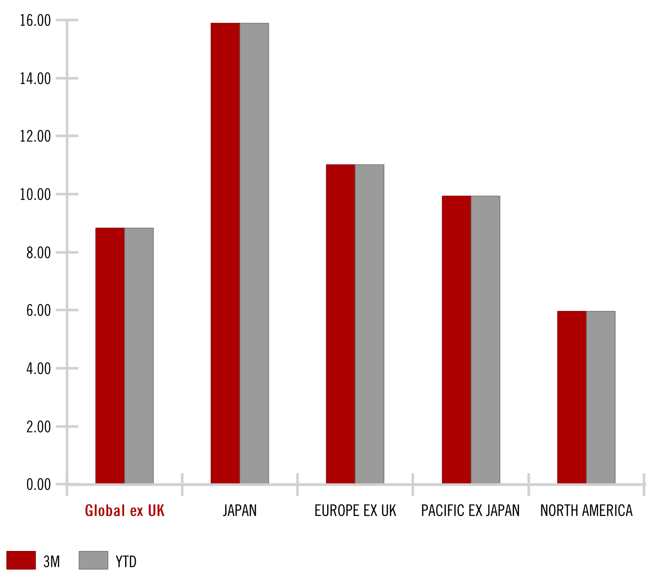
One of the major developments of the quarter was a sharp rise in euro denominated equities in response to the European Central Bank taking the historical step of buying sovereign bonds to help support the economy and boost lending. The larger-than-expected programme, under which the ECB will commit to buying up to EUR60 billion of bonds until at least 2016, will boost the central bank's balance sheet to above EUR3 trillion. So buoyant was sentiment that the market was able to take the victory of the anti-austerity Syriza party in the Greek election in its stride. The accepted wisdom was that while her German domestic audience would expect Angela Merkel to talk tough, a way would be found to keep Greece within the euro.

In currency markets, the key focus was the distinction between Europe and Japan, both engaged in aggressive quantitative easing programmes, and the United States, which brought its bond buying programme to an end in 2014. The obvious consequence of this division has been a sustained rally in the USD. The USD ended the quarter close to JPY120, representing a 16% gain over the previous 12 months. Against the euro the advance has been even larger, reaching no less than a 28% gain.

Over the quarter as a whole the MSCI World index rose by 7.6% (TR in GBP terms). Looking at the regions, the performance leader was Japan (+15.9% on the quarter), closely followed by the Europe ex UK region (+11.0%). The US, in contrast, delivered a below index return of 6.5%, held back by concerns over the negative effect on corporate results of the climbing dollar.

REGIONAL PERFORMANCE (%)

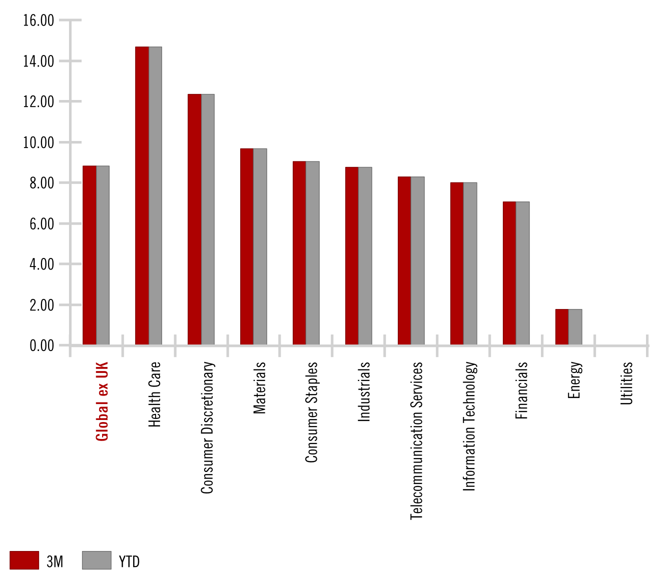
Global ex UK



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
Mar 2015	3.32	3.14	0.18
Feb 2015	2.67	2.88	-0.21
Jan 2015	2.58	2.58	0.00

Gross of fees and net of income (TWR)

Source: Pictet Asset Management

QUARTERLY PERFORMANCE* (%)

	Portfolio	Benchmark	Excess return
Q1 2015	8.81	8.84	-0.03
Q4 2014	4.55	4.58	-0.03
Q3 2014	3.20	3.02	0.18
Q2 2014	1.64	2.23	-0.59

Gross of fees and net of income (TWR)

Source: Pictet Asset Management

ANNUALISED PERFORMANCE* (%)

	Portfolio	Benchmark	Excess return
1Y	19.34	19.87	-0.53
3Y	14.78	15.93	-1.15
5Y	10.36	11.06	-0.70
Since inception (annualised)	8.17	8.37	-0.20

Gross of fees and net of income (TWR)

Source: Pictet Asset Management

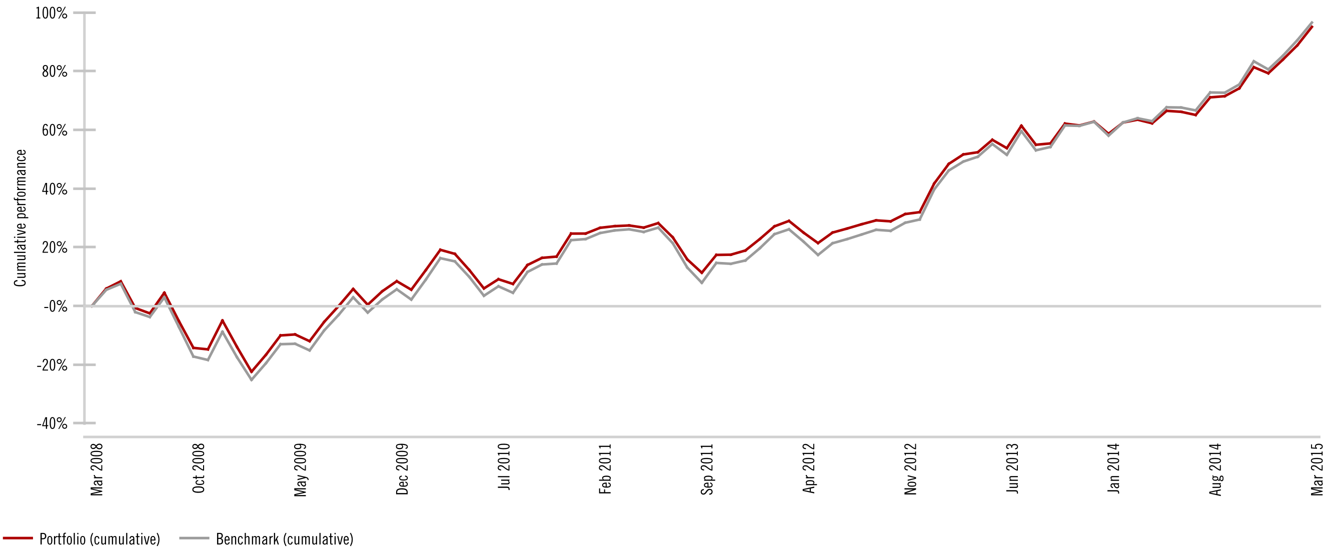
CALENDAR PERFORMANCE* (%)

	Portfolio	Benchmark	Excess return
YTD	8.81	8.84	-0.03
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	1.84	3.14	-1.30
3M	7.48	8.84	-1.36
6M	11.70	13.83	-2.13
YTD	7.48	8.84	-1.36
1Y	17.41	19.87	-2.46
3Y (annualised)	15.55	15.93	-0.38
Since inception (annualised)	8.94	10.43	-1.49

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 (%)

Q1 2015

	Contribution
Pictet - Japan Index	0.42
Aena SA	0.16
Pictet - Euroland Index	0.10
Medtronic Plc	0.08
Actavis Plc	0.08

Source: Pictet Asset Management / FactSet

TOP 5 NEGATIVE CONTRIBUTIONS (%)

Q1 2015

	Contribution
[Cash]	-0.32
Novo Nordisk A/S	-0.10
Covidien Plc	-0.08
Allergan, Inc.	-0.08
Novartis AG	-0.07

Source: Pictet Asset Management / FactSet

Overall, our policy for the first quarter of 2015 delivered a performance in-line with the composite equity benchmark. In these three months the fund delivered a total return of 8.82% compared to an index return of 8.84%. Looking at the quarter in more detail, the fund's quarterly relative return was supported by positive stock selection in the Europe ex UK region. 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-March 2015 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-March 2015 the total fund delivered an average annual return of 10.02% compared to an average annual index return of 10.14%. If our prognosis for the global economy and markets is correct then relative performance will improve substantially in coming quarters.

In Japan, some of the best performing holdings were to be found in the financial sector, in particular Mitsubishi UFJ Financial Group and Tokio Marine. Strong performers in the retail sector included shoes specialist ABC Mart and department store operator H20 Retailing. The European portfolio outperformed the benchmark in the first quarter. The main driver of this was stock selection, particularly within industrials and materials. At an individual stock level, significant positive contributions were made by Aena, which rose strongly after coming to the market mid-February as an IPO, and Aperam following Q4 results and guidance which were significantly ahead of market expectations.

The worse performing Japanese holdingsincluded air conditioner major Daikin, which was the subject to profit-taking, and Hitachi, which performed poorly following a disappointing Q3 earnings update.

GEOGRAPHIC CONTRIBUTION TO PERFORMANCE (%)

Q1 2015

	Asset allocation	Stock selection	Total
NORTH AMERICA	0.06	0.02	0.07
EUROPE EX UK	-0.13	0.35	0.22
JAPAN	0.01	0.01	0.02
PACIFIC EX JAPAN	-	-0.01	-0.01
[Cash]	-0.32	-	-0.32
Total	**-0.39**	**0.37**	**-0.02**

Performance calculated GROSS in GBP

Source: Pictet Asset Management / FactSet

SECTOR CONTRIBUTION TO PERFORMANCE (%)

Q1 2015

	Asset allocation	Stock selection	Total
Consumer Discretionary	-0.10	-0.06	-0.15
Consumer Staples	-	-0.06	-0.06
Energy	0.06	0.02	0.08
Financials	0.12	-0.16	-0.05
Health Care	-0.19	-0.18	-0.37
Industrials	0.01	0.20	0.21
Information Technology	0.02	-0.12	-0.10
Materials	-0.03	-	-0.03
Telecommunication Services	-	0.04	0.04
Utilities	0.11	0.03	0.14
[Cash]	-0.32	-	-0.32
[Unassigned]	0.59	-	0.59
Total	**0.27**	**-0.29**	**-0.02**

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 Japan, a number of positions were sold following strong performance. They included residential J-REIT Advance Residence Investment, drug store operator Tsuruha Holdings, and seasonings and food product manufacturer Ajinomoto Inc, all of which approached or reached our target prices. New holdings in the portfolio included car manufacturer Mazda, which is at an interesting point in the product cycle and attractively valued, mortgage guarantee company Zenkoku Hosho and retailer Ryohin Keikaku. In Europe, increased volatility resulted in higher than normal turnover. Five companies were added, AENA, Elis, Sorin, Sunrise and ASML. One of the larger additions was AENA, which comprises what we believe to be a unique quoted asset in a European context. Rather than holding a concession to operate Spain's airports, Aena physically owns the airports. It has also overspent on significant capacity upgrades in the last ten years, and with this spend now over, the assets are becoming prodigious cash generators.

3. Portfolio composition

3.1 Active profile

TOP 10 OVERWEIGHT POSITIONS (%)

Company name	Portfolio	Benchmark	Active weight
Nos Sgps	0.47	-	0.47
Bollore Sa	0.49	0.02	0.47
Aena Sa	0.46	0.03	0.43
Distribuidora Internacional de Alimentacion SA	0.42	0.02	0.39
Elis Sa	0.37	-	0.37
Unipolsai Spa	0.36	0.01	0.35
Societe Generale Sa	0.52	0.17	0.35
Ontex Group Nv	0.34	-	0.34
Koninklijke Dsm Nv	0.37	0.05	0.32
Asml Holding Nv	0.50	0.17	0.32

Source: Pictet Asset Management

TOP 5 UNDERWEIGHT POSITIONS (%)

Company name	Portfolio	Benchmark	Active weight
Novartis Ag	0.46	1.12	-0.65
Novo Nordisk A/S	-	0.53	-0.53
Sanofi	0.19	0.58	-0.39
Banco Santander Sa	0.17	0.52	-0.35
Anheuser-Busch Inbev Nv	0.16	0.48	-0.32

Source: Pictet Asset Management

PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
Number of stocks	855	1,987
Weighted average market cap. (m. ref. ccy)	64,189.25	61,061.25
P/BV	4.62	3.89
P/CF (FY1)	14.07	13.79
P/E (FY1 Est)	21.31	19.65
PEG Ratio	2.70	2.28
Net Debt to Equity (%)	52.55	32.47
Active share* (%)	22.72	-

* 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	1.77	1.88	-0.11
Nestle Sa	1.47	1.20	0.28
Roche Holding Ag	0.93	0.95	-0.02
Exxon Mobil Corp	0.87	0.93	-0.06
Toyota Motor Corp	0.83	0.79	0.04
Microsoft Corp	0.77	0.82	-0.05
Google Inc	0.76	0.81	-0.05
Bayer Ag	0.73	0.61	0.12
Johnson & Johnson	0.68	0.73	-0.05
Wells Fargo & Co	0.65	0.69	-0.04

Source: Pictet Asset Management

GEOGRAPHIC PROFILE (%)

	Portfolio	Benchmark	Active weight
North America	49.85	52.89	-3.04
Europe Ex UK	23.67	29.03	-5.36
Japan	12.61	12.00	0.61
Pacific Ex Japan	4.55	6.08	-1.53
Cash & Equivalent	9.32	-	9.32
Total	**100.00**	**100.00**	**0.00**

Source: Pictet Asset Management

SECTOR PROFILE (%)

	Portfolio	Benchmark	Active weight
Energy	5.13	6.24	-1.12
Materials	3.17	5.26	-2.10
Industrials	8.31	11.79	-3.48
Consumer Discretionary	9.59	13.33	-3.74
Consumer Staples	7.07	9.52	-2.45
Health Care	9.39	13.17	-3.78
Financials	12.27	20.38	-8.11
Information Technology	11.66	13.61	-1.95
Telecommunication Services	1.86	3.59	-1.73
Utilities	1.68	3.11	-1.43
Unassigned Group	20.56	-	20.56
Cash & Equivalent	9.32	-	9.32
Total	**100.00**	**100.00**	**0.00**

Unassigned Group consists predominantly of Pictet Funds

Source: Pictet Asset Management

4. Market outlook

4.1 Outlook

It is important to remember that because inflated debt levels and asset markets present huge downside risks to the global economy, such a combination should be avoided. Instead, the response of policymakers, led by the US, has been to support debt and asset markets with ever aggressive policy initiatives. It is true that the mix of zero short-term interest rates and quantitative easing has helped to boost output by encouraging higher consumption, but the downside has been chronically weak capital expenditure. Against this background it should not come as a surprise to find long-term trend growth and productivity falling. In essence, central banks have engineered an unprecedented transfer of growth from future years to the present time. Markets have surged on the assumption that money printing has been a success, but the reality from here is that global economic growth and profit growth will be anaemic at best. The incompatibility of record high debt and asset prices with very weak long-term economic growth is clear, but investors prefer, for now at least, to let their mood be driven by an undying faith in Yellen, Draghi, Kuroda and Carney.

Assessing the extent to which equity markets are overvalued is a difficult exercise, but as one would imagine the more effective guides to long-term performance strip away the current level of company earnings to adjust for the cyclicality of profits. One simple way of doing this for the dominant US market is to compare the current market value of US equities to GDP, a reliable inverse guide to long-term future market returns. Back in the second quarter of 1982, this ratio was just 36.3%, representing one of the lowest readings for this ratio since the start of the 1950s. No surprise then to find the S&P index delivering 15% per annum over the 18 years from 1982 to 2000. In comparison the current level of this index is close to 210% of GDP, a new record high for this relative measure. For the US stock market to return to the average level for this reading immediately we would need to see a near 60% drop in share prices. Other measures of underlying value such as the so called Tobin q ratio (ratio between asset value and replacement value) also indicates that US equities are very expensive. It is important to note that this is not a guide to short-term performance (markets can go even higher) but a guide to long-term performance which should be important to all asset allocators.

We remain extremely concerned about the structural distortions caused by recent policies and also the implications for all aspects of the global economy going forward. The elevation in the value of financial assets caused by recent policy initiatives has produced a huge widening in standards of living between areas with a positive sensitivity to financial assets (London, Singapore, New York, San Francisco etc.) and other areas with a bias towards the neglected productive sectors of the economy. Wealth and income distortions in the US have reached alarming levels with figures for 2012 showing that the top 1% of income earners accounted for 19.3% of total household income (excluding capital gains), which was the largest share since 1928. Hardly an encouraging statistic given that the S&P Composite fell 86% between its 1929 peak and its 1932 low. For all developed countries the implications of an unwinding of the credit and market bubbles of recent years are difficult to contemplate but would include significant and unwelcome changes to welfare systems and pension schemes.

4.2 Strategy

It is our strong view that the monetary and financial market manipulations of recent years will ultimately prove to have been misguided. It is clear that 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. Repeated monetary interventions have distorted economic structures, restricted innovation and helped to increase income inequality to alarming levels. Ultimately, the emperor’s new clothes will be revealed and markets will riot, a development which will bring into question the conduct of central banks and government.

Against this disturbing backdrop, as equity values have climbed in tandem with central bank intervention, we have steadily increased the level of defensive assets held. With hindsight, we were early in pushing cash balances toward the limit of 10% and relative performance has fallen back in recent quarters. Our mistake has been to underestimate the extent to which investors would become fixated on the announcements if central banks at the expense of deteriorating long-term economic fundamentals. This is very likely to end badly and, in an unconstrained portfolio structure, we would advise increasing the level of defensive assets aggressively at the present time.

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 close to 9% at the end of the first quarter of 2015. 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 regional level the portfolio has a 5% underweight exposure to European equities, a 2½% underweight exposure to North American equities and a 1½% underweight exposure to Pacific ex Japan equities. Cash is split between currencies exhibiting a negative correlation to equities with a 3% weight in Japanese yen and a 6% weight in US$ cash. One on-going change is to increase the size of the underweight in US equities. Over recent years the US equity market has become the favoured risk asset of most investors, driven in turn by the belief that the combination of a large and dynamic corporate structure and a dovish central bank can only push share prices higher. Such complacency represents a volte face from the views expressed during the credit crisis of 2008 and at the very least argues for caution in relation to regional weights.

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 with 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 (%)	8.50
Tracking error (%)	1.10
Information ratio	-0.90

Source: Pictet Asset Management

5.2 Performance and portfolio details

GEOGRAPHIC CONTRIBUTION TO PERFORMANCE (%)

Q1 2015

	Portfolio average weight	Portfolio total return	Benchmark average weight	Benchmark total return	Allocation effect	Selection effect	Total effect
Total	**100.00**	**8.82**	**100.00**	**8.84**	**-0.39**	**0.37**	**-0.02**
NORTH AMERICA	**50.38**	**5.99**	**52.93**	**5.96**	**0.06**	**0.02**	**0.07**
Canada	3.04	-1.24	3.22	-1.14	0.02	-	0.01
United States	47.34	6.48	49.71	6.44	0.04	0.02	0.06
EUROPE EX UK	**23.05**	**12.65**	**28.92**	**11.01**	**-0.13**	**0.35**	**0.22**
Austria	0.30	6.86	0.13	8.38	0.01	-	0.01
Belgium	0.65	8.31	0.85	11.30	-0.01	-0.02	-0.03
Denmark	0.75	10.46	0.99	22.55	-0.03	-0.08	-0.11
Euroland Funds	6.09	10.65	-	-	0.10	-	0.10
Finland	0.40	1.07	0.57	7.95	-	-0.03	-0.03
France	3.12	15.22	6.26	10.04	-0.04	0.15	0.11
Germany	1.46	15.49	5.97	13.82	-0.21	0.01	-0.20
Ireland	0.26	30.32	0.22	9.04	-	0.05	0.05
Italy	1.43	22.32	1.46	12.22	-	0.12	0.11
Netherlands	0.69	5.11	1.75	10.22	-0.02	-0.03	-0.05
Norway	-	-	0.42	7.51	-	-	-
Portugal	0.72	16.57	0.10	12.67	0.02	0.02	0.05
Spain	1.63	21.21	2.19	4.46	0.05	0.23	0.29
Sweden	0.51	5.65	2.02	11.03	-0.03	-0.03	-0.06
Switzerland	5.03	10.48	5.99	10.43	-0.02	-	-0.02
JAPAN	**12.34**	**15.98**	**12.08**	**15.90**	**0.01**	**0.01**	**0.02**
Japan	5.46	16.34	12.08	15.90	-0.42	0.02	-0.40
Japan Funds	6.88	15.76	-	-	0.42	-	0.42
PACIFIC EX JAPAN	**5.20**	**9.10**	**6.07**	**9.93**	**-**	**-0.01**	**-0.01**
Asia Ex Japan Funds	2.83	9.53	-	-	0.05	-	0.05
Australia	-	-	1.47	8.32	0.01	-	0.01
China	0.10	14.54	1.32	13.51	-0.06	0.01	-0.04
Hong Kong	0.59	-0.39	0.63	11.49	-	-0.01	-0.01
Indonesia	-	-	0.16	7.62	-	-	-
Korea	0.21	19.16	0.89	9.62	-0.01	0.02	0.01
Malaysia	-	-	0.21	3.35	0.01	-	0.01
New Zealand	-	-	0.03	3.50	-	-	-
Pacific Ex Japan	0.98	7.68	-	-	-0.02	-	-0.02

	Portfolio average weight	Portfolio total return	Benchmark average weight	Benchmark total return	Allocation effect	Selection effect	Total effect
Philippines	-	-	0.08	15.72	-0.01	-	-0.01
Singapore	0.49	2.41	0.37	8.43	-0.01	-0.01	-0.02
Taiwan	-	-	0.76	9.18	-	-	-
Thailand	-	-	0.15	7.61	-	-	-
[Cash]	**9.03**	**5.07**	**-**	**-**	**-0.32**	**-**	**-0.32**
[Cash]	9.03	5.07	-	-	-0.32	-	-0.32

Performance calculated GROSS in GBP

Source: Pictet Asset Management / FactSet

SECTOR CONTRIBUTION TO PERFORMANCE (%)

Q1 2015

	Portfolio average weight	Portfolio total return	Benchmark average weight	Benchmark total return	Allocation effect	Selection effect	Total effect
Total	**100.00**	**8.82**	**100.00**	**8.84**	**0.27**	**-0.29**	**-0.02**
Consumer Discretionary	10.13	11.80	13.20	12.36	-0.10	-0.06	-0.15
Consumer Staples	7.22	8.33	9.64	9.06	-	-0.06	-0.06
Energy	5.37	2.06	6.37	1.78	0.06	0.02	0.08
Financials	12.67	5.70	20.20	7.08	0.12	-0.16	-0.05
Health Care	9.45	12.63	12.99	14.69	-0.19	-0.18	-0.37
Industrials	8.32	11.25	11.85	8.76	0.01	0.20	0.21
Information Technology	11.39	6.90	13.60	8.02	0.02	-0.12	-0.10
Materials	3.03	9.42	5.33	9.68	-0.03	-	-0.03
Telecommunication Services	2.10	10.03	3.61	8.28	-	0.04	0.04
Utilities	2.06	1.33	3.22	-	0.11	0.03	0.14
[Cash]	9.03	5.07	-	-	-0.32	-	-0.32
[Unassigned]	19.22	12.25	-	-	0.59	-	0.59

Performance calculated GROSS in GBP
Unassigned refers predominantly to Pictet Funds

Source: Pictet Asset Management / FactSet

6. Contacts & Disclaimer

Contacts

Pictet Asset Management

Moor House, Level 11
120 London Wall
London EC2Y 5ET

Senior Client Relationship Manager

Akua Brako-Raja
Tel: +44 20 7847 5422
Fax: +44 20 7847 5300
Email: abrako@pictet.com

Disclaimer

For more information, please contact your Client Relationship Manager.

www.pictet.com

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