Global ex UK Equities

Dorset County Council Pension Fund

Pictet Asset Management

Quarterly report as at 30 June 2015

Content

EXECUTIVE SUMMARY

World stocks moved lower in the second quarter amid worries that Greece may not reach an agreement on reforms with its creditors. However, the fall did little to dent the bull market in global shares which began in March 2009. The S&P Composite Index, for example, has risen 205% since the market low of 9th March 2009.

Overall, our policy for the second quarter of 2015 delivered a performance above the composite equity benchmark. In these three months the fund delivered a total return of -4.87% compared to an index return of -5.24%. Looking at the quarter in more detail, the fund's quarterly relative return was supported by stock selection across all actively managed regions. In Europe ex UK, fund returns were 123 basis points (bp) above the index, in Japan and Pacific ex Japan the outperformance was 70 bp.

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

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 31.03.2015	454,704,106 GBP
Market value as of 30.06.2015	430,742,402 GBP
Net cash in/out	-1,911,692 GBP
Relationship manager	Akua Brako-Raja

PERFORMANCE (%)

	Portfolio	Benchmark	Excess return
3M	-4.87	-5.24	0.37
YTD	3.51	3.13	0.38
3Y (annualised)	14.07	15.33	-1.26
5Y (annualised)	11.85	12.46	-0.61
10Y (annualised)	8.23	8.68	-0.45
Since inception (annualised)	7.87	8.05	-0.18

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 moved lower in the second quarter, but the fall did little to dent the bull market in shares which began in March 2009. The S&P Composite Index, for example, has risen 205% since the market low of 9th March 2009. This market gain is one of the largest six year advances seen in the past hundred years, only beaten by 1929 and 1999. Given how markets performed in the aftermath of these previous peaks, investors should have good reason to be cautious from here.

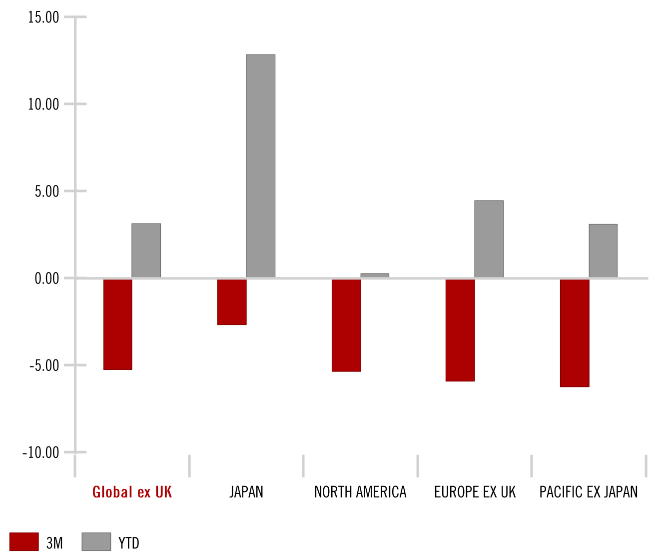
Political uncertainty remained high in Europe amid worries that Greece may not reach an agreement on reforms with its creditors. Greek tensions kept a lid on European equity markets and also exerted downward pressure on the euro. China was another source of volatility with a sharp fall in equity prices in the second half of June, halting a year to date advance that had reached over 60 per cent.

Emerging market currencies and commodities retreated for much of the period under review, weighing on emerging market equities and local currency bonds. The on-going rebound in the US dollar put downward pressure on many currencies in both the developed and developing world. The Japanese yen, for example, dropped to a 12-year low against the US$, highlighting the divergence in the countries' monetary policies.

Over the quarter as a whole the MSCI World index fell by 5.1% (TR in GBP terms). Looking at the regions, the performance leader was Japan (-2.7% on the quarter), followed by the US (-5.3%). The Europe ex UK region delivered a below index return of -5.9%.

REGIONAL PERFORMANCE (%)

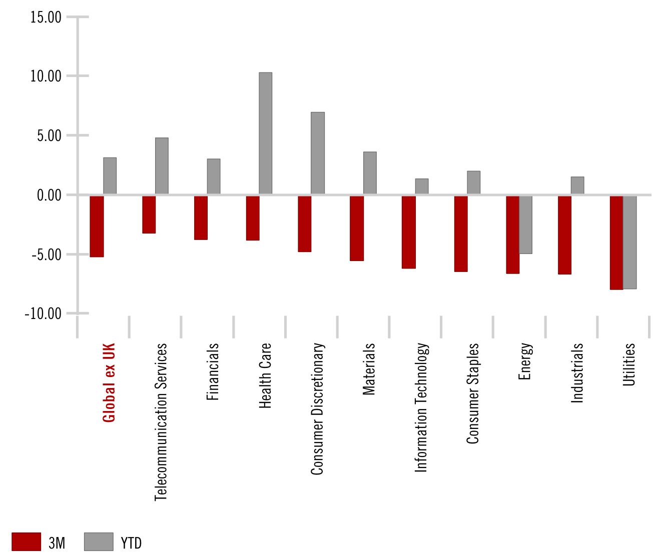
Global ex UK



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
Jun 2015	-4.89	-5.20	0.32
May 2015	1.20	0.96	0.25
Apr 2015	-1.17	-0.99	-0.18

Gross of fees and net of income (TWR)

Source: Pictet Asset Management

QUARTERLY PERFORMANCE* (%)

	Portfolio	Benchmark	Excess return
Q2 2015	-4.87	-5.24	0.37
Q1 2015	8.81	8.84	-0.03
Q4 2014	4.55	4.58	-0.03
Q3 2014	3.20	3.02	0.19

Gross of fees and net of income (TWR)

Source: Pictet Asset Management

ANNUALISED PERFORMANCE* (%)

	Portfolio	Benchmark	Excess return
1Y	11.69	11.11	0.58
3Y	14.07	15.33	-1.26
5Y	11.85	12.46	-0.61
Since inception (annualised)	7.87	8.05	-0.18

Gross of fees and net of income (TWR)

Source: Pictet Asset Management

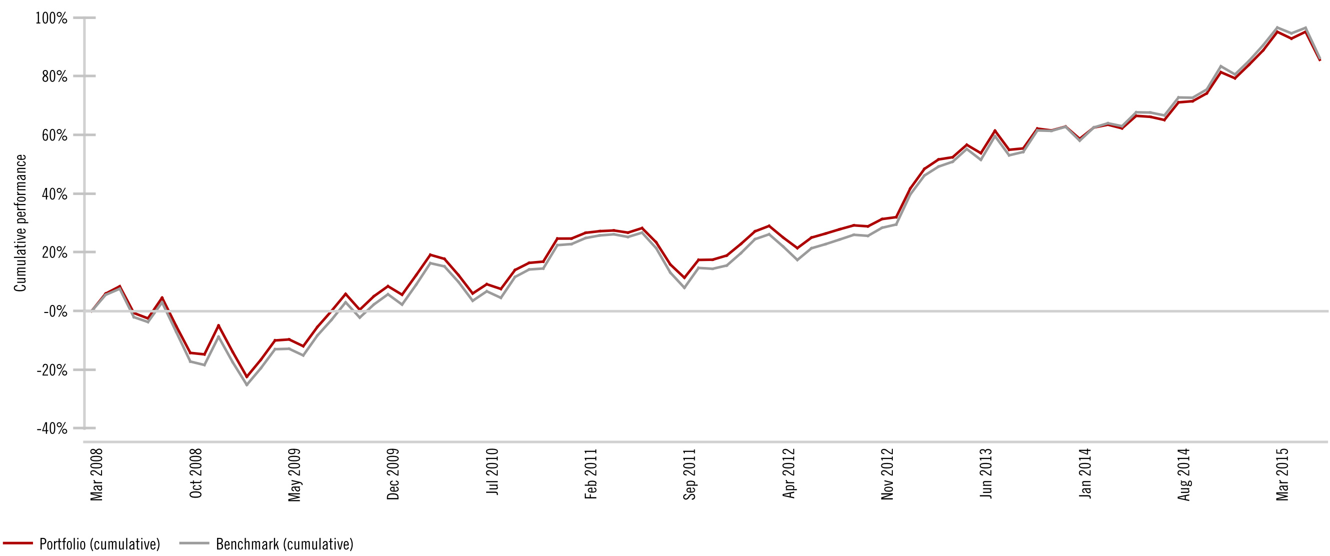
CALENDAR PERFORMANCE* (%)

	Portfolio	Benchmark	Excess return
YTD	3.51	3.13	0.38
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	1.04

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	-3.69	-5.20	1.51
3M	-2.34	-5.24	2.90
6M	4.96	3.13	1.83
YTD	4.96	3.13	1.83
1Y	11.52	11.11	0.41
3Y (annualised)	16.04	15.33	0.71
Since inception (annualised)	8.45	9.57	-1.11

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 (%)

Q2 2015

	Contribution
Pictet - Japan Index	0.16
MERLIN Properties SOCIMI SA	0.08
Elis SA	0.07
Galp Energia, SGPS S.A.	0.06
NOS SGPS SA	0.05

Source: Pictet Asset Management / FactSet

TOP 5 NEGATIVE CONTRIBUTIONS (%)

Q2 2015

	Contribution
MERLIN PROPERTIES SOCIMI SA ISS. 15	-0.09
Pictet - Euroland Index	-0.09
[Cash]	-0.07
Obrascon Huarte Lain SA	-0.05
Porsche Automobil Holding SE	-0.04

Source: Pictet Asset Management / FactSet

Overall, our policy for the second quarter of 2015 delivered a performance above the composite equity benchmark. In these three months the fund delivered a total return of -4.87% compared to an index return of -5.24%. Looking at the quarter in more detail, the fund's quarterly relative return was supported by stock selection across all actively managed regions. In Europe ex UK, fund returns were 123 basis points above the index, in Japan the outperformance was 70 basis points and in the Pacific ex Japan region the outperformance was also 70 basis points. Over the entire turbulent period for markets between end-March 2008 and end-June 2015 the fund has performed close to 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-June 2015 the total fund delivered an average annual return of 8.91% compared to an annual index return of 8.96%.

The significant contributors to performance across the Japanese holdings came from a range of sectors: Nitto Denko and Daicel in materials; Mitsubishi Heavy in industrials; and Dentsu in consumer discretionary. All of these companies came out with solid earnings reports and many of them are significant beneficiaries of the weaker yen (most notably Daicel and Mitsubishi Heavy). A recent meeting with advertising agency Dentsu confirmed that the integration with Aegis continues to progress smoothly, enabling them to win a number of major global contracts. Fujitsu, whose company forecast was disappointing, detracted from performance.

The European portfolio outperformed the benchmark in the second quarter. French holding Elis made a positive contribution as the group announced a further five acquisitions in March and April in its core French market, but also in the key growth areas of Germany, Spain and Switzerland. Aena also performed well after a good set of results and on signs that the organisation that regulates the group's 'air-side' operations is softening a previous hard-line stance it had been taking on cost allocations and the framework for future tariff-setting.

GEOGRAPHIC CONTRIBUTION TO PERFORMANCE (%)

Q2 2015

	Asset allocation	Stock selection	Total
NORTH AMERICA	-	-0.04	-0.05
EUROPE EX UK	0.03	0.28	0.32
JAPAN	0.01	0.09	0.10
PACIFIC EX JAPAN	-	0.03	0.04
[Cash]	-0.07	-	-0.07
Total	**-0.02**	**0.36**	**0.34**

Performance calculated GROSS in GBP

Source: Pictet Asset Management / FactSet

SECTOR CONTRIBUTION TO PERFORMANCE (%)

Q2 2015

	Asset allocation	Stock selection	Total
Consumer Discretionary	-0.02	0.10	0.08
Consumer Staples	0.03	-0.01	0.02
Energy	0.03	-0.01	0.01
Financials	-0.11	0.18	0.07
Health Care	-0.06	-	-0.06
Industrials	0.05	0.13	0.18
Information Technology	0.02	-0.03	-0.01
Materials	0.01	0.03	0.04
Telecommunication Services	-0.03	0.03	-
Utilities	0.04	-0.02	0.02
[Cash]	-0.07	-	-0.07
[Unassigned]	0.07	-	0.07
Total	**-0.06**	**0.40**	**0.34**

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 coming quarters so it is a question of judging the potential magnitude of market falls. Over the long-term the economies and markets to favour are those which have not been structurally weakened by repeated policymaker interventions. This would suggest that investors should have a long-term preference for emerging over developed economies in general and Asian economies in particular. This is not to say that all markets will not fall in coming quarters, but one should use such a development to purchase selected Asian companies ahead of Developed markets..

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, one significant change was the addition of Tokyo Electron during the quarter. Tokyo Electron's share price corrected sharply following the abandonment of its merger with Applied Materials, to the point where valuations became very attractive (particularly considering the restructuring undertaken ahead of the proposed deal). We sold our position in Astellas to zero. The near-term earnings outlook has been revised down due to higher costs. We have become more concerned longer term about the competitive environment prostate cancer drug Xtandi.

In Europe, after higher than normal activity during the early part of the year, there was very limited activity in the second quarter.

3. Portfolio composition

3.1 Active profile

TOP 10 OVERWEIGHT POSITIONS (%)

Company name	Portfolio	Benchmark	Active weight
Royal Dutch Shell Plc	0.58	-	0.58
Nos Sgps Sa	0.52	-	0.52
Bollore Sa	0.49	0.02	0.47
Aena Sa	0.48	0.04	0.44
Elis Sa	0.44	-	0.44
Distribuidora Internacional de Alimentacion SA	0.41	0.02	0.38
Orpea	0.35	-	0.35
Koninklijke Dsm Nv	0.39	0.05	0.34
Societe Generale Sa	0.50	0.17	0.33
Ontex Group Nv	0.33	-	0.33

Source: Pictet Asset Management

TOP 5 UNDERWEIGHT POSITIONS (%)

Company name	Portfolio	Benchmark	Active weight
Novartis Ag	0.49	1.13	-0.64
Novo Nordisk A/S	-	0.52	-0.52
Sanofi	0.19	0.58	-0.39
Total Sa	0.17	0.52	-0.35
Banco Santander Sa	0.17	0.50	-0.33

Source: Pictet Asset Management

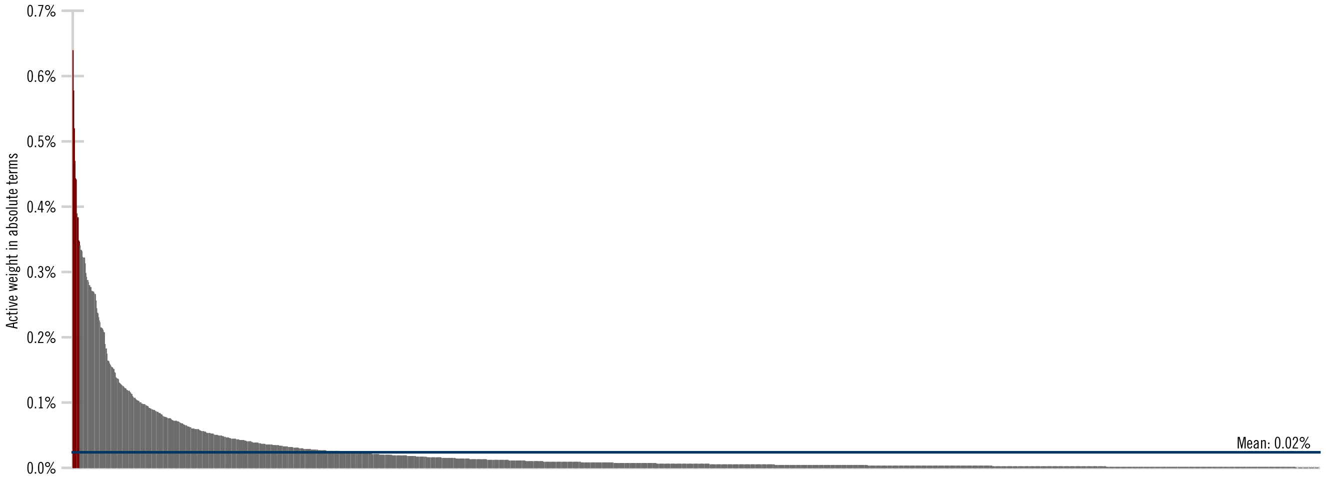
PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
Number of stocks	864	1,998
Weighted average market cap. (m. ref. ccy)	61,311.63	57,878.68
P/BV	4.10	3.49
P/CF (FY1)	13.64	13.68
P/E (FY1 Est)	20.68	19.54
PEG Ratio	2.44	2.28
Net Debt to Equity (%)	49.58	31.32
Active share* (%)	23.63	-

* 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	1.76	1.88	-0.12
Nestle Sa	1.44	1.16	0.28
Roche Holding Ag	0.97	0.98	-0.01
Exxon Mobil Corp	0.84	0.90	-0.06
Microsoft Corp	0.83	0.88	-0.06
Google Inc	0.76	0.81	-0.05
Toyota Motor Corp	0.72	0.74	-0.02
Bayer Ag	0.67	0.58	0.10
Ubs Ag	0.66	0.39	0.28
Wells Fargo & Co	0.66	0.71	-0.05

Source: Pictet Asset Management

GEOGRAPHIC PROFILE (%)

	Portfolio	Benchmark	Active weight
North America	49.60	52.89	-3.28
Europe Ex UK	23.92	29.03	-5.11
Japan	12.01	12.00	0.01
Pacific Ex Japan	5.03	6.09	-1.06
Cash & Equivalent	9.44	-	9.44
Total	**100.00**	**100.00**	**0.00**

Source: Pictet Asset Management

SECTOR PROFILE (%)

	Portfolio	Benchmark	Active weight
Energy	4.89	6.08	-1.19
Materials	3.22	5.24	-2.02
Industrials	8.44	11.60	-3.16
Consumer Discretionary	9.73	13.42	-3.68
Consumer Staples	6.85	9.33	-2.47
Health Care	9.55	13.46	-3.91
Financials	12.82	20.81	-7.99
Information Technology	11.36	13.43	-2.07
Telecommunication Services	1.90	3.61	-1.71
Utilities	1.59	3.03	-1.44
Unassigned Group	20.21	-	20.21
Cash & Equivalent	9.44	-	9.44
Total	**100.00**	**100.00**	**0.00**

Unassigned Group consists predominantly of Pictet Funds

Source: Pictet Asset Management

4. Market outlook

4.1 Outlook

As we have argued before, given that 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 in recent years has been to support debt and asset markets with an array of 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 of course a difficult exercise, but, in general, the more reliable 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 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%, 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, markets will fall, 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 of 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 second 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 3% underweight exposure to North American equities and a 1% underweight exposure to Pacific ex Japan equities. Cash is split between currencies exhibiting a negative correlation to equities with a 2% weight in Japanese yen and a 7% 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 (%)	8.62
Tracking error (%)	0.95
Information ratio	-1.16

Source: Pictet Asset Management

5.2 Performance and portfolio details

GEOGRAPHIC CONTRIBUTION TO PERFORMANCE (%)

Q2 2015

	Portfolio average weight	Portfolio total return	Benchmark average weight	Benchmark total return	Allocation effect	Selection effect	Total effect
Total	**100.00**	**-4.90**	**100.00**	**-5.24**	**-0.02**	**0.36**	**0.34**
NORTH AMERICA	**49.61**	**-5.46**	**52.85**	**-5.37**	**-**	**-0.04**	**-0.05**
Canada	3.01	-6.43	3.23	-6.31	-	-	-
United States	46.60	-5.40	49.61	-5.31	-0.01	-0.04	-0.05
EUROPE EX UK	**24.08**	**-4.69**	**29.11**	**-5.92**	**0.03**	**0.28**	**0.32**
Austria	0.31	8.77	0.13	-2.43	-	0.03	0.04
Belgium	0.66	-0.09	0.84	-4.11	-	0.03	0.02
Denmark	0.67	-6.43	1.08	-3.36	-0.01	-0.02	-0.03
Euroland Funds	6.63	-6.62	-	-	-0.09	-	-0.09
Finland	0.38	-14.07	0.54	-8.56	-	-0.02	-0.02
France	2.64	-0.26	6.33	-4.69	-0.02	0.11	0.09
Germany	1.21	-12.03	5.90	-10.39	0.24	-0.02	0.22
Ireland	0.29	-6.41	0.23	2.45	-	-0.03	-0.02
Italy	1.61	-3.32	1.53	-2.74	-	-0.01	-0.01
Netherlands	1.48	-5.67	1.78	-2.76	-0.01	-0.04	-0.05
Norway	-	-	0.43	-1.94	-0.01	-	-0.01
Portugal	0.59	15.43	0.10	-3.03	0.03	0.08	0.11
Spain	1.89	-8.64	2.28	-7.43	0.01	-0.02	-0.01
Sweden	0.51	0.81	1.96	-7.80	0.04	0.04	0.08
Switzerland	5.22	-4.16	6.00	-4.33	-0.01	0.01	-
United Kingdom	-	-	-	-	-	-	-
JAPAN	**12.51**	**-1.96**	**12.00**	**-2.66**	**0.01**	**0.09**	**0.10**
Japan	5.78	-1.11	12.00	-2.66	-0.15	0.09	-0.06
Japan Funds	6.73	-2.69	-	-	0.16	-	0.16
PACIFIC EX JAPAN	**4.80**	**-5.53**	**6.04**	**-6.23**	**-**	**0.03**	**0.04**
Asia Ex Japan Funds	3.96	-5.54	-	-	-0.02	-	-0.02
Australia	-	-	1.37	-11.40	0.09	-	0.09
China	-	-	1.47	0.25	-0.07	-	-0.07
Hong Kong	-	-	0.65	-0.34	-0.03	-	-0.03
Indonesia	-	-	0.15	-18.65	0.02	-	0.02
Korea	-	-	0.87	-9.11	0.03	-	0.03
Malaysia	-	-	0.20	-13.05	0.02	-	0.02
New Zealand	-	-	0.03	-17.84	-	-	-

	Portfolio average weight	Portfolio total return	Benchmark average weight	Benchmark total return	Allocation effect	Selection effect	Total effect
Pacific Ex Japan	0.76	-7.62	-	-	-0.01	-	-0.01
Philippines	-	-	0.08	-10.18	-	-	-
Singapore	0.08	-0.90	0.36	-4.34	-	-	-
Taiwan	-	-	0.74	-4.45	-0.01	-	-0.01
Thailand	-	-	0.13	-8.72	-	-	-
[Cash]	**9.00**	**-6.11**	**-**	**-**	**-0.07**	**-**	**-0.07**
[Cash]	9.00	-6.11	-	-	-0.07	-	-0.07

Performance calculated GROSS in GBP

Source: Pictet Asset Management / FactSet

SECTOR CONTRIBUTION TO PERFORMANCE (%)

Q2 2015

	Portfolio average weight	Portfolio total return	Benchmark average weight	Benchmark total return	Allocation effect	Selection effect	Total effect
Total	**100.00**	**-4.90**	**100.00**	**-5.24**	**-0.06**	**0.40**	**0.34**
Consumer Discretionary	9.64	-3.88	13.43	-4.83	-0.02	0.10	0.08
Consumer Staples	6.97	-6.66	9.43	-6.49	0.03	-0.01	0.02
Energy	5.13	-6.81	6.33	-6.63	0.03	-0.01	0.01
Financials	12.56	-2.29	20.49	-3.80	-0.11	0.18	0.07
Health Care	9.31	-3.86	13.18	-3.84	-0.06	-	-0.06
Industrials	8.39	-5.20	11.73	-6.67	0.05	0.13	0.18
Information Technology	11.60	-6.46	13.60	-6.22	0.02	-0.03	-0.01
Materials	3.23	-4.50	5.28	-5.56	0.01	0.03	0.04
Telecommunication Services	1.91	-1.86	3.44	-3.26	-0.03	0.03	-
Utilities	1.64	-9.33	3.09	-7.97	0.04	-0.02	0.02
[Cash]	9.00	-6.11	-	-	-0.07	-	-0.07
[Unassigned]	20.64	-4.87	-	-	0.07	-	0.07

Performance calculated GROSS in GBP
Unassigned refers predominantly to Pictet Funds

Source: Pictet Asset Management / FactSet

6. Contacts & Disclaimer

Contacts

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