#### Agenda Item No. 5(b)

#### DERBYSHIRE COUNTY COUNCIL

#### PENSIONS AND INVESTMENTS COMMITTEE

#### 4 March 2020

#### **Report of the Director of Finance & ICT**

#### **INVESTMENT REPORT**

#### 1 Purpose of the Report

To review the Fund's asset allocation, investment activity since the last meeting, long term performance analysis and to seek approval for the investment strategy in the light of recommendations from the Director of Finance & ICT and the Fund's independent adviser.

#### 2 Information and Analysis

#### (i) Report of the External Adviser

A copy of Mr Fletcher's report, incorporating his view on the global economic position, factual information for global market returns, the performance of the Fund and his recommendations on investment strategy and asset allocation, is attached as Appendix 1.

#### (ii) Asset Allocation and Recommendations Table

The Fund's latest asset allocation as at 31 January 2020 and the recommendations of the Director of Finance & ICT and Mr Fletcher, in relation to the Fund's new strategic asset allocation benchmark.

The table also shows the recommendations of the Director of Finance & ICT, adjusted to reflect the impact of future investment commitments. These commitments (existing plus any new commitments recommended in this report) relate to Private Equity, Multi-Asset Credit, Property and Infrastructure and total around £310m. Whilst the timing of drawdowns will be lumpy and difficult to predict, the In-house Investment Management Team (IIMT) believes that these are likely to occur over the next 18 to 36 months.

Asset Category	Old Benchmark	New Benchmark	Fund Allocation	Fund Allocation	Permitted Range	Rel	hmark ative nendation	Recomm	endation	Adjusted for Commitments (1)	Benchmark Sterling Return	Benchmark Sterling Return
			31/10/19	31/01/20		AF 04/03/20	DPF 04/03/20	AF 04/03/20	DPF 04/03/20	DPF 04/03/20	3 Months to 31/12/19	3 Months to 31/01/20
Growth Assets	62.0%	57.0%	55.7%	55.9%	+/- 8%	-	(1.0%)	57.0%	56.0%	57.6%	n/a	n/a
UK Equities	25.0%	16.0%	17.3%	17.4%	+/- 4%	-	+1.4%	16.0%	17.4%	17.4%	4.2%	2.2%
Overseas Equities:	33.0%	37.0%	35.4%	35.3%	+/- 6%	-	(1.6%)	37.0%	35.4%	35.4%	n/a	n/a
North America	12.0%	12.0%	10.5%	10.9%	+/- 4%	(1.0%)	(2.0%)	11.0%	10.0%	10.0%	1.4%	5.0%
Europe	9.0%	8.0%	8.5%	8.4%	+/- 3%	-	(0.6%)	8.0%	7.4%	7.4%	0.9%	0.9%
Japan	5.0%	5.0%	6.6%	6.4%	+/- 2%	-	+1.0%	5.0%	6.0%	6.0%	0.2%	(0.8%)
Pacific ex-Japan	4.0%	4.0%	5.0%	4.7%	+/- 2%	-	-	4.0%	4.0%	4.0%	2.8%	0.4%
Emerging Markets	3.0%	5.0%	4.8%	4.9%	+/- 2%	+1.0%	-	6.0%	5.0%	5.0%	4.0%	0.5%
Global Sustainable	-	3.0%	-	-	+/- 2%	-	-	3.0%	3.0%	3.0%	1.5%	3.0%
Private Equity	4.0%	4.0%	3.0%	3.2%	+/- 2%	-	(0.8%)	4.0%	3.2%	4.8%	4.4%	2.4%
Income Assets	18.0%	23.0%	20.5%	20.4%	+/- 6%	-	(1.8%)	23.0%	21.2%	25.3%	n/a	n/a
Multi-Asset Credit	4.0%	6.0%	6.1%	6.3%	+/- 2%	-	0.5%	6.0%	6.5%	8.1%	0.9%	0.9%
Infrastructure	5.0%	8.0%	6.4%	6.2%	+/- 3%	-	(1.2%)	8.0%	6.8%	9.0%	0.7%	0.7%
Direct Property (3)	5.0%	5.0%	4.7%	4.6%	+/- 2%	+1.0%	(0.4%)	5.0%	4.6%	4.6%	1.2%	1.2% (2)
Indirect Property (3)	4.0%	4.0%	3.3%	3.3%	+/- 2%	(1.0%)	(0.7%)	4.0%	3.3%	3.6%	1.2%	1.2% (2)
Protection Assets	18.0%	18.0%	17.3%	17.3%	+/- 5%	(2.0%)	(0.7%)	16.0%	17.3%	17.3%	n/a	n/a
Conventional Bonds	5.5%	6.0%	5.5%	5.4%	+/- 2%	-	-	6.0%	6.0%	6.0%	(3.9%)	1.4%
Index-Linked Bonds	6.5%	6.0%	5.7%	5.7%	+/- 2%	(2.0%)	(0.9%)	4.0%	5.1%	5.1%	(8.5%)	0.6%
Corporate Bonds	6.0%	6.0%	6.1%	6.2%	+/- 2%	-	0.2%	6.0%	6.2%	6.2%	(0.3%)	2.9%
Cash	2.0%	2.0%	6.5%	6.4%	0 – 8%	+2.0%	+3.5%	4.0%	5.5%	(0.2%)	0.1%	0.1%

Total Investment Assets totaled £5,219.5m at 31 January 2020.

(1) Recommendations adjusted for investment commitments at 31 January 2020 and presumes all commitments are funded from cash.

(2) Benchmark Return for the three months to 31 December 2019.

(3) The maximum permitted range in respect of Property is +/- 3%.

The table above reflects the following three categorisations:

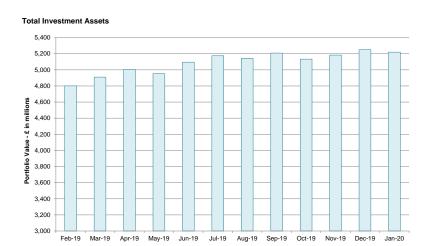
- **Growth Assets**: largely equities plus other volatile higher return assets such as private equity;
- **Income Assets**: assets which are designed to deliver an excess return, but with more stable return patterns than Growth Assets because income represents a large proportion of the total return of these assets; and
- Protection Assets: lower risk government or investment grade bonds.

Relative to the new benchmark, the Fund as at 31 January 2020, was overweight Cash, and underweight in Growth Assets, Income Assets and Protection Assets.

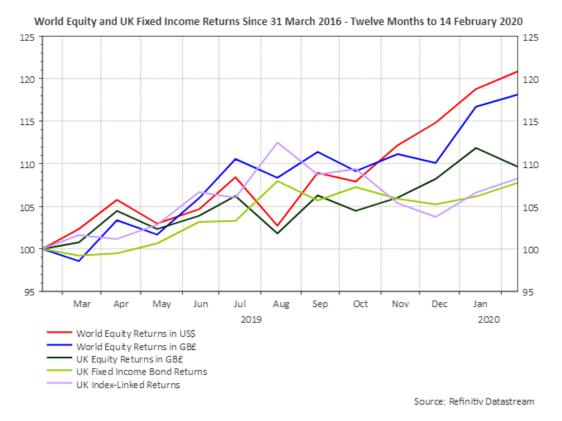
If all of the Fund's commitments (existing plus any new commitments recommended in this report) were drawn-down, the cash balance would reduce by 5.7% to -0.2%. However, in practice as these commitments are drawn-down, they will be partly offset by new net cash inflows from dealing with members, investment income, distributions from existing investments and changes in the wider asset allocation.

#### (iii) Total Investment Assets

The value of the Fund's investment assets rose by £86.6m (1.7%) between 31 October 2019 and 31 January 2020 to just over £5.2bn, comprising a noncash market gain of around £65m and cash inflows from dealing with members & investment income of around £20m. Over the twelve months to 31 January 2020, the value of the Fund's investment assets has risen by £468.6m (9.9%), comprising a non-cash market gain of around £370m and cash inflows from dealing with members & investment income of around £100m. A copy of the Fund's valuation is attached at Appendix 2.



The Fund's valuation can fluctuate significantly in the short term, reflecting market conditions, and supports the Fund's strategy of focusing on the long term.



#### (iv) Market returns over the last 12 months

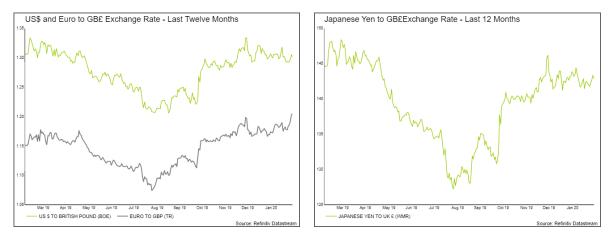
The chart above shows market returns for Global Equities in Sterling and the US dollar, UK Equities, UK Fixed Income and UK Index Linked bonds for the twelve months to 14 February 2020.

Global Equity markets returned 22.3% in Sterling terms (27.2% in local currency) in 2019. This partly reflected a rebound from the heavy equity sell-off in Q4 2018 (-10.5% in Sterling terms), but also reflected looser than expected monetary policy throughout the year. The top-10 developed market central banks cut rates eight times collectively after two years of broad-based policy tightening. Equity markets hit all-time highs, as multiples expanded against a back-drop of slowing earnings growth, geo-political uncertainty (albeit slightly reduced uncertainty following the phase one US – China trade deal), and a slowdown in share buy backs. The S&P500's forward price to earnings ratio currently sits at around 18.4x, 2.1x higher than its 25 year average.

Volatility picked-up towards the end of January 2020, with global equities returning -0.63% in Sterling terms in the month, rising to -1.12% in local currency terms. Concerns over the coronavirus outbreak checked the market optimism that followed the signing of a phase one US – China trade deal. Markets were also impacted by the 'flare-up' in tensions between the US and Iran, although these have subsequently de-escalated.

Positive equity market momentum has returned in February 2020 to date (to 14 February 2020; FTSE All World +5.2% in Sterling terms and +3.9% in local currency terms) as economic data across most regions continued to show modest improvement. Near-term recessionary fears have eased, although the impact of the coronavirus outbreak is unclear and it is likely that the outbreak will have an impact on growth in the first half of 2020, particularly in the Asia-Pacific region where China is effectively in shutdown. The vast majority of central banks are currently expected to remain accommodative in the coming year, including supporting the global economy through any disruption caused by the coronavirus.

In the first half of 2019, Sterling investors generally benefited from a weaker pound relative to the US dollar but in the second half of 2019 the pound strengthened from a low of around £1:\$1.20 in August to £1:U\$1.33 in December (see chart below). The rise reflected a combination of factors, including three target rate reductions in the US (discussed below), a growing expectation that there would not be a hard Brexit and the decisive outcome of the General Election. The GB£:€ and GB£:¥ exchange rates have also followed a similar pattern over the course of 2019.



UK Conventional and Index-Linked bonds returned 6.9% and 6.4%, respectively, in 2019. Global government bond valuations moved to unprecedented levels in 2019, as central banks reacted to deteriorating global economic growth. Having kept target interest rates unchanged at 2.0% to 2.25% since the start of the year, the US Federal Reserve reduced the target rate three times in the second half of the year. The U-turn in global monetary policy was further demonstrated by the European Central Bank (ECB) restarting asset purchases, after halting them in January 2019.

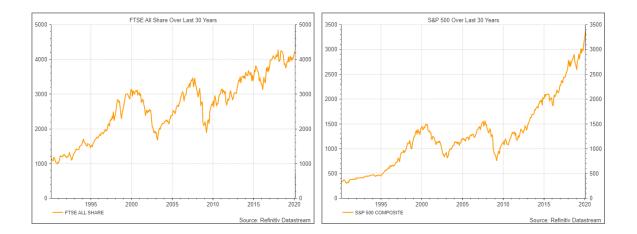
UK Gilt and Index-Linked yields rose sharply (i.e. prices fell resulting in negative returns), however, in the final quarter of 2019. The 10 year gilt yield rose from 49 basis points to 82 basis points over the quarter as both main political parties pledged to spend more should they be elected. As a result, UK Conventional and Index-Linked Bonds returned -3.9% and -8.5% in Q4 PHR-1064

2019, respectively. This was mirrored at a global level, with the world government bonds ex-UK index in local currency terms returning -7.7% over the quarter. The easing of global trade tensions helped 'risk-on' markets to rally, with higher risk asset classes such as high-yield bonds (+2.5%) and emerging market debt (+1.4%) posting positive returns in the quarter.

Yields fell in January 2020 (i.e. prices rose) as the pick-up in equity market volatility increased demand for 'risk-off' assets and concerns over the coronavirus outbreak.

Although markets expect central banks to remain accommodative in 2020, no further rate cuts are expected in the US where the Federal Reserve tends to avoid policy changes in an election year. However, in response to the coronavirus outbreak, the People's Bank of China (PBOC) has recently reduced the one-year rate at which it lends to banks via its Medium-term Lending Facility by 10 basis points, after a similar reduction to short-term rates two weeks earlier. Markets expect further PBOC reductions if the virus continues to weigh on economic activity.

Asset class weightings and recommendations are based on values at the end of January 2020, and are relative to the new strategic asset allocation benchmark which became effective on 1 January 2019. Many global stock markets are trading close to all-time highs (see charts below which show the long term performance of the FTSE All Share and S&P 500 Composite), and global stock markets have now participated in an almost eleven year bull market (i.e. a rising market). Given the current modest economic backdrop and stretched equity valuations, the IIMT believe that returns will be lower going forward.



#### (v) Longer Term Performance

Figures provided by Portfolio Evaluation Limited show the Fund's performance over 1, 3, 5 and 10 years to 31 December 2019.

Per annum	DPF	Benchmark Index	
1 year	13.6%	13.5%	
3 year	7.2%	6.6%	
5 year	8.6%	8.0%	
10 year	8.7%	8.4%	

The Fund out-performed the benchmark in all time periods.

The IIMT are working with Portfolio Evaluation Limited to separately show the performance attributable to products and services provided by LGPS Central Limited, and those resulting from the Fund's non-pooled assets.

#### (vi) Category Recommendations

	Old Benchmark	New Benchmark	Fund Allocation	Permitted Range	Recommendation		Benchmark Relative Recommendation	
			31 Jan-20		AF	DPF	AF	DPF
Growth Assets	62.0%	57.0%	55.9%	± 8%	57.0%	56.0%	-	(1.0%)
Income Assets	18.0%	23.0%	20.4%	± 6%	23.0%	21.2%	-	(1.8%)
Protection Assets	18.0%	18.0%	17.3%	± 5%	16.0%	17.3%	(2.0%)	(0.7%)
Cash	2.0%	2.0%	6.4%	0 - 8%	4.0%	5.5%	+2.0%	+3.5%

The new strategic asset allocation benchmark reflects a re-balancing of the Fund's assets from Growth Assets to Income Assets, and also introduces a new 3% allocation to Global Sustainable Equities.

At an overall level, the Fund was overweight Cash at 31 January 2020, and underweight Growth Assets, Income Assets and Protection Assets, although if commitments waiting to be drawn down were taken into account, the Fund would move to an overweight position in Growth and Income Assets. The table on page 2 assumes that all new commitments will be funded out of the current cash weighting; in practice as private market commitments are drawn down they are likely to be funded partially out of cash and partially by distributions (income and capital) from existing investments and sales of public market assets. The Fund has progressively reduced its exposure to Growth Assets over the last two years, as equity valuations have become increasingly stretched, and increased the allocation to Income Assets and Protection Assets.

The IIMT recommendations reflected in this report: marginal increase Growth Assets to 56.0% (1.0% underweight), albeit the regional composition is changed from the current allocation to reflect the implementation of the allocation to sustainable equities: North American Equities -0.9%; European Equities -1.0%; Japanese Equities -0.4%; Asia-Pacific Ex-Japan -0.7%; Emerging Markets +0.1%; and Global Sustainable Equities +3.0%); increase Income Assets by 0.8% (Infrastructure +0.6% and Multi-Asset Credit +0.2%); maintain Protection Assets at 17.3% (Conventional Bonds +0.6%; and Index-Linked Bonds -0.6%); and reduce Cash by 0.9%. The IIMT notes that the recommendations are subject to market conditions, and the majority of the regional equity sales will be dependent on the investment of the proposed

3.0% allocation to Global Sustainable Equities which is subject to the completion of satisfactory manager due diligence and appointment.

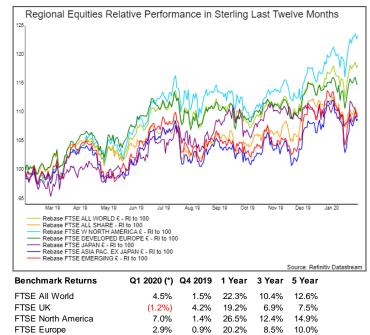
The IIMT continues to recommend a defensive cash allocation. Public markets, supported by accommodative monetary policy, continue to trade on rich valuations, at the same time as lower nominal GDP forecasts point to pressure on revenue growth and at the same time as reduced earnings forecasts still appear to be too optimistic. Despite the apparent economic stabilisation suggested by recent data, global trade and investment remain weak. Furthermore, as noted above, the cash weighting will be reduced as the Fund's current commitments are drawn down.

#### (vii) Growth Assets

At 31 January 2020, the overall Growth Asset weighting was 55.9%, up from 55.7% at 31 October 2019, reflecting relative market strength.

The IIMT recommendations below marginally increase the overall Growth Asset weighting to 56.0%, 1.0% underweight relative to the benchmark. The IIMT believes that a small underweight position is warranted due to continued rich equity valuations and the late cycle nature of the global economy. The IIMT note that continued accommodative monetary policy and the recent signing of a phase one US – China trade deal, have reduced near-term recessionary fears and political uncertainty. However, political uncertainty is likely to pick-up again in the run-up to the US election, the phase one trade deal ended the damaging escalation of tariff imposition between the US and China but left many fundamental issues unresolved, and the impact of the coronavirus outbreak has yet to be established.

The Chart opposite shows the relative regional equity returns in Sterling terms over the last twelve months, and the charts overleaf show the returns since the last Investment Report was presented to Committee and in Q1 2020. Over the



FISE ASIA FACILIC EX-JAPALI	2.370	2.070	14.0
FTSE Emerging Markets	0.6%	4.0%	15.9
• • • • • • • •	0.0	-	

0.1%

11.9%

9.0%

9.6%

9.5%

Source: Performance Evaluation Limited & DataStream

(\*) 1 January 2020 to 14 February 2020

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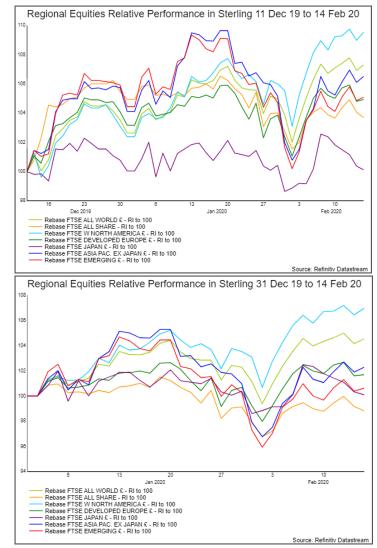
FTSE Japan

calendar year to December 2019, the US market provided the strongest return, followed by Europe. This was also the case in local currency terms, where the US market returned 31.5%, followed by Europe at 27.7%.

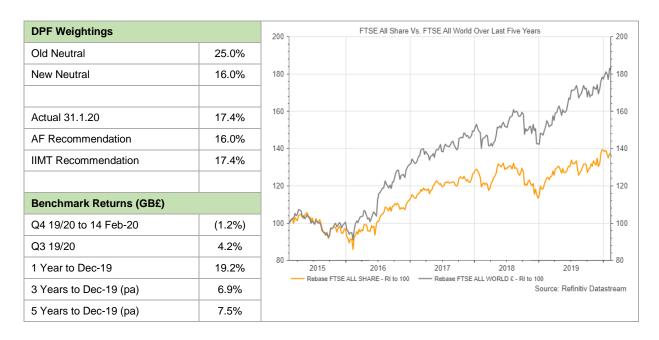
Equity returns for Sterling investors in Q4 2019 were impacted by a stronger pound following the General Election. Whilst the FTSE All World returned 9.1% in local currency terms over the quarter, this fell to 1.5% in Sterling terms as the US\$:GB£ exchange rate moved from 1.23 to 1.33. In local currency terms, Emerging Markets were the strongest performer returning 11.8%, closely followed by Asia-Pacific returning 10.5%.

During Q1 2020 to date, equity returns have generally been positive in local currency terms, although the United Kingdom (-1.2%); Japan (-0.4%); and Emerging Markets (-1.2%) have posted negative returns. However, a weaker pound over the quarter-to-date has limited the losses, and in Sterling terms, both Japan (+0.1%) and Emerging Markets (+0.6%) have posted positive returns. Local currency Japanese and Emerging Market returns have been impacted by the coronavirus outbreak, and it is difficult at present to forecast how the situation will develop and the subsequent economic impact.

UK Equities returned 9.6% in the year to 14 February 2020, lagging most regional markets, as Brexit and political concerns continued to weigh on investor sentiment. UK equities, together with Sterling, initially rallied following the general election in December but investor confidence faded after it was announced that the Withdrawal Agreement Bill would include a provision preventing an extension of transition period beyond the end of 2020, giving the UK a very short period of time to agree a free trade deal and avoid a hard Brexit.



### **United Kingdom Equities**



Whilst there were no net transactions in the period, relative market strength increased the weighting in UK Equities from 17.3% at 31 October 2019 to 17.4% at 31 January 2020; 1.4% overweight relative to the benchmark. The transition to a passive UK Equity product was completed in November 2019, although the Fund continues to maintain a portfolio of small and mid-cap pooled vehicles. These accounted for around 8% of the UK portfolio at 31 January 2020, and have performed strongly over the long-term.

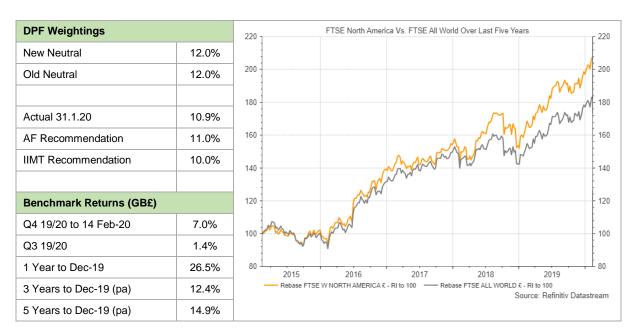
Mr Fletcher recommends a neutral weighting of 16% in UK Equities and notes that the prolonged uncertainty over Brexit has caused the UK market to underperform the rest of the world, and as a result the UK equity market has become "cheap" on a relative valuation basis. Mr Fletcher notes that he would not suggest a further reduction in the allocation.

The IIMT notes that whilst the first estimate of Q4 2019 GDP growth showed that the economy stagnated at the end of 2019, more recent data has been positive. Since the election, indicators in respect of activity PMIs (Purchasing Managers' Index), British Retail Consortium Retail Sales Monitor, CBI Surveys and housing activity have shown improvement, and this is likely to be supported by a fiscal boost in the Budget in March 2020. Political risk has reduced, particularly in the eyes of overseas investors, although the IIMT note that this could increase again should the UK – EU trade deal negotiations hit difficulties.

Whilst the IIMT believes that UK Equity returns may be volatile in the shortterm, the current forward price to earnings ratio of 13.8x is attractive when

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compared to the 25 year average (14.3x), and against US and developed market peers (e.g. 18.4x and 17.1x, respectively). UK Equities also currently offer an attractive dividend yield (4.8% versus 1.8% in the US), and with around 70% of the earnings of the UK market generated overseas, investors are currently able to access those earnings at attractive levels. As a result, the IIMT recommends maintaining the current UK weighting of 17.4%.



#### North American Equities

There were no transactions in the period but relative market strength increased the Fund's North American Equity weighting to 10.9% at 31 January 2020, 1.1% underweight.

Mr Fletcher notes that the US continues to have a higher growth rate and lower interest rates than other developed markets and this is more than fully priced into the current level of valuations. Whilst the latest published data on manufacturing PMI's suggests that the slowdown in global trade and industrial production caused by the US – China trade negotiations may be behind us, Mr Fletcher believes that this is likely to have a more positive impact on Europe, Japan and Asia Pacific. Mr Fletcher recommends that the Fund remains 1% underweight in US Equities.

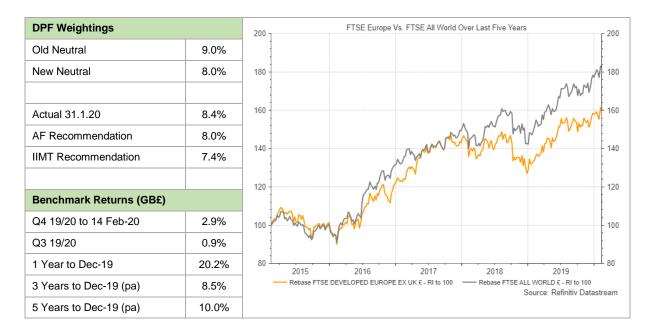
The IIMT notes that the US economy grew for the twelfth successive year in 2019. Whilst the growth rate moderated from around 3% per annum to 2.1% in Q4 2019, the economic backdrop and non-farm payrolls (US employment numbers) remain positive, although rising payroll costs are placing pressure on margins, and consumer confidence has declined. Whilst the signing of a phase one US – China trade deal was positive news, representing a de-

escalation of tensions, significant tariffs remain in place and these are at far higher levels than before the start of the trade war. Trade tensions could reescalate following the US election.

Political uncertainty in the US in the run-up to the US Presidential election is also likely to increase. The policies of a number of the leading contenders in the race for the Democratic leadership are likely to cause increasing concern on Wall Street as the campaign progresses.

US Equities have generated a total local currency return of 52.3% over the three years to 14 February 2020, of which 25.6% relates to the last twelve months alone. Around two-thirds of this increase has been driven by a concentrated increase in just eight stocks (Facebook, Apple, Amazon, Netflix, Google, Microsoft, Visa and MasterCard), and the current market forward price earnings ratio of 18.4x versus a 25 year average of 16.3x.

The IIMT believes that the increasingly late cycle nature of the US economy, coupled with rich equity valuations, and the sharp rise in the US equity market noted above support an underweight position, and recommends that the Fund's position is reduced by 0.9% to 10.0% (2.0% underweight).



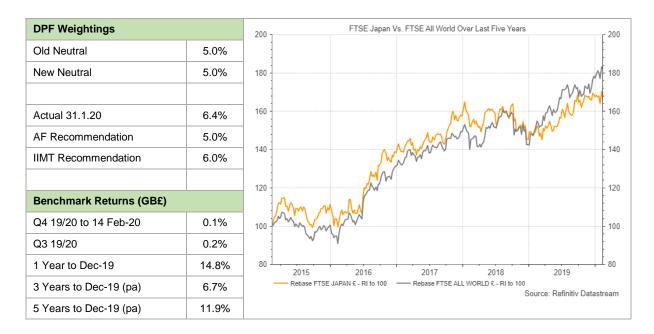
#### **European Equities**

Whilst there were no transactions in the period, relative market weakness reduced the Fund's allocation to European Equities to 8.4% at 31 January 2020; 0.4% overweight.

Mr Fletcher recommends a neutral position of 8%, noting that the recent US – China phase one trade agreement is likely to have a positive impact as the region should benefit from any rebound in global manufacturing.

Growth in the Eurozone remains weak despite continued monetary policy support. Overall growth in Q4 2019 was 0.1% but the regions three largest economies either stagnated (Germany 0%) or contracted (France -0.1% and Italy -0.3%). Eurozone manufacturing activity has shown some improvement, and should international trade improve on the back of the US – China phase one trade deal, both Germany and Italy should benefit. Christine Lagarde, the new president of the European Central Bank (ECB), has reiterated calls for more fiscal stimulus, in particular to countries more able to borrow than others, commenting that good fiscal support would support the ECB's monetary policy.

The IIMT believes that the sharp rise in the European Equity market (up 24.4% in local currency terms over the last twelve months, largely driven by higher multiples) represents an opportunity to 'lock-in' some further profit against a lacklustre background. The IIMT recommends reducing the current weighting by 1.0% to 7.4% (0.6% underweight).



#### Japanese Equities

Whilst there were no transactions in the three months to January 2020, relative market weakness reduced the weighting by 0.2% to 6.4% at 31 January 2020; 1.4% overweight against the benchmark.

Mr Fletcher recommends a 5% neutral position, noting that the recent US – China phase one trade agreement is likely to have a positive impact.

GDP fell by -1.6% in Q4 2019 (-6.3% on an annualised basis). Private consumption was adversely effected by the introduction of a long-delayed increase in consumption tax from 8% to 10% on 1 October and business investment weakened as businesses delayed capital expenditure to prioritise recovery and reconstruction efforts after the multiple typhoons that struck Japan in the autumn. The fall was the largest quarterly drop since 2Q14, right after the previous consumption tax hike in 2014.

Consensus forecasts for 2020 indicate growth of 0.4% but this now appears optimistic given the greater than expected Q4 2019 drop. Recessionary fears have increased, and these are being exacerbated by the coronavirus outbreak. Early indicators for Q1 2020 have not been encouraging, with the manufacturing PMI and Tankan Survey both declining, and firms forecasting lower industrial output.

The Japanese service sector has outperformed the weaker manufacturing sector which has struggled in the face of lower exports. Japanese industry has been affected by global trade tensions, including a dispute with South Korea and a slowdown in growth in China, which is Japan's biggest trading partner. In response to the challenging backdrop, the Japanese government announced a \$120bn stimulus plan in December 2019, with a particular focus on reconstruction, which should help to support economic growth. The economy in 2020 should also benefit from Japan's hosting of the Olympics and Paralympics.

Notwithstanding the 2019 slowdown, the IIMT believes that the long term story in Japan remains intact. Valuations remain attractive, relative both to their historical ranges and other developed markets with the current forward price to earnings ratio of 14.4x remaining substantially below its 25 year average. The diversifying and defensive qualities of the Japanese market (e.g. the safe-haven status of the ¥) also provide investment support. Whilst the IIMT believes that an overweight position remains appropriate, it is recommended that the allocation is reduced by 0.4% to 6.0%; 1.0% overweight.

#### FTSE Asia Pacific ex-Japan & Emerging Markets Vs. FTSE All World Over Last Five Years **DPF Weightings** Asia-Pac EM 200 - 200 Old Neutral 4.0% 3.0% 180 180 New Neutral 4.0% 5.0% 160 140 Actual 31.1.20 4.7% 4.9% AF Recommendation 4.0% 6.0% 120 120 **IIMT Recommendation** 4.0% 5.0% 100 100 80 80 **Benchmark Returns** Asia-Pac EM (GB£) 60 2019 Q4 19/20 to 14 Feb-20 2.3% 2015 2016 2017 2018 0.6% Rebase FTSE ASIA PAC. EX JAPAN € - RI to 100 Rebase FTSE EMERGING € - RI to 100 Rebase FTSE ALL WORLD € - RI to 100 Q3 19/20 2.8% 4.0% Source: Refinitiv Datastream 1 Year to Dec-19 14.5% 15.9% 8.9% 9.0% 3 Years to Dec-19 (pa) 5 Years to Dec-19 (pa) 9.6% 9.5%

### Asia Pacific Ex-Japan and Emerging Market Equities

Divestment of £11m resulting from the winding-up of a pooled investment vehicle, together with relative market weakness, reduced the allocation to Asia Pacific Ex-Japan Equities by 0.3% to 4.7% at 31 January 2020. Net investment of £5m increased the allocation to Emerging Market Equities by 0.1% to 4.9% at 31 January 2020.

Mr Fletcher has continued to recommend a neutral weighting of 4% in Asia Pacific Equities, and a 1% overweight allocation of 6% to Emerging Market Equities. Mr Fletcher continues to have confidence in the long-term growth prospects of emerging market economies, and believes that the potential weakness caused by the coronavirus outbreak is an opportunity to increase the Fund's weighting.

The IIMT continues to believe in the long term growth potential of these regions, noting that these regions have accounted for well over half of global GDP growth over the last ten years. As shown below, the Asia Ex-Japan region is forecast to grow by 5.0% in 2020, rising to 5.1% in 2021. These rates are significantly higher than developed markets.

Region	Real GDP 2019 (A)	Real GDP 2020 (F)	Real GDP 2021 (F)
Asia Ex-Japan	5.0%	5.0%	5.1%
Latin America	0.6%	1.5%	2.3%
Eastern Europe	2.2%	2.6%	2.6%
North America	2.3%	1.9%	1.9%
Japan	1.0%	0.4%	0.6%
Eurozone	1.2%	1.0%	1.2%
United Kingdom	1.3%	1.1%	1.4%

Source: January 2020 Consensus Forecasts

Seven out of the world's fifteen largest economies by GDP form part of the Asia Pacific Ex-Japan and Emerging Market regions (China 2nd; India 5th; Brazil 9th; Russia 10th; South Korea 11th; Australia 14th; and Mexico 15th). These seven countries accounted for 28.6% of global GDP in 2019, of which China accounted for 16.3%. However, over the last five years, Asia Pacific and Emerging Market equity returns have been relatively weak - cumulative total dollar returns from US equities over the last five years totalled 75.4%, compared to 32.4% from Asia Pacific equities and 27.6% from emerging market equities. This poor relative performance has been attributed to three key drivers: a stronger dollar acting as a headwind for further migration of western savings pools towards these regions; tepid global growth, including an on-going slowdown in China; and the increase in more domestically focused political agendas (e.g. at the expense of further globalisation).

Equity cash inflows into these regions had started to increase prior the coronavirus outbreak, supported by strong structural dynamics (e.g. rising GDP per capita and an increasing urbanisation rate), the signing of a US – China phase one trade agreement, a growing belief that the economic outlook has stabilised and attractive relative valuations (a current forward price to earnings ratio of around 13.0x versus a twenty year average of around 14.7x). However, the short term economic outlook is now less clear following the coronavirus outbreak. Whilst the virus has spread to 24 countries, the outbreak is most prevalent in the Asia Pacific region, particularly China. Passenger traffic in China is down by around 60% compared to the Lunar New Year holiday last year and property sales have fallen sharply. There are also signs that the disruption is starting to spread to neighbouring economies through supply chains. Imports to Korea from China during the first ten days of February 2020 fell by nearly 50% year-on-year, representing the largest fall since the Asia financial crisis in 1999 and larger than the drop experienced at the height of the global financial crisis in 2008-09.

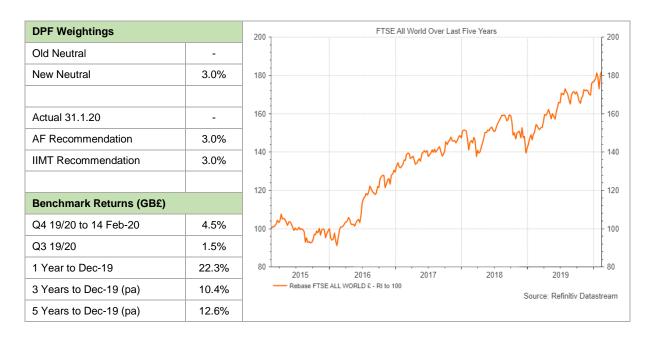
It is unclear what impact the outbreak will have on the global economic outlook, although parallels are being drawn to the 2003 SARS outbreak. Following the SARS outbreak in April 2003, Chinese GDP fell from 2.9% in Q1 to 0.8% in Q2, before rebounding back to 3.7% in Q3 2003 as the outbreak of the virus was contained and cases fell. It is worthwhile noting that China now accounts for a much greater proportion of the global economy than it did in 2003 (17% now versus 4% then).

Capital Economics forecast that the coronavirus outbreak will reshape the global economic outlook for at least the next few quarters, and bring the global growth-streak to an end; Capital Economics now expect the Chinese economy to contract in Q1 2020. However, Capital Economics believe that provided containment measures are further relaxed in the coming weeks, activity in the affected countries will rebound in Q2 and the global recovery will get back on track, albeit they also note that some have questioned whether the outbreak will have longer term impacts, including threatening further globalisation. For example, the outbreak has highlighted vulnerabilities in global supply chains. Many firms are now warning about an impending shortage of component parts caused by factory closures in China. Capital Economics note that before the outbreak, global economic indicators were either stabilising or picking up.

Since the start of the calendar year, both Asia Pacific Ex-Japan Equities and Emerging Market Equities have under-performed relative to the FTSE All World, reflecting coronavirus concerns. Whilst the IIMT continues to believe in the long term growth potential of these regions, the short term outlook is less clear. Regional economic data has continued to disappoint, with slowing GDP growth across China, India, South Korea, Emerging Europe and Latin America. Whilst growth outside of China is expected to pick-up in 2020, the recovery is expected to be subdued, and underpinned by further monetary policy support. The Chinese economy was expected to slow further in 2020 even before the coronavirus outbreak, and has been affected by weaker external demand, lacklustre credit growth and strained corporate balance sheets weighing on investment.

The IIMT recommends that the Fund reduces the Asia Pacific Ex-Japan Equity weighting by 0.7% to take it to a neutral position of 4%, whilst adding marginally to Emerging Market Equities to return the region to a neutral weighting of 5%.

### **Global Sustainable Equities**



The new strategic asset allocation benchmark includes a 3% allocation to Global Sustainable Equities, and Mr Fletcher recommends a 3% neutral allocation. The Committee has already approved the use of a non-DCC framework to appoint two or three investment managers to manage the planned allocation on a discretionary basis. The non-DCC framework has now been finalised and the IIMT is currently in the process of selecting the managers to be appointed. The IIMT expects this to be completed by mid-March 2020, with cash deployment as soon as possible thereafter.

The IIMT recommends a neutral opening allocation of 3%.

# Private Equity

DPF Weighting							
Old New	New Neutral	Actual 31.1.20	Committed 31.1.20	AF Recommendation	IIMT Recommendation		
4.0%	4.0%	3.2%	4.8%	4.0%	3.2%		
	Benchmark Returns (GB£)						
Q4 19/20 to 14 Feb-20	Q3 19/20	1 Year to Dec-19	3 Years to Dec-19 (pa)	5 Years to Dec-19 (pa)			
(1.1%)	4.4%	20.2%	7.9%	8.4%			

The Private Equity allocation increased by 0.2% between 31 October 2019 and 31 January 2020 at 3.2% reflecting existing commitment drawdowns; 4.8% on a committed basis.

Mr Fletcher recommends a neutral weighting of 4% in Private Equity. The IIMT continues to seek out opportunities, and recommends that the current

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invested and committed weightings are maintained while opportunities are assessed, albeit the IIMT notes that private equity earnings multiples have increased over the last few years, and are now approaching record highs, particularly in respect of large and mega cap deals, making it difficult to find attractive opportunities at this stage in the cycle. The IIMT continues to prefer small to mid-cap focused opportunities, believing that this part of the market is less competitive and innovation is more likely to come from smaller, lesser known, private businesses than larger and more visible companies. Consideration is also being given to investing in listed small-cap stocks as an alternative but this is not considered an immediate priority, and is scheduled to be reviewed as part of a LGPS Central Pool collaboration exercise in 2020/21.

#### (viii) Income Assets

At 31 January 2020, the overall weighting in Income Assets was 20.4%, down from 20.5% at 31 October 2020, principally reflecting relative market weakness. The IIMT recommendations below would take the overall Income Asset weighting to 21.2%, and the committed weighting to 25.3%.

	DPF Weighting								
Old Neutral	New Neutral	Actual 31.1.20	AF Recommendation	IIMT Recommendation					
4.0%	6.0% 6.3%		6.0%	6.5%					
		Benchmark Returns (C	BB£)						
Q4 19/20 to 14 Feb-20	Q3 19/20	1 Year to Dec-19	3 Years to Dec-19 (pa)	5 Years to Dec-19 (pa)					
0.5%	0.9%	3.8%	3.6%	n/a					

#### Multi Asset Credit

Net investment of £12m in January 2020 increased the invested weighting from 6.1% at 31 October 2019 to 6.3% at 31 January 2020; 8.1% on a committed basis versus a neutral weight of 6%. Whilst this implies the pension fund will be 2.1% overweight should all the commitments be drawndown, in practice it is unlikely that the commitments will be fully drawn, and some of the existing closed-ended investments have now entered their distribution phase (i.e. returning cash to investors).

Mr Fletcher recommends a neutral 6% allocation to Multi-Asset Credit in order to increase the diversified opportunity set going forward.

The IIMT continues to remain positive about the long-term attractions of this asset class. Whilst Multi-Asset Credit is likely to under-perform in a 'risk-off' environment, the under-performance should be lower than that experienced by Growth Assets.

Q4 2019 reported positive returns across sub-investment grade asset classes as markets experienced a 'risk-on' environment in the final months of 2019. This may indicate that pricing risk has increased and returns over 2020 may be more muted. Default risk is the biggest risk to the Multi-Asset Credit portfolio, and the IIMT, together with the Fund's selected investment managers, continue to prefer a bias towards defensive forms of credit (e.g. senior secured debt) with strong covenants, short duration, floating rate protection and a yield pick-up. Whilst credit defaults are currently low (reflecting the low interest environment and the ability of corporates to refinance relatively easy) there is a risk that geopolitical uncertainty could cause an unexpected loss of confidence which leads to an economic slowdown, a loss of corporate earnings and a rise in defaults. Disciplined and active fundamental credit selection is vital.

The IIMT recommends increasing the invested weighting by 0.2% to 6.5% in the upcoming quarter (0.5% overweight) to cover existing commitment draw-downs.

	DPF Weighting						
Old Neutral	New Neutral	Actual 31.1.20	AF Recommendation	IIMT Recommendation			
9.0%	9.0%	7.9%	9.0%	7.9%			
	Benchmark Returns (GB£)						
Q4 19/20 to 14 Feb-20	Q3 19/20	1 Year to Dec-19	3 Years to Dec-19 (pa)	5 Years to Dec-19 (pa)			
Not Available	1.2%	2.5%	6.1%	6.9%			

# Property

The Fund's allocation to Property fell by 0.1% to 7.9% at 31 January 2020. Direct Property accounted for 4.6% (0.4% underweight) and Indirect Property accounted for 3.3% (0.7% underweight). The committed weight was 8.2% at 31 January 2020.

Mr Fletcher notes that the property market continues to provide diversified returns and that the Direct Property Manager continues to outperform. Mr Fletcher continues to recommend a neutral overall allocation to Property, with

a preference for a 1% overweight position in Direct Property and a 1% underweight in Indirect Property.

The IIMT recommends maintaining the current 4.6% allocation to Direct Property whilst the Property Manager continues to seek out attractive propositions. The Property Manager notes that the UK commercial property market was subdued in the last six months of 2019 but improved clarity in terms of the General Election result and Brexit is expected to boost confidence and liquidity moving forward. Total overall returns remain low, largely due to an under-performing retail sector, where the news has failed to improve. A bias towards office, industrial and alternative assets in terms of sector weightings, as well as enhancing values through active asset management should be of benefit to Fund performance looking forward.

The IIMT continues to assess indirect property opportunities, with a focus on vehicles invested in specialist areas which provide diversification to the Direct Property portfolio, strong covenants and sustainable rental growth. The IIMT recommends maintaining the Indirect Property weighting at 3.3% (3.6% on a committed basis), whilst investigating further investment opportunities in this asset class.

DPF Weighting							
Old Neutral	New Netural	Actual 31.1.20	Committed 31.1.20	AF Recommendation	IIMT Recommendation		
5.0%	8.0%	8.0% 6.2% 9.0%		8.0%	6.8%		
	Benchmark Returns (GB£)						
Q4 19/20 to 14 Feb-20	Q3 19/20	1 Year to Dec-19	3 Years to Dec-19 (pa)	5 Years to Dec-19 (pa)			
0.5%	0.7%	2.8%	2.6%	2.3%			

#### Infrastructure

Investment in the three months to January 2020 totalled £2m. The invested weighting fell by 0.2% to 6.2% over the period, resulting from an adverse currency movement. The committed weighting increased to 9.0% at 31 January 2020 reflecting a £50m commitment to a globally diversified renewable energy fund.

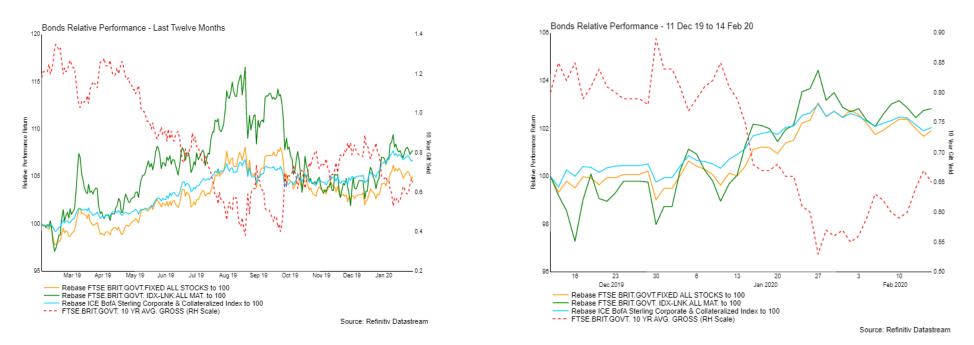
Mr Fletcher recommends a neutral weighting of 8% relative to the benchmark.

The IIMT continue to view Infrastructure as an attractive asset class, and favour a bias towards core infrastructure assets given the market is now increasingly late cycle. Core infrastructure assets can offer low volatility; low

correlation to equity and fixed income; and reliable long-term cash flows. The IIMT continue to believe that infrastructure assets are exposed to increased political and regulatory risk, and this is managed through geographic diversification. Future investment opportunities, which are in line with these objectives, continue to be assessed, including additional renewable energy generation assets; renewable energy storage & demand management assets; and associated transmission and distribution assets.

The IIMT recommends increasing the invested weighting by 0.6% to 6.8% in the upcoming quarter, in anticipation of existing commitment draw-downs.

#### (ix) Protection Assets



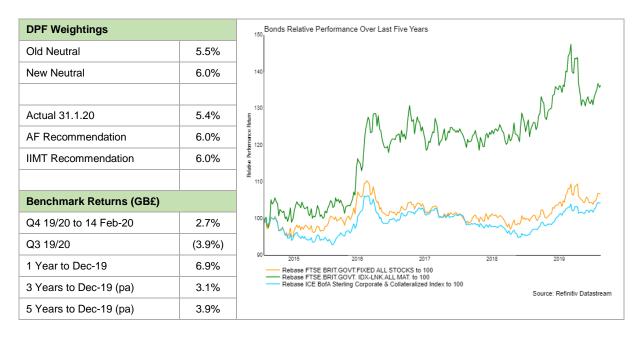
The weighting in Protection Assets at 31 January 2020 was 17.3%, the same as reported at 31 October 2019.

The IIMT recommendations below maintain the weighting at 17.3%.

The charts above show the relative bond returns over the last twelve months, and since the last Committee meeting.

The UK 10 year government bond yield fell sharply (i.e. prices rose) between May 2019 and September 2019 as UK economic activity slowed and uncertainty about the UK's departure from the EU intensified. Yields rose in the run-up to the General Election as fears over a 'no-deal' Brexit receded and investors focussed on concerns that UK public spending was likely to increase significantly following the General Election. In the first weeks of 2020, yields have generally followed the news on the coronavirus; falling when the outbreak appears to be spreading and rising when containment appears to be more successful.

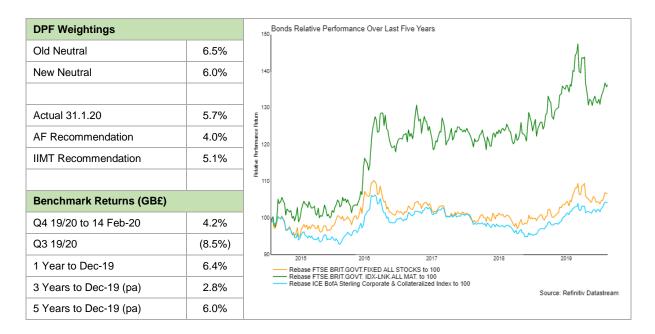
#### **Conventional Bonds**



There were no transactions in the period, and the weighting in Conventional Bonds fell by 0.1% to 5.4% at 31 January 2020, reflecting relative market weakness; 0.6% underweight.

Mr Fletcher has increased his recommended allocation to Conventional Bonds by 1.0% to a neutral position of 6.0%. Mr Fletcher notes that whilst government bond yields increased significantly in Q4 2019, they have fallen back in January 2020 to almost the 'all-time-lows' seen earlier in 2019 as markets have responded to the coronavirus outbreak. Mr Fletcher believes that the current level of yield is temporary because it does not reflect the underlying economic data and is inconsistent with the recent decisions taken by central banks (outside of China) to keep rates on hold. Both the US Federal Reserve and the Bank of England have declined to reduce rates at their most recent policy meetings, and now that we are in a presidential election year, the US Federal Reserve is unlikely to increase US rates unless it is unavoidable. Mr Fletcher therefore expects government bond markets to potentially produce negative returns over the next couple of guarters. However, Mr Fletcher believes that the downside risk is greatest for Index-Linked bonds (see later), and has increased his allocation to Conventional Bonds by 1% at the expense of a 1% reduction in his allocation to Index-Linked Bonds.

The IIMT continue to believe that conventional sovereign bonds do not appear to offer good value at current levels, but note that they are diversifying assets and continue to afford greater protection than other asset classes in periods of market uncertainty as evidenced by the recent rally following the coronavirus outbreak (up 4.2% Q4 2018/19 to date). The IIMT recommends increasing the weighting by 0.6% to a neutral allocation of 6% to reflect the greater downside risk in respect of Index-Linked bonds as highlighted below.



#### **Index-Linked Bonds**

The Fund's weighting in Index Linked Bonds remained at 5.7% at 31 January 2020; 0.3% underweight. The Fund's off-benchmark hedged US Treasury Inflation Protected Securities (TIPS) portfolio, together with short duration positioning, protected the Fund from the benchmark negative return in Q4 2019 quarter of -8.5%. There were no transactions in the period.

As noted earlier, Mr Fletcher expects government bond markets to potentially produce negative returns over the next couple of quarters. Mr Fletcher has reduced his recommended allocation to UK Index-Linked Bonds from 6% to 3%, and maintained his 1% allocation US TIPS (i.e. 4% overall).

There has been an announcement that there will be a consultation on the future of the Retail Prices Index (RPI), the measure of inflation that is used to calculate all the cash flows of the UK government's index-linked gilts. Mr Fletcher notes that since the announcement some of the relative overvaluation in the UK index-linked market has been removed, albeit year-to-date in absolute terms the market has rallied strongly along with other long-dated low coupon government bonds. Mr Fletcher believes that this represents an opportunity to tactically reduce the exposure to UK Index-Linked Bonds, and recommends that the Fund considers selling at least half of its remaining index-linked gilts and buying duration equivalent UK

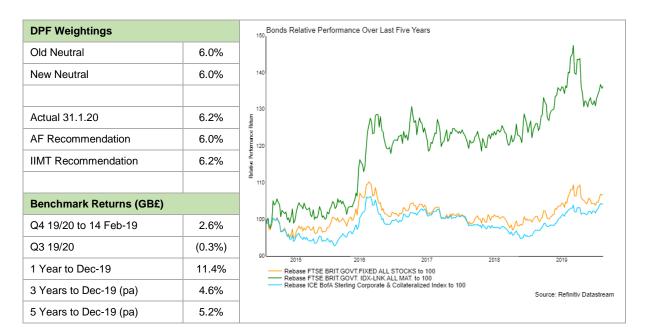
conventional gilts or US TIPS, until at least the result of the consultation process and potential subsequent legal challenge is known.

The consultation period is due to start following the Budget on 11<sup>th</sup> March and will run for six weeks with a response to the consultation expected before the parliamentary summer recess. The consultation will focus on a proposal to amend the underlying calculation of the RPI to align with CPIH (Consumer Prices Index including owner occupiers' housing costs). Over the last decade, the RPI has increased by around 1% more than CPIH on average per annum. This would imply a potential loss of value to index-linked holders.

The earliest date set for any possible change to the methodology for calculating the RPI is February 2025. Between 2025 and 2030, any change to the methodology will require the consent of the UK Chancellor.

The Fund is underweight relative to the benchmark in the longer dated indexlinked bonds that would be most affected by any change in methodology that was not accompanied by some form of investor compensation. Whilst this position, together with the off-benchmark holdings in US inflation-linked bonds, provides the Fund with some protection against a negative outcome, the IIMT recommends reducing the current weighting in UK Index Linked Bonds from 5.7% to 5.1% (0.9% underweight) to reflect the fact that the consultation is likely to lead to increased volatility in the asset class. It is recommended that the current exposure to US TIPS (around 20% of the Index-Linked portfolio) is maintained.

#### **Corporate Bonds**



Whilst there were no transactions in the period, relative market strength increased the weighting in Corporate Bonds at 31 January 2020 to 6.2%; 0.2% overweight.

Mr Fletcher notes that investment grade bonds are likely to move in line with government bonds and deliver negative returns over the next couple of quarters. Investment grade credit is also vulnerable to high yield bonds because of their higher duration, high leverage, low interest cover (particularly in the US) and falling liquidity. Mr Fletcher continues to believe that corporate bonds should be held at a 6% neutral position because the biggest risk is in longer duration, lower yielding government bonds, as these offer little protection in a rising yield environment. Mr Fletcher does not anticipate a worsening of credit conditions to cause a pick-up in credit defaults.

The IIMT recommends that the current allocation of 6.2% is maintained.

The Fund's transition of the legacy UK corporate bond portfolio into a global investment grade corporate bond fund developed by LGPS Central Limited is on-going. This will see the Fund's corporate bond benchmark realigned with that of the underlying LGPS Central Limited product.

### (x) Cash

The Cash weighting at 31 January 2020 was 6.4%, 4.4% overweight relative to the benchmark. Mr Fletcher has maintained his 2% overweight allocation of 4% to Cash.

Whilst the global economy appears to have stabilised, the economic outlook remains modest, and appears to be heavily dependent on sustained central bank monetary support. Public markets continue to trade on rich valuations, with many global stock markets trading close to all-time highs; global stock markets have now participated in an almost unprecedented eleven year bull market. Notwithstanding the recent improvement in the global political backdrop, political uncertainty is likely to increase throughout 2020 as the rhetoric surrounding the US Presidential race steps up, including the threat that the US – China trade war (together with other trade wars) could escalate again following the election. Against this background, the IIMT recommends a defensive cash allocation of 5.5%. Furthermore, it should be noted that the cash weighting will reduce as private market commitments are drawn down.

#### 3 Other Considerations

In preparing this report the relevance of the following factors has been considered: financial, legal and human rights, human resources, equality and diversity, health, environmental, transport, property and prevention of crime and disorder.

#### 4 Background Papers

Files held by the Investment Section.

#### 5 Officer's Recommendations

- 5.1 That the report of the external adviser, Mr Fletcher, be noted.
- 5.2 That the asset allocations, total assets and long term performance analysis in this report be noted.
- 5.3 That the strategy outlined in the report be approved.

#### PETER HANDFORD

Director of Finance & ICT



# Fourth Quarter 2019 Investment Report

#### **PREPARED FOR:**

Derbyshire County Council Pension Fund: Pensions and Investment Committee Meeting

**MARCH 2020** 

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# Investment Report for Derbyshire County Council Pension Fund

This report has been prepared by Anthony Fletcher "External Investment Advisor" of Derbyshire County Council Pension Fund (the Fund). At the request of the Pension and Investment Committee the purpose of the report is to fulfil the following aims: -

- Provide an overview of market returns by asset class over the last quarter and 12 months.
- An analysis of the Fund's performance by asset class versus the Fund specific benchmark for the last quarter and the last 12 months.
- An overview of the economic and market outlook by major region, including consideration of the potential impact on the Fund's asset classes
- An overview of the outlook for each of the Funds asset classes for the next two years; and recommend asset class weightings for the next quarter together with supporting rationale.

The report is expected to lead to discussions with the in-house team on findings and recommendations as required. The advisor is expected to attend quarterly meetings of the Pensions and Investment Committee to present his views and actively advise committee members.

Meeting date 4<sup>th</sup> March 2020 Date of paper 4<sup>th</sup> February 2020



# 1. Market Background (Fourth quarter 2019)

Overall, 2019 turned out to be a much stronger year for most asset classes than expected at the start of the year. The significant volatility that weighed heavily on returns in the fourth quarter of 2018 quickly disappeared, as a result of the quick action of the world's major Central Banks and the US Federal Reserve (Fed) in particular.

Having stabilised the markets through rate cuts, the Fed was joined by the ECB and to a lesser extent the Bank of Japan with further moves to ease monetary policy. In October the Fed cut rates for the third time and suggested that there would be no further rates cuts in 2019 and 2020.

2020 is a presidential election year in the US and it has been the policy of the Fed in the past not to change rates once the election campaign has properly started unless it is unavoidable, therefore it is highly likely that the Fed will be on hold until November.

US equity market performance was buoyed by better than expected economic data and strengthening indications that a Phase One trade deal with China would be secured soon. Towards the end of the quarter, this culminated with official confirmation from both countries that a deal would be signed in mid-January. The S&P 500 ended the quarter up 9.1%, bringing year to date returns to 31.5% in US dollar terms.

UK stock market performance was modestly positive in Q4: the FTSE 100 rose by 2.7%, while the FTSE All-Share gained 4.2%. This subdued performance (in comparison to other equity indices) was the result of increased fear of a no-deal Brexit and the uncertainty created by another general election campaign, which unexpectedly led to a decisive win by the Conservative party. Even though UK indices rose mildly over the quarter, the returns for the whole of 2019 were still solid at 17.2% for the FTSE 100 and 19.2% for the FTSE All-Share. The weakness of the Euro and industrial production in Germany meant that European stocks only produced modest gains over the quarter. The Euro STOXX 50 index gained 5.2% in Euro terms over Q4.

After a lack lustre year, caused by uncertainty around the US / China trade negotiations, global geopolitical concerns and civil unrest in some countries, Emerging equity markets outperformed many other markets in Q4, the MSCI Emerging Markets index was up 11.7%.

The performance of emerging markets was flattered to some extent by the weakness of the US dollar. However, for Sterling based investors the recovery of the Pound against most currencies meant that overseas investment returns were lower than local currency returns.

Government bond yields rebounded from the lows seen in the third quarter, as investors increased their risk appetite. US Treasuries outperformed, with a loss of -0.8% over Q4, compared to the more "interest rate" sensitive UK Gilt market that returned -3.9% and Index Linked Gilts returned -8.5%.

In contrast to the returns from government bonds, UK investment grade corporate bonds delivered a return of -0.2% and the more economically sensitive but, less interest rate sensitive global high yield bond market returned +2.8%.

For the first time in the past 12 months, the UK property market saw a rise in house prices of over 1%. The average house price rose to £215,282, representing an increase from last quarter of 1.4% on a



seasonally adjusted basis. On average commercial property prices also increased by 1.0% over the last quarter, despite office values remaining flat.

Commodity markets were generally higher in the fourth quarter, with some notable exceptions. Soft commodities prices were higher and metals (gold, copper, silver, and palladium) all performed strongly. Energy saw mixed performance, with Brent prices up 8.6%, contrasting with a fall in the price of natural gas of -6.1%.

**Table 1**, below shows the total investment return in pound Sterling for the major asset classes, using FTSE indices except where noted; for the month of January 2020 and the 3 and 12 months to the end of December 2019.

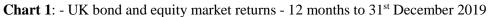
#### % TOTAL RETURN DIVIDENDS REINVESTED

	MARKET RETURNS				
		Period end 31 <sup>st</sup> December 2019			
	January 2020	3 months	12 months		
Global equity ACWI <sup>^</sup>	-0.1	1.1	23.4		
Regional indices					
UK All Share	-3.3	4.2	19.2		
North America	0.7	1.4	26.5		
Europe ex UK	-0.3	1.2	21.3		
Japan	-1.2	0.2	14.8		
Pacific Basin	-3.0	2.8	14.5		
Emerging Equity Markets	-4.1	4.0	15.9		
UK Gilts - Conventional All Stocks	3.5	-3.9	6.9		
UK Gilts - Index Linked All Stocks	4.1	-8.5	6.4		
UK Corporate bonds*	2.8	-0.2	11.0		
Overseas Bonds**	2.1	-1.6	5.8		
UK Property quarterly^	_	1.2	2.5		
Sterling 7 day LIBOR	0.06	0.18	0.7		

^ MSCI indices \* iBoxx £ Corporate Bond; \*\*Citigroup WGBI ex UK hedged

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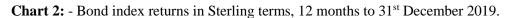
BOND MARKET % YIELD TO MATURITY	30 <sup>th</sup> September 2019	31 <sup>st</sup> December 2019	Quarterly Change	31 <sup>st</sup> December 2018	Current 31st January 2020			
UK GOVERNMENT BONDS (GILTS)								
10 year	0.49	0.82	+0.33	1.23	0.52			
30 year	0.97	1.33	+0.36	1.82	1.04			
Over 15y Index linked	-2.22	-1.84	+0.38	-1.57	-2.01			
OVERSEAS 10 YEA	AR GOVERN	MENT BOND	S	I				
US Treasury	1.66	1.92	+0.26	2.68	1.51			
Germany	-0.57	-0.19	+0.38	0.24	-0.43			
Japan	-0.21	-0.01	+0.20	0.00	-0.07			
NON-GOVERNMENT BOND INDICES								
UK corporates	2.05	2.16	+0.11	3.01	1.87			
Global High yield	5.48	5.10	-0.38	7.46	5.11			
Emerging markets	4.45	4.39	-0.06	5.35	4.24			

**Table 2:** - Change in Bond Market yields over the quarter and 12 months.

Source: - Bloomberg, G8LI, UC00, HW00, EMGB, ICE indices 31st January 2020.

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Source: - Bloomberg

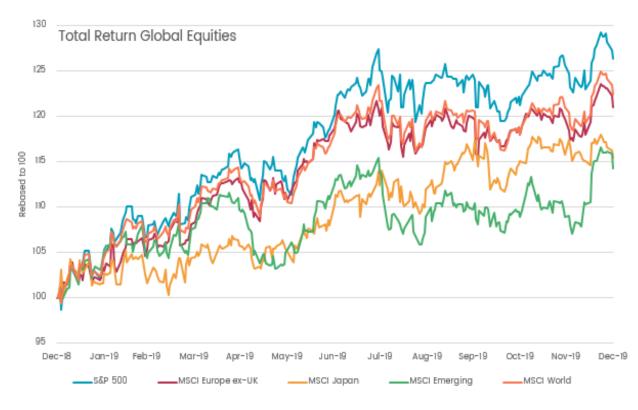


Chart 3: - Overseas equity markets returns in Sterling terms, 12 months to 31st December 2019.

Source: - Bloomberg



#### Recent developments (January 2020)

After 47 (43) years of ever closer integration the UK officially left the European Union on the 31<sup>st</sup> of January 2020. This however just marks "the end of the beginning" and now the UK has only 11 months to arrive at what will probably turn out to be an outline of the UK's future trading relationship with Europe. Both parties have set out their stalls, with Europe stating that if the UK wants friction free access to the Eurozone it will have to agree "broad regulatory" alignment and the UK government stating more or less the opposite.

After a marked slowdown of UK economic activity in 4<sup>th</sup> quarter, early data reports in January suggest enough of a rebound to persuade the Bank of England not to cut rates at their MPC meeting in January. Looking ahead the UK economy is likely to be supported by a sizeable fiscal boost, to be confirmed at the budget on the 11<sup>th</sup> March. The stock market should be supported by the removal of "Corbyn" risk, an attractive relative valuation, it's high yield and of course 5 years of a government with a big enough majority to deliver its intended policies.

By the end of the month markets suffered something of a reversal of fortune after getting off to a good start in the new decade. Equity markets were lower and the bond markets higher as the extent of the Coronavirus outbreak in China started to become clear. At the time of writing the WHO has not declared a "pandemic" but 26 different countries have reported cases of the infection but with only a couple of deaths outside China. At the moment it would appear that the virus is more "infectious" but not as deadly as the "SARS" outbreak in 2003. The next couple of weeks are considered pivotal in terms of containing the outbreak. As a result of the almost total shut down of transport within China and with its neighbours the outbreak is likely to have at least a temporary impact on growth in the region.

In the medium term the signing of the Phase one trade deal between the US and China should help reduce economic uncertainty. While the US and China will benefit from more trade and lower tariffs, the EU in particular Germany and Italy will also benefit from a potential rebound in global manufacturing.



# 2. Investment Performance

Table 3 shows the performance of the Derbyshire Pension Fund versus the fund specific benchmark for the 3 months and year to the end of December 2019. The total Fund performance was in line with the benchmark over 3 and slightly ahead of benchmark over 12 months. Measured against longer time horizons, more appropriate for Pension Fund performance, the Fund continues to deliver positive returns and has outperformed the strategic benchmark on rolling 3,5,10 years and since inception on a net of fees basis. Over 10 years the Fund has achieved a total return of 8.7% per annum. Over 12 months the PEL attribution data suggests Stock Selection was positive whereas Asset Allocation made a smaller negative contribution.

% TOTAL RETURN (NET)					
31 <sup>st</sup> DECEMBER 2019	3 MONTHS		12 MONTHS		
	Derbyshire Pension Fund	Benchmark	Derbyshire Pension Fund	Benchmark	
<b>Total Growth Assets</b>	2.5	2.5	19.6	20.1	
UK Equity	5.2	4.2	19.9	19.2	
<b>Total Overseas Equity</b>	1.2	1.7	19.5	20.5	
North America	1.5	1.4	26.6	26.5	
Europe	0.9	0.9	20.3	20.2	
Japan	0.4	0.2	16.0	14.8	
Pacific Basin	0.3	2.8	11.5	14.5	
Emerging markets	3.3	4.0	15.5	15.9	
Global Sustainable Equity	0.0	1.5	0.0	22.3	
Global Private Equity	1.9	4.4	16.7	20.2	
<b>Total Protection Assets</b>	-3.1	-4.3	7.7	7.3	
UK Gilts	-2.9	-3.9	5.6	6.9	
UK & Overseas Inflation Linked	-6.5	-8.5	7.1	6.4	
UK Corporate bonds	-0.3	-0.3	10.4	11.4	
<b>Total Income Assets</b>	0.2	1.0	5.4	6.0	
Multi-asset Credit	1.0	0.9	5.4	3.8	
Infrastructure	-0.9	0.7	8.5	2.8	
Property (all sectors)	0.4	1.2	3.4	2.5	
Internal Cash	0.0	0.1	0.1	0.5	
Total Fund	0.9	0.9	13.6	13.5	

Table 3: - Derbyshire Pension Fund and Benchmark returns

Total fund value at 31st December 2019 £5,250 million



The fourth quarter saw reasonable returns from equity markets in local currency terms, however when currency is taken into consideration all overseas equity market returns were lower than those from the UK. After strong returns from bond markets year to date the fourth quarter saw negative returns from all bond markets, with long duration government bonds delivering the worst returns.

Over 12 months Growth assets produced the strongest positive returns as equity markets recovered from the negative returns generated in the fourth quarter of 2018.

#### Growth assets - Equity performance

Over the quarter the Fund terminated LGPS Central as manager of the UK direct active equity portfolio. Management of this part of the Fund was transferred to a passive fund managed by Legal and General Investment Management. Because this happened during the quarter and there have been some transition costs incurred it is difficult to comment about performance. The Fund retained a small exposure to listed investment companies, over 3 and 12 months it appears that because of the residual overweight position the UK equity portfolio outperformed its benchmark.

As can be seen in the table above absolute returns from overseas equities were lower than UK equities over 3 months due to the renewed strength of the Pound. Over 12 months overseas equity slightly outperformed UK equities and relative returns were mixed.

North American equity actively managed in a segregated portfolio (by Wellington) slightly outperformed over the quarter and 12 months. The Fund allocation remains slightly underweight with stock selection main driver of performance. The 3 year returns have recovered but remain slightly below the benchmark, over 10 years, Wellington remains 1.3% ahead of benchmark.

The continental European equity portfolio is passively managed by UBS. The 3 and 12 month returns are slightly ahead of benchmark as the allocation remains 0.5% overweight.

The other equity assets are invested in Japan, the Pacific Basin and Emerging Markets equities, via pooled funds selected by the in-house team, there were no significant changes in allocation. The performance of Japanese and Pacific ex Japan equity remains volatile over the short term but both allocations have delivered above benchmark returns over 3, 5 and 10 years. The absolute returns from emerging equity have also been volatile and over most periods are slightly behind the benchmark.

Private equity continues to deliver strong positive absolute and relative returns that are significantly ahead of the benchmark over the more meaningful 3, 5 and 10 year periods.

As yet no allocation has been made to Sustainable Global Equity, which is causing a drag on overall growth asset performance.



#### Protection assets - Fixed Income Performance

Over the fourth quarter the bond portfolio experienced negative absolute returns, but because the Fund is slightly underweight relative to the strategic allocation and the Fund's assets have lower aggregate duration (interest rate sensitivity) than the benchmark, performance was 1.2% better than the benchmark, over 3 months and 0.4% better over 12 months.

#### Income assets - Property, MAC and Infrastructure

Over the quarter, the total allocation to all property produced positive returns that were behind benchmark over 3 months, but well ahead of benchmark over 12 months. Over the longer-term direct property investments have helped the allocation outperform the benchmark whereas indirect property returns have been more mixed.

Over all the last 3 months the change in the value of Sterling had a negative impact on total returns, but over longer periods Infrastructure allocations produced positive returns well ahead of the benchmark.

The Multi-Asset Credit (MAC) allocation a combination of private debt, high yield and emerging market debt has outperformed in all periods. The 3y returns are 4.6% pa compared to 3.6% for the LIBOR based benchmark.

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# 3. Economic and Market outlook

#### Economic outlook

As can be seen in chart 4 below, the global economy slowed again in the fourth quarter. However, a number of forward looking business sentiment indicators of economic activity such as US composite ISM and European PMI appear to have troughed, with both indicators now increasing. This change of direction for business sentiment combined with an increase of actual capital expenditure and investment and a resilient consumer is largely explained by 3 factors. The decision of the central banks to confirm easier monetary policy is here to stay, the announcement of a trade deal between the US and China and finally increased levels of employment. While the trade negotiations have not gone away, 2020 is a US Presidential election year and Mr Trump will be focussed on getting re-elected thereby making a noise about his excellent ability as a negotiator rather than engaging in actual "horse trading" with the Chinese. This is not to suggest that we are about to see a surge in global economic activity, just that growth in 2020 and early 2021 may be slightly better than the consensus expectations set out in table 4 below and that the risk of a US recession has been pushed off into the future.

The prospects for the UK economy have also improved but some uncertainty remains because of the short timetable for agreement on trade with the EU. The election victory has removed a lot of the political/parliamentary uncertainty for the next 5 years and potentially 10 years.

The main caveat to all this, is the Coronavirus outbreak in China. On the positive side the virus appears less deadly than SARS and normal seasonal flu, but it is more easily transmitted and as a completely new virus it's development is uncertain. If the outbreak follows the pattern of recent respiratory illnesses, the impact on the economy of the region and globally will prove temporary, with any activity lost, being offset by stronger activity later in the year.

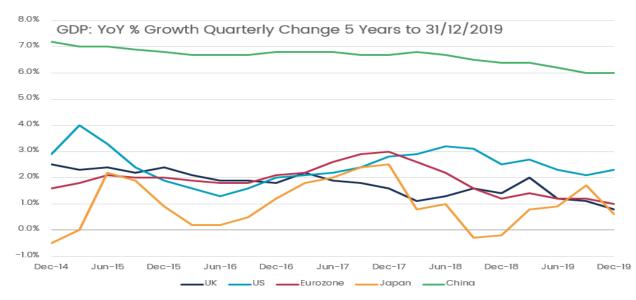
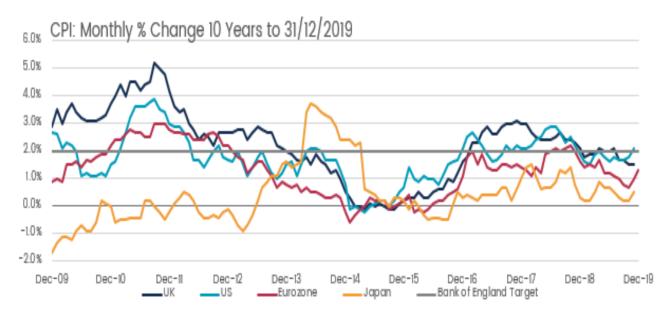


Chart 4: - Global Growth – Annual % Growth rate, last 5 years.

Source: - Bloomberg



As can be seen in chart 5 below, notwithstanding the tick up in the rate of inflation towards the end of 2019. The annual rate of inflation in the developed economies remains at or below the respective central bank's target rate.



#### Chart 5: - Inflation - Annual rate versus Central Bank Target

Source: - Bloomberg

#### Central Banks

There has been little Central Bank activity to report since the last PIC meeting. After cutting rates or increasing their QE programmes in 2019, most central banks have done little more than repeat their commitment to easy money at their respective more recent monthly meetings. The ECB have confirmed that they will be looking to see what else can be done to support growth in Europe. In the UK, the Chancellor has announced that Andrew Bailey will become the new Governor of the Bank of England from 16 March 2020. With his long experience at the Bank, before joining the FCA he is seen as the "continuity" candidate.

At the moment the Peoples Bank of China (PBoC) is the only central bank that has responded to the Coronavirus outbreak. Immediately after the end of the Lunar New Year celebrations and just as the Chinese markets re-opened, they announced a number of measures aimed at supporting the economy. It is clear to me that the equity markets have decided that central banks will respond with further easing of policy as required to offset the impact of the illness.

In January the Bank of England's Monetary Policy Report said that despite weakness in the economy in 2019, there were early signs that growth was picking up. At its meeting the MPC voted 7:2 to maintain the Bank Rate at 0.75% but stated that if growth doesn't pick up it could cut rates.



#### Politics

Events in the middle east took a potential turn for the worse in the beginning of January, when Mr Trump took the opportunity to have the leading Iranian General Qasem Soleimani killed, while he was visiting Iraq. The rhetoric from Iran following the attack was strident as usual, but the retaliation to date has been limited to a rocket attack on a US base inside Iraq. This is probably because at the height of the tension, the Iranian military accidentally shot down a Ukrainian passenger jet as it left Tehran airport. Iran has returned to it's Uranium enrichment programme and it should be remembered that the country has a fairly long memory when it comes to seeking retaliation.

The Impeachment hearings of Mr Trump went along partisan lines with the Senate declaring him not guilty of high crimes and misdemeanours. Despite overwhelming evidence that he had tried to put pressure on the Ukrainian President to investigate his Democratic party political rival, Joe Biden.

In New Hampshire Primaries to decide the US Democratic party's candidate to run against Mr Trump in the presidential election later this year, Bernie Sanders has taken an early lead over the other candidates but Mr Trump remains favourite to win the election.

The UK left the EU on the 31<sup>st</sup> January 2020 and is about the start the negotiations on the future trade relationship with the EU. Both sides have set out their stalls, with Europe stating that if the UK wants friction free access to the Eurozone it will have to agree "broad regulatory" alignment and the UK government stating more or less the opposite. The dominance of Dominic Cummings as chief adviser to the prime minister was demonstrated at the first cabinet re-shuffle by the resignation of the Chancellor Sajid Javid.

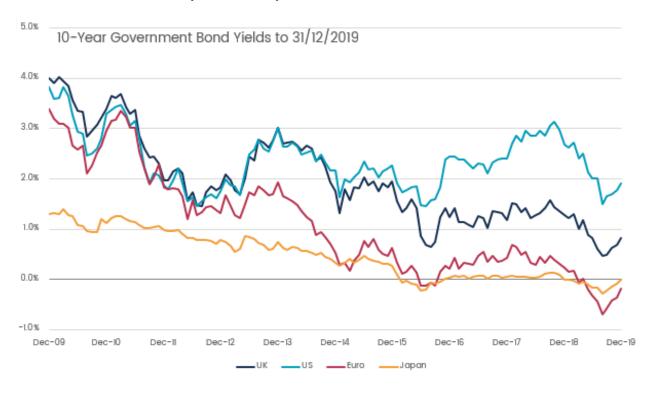


#### Government bonds

As can be seen in tables 1 and 2 above and chart 6 below, the last quarter of 2019 saw 10 year government bond yields increase by 0.3% to 0.4% generating significant negative returns. The markets were responding to the realisation that central banks had probably done enough to reduce the risk of a recession and that while interest rates were not about to rise they were unlikely to keep falling. Add to this the agreement on trade and the improvement in leading economic indicators and it would have been reasonable to believe government bonds had become too expensive.

I believe this trend of rising yields would have continued but for the outbreak of the Coronavirus in China. Like the equity markets the bond markets are now expecting central banks to respond with more easy monetary policy in order to reduce the risk of a growth shock leading to a recession from the outbreak. As a result, government bond yields have fallen back close to the lows seen in September 2019. This is in my opinion an over-reaction that is likely to unwound as most of any growth given up during the period of the outbreak is recovered over the balance of the year. On balance I view the current level of government bond yields as temporary and expect yields to rise in the medium term.

Chart 6: - Government bond yields, last 10 years.



Source: - Bloomberg

#### Non-government bonds

As can be seen in Chart 7 below, the excess yield spread for both investment grade non-government and high yield bonds fell by 0.2% and 0.7% respectively during the fourth quarter, meaning that non-government bonds outperformed. In 2020 quarter to date the spread on investment grade bonds is unchanged and while high yield spreads have widened the all in yield is unchanged. The continued



good performance of the non-government bond market is also underwritten by the markets expectation of central bank action. While it is true that cuts in interest rates and return of QE has improved borrowing conditions for corporates and potentially extended the period of low aggregate default rates, yield spreads are well below the long run average, which makes the markets vulnerable to an increase in government bond yields.

Just as for government bonds there is also the chance that total returns from investment grade credit could be flat or even negative. I haven't changed my mind on holding high yield bonds, because of their higher yield and lower duration they may still be able to outperform. See Table 7 below for an estimate of the impact of rising bond yields on UK Government and non-government bond markets.

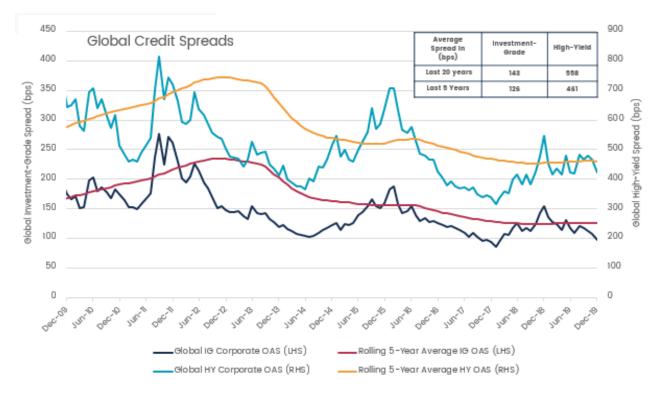


Chart 7: - Credit spreads, extra yield over government bonds, last 10 years.

Source: - Bloomberg

#### Equities

As can be seen in Chart 8 below local currency equity market returns in the fourth quarter of 2019 were quite strong, by contrast returns in Sterling terms were lower due to the strength of the pound, see table 1 and chart 3 above.

The increased tensions in the middle east and the early reports of the Coronavirus outbreak in China caused markets to dip in January, but on a year to date basis (14<sup>th</sup> February) most equity market indices are higher with the US S&P 500 and the Euro Stoxx 600 recording new all-time highs. As mentioned above in the government bond section the equity markets are expecting central banks to respond with more easy monetary policy in order to reduce the risk of a growth shock leading to a recession from the outbreak. The PBoC not surprisingly have been leading the way announcing further stimulus to offset the expected hopefully short term weakness in Chinese growth.



Away from the obvious weakness in China the early signs are that the US and European economies have avoided recession; as evidenced by a turning point in leading indicators, the ongoing impact of easy central bank policy and the trade deal, should all be positive, supporting equity markets in the medium term. Those companies in the US that have reported their fourth quarter earnings are showing a quarter on quarter as well as year on year small but generally better than expected outcomes.

An environment of relatively easy monetary policy, moderate growth and low inflation is not bad for equity markets. The main caveat to this as with bond markets at the moment is the outcome of the Coronavirus outbreak in China. If as I expect, the illness follows the pattern of SARS in 2003, equity markets should be OK.

In the short term market performance will be dominated by the Coronavirus but over the medium term I believe the support of monetary policy, the trade deal and the recovery of leading indicators will lead to moderate positive performance of equity markets. In the US in particular Mr Trump will want the economy and equities to do well this year to help him win the Presidential election.

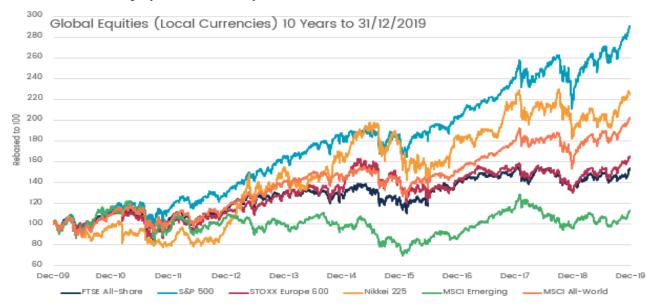


Chart 8: - Global equity indices, last 10 years.

Source: - Bloomberg

### UK equity

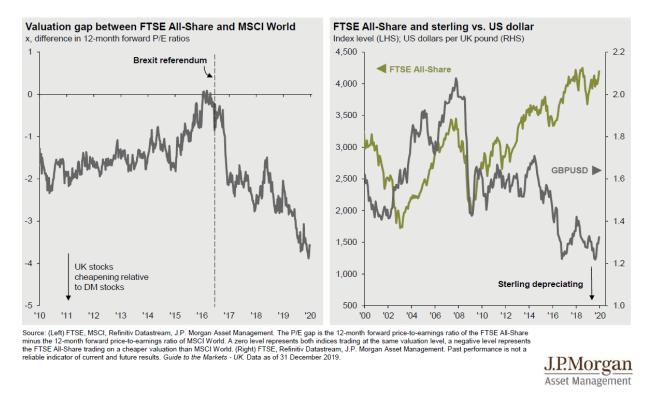
As mentioned above January saw UK equity market indices slip into negative territory, year to date they have recovered but remain negative mainly due to the renewed strength of the pound.

As I mentioned in my last report some asset managers believe the UK equity market has become cheap on a relative value basis, see chart 9 below. The level of political uncertainty, since the referendum result and the 2017 general election, the crescendo of which was seen in the fourth quarter of 2019, has not gone completely away but it has fallen significantly. The December 2019 general election resulted in a strong Government that has a big enough majority to at least try to achieve its objectives without needing to seek a consensus from other parties in parliament. Also, from an external investors point of view the removal of the risk of a Labour government for at least 5 years

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and potentially 10 years thereby removing risk of nationalisation or a change in the legislative and tax framework means the UK is now a more attractive place to invest, for the medium to long term.

**Chart 9:** - Left Hand Chart; The value of the UK equity market relative to the Global equity market, Right Hand Chart; The value of Sterling relative the FTSE All Share Index.



While chart 9 above, left hand side, only shows the last 10 years of history relative to global equities, the longer term history suggests that UK equity is cheap as it has been in the last 30 years. The chart on the right hand side suggests that since 2012, the value of Sterling has not kept up with the value of the equity market (a proxy for the economy) making the UK even more attractive to foreign investors.

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Table 4 shows the consensus forecasts for GDP growth in calendar 2019, 2020 and 2021 and my expectations in October 2019 and January 2020.

% CHANGE YOY								
	2019	2019 2020 2021					1	
	JANUARY 2020	OCTOBER 2019 JANUARY 2020		JANUARY 2020				
	Consensus	Consensus	AF	Consensus	AF	Consensus	AF	
US	2.3	1.8	1.8	1.9	2.0	1.9	2.0	
UK	1.3	1.0	1.0	1.1	1.4	1.4	1.4	
Japan	1.0	0.2	0.2	0.4	0.6	0.8	0.8	
EU 28	1.4	1.2	1.2	1.2	1.4	1.4	1.4	

Source: - Consensus Economics January 2020

With pretty much a full year of actual data, consensus estimates for growth in 2019 have been revised slightly higher, but the actual growth outcome is somewhat below the initial expectations of the consensus in January 2019. The new year has also seen renewed optimism on growth with consensus forecasts also revised higher for 2020, with the exception of EU 28 (UK included for now) where the growth forecast is unchanged. I have included the consensus growth forecasts for 2021, these show that growth is expected to pick up slightly next year.

Notwithstanding the uncertainty over the short term growth outlook caused by the Coronavirus outbreak in China, which has been estimated by some economists to cut growth by 1.5% in the first quarter, I expect only a temporary impact, with growth rebounding over the rest of the year. I also believe the reduction of uncertainty due to the phase one trade deal between the US and China and the impending ramp up in the US presidential election campaign could lead to growth being nudged higher in 2020 and 2021. It would appear that the US Fed's change in policy last year has stabilised the economy and manufacturing PMI's a lead indicator for growth, which were causing concern in the middle of last year have now turned higher. The increase in potential global trade and manufacturing is most positive for Europe, Japan and the emerging economies. Even in the UK, while our future trading relationship with the EU remains uncertain, the size of the new governments majority has led to the removal of a number of key risks to foreign direct investment, which should help with the funding of the proposed fiscal expansion.

In the US, third quarter 2019 growth was confirmed at 2.1% annualised. The estimate of fourth quarter growth was in line with expectations at 2.1%. Consumer spending slowed sharply but net trade via a fall in imports made the biggest positive contribution. Investment was also lower as inventories fell as did non-residential investment. For the second year in a row growth missed Mr Trump's 3% annual target.

In the third quarter UK GDP expanded 1.1% year over year, the lowest rate since the second quarter of 2012. While this was better than the previously estimated 1.0% it was lower than the confirmed rate of 1.2% in the second quarter. Like the US falling imports flattered net trade proving a boost to



growth and while the consumer remained resilient, government spending and private capital formation (investment) were both lower. As I mentioned last quarter, it is unlikely that growth will rebound much in the fourth quarter as it will be weighed down by Brexit and the general election campaign.

The Japanese economy grew by a revised 0.4% in the third quarter, matching second quarter growth rate, this brings the annual growth rate up to 1.8% for the year to the end of December 2019. Private consumption was the main positive contributor while export demand remained negative.

Euro Area GDP was revised higher from 0.2% to 0.3% in the third quarter but fourth quarter growth was a lacklustre 0.1%, the 1% annual growth rate for 2019 was the weakest since 2013. While the German economy grew by 0.1%, growth in France and Italy unexpectedly shrank.

#### **Consumer Price Inflation**

Table 5 shows the consensus forecasts for Consumer Price Inflation in calendar 2019, 2020 and 2021 and my expectations in October 2019 and January 2020.

Table 5: - Consumer Price Inflation forecasts - Consensus versus Advisor expecta	tions
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% CHANGE YOY								
	2019 2020 2021					1		
	JANUARY 2020	OCTOBER 2019 JANUARY 2020		JANUARY 2020				
	Consensus	Consensus	AF	Consensus	AF	Consensus	AF	
US	1.8	2.1	2.0	2.1	2.0	2.1	2.0	
UK	1.8	2.1	2.0	1.7	1.5	1.9	1.8	
Japan	0.5	0.7	0.6	0.6	0.5	0.6	0.5	
EU 28	1.4	1.6	1.5	1.4	1.3	1.5	1.4	

Source: - Consensus Economics January 2020

The consensus forecasts for inflation in calendar 2019 have been nudged lower again in January, which at this point of the year probably reflects a more complete sample set than anything else. Throughout the last year the consensus has nudged down the annual rate of inflation and that trend appears to remain in place with lower inflation expected for 2020 and 2021. As I have said before I have been surprised by the low level of inflation, but I believe it is not dead but merely sleeping. In the past Fiscal expansion has proved to be inflationary, for now the lower inflation outcomes and expectations are good news for Central Banks helping them remain accommodative.

In the last 3 months of 2019 US headline inflation increased to an annual rate of 2.3% from 1.8% boosted by a sharp increase in energy costs, the cost of medical care products and services were also higher while food price inflation eased. The annual rate of core inflation was unchanged at 2.3%.

Since July the UK headline inflation rate (CPI) has fallen from 2.1% to 1.3% in December, the recent falls have been driven by services, food and drink inflation. Clothing and footwear prices also dropped after being flat in November, these recent price moves at a time when prices for these goods



tend to be rising shows the widespread competition in the retail sector. Core inflation which excludes food, energy, alcohol and tobacco in the UK, was also lower at 1.4% p.a. CPIH also fell to 1.4% pa, whereas RPI increased slightly to 2.2%. All these rates of inflation are at their lowest levels for 3 years.

Inflation in the Euro Area has steadily picked up after hitting a low of 0.7% pa, in October 2019 it had increased to 1.4% pa, in December. Core inflation, which like the UK excludes food, energy, alcohol and tobacco, remained steady at 1.1% pa, the core rate is a key measure for the ECB when deciding monetary policy.

The Japanese inflation rate increased to 0.8% pa in December mainly due to increases in food transport and housing, all of which are difficult to avoid. The recently revised calculation of core inflation also increased at a higher than expected rate of 0.9% pa. however, the average rate of core inflation for 2019 was only 0.5%, well below the Bank of Japan's target rate of 2%.



# 4. The outlook for the securities markets

The second half of 2019 marked the trough in the short term cycle for economic activity and a near term peak in political uncertainty. Therefore, I believe the outlook for underlying economic growth has improved and this should be reflected in the performance of markets over the next 12 to 18 months.

But because many of the risks the markets have been dealing with have not completely gone away. I expect markets to remain volatile. The UK still has to agree it's new relationship with the EU, as a result a no deal Brexit remains possible, but the uncertainty of a dysfunctional parliament has gone away. Mr Trump has agreed a phase one trade deal with China, but the battle for Global hegemony remains. Central banks have reduced the chances of a recession by returning to monetary policy stimulus, but growth in developed economies remains lacklustre. Income inequality between Capital and Labour persists and fuels the increasingly divisive rise of populism.

On top of the issues mentioned above over the next couple of quarters the markets are going to have to deal with the as yet unknow impact of the Coronavirus outbreak. For now, the expectation is that the impact will be a temporary growth shock in the first quarter of 2020 with a commensurate rebound in the second quarter, but we don't know yet and it does require the outbreak following a similar pattern of development to SARS in 2003 and the other respiratory infections emanating from the region in the last few years. China is a much larger contributor to global growth and is much more internationally integrated than it was seventeen years ago.

Despite my slightly more optimistic view on the underlying macro-economic fundamentals, I have not changed my views on the Funds asset allocation. Over the medium to long term (more than 5 years), I believe equity markets especially emerging equity will probably deliver better returns than government bond markets, I also believe private markets can also deliver stronger returns.

My suggested allocation to Growth assets remains at neutral, I have also decided to keep the regional allocations unchanged, neutral for UK, Europe, Japan and Asia-pacific; but I remain 1% underweight the US and 1% overweight emerging on the basis of the relative valuation. Year to date bond yields have again fallen, giving the opportunity to take profits on government bonds in particular as I believe the long term trend for yields remains higher. Therefore, I would suggest remaining tactically 2% underweight Protection assets and 2% overweight cash, should the opportunity present itself this cash could be deployed by increasing the exposure to growth or income assets rather than back into protection assets. I believe the priority for the Fund remains increasing the allocation to Income assets, therefore I continue to recommend a neutral allocation.

#### Bond Markets

In table 6, below I have set out my expectations for 3 month LIBOR interest rates and benchmark 10 year government bond yields, over the next 3 and 12 months. They are not meant to be accurate point forecasts, more an indication of the possible direction of yields from February 2020.



Table 6: - Interest rate and Bond yield forecasts

%	CURRENT	SEPTEMBER 2020	MARCH 2021
UNITED STATES			
3month LIBOR 10 year bond yield	1.78 1.51	1.75 1.75	1.75 2.00
UNITED KINGDOM			
3month LIBOR 10 year bond yield	0.70 0.52	0.75 1.0	0.75 1.25
JAPAN			
3month LIBOR 10 year bond yield	-0.05 -0.07	-0.10 0.10	-0.10 0.10
GERMANY			
3month EURIBOR 10 year bond yield	-0.42 -0.43	-0.25 0.0	-0.25 0.0

Source: - Bloomberg, Trading Economics; 31st January 2020

As can be seen in table 2 above government bond yields increased significantly in the fourth quarter of 2019, but in January they have fallen almost back to the "All Time Lows" seen in the summer of 2019 as markets have responded to the Coronavirus outbreak. The current level of yield is temporary, it does not reflect the underlying economic data and is inconsistent with the recent decisions by central banks (outside of China) to keep rates on hold. Both the Fed and the Bank of England have declined to cut rates at their most recent policy meetings and now that we are in a presidential election year in the US the Fed is unlikely to change interest rates unless it is unavoidable. I therefore expect government bond markets to produce negative returns over the next couple of quarters. A neutral monetary policy outlook in the US is supportive of high yield bond markets, as it reduces the possibility of defaults caused by higher borrowing costs, while spreads may not narrow by much the higher the potential return.

#### Bond Market (Protection Assets) Recommendations

The bond markets have over the last few weeks fully priced in the risk posed by the Coronavirus outbreak in China. While the Chinese central bank will continue to provide stimulus, this is predominantly a temporary situation as any growth given up in the first quarter of 2020 will be more than made up by future growth over the rest of the year. Outside of China, government yields are likely to rise, I therefore propose remaining underweight government bonds.

The recent move in government yields has caused non-government bonds yield spreads to widen. This is because the change is being driven by a change in the direction of yields (interest rate sensitivity / duration) it is not related to a worsening of credit conditions. Year to date investment grade bond spreads have broadly moved together with government bond yields, whereas high yield and emerging bond market yields have moved broadly sideways. If my predictions about government



bond yields are correct then I believe investment grade non-government bonds are likely to perform in line and deliver a similar level of negative return. Investment grade credit is also vulnerable because of its higher duration, the high leverage, low interest cover particularly in the US and falling liquidity in all markets. The high yield bond market may continue to deliver reasonable returns because duration risk is lower and ironically compared to history, leverage is lower and interest cover higher. In an environment where government bond yields are rising the lower the yield and the longer the duration the lower the total return conversely the higher the yield and the lower the duration the better the result will be provided defaults do not increase.

As usual in table 7 below I have updated the data and recalculated my estimates of the total return impact of rising yields for government and non-government bond indices based on their yield and interest rate sensitivity (Duration) over 3 and 12 months. The estimates do not take into consideration any widening of spread over the holding period, the 3 month estimates are remarkably similar to the total return experienced in the fourth quarter of 2019.

INDEX	YIELD TO MATURITY %	DURATION	YIELD INCREASE %		. RETURN, G PERIOD
				3 MONTH	12 MONTHS
All Stock Gilts	0.72	13.5	0.5	-6.4	-6.0
All Stock Linkers	-2.17	18.1	0.5	-9.1	-8.9
UK Corporate Bonds	1.87	8.6	0.5	-3.4	-2.4
Global High Yield	5.11	3.5	0.5	+0.8	+4.3

Table 7: - Total returns from representative bond indices

Source: - BofA Merrill Lynch Indices 31st January 2020

As I mentioned in my last report despite my reservations about the level of yield expressed above, I still believe corporate bonds should be held at neutral in the Fund, mainly because I believe the biggest risk is in longer duration, lower yielding government bonds especially index linked gilts, as can be seen in table 7 above gilts provide little protection in a rising yield environment. In terms of the allocation to index linked gilts I would prefer to remain underweight by holding US TIPS and seeking inflation linked returns from investments in other asset classes like infrastructure and real assets.

Since the announcement that there will be a consultation on the inflation indexation of the Index Linked Gilts market, some of the relative overvaluation has been removed from the market. Year to date in absolute terms the market has rallied strongly along with other long dated low coupon government bonds. I believe this represents an opportunity to tactically reduce exposure and I would suggest that the Fund considers selling at least half of its remaining index linked gilts and buying



duration equivalent conventional gilts or US TIPS. At least until the result of the consultation process and potential subsequent legal challenge is known.

LGIM and Insight Investment, two of the largest investors in this market believe that about 50% of the RPI premium remains in the price of index linked gilts. If the Chancellor decides to adopt CPIH as the replacement for RPI indexation, then there is the potential for a further one off 10% fall in Asset values as a result of this decision, without a commensurate fall in the value of most private pension fund Liabilities. The consultation period is now expected to start following the Budget on 11<sup>th</sup> March and run for about six weeks. At the moment investors and asset owners are expected to seek compensation if there is a change and the Treasury have indicated that there will be no compensation. As a result, there is a good chance that the issue will have to be resolved in the Courts.

#### Equity Markets

Table 8 below, shows the dividend yield for 2019 and the earnings growth and price / earnings ratio estimates, for 2020 and 2021 provided by Citi Research.

COUNTRY	DIVIDEND YIELD %	EARNINGS GROWTH		PRICE/EARNINGS RATIO		
FORECAST PERIOD	2019	2020	2021	2020	2021	
United Kingdom	4.8	6.3	6.2	12.8	12.0	
United States	1.8	10.1	10.8	18.2	16.4	
Europe ex UK	3.2	9.2	8.7	14.9	13.7	
Japan	2.4	5.6	7.7	14.4	13.1	

Table 8: - Dividend yield, Earnings growth and Price/Earnings Ratios

Source: - Citi Research, Global Equity Strategist, December 2019

Earnings growth estimates for 2020 have been revised down and the new estimates for 2021 have been forecast in line with the estimates for 2020. This is unusual because equity analysts are a fairly optimistic bunch and would normally be more positive about the future. Having said that I believe these estimates are much more consistent with the growth outlook for the next couple of years. However, these forecasts do not take into consideration the potential impact of the new coronavirus in China, as they were published before the extent of outbreak was understood. At the moment I believe the impact on activity will prove to be temporary so in the medium term I am happy to stick with these equity growth estimates even if the P/E ratios, especially for the US looked a bit stretched. What is clear is that the dividend yield, while not guaranteed, of the equity markets, especially the UK is extremely attractive, relative to the yield available from the respective bond markets.



#### Equity Market (Growth Assets), Recommendations

As mentioned in my last report I suggest keeping the allocation to growth assets neutral to the strategic benchmark.

Looking regionally, the US continues to have a higher growth rate and lower interest rates, but this is more than fully priced into the current level of valuations therefore, I believe the Fund should maintain an underweight position. While the latest data published on manufacturing PMI's suggest that the slowdown in global trade and industrial production caused by the US, China trade negotiations maybe behind us. This change is likely to have a more positive benefit on Europe, Japan and Asia pacific. As a result, I believe Europe, Japan and Asia Pacific should be maintained at a neutral allocation. Because I continue to have confidence in the long-term growth prospects of the emerging economies, I see the potential weakness caused by the Coronavirus outbreak as an opportunity and suggest that the Fund maintains its overweight allocation. As mentioned last quarter the prolonged uncertainty over Brexit has caused the UK market to underperform the rest of the world, as a result the equity market has become "cheap" on a relative valuation basis, therefore I would suggest no further reduction in the allocation.

As the asset allocation to Private Equity remains underweight relative to benchmark, I continue to recommend that investments are sought to increase the allocation to neutral.

The Fund has had a 3% benchmark allocation to Global Sustainable Equity since the beginning of 2019, this is a topical area of investment currently and an opportunity that should not be missed, I suggest a 3% neutral allocation should be seen as an initial investment.

#### Income Assets

In the last year the allocation to Income Assets has been increased from 18% to 23%. The allocation to both Infrastructure (committed capital) and Multi-Asset Credit has been held at neutral over the quarter as the in-house team have found managers to invest an increasing amount of Derbyshire's allocated capital.

The Property market continues to provide diversified returns for the Fund and the direct property manager continues to outperform. I continue to recommend that a neutral overall weight to property be maintained and express a preference for being 1% overweight direct, against being 1% underweight indirect property.

The cash balance in the new strategic benchmark is set at 2%. Because of the extremely low level of government bond yields in the UK and the potential for these to increase over the coming months I remain of the opinion that cash is held temporarily at +2% overweight funded by being underweight government bonds. If as I expect bond yields rise from their current extremely low levels then this cash could be deployed to the bond market but given my expectations for bond and equity markets this money could also be used to invest in more growth assets.

The asset allocation set out in table 9 below, shows the new Strategic benchmark allocations for the Derbyshire Pension Fund and my suggested relative weights as of 15<sup>th</sup> November 2019 and 31<sup>st</sup> January 2020. My suggested asset allocation weights are relative to the classification of assets and strategic benchmark ranges. These allocations represent an ideal objective for the Fund based on my



expectations for economic growth and market performance, but they do not take into consideration the difficulty in reallocating between asset classes and the time needed by the In-house Team and their investment managers to find correctly priced assets for inclusion in the Fund.

**Table 9**: - Recommended asset allocation against the new Strategic Benchmark that came into effect on the 1<sup>st</sup> January 2019.

% ASSET CATEGORY	DERBYSHIRE STRATEGIC WEIGHT 1 <sup>st</sup> JANUARY 2019	ANTHONY FLETCHER 15 <sup>th</sup> NOVEMBER 2019	DERBYSHIRE STRATEGIC WEIGHT 1 <sup>st</sup> JANUARY 2019	ANTHONY FLETCHER 31 <sup>st</sup> JANUARY 2020
Growth Assets	57	0	57	0
UK Equity	16	0	16	0
<b>Overseas Equity</b>	41	0	41	0
North America Europe ex UK Japan Pacific ex Japan Emerging markets Global Sustainable Private Equity Income Assets Property Infrastructure Multi-asset Credit	12 8 5 4 5 3 4 <b>23</b> 9 8 6	-1 0 0 +1 0 0 0 0 0 0 0	12 8 5 4 5 3 4 <b>23</b> 9 8 6	-1 0 0 +1 0 0 0
Protection Assets Conventional Gilts UK index Linked US TIPS UK corporate bond	18 6 6 0 6 2	-2 -1 -2 +1 0 +2	18 6 6 0 6	-2 0 -3 +1 0 +2

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# Appendix

#### References

Source material was provided by, including but not limited to, the following suppliers: -

- Derbyshire Pension Fund, PEL and WM performance services
- Citi Research,
- FTSE, Citigroup, IPD, Barclay's Global and ICE Indices
- Kames, Blackrock, M&G and JP Morgan, Asset Management
- Bank of England, UK Debt Management Office, UK OBR, UK Treasury, ONS
- US Bureau of Labour Statistics, US Commerce Dept. Executive office of the President of the United States.
- Bank of Japan, Japan MITI
- ECB, Eurostat
- Bloomberg, Markit, Trading Economics, DataStream and S&P
- Financial Times, Daily Telegraph, Wall Street Journal, New York Times, Washington Post



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# Appendix 2 Investment Portfolio Valuation January 2020



County Hall, Matlock, Derbyshire, DE4 3AH Administered by Derbyshire County Council

DERBYSHIRE PENSION FUND

DCC 31/01/2020 £m	<b>2915.3</b> 909.7 567.1 438.6	243.9 243.9 0.0 169.0	<b>1067.3</b> 329.6 411.8 240.3 171.6 325.9	<b>900.7</b> 283.0 238.8 44.2 295.9	321.7 <b>334.3</b>	2.0 5219.5
-	<b>Growth Assets</b> UK US Europe	Japan Pacific (ex Japan) Emerging Markets Global Sustainable Private Equity	Income Assets Infrastructure Property Direct Indirect Multi-Asset Credit	Protection Assets Government UK Overseas Index Linked UK	overseas Non Government <b>Cash</b>	LGPSC Regulatory Capital Total

#### DERBYSHIRE PENSION FUND JANUARY 2020 PORTFOLIO VALUATION - BID

UK EQUITIES Company name	Number held	Mkt price in local currency	Mkt Price GBP	Value in Sterling £
<b>UK EQUITIES FUND LGIM UK EQUITY INDEX FUND</b> UK EQUITIE: LGIM UK EQUITY INDEX FUND	60,241,735.30	13.95	13.95	840,167,386

#### UK EQUITIES TOTAL

840,167,386

DERBYSHIRE PENSION FUND JANUARY 2020 PORTFOLIO VALUATION - BID UK EQUITIES

Sector	Company Name	Number held	Mkt Price Pence	Total £
EQUITY INVESTMENT C UK Investment Co's UK Investment Co's UK Investment Co's UK Investment Co's UK Investment Co's UK Investment Co's UK Equity Investment Co	ABERFORTH SML 1P BLACKROCK SMALLER COMPANIES TRUST PLC LOW CARBON ACCELERATOR LTD MONTANARO UK SMALLER CO'S 10P RIVER & MERCANTILE UK MICRO STRATHDON INVESTMENTS PLC	939,000 830,000 3,868,000 11,996,285 2,902,170 20	1438.00 1714.00 0.00 140.00 165.00 1000.00	13,502,820 14,226,200 - - 16,794,799 4,788,581 20,000 <b>49,332,400</b>
UNIT TRUSTS & OEICs UK Unit Trusts UK Unit Trusts & OEICs TOTAL UNITED KINGDO		1,201,544.47	1680.99	20,197,842 20,197,842 69,530,242

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India         USD/ CAN\$         GBP CAN\$         £           OIL & GAS PRODUCERS         CAN\$         CAN\$         CAN\$         CAN\$           US OIL & Gas         OFEVRON CORP         45628         107.00         81.08         3,689,65           US OIL & Gas         OFEVRON CORP         45628         107.00         81.08         3,689,65           US OIL & Gas         DEMMONDBACK ENERGY INC         14114         75.75         57.36         809,44           US OIL & Gas         EXXON MOBILE CORP         166444         62.10         47.02         7.386,83           US OIL & Gas         MONDBACK ENERGY INC         73061         19.77         14.97         1.093,71           US OIL & Gas         OVINTV INC         55975         15.64.82         41.51         2.701,24           US OIL & Gas Services            2.2110,44           US OIL & Gas Services            2.276,83           US OIL & Gas Services            2.376,83           US Chemicals         CABOT CORP         56994         39.87         30.19         1.720,62           US Chemicals         CABOT CORP         22024         65.77.37         7.2	DERBYSHIRE PENSI					
Sector         Company Name         Number         Mitt price Hold         Mitt price GBP         Value in Sterilr GBP           Social & Gas BPCDUCERS         CANS         CANS         CANS         CANS           US 018 Gas ChPCKON CORP         47686         36.12         27.35         1,304,29           US 018 Gas ChPCKON CORP         46622         107.08         81.08         3,689,66           US 018 Gas DIAMONDBACK ENERGY INC         14114         75.76         57.36         809,34           US 018 Gas DIAMONDBACK ENERGY INC         16666         74.36         56.31         939,45           US 018 Gas MARATHON PETROLEUM CORP         64414         54.48         11.83         660,66           US 018 Gas NOBLE ENERGY INC         73061         19.77         14.97         19.93,71           US 018 Gas Producers Total         22,110,44         22.0         888,21         23.76,83           US 018 Gas Producers Total         22,110,44         22.110,44         23.76,83         23.77,83           US 018 Gas Services SCHLUMBERGER LTD         93701         33.50         25.37         2,376,83           US 018 Gas Services SCHLUMBERGER LTD         93701         33.50         25.37         2,376,83           US Othernicals         FMG CORP	JANUARY 2020 POR	IFOLIO VALUATION - BID				
Sector         Company Name         Number         Mikt price hold         Mikt price GBP         Value in Sterlir GBP           Oil, & GAS PRODUCERS         CANS         CANS         CANS         CANS           US 014 Gas         BP LC-SPONS ADR         47686         36.12         27.35         1,304,29           US 014 Gas         CHEVRON CORP         45620         107.08         81.08         3,689,66           US 014 Gas         CHEVRON CORP         166467         7.36         57.36         809,44           US 014 Gas         DIAMONDBACK ENERGY INC         166467         7.36         12.7         7.365,32           US 014 Gas         MARATHON PETROLEUM CORP         64414         54.48         41.25         2.867,22           US 014 Gas         OVINTIVINC         73061         19.77         14.497         10.93,71           US 014 Gas         CORP         65075         54.82         41.51         2.701,24           US 018 Gas Producers Total         Z2,110,44         22.376,83         2.376,83           US 018 Gas Services SCHLUMBERGER LTD         93701         33.50         2.537         2.376,83           US 018 Gas Services CORP         69064         39.87         30.91         1.720,62         3.350				*****		······································
heid         USD/ CANS         GBP CANS         £           US 0I & GAS PRODUCERS         CANS		•				
CANS         CANS           UIS 014 S CAS PRODUCERS         27.35         1.304.20           UIS 016 Gas         CHEVRON CORP         45628         107.08         51.08         3.899.58           UIS 016 Gas         CONCHO RESOURCES INC         14114         75.75         57.38         6309.44           UIS 016 Gas         CONCHO RESOURCES INC         14114         75.75         57.38         6309.44           UIS 016 Gas         EXXON MOBLE CORP         166665         74.35         56.31         939.45           UIS 016 Gas         EXXON MOBLE CORP         66414         62.10         47.02         7.366.32           UIS 018 Gas         NOBLE ENERGY INC         70607         19.77         14.97         102.20         688.21           UIS 018 Gas         PIONEER INATURAL RESOURCES CO         8691         134.97         102.20         888.21           UIS 016 Gas Services SchLUMBERGER LTD         93701         33.50         25.37         2.376.83           UIS Chemicals         CABOT CORP         566994         39.87         30.19         1.720.82           UIS Chemicals         CABOT CORP         20051         95.56         77.37         1.064.77           UIS OL SCABOT CORP         20051         9	Sector	Company Name	Number			Value in Sterling
OIL & GAS PRODUCERS         1           US OIL & GAS         BP PLC-SPONS ADR         47869         96.12         27.35         1.304.29           US OIL & GAS         CONCHO RESOURCES INC         14114         75.75         57.36         809.54           US OIL & GAS         DIM/MONDBACK ENERGY INC         166646         74.36         56.31         399.45           US OIL & GAS         EXXON MOBILE CORP         156444         62.10         47.02         7.366.32           US OIL & GAS         ENXON MOBILE CORP         64414         54.44         41.25         2.567.22           US OIL & GAS         MONLE ENERGY INC         73061         19.77         14.97         1.083.71           US OIL & GAS         DEVENTY INC         55375         15.52         11.83         660.86           US OIL & GAS SERVICES         22.110.44         22.110.44         22.110.44         22.110.44           US OIL & GAS SERVICES         23.01         33.50         25.37         2.376.83           US OIL & GAS SERVICES         24.51         2.016.8         2.030.01         33.50         25.37         2.376.83           US OIL & GAS SERVICES         24.51         2.030.49         1.023.49         7.336.1.549.77         1.369.77         1.3		· · ·	held		GBP	£
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US 0II & Gas         EXXON MOBILE CORP         156444         62.10         47 02         7,366,32           US 0I & Gas         MARATHON PERCOLEUM CORP         64414         64.48         41.25         2.667,22           US 0I & Gas         OVINTIV INC         55875         15.62         11.83         060,06           US 0I & Gas         PIONEER NATURAL RESOURCES CO         8691         134.97         102.20         888,21           US 0I & Gas         PIONEER NATURAL RESOURCES CO         8691         134.97         102.20         888,21           US 0I & Gas Services SCHLUMBERGER LTD         93701         33.50         25.37         2,376,83           US 0I & Gas Services SCHLUMBERGER LTD         93701         33.50         25.37         2,376,83           US Chemicals         CABOT CORP         56994         39.87         30.19         1,720,62           US Chemicals         CABOT CORP         2051         96.58         72.37,102,44         100,49,31         1,069,41           US Chemicals         INGEVITY CORP         22124         65.21         49.38         1,002,41           US Chemicals         INGEVITY CORP         22124         65.21         49.38         1,002,41           US Chemicals         INDUSTRIES INC <td></td> <td></td> <td></td> <td></td> <td></td> <td>939,455</td>						939,455
US OII & Gas NOBLE ENERGY INC 73061 19:77 14:97 1.093,71 102 01 & Gas OVINTU NC 56875 15.62 11.83 680,86 US OII & Gas PIONEER NATURAL RESOURCES CO 8991 134.97 102.20 889,21 US OII & Gas TC ENERGY CORP 65075 54.82 41.51 2.701.24 US OII & Gas Services Total 2.701.24 2.701.24 US OII & Gas Services SCHLUMBERGER LTD 93701 33.50 25.37 2.376,83 US Forestry & Paper Total 2.376,83 US Forestry & Paper Total 2.376,83 US Forestry & Paper Total 2.376,83 US Chemicals CABOT CORP 56994 39.87 30.19 1.720,62 US Chemicals CELANESE CORP 19777 103,49 78.36 1,549,77 103 CABOT CORP 2.9051 695.68 72.37 2.102,61 US Chemicals INGEVITY CORP 2.2124 65.21 49.38 1,069,24 US Chemicals INGEVITY CORP 2.2124 65.21 49.38 1,069,24 US Chemicals PPO INDUSTRIES INC 2.8919 119.81 90.72 2.623,53 US Chemicals PPO INDUSTRIES INC 2.9914 13.80 7.72,82 90 0.7						7,356,329
US OII & Gas OVINTV INC 55875 16.62 11.83 660.86 US OII & Gas PIONEER NATURAL RESOURCES CO 8891 134.97 102.20 888,21 US OII & Gas T C ENERGY CORP 65075 54.82 41.51 2.701.24 US OII & Gas Producers Total 22,110,44 OIL & GAS SERVICES 2 US OII & Gas Services SCHLUMBERGER LTD 93701 33.50 25.37 2.376,83 US Forestry & Paper Total 2,376,83 US Chemicals CABOT CORP 56994 39.87 30.19 1,720,62 US Chemicals CELANESE CORP 19777 103.49 78.36 1,549,77 US Chemicals CELANESE CORP 19777 103.49 78.36 1,549,77 US Chemicals INGEVITY CORP 22051 95.56 72.37 2,262,53 US Chemicals INGEVITY CORP 22124 65.21 449.38 1,092,44 US Chemicals INGEVITY CORP 22124 65.21 449.38 1,092,44 US Chemicals INGEVITY CORP 22124 65.21 49.38 1,092,44 US Chemicals INTERNATIONAL PAPER CO 34323 40.71 30.83 1,058,02 US Industrial Metals INTERNATIONAL PAPER CO 34323 40.71 30.83 1,058,02 US Industrial Metals INTERNATIONAL PAPER CO 34323 40.71 30.83 1,058,02 US Industrial Metals INTERNATIONAL PAPER CO 19533 427.84 323.96 6,327,91 US Industrial Metals INTERNATIONAL PAPER CO 19533 427.84 323.96 6,327,91 US Aero defence DOCHHEED MARTIN CORP 14534 374.40 283.50 4,148,67 US Aero defence LOCKHEED MARTIN CORP 14534 374.40 283.50 4,148,67 US Aero defence LOCKHEED MARTIN CORP 14534 374.40 283.50 4,148,67 US Aero defence LOCKHEED MARTIN CORP 14534 374.40 283.50 4,148,67 US Aero defence LOCKHEED MARTIN CORP 14534 374.40 283.50 7,284,99 US Aero defence LOCKHEED MARTIN CORP 14534 374.40 283.50 4,148,67 US Aero defence LOCKHEED MARTIN CORP 14534 374.40 283.50 7,284,99 US Aero defence LOCKHEED MARTIN CORP 14634 374.40 283.50 7,284,99 US Aero defence LOCKHEED MARTIN CORP 14638 374.40 283.50 7,284,99 US Aero defence LOCKHEED MARTIN CORP 14639 30.66 663.21 US Div Ind DANAHER CORP 34459 160.82 121.77 4, 196,17 US Div Ind DANAHER CORP 34459 160.83 30.66 663.21 US Div Ind DANAHER CORP 34459 16			64414			2,657,223
US OII & Gas PIONEER NATURAL RESOURCES CO 8691 134.97 102.20 888,21 US OII & Gas TC ENERGY CORP 65075 54.82 41.51 2,701,24 US OII & Gas Producers Total 2,701,24 US OII & Gas Services US Forestry & Paper Total 2,376,83 CHEMICALS 2,376,83 CHEMICALS 4,77 103,49 78,36 1,549,77 US Chemicals CABOT CORP 56894 39,87 30,19 1,720,62 US Chemicals FMC CORP 20051 95,58 72,37 ,2,102,51 US Chemicals INOEVITY CORP 22051 95,58 72,37 ,2,102,51 US Chemicals INDEPLC 20882 203.00 153,71 ,3209,80 US Chemicals INDEPLC 20882 203.00 153,71 ,3209,80 US Chemicals INDEPLC 20882 203.00 153,71 ,3209,80 US Chemicals Total 4 US Industrial Metals INTERNATIONAL PAPER CO 34323 40,71 30.83 1,058,02 US Forestry & PAPER US Industrial Metals INTERNATIONAL PAPER CO 34323 40,71 30.83 1,058,02 US Industrial Metals ILVENT CORP 42162 9.40 7.12 300,09 US Industrial Metals ILVENT CORP 42162 9.40 7.12 300,09 US Industrial Metals ILVENT CORP 42162 9.40 7.12 300,09 US Industrial Metals ILVENT CORP 442162 9.40 7.12 300,09 US Industrial Metals ILVENT CORP 442162 9.40 7.12 300,09 US Aero defence NORTHROP GRUMMAN CORP 14654 374.40 223,56 6,327,91 US Aero defence NORTHROP GRUMMAN CORP 14654 374.40 223,56 6,327,91 US Aero defence NORTHROP GRUMMAN CORP 14654 374.40 233.56 7,5 2,472,43 US Aero defence NORTHROP GRUMMAN CORP 14654 374.40 233.56 7,5 2,470,43 US Aero defence NORTHROP GRUMMAN CORP 14654 374.40 233.56 7,5 2,472,43 US Aero defence NORTHROP GRUMMAN CORP 14654 374.40 233.56 6,527,91 US Aero defence NORTHROP GRUMMAN CORP 14654 374.40 283.50 4,418,57 US Aero defence NORTHROP GRUMMAN CORP 14654 374.40 283.50 4,418,57 US Div Ind DANALCORP 34459 170.48 30,58 6,53,27,91 US Div Ind DANALCORP 34459 170.48 30,58 6,53,27,91 US Div Ind DANALCORP 34459 170.48 30,58 6,53,27,91 US Div						1,093,712
US OII & Gas         TC ENERGY CORP         65075         54.82         41.51         2,701,24           US OII & Gas Producers Total         22,110,44         22,110,44         22,110,44           OIL & GAS SERVICES         93701         33.50         25.37         2,376,83           US OII & Gas Services SCHLUMBERGER LTD         93701         33.50         25.37         2,376,83           US Chemicals         CABOT CORP         56994         39.87         30.19         1,720,62           US Chemicals         CELANESE CORP         19777         103.49         78.36         1,549,77           US Chemicals         INCEVITY CORP         22124         65.21         49.38         1,092,41           US Chemicals         LINDE PLC         20882         203.00         153.71         3,209,80           US Chemicals         LINDE FLC         20882         203.00         153.71         3,209,80           US Chemicals Total         INDUSTRIES INC         28919         119.81         90.72         2,623,53           US Industrial Metals         INTERNATIONAL PAPER CO         34323         40.71         30.83         1,058,02           US Industrial Metals         INTERNATIONAL PAPER CO         34323         40.71         300,09						660,860
US OII & Gas Producers Total US OII & GAS SERVICES US OF A Control of the service o						888,214
OIL & GAS SERVICES         OIL         Gas Services SCHLUMBERGER LTD         93701         33.50         25.37         2,376,83           US Oil & Gas Services SCHLUMBERGER LTD         93701         33.50         25.37         2,376,83           US Oile & Gas Services SCHLUMBERGER LTD         93701         33.50         25.37         2,376,83           US Chemicals         CABOT CORP         56994         39.87         30.19         1,720,52           US Chemicals         CABOT CORP         23051         35.58         72.37         2,102,51           US Chemicals         INGEVITY CORP         22124         65.21         49.38         1,092,41           US Chemicals         INDE PLC         20882         203.00         153.71         3,209,60           US Chemicals         IPPG INDUSTRIES INC         28919         119.81         90.72         2,623,53           US Chemicals         INTERNATIONAL PAPER CO         34323         40.71         30.83         1,058,02           US Industrial Metals         INTERNATIONAL PAPER CO         34323         40.71         30.09           US Industrial Metals         LIVENT CORP         42162         9.40         7.12         300,09           US Aero defence         LOCKHEED MARTIN CORP COM	US OIL& Gas	IC ENERGY CORP	65075	54.82	41.51	2,701,244
US OII & Gas Services SCHLUMBERGER LTD 93701 33.50 25.37 2.376,83 US Forestry & Paper Total 2,376,83 CHEMICALS CABOT CORP 56094 39.87 30.19 1,720,62 US Chemicals CABOT CORP 56094 39.87 30.19 1,720,62 US Chemicals CELANESE CORP 19777 103.49 78.36 1,549,77 US Chemicals FMC CORP 29051 95.58 72.37 2,102,51 US Chemicals INDEVITY CORP 22124 65.21 49.38 1,092,41 US Chemicals UNDE PLC 20882 203.00 153.71 3,209,80 US Chemicals UNDE PLC 20882 203.00 153.71 3,209,80 US Chemicals DPG INDUSTRIES INC 28919 119.81 90.72 2,623,53 US Chemicals INTERNATIONAL PAPER CO 34323 40.71 30.83 1,058,02 US Industrial Metals INTERNATIONAL PAPER CO 34323 40.71 30.83 1,058,02 US Industrial Metals INTERNATIONAL PAPER CO 34323 40.71 30.83 1,058,02 US Industrial Metals INTERNATIONAL PAPER CO 34323 40.71 30.83 1,058,02 US Industrial Metals ILVENT CORP 42162 9.40 7.12 300,09 US Industrial Metals CotHEED MARTIN CORP COM 19533 427.84 323.96 6,327,91 US Aero defence NORTHROP GRUMMAN CORP 14634 374.40 283.50 4,148,67 US Aero defence UNITED TECHNOLOGIES CORP 64080 150.14 113.69 7,284,99 US Aero defence NORTHROP GRUMMAN CORP 14634 374.40 283.50 4,148,67 US Aero defence NORTHROP GRUMMAN CORP 14634 374.40 283.50 4,148,67 US Aero defence NORTHROP S1991 72.18 54.65 2,836,08 US Div Ind DANAHER CORP 51991 72.18 54.65 2,836,08 US Div Ind DANAHER CORP 34459 160.82 121.77 4,196,17 US Div Ind GARDNER DECUNCES INC 114130 35.33 26.75 2,972,93 US Div Ind GARDNER DECUNCES INC 14852 174.86 132.40 1,986,48 US Div Ind GARDNER DECUNCES INC 14852 174.86 132.40 1,986,48 US Div Ind CARONER DECUNCES INC 14852 174.86 132.40 1,986,48 US Div Ind REXNORD CORP 26717 32.65 24.72 660,51 US Div Ind REXNORD CO	US OII & Gas Produc	ers Total				22,110,445
US OII & Gas Services SCHLUMBERGER LTD 93701 33.50 25.37 2.376,83 US Forestry & Paper Total 2,376,83 CHEMICALS CABOT CORP 56094 39.87 30.19 1,720,62 US Chemicals CABOT CORP 56094 39.87 30.19 1,720,62 US Chemicals CELANESE CORP 19777 103.49 78.36 1,549,77 US Chemicals FMC CORP 29051 95.58 72.37 2,102,51 US Chemicals INDEVITY CORP 22124 65.21 49.38 1,092,41 US Chemicals UNDE PLC 20882 203.00 153.71 3,209,80 US Chemicals UNDE PLC 20882 203.00 153.71 3,209,80 US Chemicals DPG INDUSTRIES INC 28919 119.81 90.72 2,623,53 US Chemicals INTERNATIONAL PAPER CO 34323 40.71 30.83 1,058,02 US Industrial Metals INTERNATIONAL PAPER CO 34323 40.71 30.83 1,058,02 US Industrial Metals INTERNATIONAL PAPER CO 34323 40.71 30.83 1,058,02 US Industrial Metals INTERNATIONAL PAPER CO 34323 40.71 30.83 1,058,02 US Industrial Metals ILVENT CORP 42162 9.40 7.12 300,09 US Industrial Metals CotHEED MARTIN CORP COM 19533 427.84 323.96 6,327,91 US Aero defence NORTHROP GRUMMAN CORP 14634 374.40 283.50 4,148,67 US Aero defence UNITED TECHNOLOGIES CORP 64080 150.14 113.69 7,284,99 US Aero defence NORTHROP GRUMMAN CORP 14634 374.40 283.50 4,148,67 US Aero defence NORTHROP GRUMMAN CORP 14634 374.40 283.50 4,148,67 US Aero defence NORTHROP S1991 72.18 54.65 2,836,08 US Div Ind DANAHER CORP 51991 72.18 54.65 2,836,08 US Div Ind DANAHER CORP 34459 160.82 121.77 4,196,17 US Div Ind GARDNER DECUNCES INC 114130 35.33 26.75 2,972,93 US Div Ind GARDNER DECUNCES INC 14852 174.86 132.40 1,986,48 US Div Ind GARDNER DECUNCES INC 14852 174.86 132.40 1,986,48 US Div Ind CARONER DECUNCES INC 14852 174.86 132.40 1,986,48 US Div Ind REXNORD CORP 26717 32.65 24.72 660,51 US Div Ind REXNORD CO	OIL & GAS SERVICE	· S				
US Forestry & Paper Total         2,376,83           CHEMICALS			93701	33:50	25.37	2,376,838
CHEMICALS         CABOT CORP         56994         39.87         30.19         1,720,62           US Chemicals         CELANESE CORP         19777         103.49         78.36         1,549,77           US Chemicals         INGEVITY CORP         29051         95.58         72.37         2,102,61           US Chemicals         INDEVITY CORP         22124         65.21         49.38         1,092,41           US Chemicals         INDEVITY CORP         22124         65.21         49.38         1,002,41           US Chemicals         INDEVITY CORP         22124         65.21         49.38         1,002,41           US Chemicals         INDEVITY CORP         22124         65.21         49.38         1,002,41           US Chemicals         Total         1         12,298,67         12,623,63           US Chemicals         Total         1         10,58,02           US Industrial Metals         INTERNATIONAL PAPER CO         34323         40.71         30.83         1,058,02           US Industrial Metals         LIVENT CORP         42162         9.40         7.12         300,09           US Industrial Metals         LIVENT CORP         42162         9.40         7.12         300,09						2,376,838
US Chemicals         CABOT CORP         56994         39.87         30.19         1,720,62           US Chemicals         CELANESE CORP         19777         703.49         78.36         1,549,77           US Chemicals         INGEVITY CORP         29051         95.58         72.37         2,102,51           US Chemicals         INDEVITY CORP         22124         65.21         49.38         1,092,41           US Chemicals         LINDE PLC         20882         203.00         153.71         3,209,80           US Chemicals         PPG INDUSTRIES INC         28919         119.81         90.72         2,623,63           US Chemicals         PPG INDUSTRIES INC         28919         119.81         90.72         2,623,63           US Chemicals         PAPER		· · · · · · · · · · · · · · · · · · ·				
US Chemicals         CELANESE CORP         19777         103.49         78.36         1.549,77           US Chemicals         FMC CORP         29051         95.58         72.37         2,102,51           US Chemicals         IINGEVITY CORP         22124         65.21         49.38         1,092,41           US Chemicals         IINDE PLC         20882         203.00         153.71         3,209,80           US Chemicals Total         PPG INDUSTRIES INC         28919         119.81         90.72         2,623,53           US Industrial Metals         INTERNATIONAL PAPER CO         34323         40.71         30.83         1,058,02           US Forestry & Paper Total	CHEMICALS					
JS Chemicals         FMC CORP         29051         95.58         72.37         2.102,51           JS Chemicals         IINGEVITY CORP         22124         65.21         443.38         1,092,41           JS Chemicals         LINDE PLC         20882         203.00         153.71         3,209,80           JS Chemicals         PPG INDUSTRIES INC         28919         119.81         90.72         2,623,53           JS Chemicals Total          12,298,67         12,298,67         12,298,67           FORESTRY & PAPER          10,058,02         1,058,02           JS Industrial Metals         INTERNATIONAL PAPER CO         34323         40.71         30.83         1,058,02           JS Industrial Metals         LIVENT CORP         42162         9.40         7.12         300,09           JS Industrial Metals         LIVENT CORP         42162         9.40         7.12         300,09           JS Aero defence         BOEING CO/THE         13586         318.01         240.80         3,271,23           JS Aero defence         LOCKHEED MARTIN CORP COM         19533         427.84         323.96         6,327,91           JS Aero defence         UNITED TECHNOLOGIES CORP         64080         150.14         113.6						1,720,624
US Chemicals         INGEVITY CORP         22124         65.21         49.38         1,092,41           US Chemicals         LINDE PLC         20882         203.00         153.71         3,209,60           US Chemicals         PPG INDUSTRIES INC         28919         119.81         90.72         2,623,55           US Chemicals         Total         112,298,67         12,298,67           FORESTRY & PAPER         110,058,02         10,058,02           US Industrial Metals         INTERNATIONAL PAPER CO         34323         40.71         30.83         1,058,02           US Industrial Metals         INTERNATIONAL PAPER CO         34323         40.71         30.083         1,058,02           US Industrial Metals         LIVENT CORP         42162         9.40         7.12         300,09           US Industrial Metals         LIVENT CORP         42162         9.40         7.12         300,09           US Aero defence         BOEING CO/THE         13585         318.01         240.80         3,271,23           US Aero defence         UORTHROP GRUMMAN CORP         14634         374.40         283.50         4,148,67           US Aero defence         UNITED TECHNOLOGIES CORP         64080         150.14         113.69         7,284,			and the second			1,549,778
US Chemicals         LINDE PLC         20882         203.00         153.71         3,209,60           US Chemicals         PPG INDUSTRIES INC         28919         119.81         90.72         2,623,53           US Chemicals Total          12,298,67         12,298,67           FORESTRY & PAPER           100,083         1,058,02           US Industrial Metals         INTERNATIONAL PAPER CO         34323         40.71         30.83         1,058,02           US Forestry & Paper         Total         1,058,02         1,058,02         1,058,02           INDUSTRIAL METALS          1,058,02         1,058,02         1,058,02           US industrial Metals         LIVENT CORP         42162         9.40         7.12         300,09           US industrial Metals         LIVENT CORP         42162         9.40         7.12         300,09           US Aero defence         BOEING CO/THE         13586         318.01         240.80         3,271,23           US Aero defence         UOCKHEED MARTIN CORP COM         19533         427.84         323.96         6,327,91           US Aero defence         UNTED TECHNOLOGIES CORP         64080         150.14         113.69         7,284,99						2,102,513
US Chemicals         PPG INDUSTRIES INC         28919         119.81         90.72         2,623,53           US Chemicals Total         12,298,67         12,298,67         12,298,67           FORESTRY & PAPER         1         1,058,02         1,058,02           US Industrial Metals         INTERNATIONAL PAPER CO         34323         40.71         30.83         1,058,02           US Forestry & Paper Total         1         1,058,02         1,058,02         1,058,02           INDUSTRIAL METALS         1         1,058,02         1,058,02         1,058,02           US Industrial Metals         LIVENT CORP         42162         9.40         7.12         300,09           AEROSPACE         105 Aero defence         BOEING CO/THE         13585         318.01         240.80         3,271,23           US Aero defence         NORTHROP GRUMMAN CORP         14634         374.40         283,50         4,148,67           US Aero defence         UNITED TECHNOLOGIES CORP         64080         150.14         113.69         7,284,99           US Div Ind         DANAHER CORP         51891         72.18         54.65         2,860,08           US Div Ind         DANAHER CORP         314459         160.82         121,77         4,196,17						
US Chemicals Total         12,298,67           FORESTRY & PAPER         1           JS Industrial Metals         INTERNATIONAL PAPER CO         34323         40.71         30.83         1,058,02           US Forestry & Paper Total         1         1,058,02         1,058,02           US Forestry & Paper Total         1         1,058,02           US Forestry & Paper Total         1         1,058,02           US Industrial Metals         LIVENT CORP         42162         9.40         7.12         300,09           US Industrial Metals Total         300,09         300,0					1887/10/18/17/18/17/18/18/18/18/18/18/18/18/18/18/18/18/18/	กลางแหน่หว่างการแก่งหม่ามการและพ่าง
FORESTRY & PAPER         INTERNATIONAL PAPER CO         34323         40.71         30.83         1,058,02           JS Industrial Metals         INTERNATIONAL PAPER CO         34323         40.71         30.83         1,058,02           JS Forestry & Paper Total         1         1,058,02         1,058,02           NDUSTRIAL METALS         1         1,058,02           JS Industrial Metals         LIVENT CORP         42162         9.40         7.12         300,09           JS Industrial Metals         Total         300,09         300,09         300,09         300,09           AEROSPACE         1         300,09         3427,84         323.96         6,327,91           JS Aero defence         BOEING CO/THE         13585         318.01         240.80         3,271,23           JS Aero defence         UOKHEED MARTIN CORP COM         19533         427,84         323.96         6,327,91           JS Aero defence         UNITED TECHNOLOGIES CORP         64080         150.14         113.69         7,284,99           JS Aero defence         UNITED TECHNOLOGIES CORP         51891         72.18         54.65         2,836.08           JS Div Ind         DANAHER CORP         34459         160.82         121.77         4,196,17			20919	119.01	90.72	
US Industrial Metals         INTERNATIONAL PAPER CO         34323         40.71         30.83         1,058,02           US Forestry & Paper Total         1,058,02         1,058,02         1,058,02           US Forestry & Paper Total         1,058,02         1,058,02           US Industrial Metals         LIVENT CORP         42162         9.40         7.12         300,09           US Industrial Metals         Total         300,09         300,09         300,09         300,09           AEROSPACE         DS Aero defence         BOEING CO/THE         13585         318.01         240.80         3,271,23           US Aero defence         LOCKHEED MARTIN CORP COM         19533         427.84         323.96         6,327,91           US Aero defence         UNITED TECHNOLOGIES CORP         64080         150.14         113.69         7,284,99           US Aero defence         UNITED TECHNOLOGIES CORP         64080         150.14         113.69         7,284,99           US Div Ind         BALL CORP         51891         72.18         54.65         2,836,08           US Div Ind         DANAHER CORP         34459         160.82         121.77         4,196,17           US Div Ind         DYOM INDUSTRIES INC         11130         35.33						12,200,070
US Forestry & Paper Total         1,058,02           NDUSTRIAL METALS	FORESTRY & PAPER	l. <u>.</u>				
US Forestry & Paper Total         1,058,02           INDUSTRIAL METALS         1           US Industrial Metals         LIVENT CORP         42162         9.40         7.12         300,09           US Industrial Metals         LIVENT CORP         42162         9.40         7.12         300,09           US Industrial Metals         Total         300,09         300,09         300,09           AEROSPACE         1         308,09         3,271,23         305,02         318.01         240.80         3,271,23           US Aero defence         LOCKHEED MARTIN CORP COM         19533         427.84         323.96         6,327,91           US Aero defence         NORTHROP GRUMMAN CORP         14634         374.40         283.50         4,148,67           US Aero defence         UNITED TECHNOLOGIES CORP         64080         150.14         113.69         7,284,99           US Aerospace Total         1         1         113.69         7,284,99         160.82         121.77         4,196,17           US Div Ind         DANAHER CORP         51891         72.18         54.65         2,836,08         105.14         103.53         26.75         2,972,93           US Div Ind         DANAHER CORP         51891         72.18<		4	34323	40.71	30.83	1,058,027
JS Industrial Metals         LIVENT CORP         42162         9.40         7.12         300,09           JS Industrial Metals Total         300,09         300,09         300,09         300,09           AEROSPACE         JS Aero defence         BOEING CO/THE         13585         318.01         240.80         3,271,23           JS Aero defence         LOCKHEED MARTIN CORP COM         19533         427.84         323.96         6,327,91           JS Aero defence         NORTHROP GRUMMAN CORP         14634         374.40         283.50         4,148,67           JS Aero defence         UNITED TECHNOLOGIES CORP         64080         150.14         113.69         7,284,99           JS Aerospace Total         Control         21,032,82           JS Div Ind         BALL CORP         51891         72.18         54.65         2,836,08           JS Div Ind         DANAHER CORP         34459         160.82         121.77         4,196,17           JS Div Ind         DANAHER CORP         34459         160.82         121.77         4,196,17           JS Div Ind         DANAHER CORP         34459         160.82         121.77         4,196,17           JS Div Ind         DARODE CORP         24641         33.33 <td></td> <td></td> <td></td> <td></td> <td></td> <td>1,058,027</td>						1,058,027
US industrial Metals Total         300,09           AEROSPACE	NDUSTRIAL METAL	S				
AEROSPACE         AEROSPACE           US Aero defence         BOEING CO/THE         13585         318.01         240.80         3,271,23           US Aero defence         LOCKHEED MARTIN CORP COM         19533         427.84         323.96         6,327,91           US Aero defence         NORTHROP GRUMMAN CORP         14634         374.40         283.50         4,148,67           US Aero defence         UNITED TECHNOLOGIES CORP         64080         150.14         113.69         7,284,99           US Aerospace Total	US Industrial Metals	LIVENT CORP	42162	9.40	7.12	300,096
US Aero defence         BOEING CO/THE         13585         318.01         240.80         3,271,23           US Aero defence         LOCKHEED MARTIN CORP COM         19533         427.84         323.96         6,327,91           US Aero defence         NORTHROP GRUMMAN CORP         14634         374.40         283.50         4,148,67           US Aero defence         UNITED TECHNOLOGIES CORP         64080         150.14         113.69         7,284,99           US Aerospace Total           21,032,82         21,032,82           GENERAL INDUSTRIAL           21,032,82           US Div Ind         BALL CORP         51891         72.18         54.65         2,836,08           US Div Ind         DANAHER CORP         34459         160.82         121.77         4,196,17           US Div Ind         DYCOM INDUSTRIES INC         21691         40.38         30.58         663,21           US Div Ind         GARDNER DENVER HOLDINGS INC         111130         35.33         26.75         2,972,93           US Div Ind         INGERSOLL-RAND PLC         29614         133.13         100.81         2,985,27           US Div Ind         INGERSOLL-RAND PLC         29614         133.13         10.81	US Industrial Metals	Total			,	300,096
US Aero defence         BOEING CO/THE         13585         318.01         240.80         3,271,23           US Aero defence         LOCKHEED MARTIN CORP COM         19533         427.84         323.96         6,327,91           US Aero defence         NORTHROP GRUMMAN CORP         14634         374.40         283.50         4,148,67           US Aero defence         UNITED TECHNOLOGIES CORP         64080         150.14         113.69         7,284,99           US Aerospace Total           21,032,82         21,032,82           GENERAL INDUSTRIAL           21,032,82           US Div Ind         BALL CORP         51891         72.18         54.65         2,836,08           US Div Ind         DANAHER CORP         34459         160.82         121.77         4,196,17           US Div Ind         DYCOM INDUSTRIES INC         21691         40.38         30.58         663,21           US Div Ind         GARDNER DENVER HOLDINGS INC         111130         35.33         26.75         2,972,93           US Div Ind         INGERSOLL-RAND PLC         29614         133.13         100.81         2,985,27           US Div Ind         INGERSOLL-RAND PLC         29614         133.13         10.81						
US Aero defence         LOCKHEED MARTIN CORP COM         19533         427.84         323.96         6,327,91           US Aero defence         NORTHROP GRUMMAN CORP         14634         374.40         283.50         4,148,67           US Aero defence         UNITED TECHNOLOGIES CORP         64080         150.14         113.69         7,284,99           US Aerospace Total          21,032,82         21,032,82         21,032,82           US Div Ind         BALL CORP         51891         72.18         54.65         2,836,08           US Div Ind         DANAHER CORP         34459         160.82         121.77         4,196,17           US Div Ind         DANAHER CORP         34459         160.82         122.77         4,196,17           US Div Ind         DYCOM INDUSTRIES INC         21691         40.38         30.58         663,21           US Div Ind         GARDNER DENVER HOLDINGS INC         111130         35.33         26.75         2,972,93           US Div Ind         ILLINOIS TOOL WORKS INC         14852         174.86         132.40         1,966,46           US Div Ind         INGERSOLL-RAND PLC         29614         133.13         100.81         2,985,27           US Div Ind         REXNORD CORP	AEROSPACE					
US Aero defence         NORTHROP GRUMMAN CORP         14634         374.40         283.50         4,148,67           US Aero defence         UNITED TECHNOLOGIES CORP         64080         150.14         113.69         7,284,99           US Aerospace Total	F.MARRAUART/URAURAAI///RAI/PI/RE/AI///					3,271,230
US Aero defence         UNITED TECHNOLOGIES CORP         64080         150.14         113.69         7,284,99           US Aerospace Total         21,032,82						6,327,919
US Aerospace Total         21,032,82           GENERAL INDUSTRIAL						4,148,676
GENERAL INDUSTRIAL         51891         72.18         54.65         2,836,08           US Div Ind         BALL CORP         34459         160.82         121.77         4,196,17           US Div Ind         DANAHER CORP         34459         160.82         121.77         4,196,17           US Div Ind         DYCOM INDUSTRIES INC         21691         40.38         30.58         663,21           US Div Ind         GARDNER DENVER HOLDINGS INC         111130         35.33         26.75         2,972,93           US Div Ind         ILLINOIS TOOL WORKS INC         14852         174.86         132.40         1,966,46           US Div Ind         INGERSOLL-RAND PLC         29614         133.13         100.81         2,985,27           US Div Ind         PACCAR INC         19009         74.19         56.18         1,067,86           US Div Ind         REXNORD CORP         26717         32.65         24.72         660,51           US Div Ind         TRITON INTERNATIONAL LTD/BER         28181         37.53         28.42         800,84           US Div Ind         WABTEC CORP         16459         73.85         55.92         920,37			64080	150.14	113.69	
US Div Ind         BALL CORP         51891         72.18         54.65         2,836,08           US Div Ind         DANAHER CORP         34459         160.82         121.77         4,196,17           US Div Ind         DYCOM INDUSTRIES INC         21691         40.38         30.58         663,21           US Div Ind         GARDNER DENVER HOLDINGS INC         111130         35.33         26.75         2,972,93           US Div Ind         ILLINOIS TOOL WORKS INC         14852         174.86         132.40         1,966,46           US Div Ind         INGERSOLL-RAND PLC         29614         133.13         100.81         2,985,27           US Div Ind         PACCAR INC         19009         74.19         56.18         1,067,86           US Div Ind         REXNORD CORP         26717         32.65         24.72         660,51           US Div Ind         TRITON INTERNATIONAL LTD/BER         28181         37.53         28.42         800,84           US Div Ind         WABTEC CORP         16459         73.85         55.92         920,37	oo herospace Total					£1,032,024
US Div Ind         BALL CORP         51891         72.18         54.65         2,836,08           US Div Ind         DANAHER CORP         34459         160.82         121.77         4,196,17           US Div Ind         DYCOM INDUSTRIES INC         21691         40.38         30.58         663,21           US Div Ind         GARDNER DENVER HOLDINGS INC         111130         35.33         26.75         2,972,93           US Div Ind         ILLINOIS TOOL WORKS INC         14852         174.86         132.40         1,966,46           US Div Ind         INGERSOLL-RAND PLC         29614         133.13         100.81         2,985,27           US Div Ind         PACCAR INC         19009         74.19         56.18         1,067,86           US Div Ind         REXNORD CORP         26717         32.65         24.72         660,51           US Div Ind         TRITON INTERNATIONAL LTD/BER         28181         37.53         28.42         800,84           US Div Ind         WABTEC CORP         16459         73.85         55.92         920,37	GENERAL INDUSTRI	AL	-			
US Div Ind         DANAHER CORP         34459         160.82         121.77         4,196,17           US Div Ind         DYCOM INDUSTRIES INC         21691         40.38         30.58         663,21           US Div Ind         GARDNER DENVER HOLDINGS INC         111130         35.33         26.75         2,972,93           US Div Ind         ILLINOIS TOOL WORKS INC         14852         174.86         132.40         1,966,46           US Div Ind         INGERSOLL-RAND PLC         29614         133.13         100.81         2,985,27           US Div Ind         PACCAR INC         19009         74.19         56.18         1,067,86           US Div Ind         REXNORD CORP         26717         32.65         24.72         660,51           US Div Ind         TRITON INTERNATIONAL LTD/BER         28181         37.53         28.42         800,84           US Div Ind         WABTEC CORP         16459         73.85         55.92         920,37		•/////////////////////////////////////	51891	72 18	54 65	2,836,087
JS Div Ind         DYCOM INDUSTRIES INC         21691         40.38         30.58         663,21           JS Div Ind         GARDNER DENVER HOLDINGS INC         111130         35.33         26.75         2,972,93           JS Div Ind         ILLINOIS TOOL WORKS INC         111130         35.33         26.75         2,972,93           JS Div Ind         ILLINOIS TOOL WORKS INC         14852         174.86         132.40         1,966,46           JS Div Ind         INGERSOLL-RAND PLC         29614         133.13         100.81         2,985,27           JS Div Ind         PACCAR INC         19009         74.19         56.18         1,067,86           JS Div Ind         REXNORD CORP         26717         32.65         24.72         660,51           JS Div Ind         TRITON INTERNATIONAL LTD/BER         28181         37.53         28.42         800,84           US Div Ind         WABTEC CORP         16459         73.85         55.92         920,37						4,196,172
JS Div Ind         GARDNER DENVER HOLDINGS INC         111130         35.33         26.75         2,972,93           JS Div Ind         ILLINOIS TOOL WORKS INC         14852         174.86         132.40         1,966,46           JS Div Ind         INGERSOLL-RAND PLC         29614         133.13         100.81         2,985,27           JS Div Ind         PACCAR INC         19009         74.19         56.18         1,067,86           JS Div Ind         REXNORD CORP         26717         32.65         24.72         660,51           JS Div Ind         TRITON INTERNATIONAL LTD/BER         28181         37.53         28.42         800,84           JS Div Ind         WABTEC CORP         16459         73.85         55.92         920,37						663,218
JS Div Ind         INGERSOLL-RAND PLC         29614         133.13         100.81         2,985,27           JS Div Ind         PACCAR INC         19009         74.19         56.18         1,067,86           JS Div Ind         REXNORD CORP         26717         32.65         24.72         660,51           JS Div Ind         TRITON INTERNATIONAL LTD/BER         28181         37.53         28.42         800,84           JS Div Ind         WABTEC CORP         16459         73.85         55.92         920,37			111130		26.75	2,972,936
JS Div Ind         PACCAR INC         19009         74.19         56.18         1,067,86           JS Div Ind         REXNORD CORP         26717         32.65         24.72         660,51           JS Div Ind         TRITON INTERNATIONAL LTD/BER         28181         37.53         28.42         800,84           JS Div Ind         WABTEC CORP         16459         73.85         55.92         920,37		· · · · · · · · · · · · · · · · · · ·			· A	·////
US Div Ind         REXNORD CORP         26717         32.65         24.72         660,51           US Div Ind         TRITON INTERNATIONAL LTD/BER         28181         37.53         28.42         800,84           US Div Ind         WABTEC CORP         16459         73.85         55.92         920,37						2,985,270
JS Div Ind         TRITON INTERNATIONAL LTD/BER         28181         37.53         28.42         800,84           JS Div Ind         WABTEC CORP         16459         73.85         55.92         920,37						1,067,862
US Div Ind WABTEC CORP 16459 73.85 55.92 920,37						660,513
					***************************************	800,840
05 General Industrial Total 19,069,73			16459	/3.85	55.92	
	us General Industria					19,009,737
		MENT				

US Electricity 3M CO 10931 156.65 120.13 1,313,139 US Electricity FORTIVE CORP 47226 74.92 66.73 2.673,104 US Electricity GENERAL ELECTRIC CO 75661 12.43 9.41 71.2403 US Electricity WTEN FLECTRIC PLC 50129 24.94 168.89 946.065 US Electricity WTEN FLECTRIC PLC 50129 24.94 168.99 946.055 US Transportation FEDEX CORP 12386 144.63 100.51 1,356.438 US Transportation WORFOLK SQUITHERN CORP 3051 206.14 157,09 448.048 US Transportation WORFOLK SQUITHERN CORP 3051 206.14 157,09 448.048 US Transportation WORFOLK SQUITHERN CORP 3051 206.14 157,09 448.048 US Industrial Transport Total 7,940.445 US Support Services GENPACT UTD 53394 44.28 35.5 2,125,253 US Support Services Trait GOUP INC 33653 73.27 505 43.2 0, 1539,240 US Support Services Trait GOUP INC 33653 73.67 64.4 28 35.5 2,125,253 US Support Services Total 7,126,137 US Beverages Total 7,126,137 US Food Production & Processing Total 7,185,851 US Food Production & Processing Total 7,185,851 US Porotonal Generation 7,7185,032 US House Gds Total 7,145,853 US Personal Gener /HQ/PROCTOR & GAMBLE COTHE 125645 124.50 94.27 11,863,533 US Personal Gener /HQ/PROCTOR & GAMBLE COTHE 125645 124.50 94.27 11,865,333 HEALTHCARE EQUIPMENT & SERVICES 079 7077 29 68 22.40 11,855,333 US Personal Gener /HQ/PROCTOR & GAMBLE COTHE 125645 124.50 94.27 11,865,333 US Personal Gener /HQ/PROCTOR & GAMBLE COTHE 125645 124.50 94.27 11,8563,333 HEALTHCARE EQUIPMENT & SERVICES 079 7077 29 68 22.40 11,855,333 US Personal Gener /HQ/PROCTOR & GAMBLE COTHE 125645 124.50 94.27 11,8563,335 US Personal Gen						
US Electicity       FORTIVE CORP       47226       74.82       56.73       2.679.104         US Electicity       QENERAL ELECTRIC PLC       50129       24.94       18.88       946.965         US Electronic Equipment Total       -       -       56.87.10       56.87.10         US Transportation       FEDEX CORP       1238       144.63       109.61       1.356.438         US Transportation       HUBT Ligh TRANSPORT SERVICES       33712       107.68       61.66       2.755.823         US Transportation       UDER TechNOLOGIES INC       12188       36.29       27.48       3.349.353         US Support Services       CERIDIAN HCM HOLDING INC       9853       73.37       55.48       2.125.528         US Support Services       CERIDIAN HCM HOLDING INC       39634       44.28       33.53       2.125.528         US Support Services       CERIDIAN HCM HOLDING INC       39632       7.3.27       55.44       2.13.765         US Support Services       CERIDIAN HCM HOLDING INC       39632       7.3.27       55.48       2.125.528         US Support Services       CERIDIAN HCM HOLDING INC       39632       43.20       1.59.240         US Support Services       Total       2.125.528       2.125.528       2.125.528 </th <th></th> <th></th> <th></th> <th></th> <th></th> <th></th>						
US Electriolity OENERAL ELECTRIC CO 76691 12.43 9.41 712.403 9.41 944.665 50129 24.94 94.865 944.665 50129 24.94 94.865 944.665 505 94.94 948.665 505 94.94 948.665 505 94.94 948.665 505 94.94 948.665 505 94.94 948.665 505 94.94 948.665 505 94.94 948.665 505 94.94 948.665 505 94.94 948.665 505 94.94 948.665 144.63 109.51 1.356.438 105 Transportation FEDEX CORP 3051 208.14 157.60 4260.949 105 Transportation NOREOLX SOUTHERN CORP 3051 208.14 157.60 4260.949 305 1208.141 157.60 4260.949 305 1208.141 157.60 4260.949 305 1208.141 157.60 4260.949 305 1208.141 157.60 4260.949 305 1208.141 157.60 4260.949 305 1208.141 157.60 4260.949 305 1208.141 157.60 4260.949 305 1208.141 157.60 4260.949 305 1208.142 121.868 305.29 505 940.940 1208 500 944 428 33.55 27.46 3.349.355 305 Industrial Transport total 35 Support Services CERIDIAN HCM HOLDING INC 3653 73.27 55.48 213.765 123 Support Services Textal 1000 11.300 60 17.41 60.47 903.336 123 Support Services Textal 1000 11.300 60 17.41 60.47 903.339 125 Support Services Textal 1000 11.300 60 17.41 60.47 903.336 125 Support Services Textal 27570 55.38 444.21 12.187.632 125.565 125 125.55 125 125 125 125 125 125 125 125 125 1						
US Electricity. NVENT ELECTRIC PLC 50129 24.94 18.88 948.665 USE Electronic Equipment Total 5661,310 NDUSTRIAL TRANSPORT 01 US Transportation FUENC 100788 2011 107.68 2016 US Transportation HUNC 1007 TEXNSPORT SERVICES 33712 107.68 2016 US Transportation UDER TECHNOLOGIES INC 121888 36.29 27.48 3.3443.35 US Transportation UDER TECHNOLOGIES INC 121888 36.29 27.48 3.3443.35 US Support Services CERTIONN HCM HOLDING INC 3853 73.27 55.48 213.765 US Support Services GERTIONN HCM HOLDING INC 3853 73.27 55.48 213.765 US Support Services GERTIONN HCM HOLDING INC 3853 73.27 55.48 213.765 US Support Services GERTIONN HCM HOLDING INC 3853 73.27 55.48 213.765 US Support Services TRINET GROUP INC 39652 57.05 43.20 1,595,240 US Support Services Total 50.000 US Support Services Total 4.4.781,330 BEVERAGES US Beverages COCCA-COLA CO/THE 275705 38.38 444.21 12,187,632 FOOD PRODUCTION/PROCESS US Food Production & Proceesing Total 7.7185,851 US Food Production & Proceesing Total 7.7185,851 US Beverages Total 7.7186,851 HOUSEHOLD GOODS US Hous Gds Trille UNDER ARMOUR INC-CLASS A 208783 20.17 16.27 4,563,230 US Hous Gds Trille UNDER ARMOUR INC-CLASS A 208783 20.17 16.27 4,563,230 US Hous Gds Trille UNDER ARMOUR INC-CLASS A 208783 20.17 16.27 4,563,230 US Hous Gds Trille UNDER ARMOUR INC-CLASS A 208783 20.17 16.27 4,563,230 US Hous Gds Total 7.7185,851 US Hous Gds Total 1.18,55,333 HEALTHCARE EQUIPMENT & SERVICES 1.11,855,333 HEALTHCARE EQUIPMENT & SERVICES 1.11,855,333 US Presonal Goods Total 1.11,855,333 HEALTHCARE EQUIPMENT & SERVICES 1.12,564,573 (13.40 2,264,578) US Hous Gds Total 1.11,855,333 US Healthcare Equipm ANTHEM INC US Healthcare Equipm HANG SERVICES 0.71 16.26 4,52,69 US Healthcare Equipm HANG SERVICES 0.71 16.27 4,563,530 HEALTHCARE EQUIPMENT & SERVICES 0.71 16.27 4,563,530 HEALTHCARE EQUIPMENT & SERVICES 0.71 16.56 6,645,590 US Healthcare EqUIPMENT &						
US Electronic Equipment Total 5,651,310 NDUSTRIAL TRANSPORT 1 IS Transportation FEDEX CORP IS Transportation FEDEX CORP IS Transportation NORFOLK SOUTHERN CORP 3051 12386 144 63 100,51 1,356,438 15 Transportation NORFOLK SOUTHERN CORP 3051 208.14 157.60 440,849 15 Transportation NORFOLK SOUTHERN CORP 3051 208.14 157.60 440,849 15 Transportation NORFOLK SOUTHERN CORP 3051 208.14 157.60 440,849 15 Transportation NORFOLK SOUTHERN CORP 3051 208.14 157.60 440,849 15 Transportation NORFOLK SOUTHERN CORP 3051 208.14 157.60 440,849 15 Transportation NORFOLK SOUTHERN CORP 3051 208.14 157.60 440,849 15 Transportation NORFOLK 121888 36.29 27.48 3,349,355 208 Industrial Transport Total 208 209.07 25.56 20 20 20 20 20 20 20 20 20 20 20 20 20						
US Transportation   EFDEX CORP 12366 144.63 109.51 1,356,435 US Transportation   NURFOLK SOUTHERN CORP 3061 208.14 157.60 4400.49 US Transportation   UBER TECHNOLOGIES INC 121886 36.29 27.48 3,349.355 US Industrial Transport Total 7,940,445 20 20 20 20 20 20 20 20 20 20 20 20 20				24.54	10.00	
US Transportation   EFDEX CORP 12366 144.63 109.51 1,356,435 US Transportation   NURFOLK SOUTHERN CORP 3061 208.14 157.60 4400.49 US Transportation   UBER TECHNOLOGIES INC 121886 36.29 27.48 3,349.355 US Industrial Transport Total 7,940,445 20 20 20 20 20 20 20 20 20 20 20 20 20	NEUCTRIAL TRANS					· · · · · · · · · · · · · · · · · · ·
US Transportation HUNT (JB) TRANSPORT SERVICES 33712 107.86 81.69 2.733.823 US Instruction NORFOLK SOUTHERN CORP 3061 208.14 157.60 4408.440 US Transportation NORFOLK SOUTHERN CORP 3061 208.14 157.60 440.840 US Transportation NORFOLK SOUTHERN CORP 3061 208.14 157.60 440.840 US Transportation NORFOLK SOUTHERN CORP 3061 208.14 157.60 440.840 US Transportation NORFOLK SOUTHERN CORP 3061 208.14 157.60 440.840 US Transportation NORFOLK SOUTHERN TO TAIL 200.840 US Support Services CERIDIAN HCM HOLDING INC 3863 73.27 55.48 213.765 US Support Services TRINET GROUP INC 35632 57.05 43.20 1,539.240 US Support Services Trainer GROUP INC 35632 57.05 43.20 1,539.240 US Support Services Total 4,781.930 US Support Services Total 7,185.851 US Severages Total 7,185.851 US Severages Total 7,185.851 US Food Prod & ProceMONDELEZ INTERNATIONAL INC-A 165418 57.37 43.44 7,185.851 US Food Prod & ProceSing Total 7,185.851 US Food Prod & ProceSing Total 7,185.851 US Food Prod & ProceSing Total 7,185.851 US Food Prod & UNDER ARMOUR INC-CLASS A 298783 20.17 15.27 4,563.20 US HouseGds Total 7,185.851 US Personal Care / HCROCORS 200 S US Personal Care / HCROCORS 4,220.82 11,835.303 US Personal Care / HCROCOR 8, GAMBLE CO/THE 125645 124.50 94.27 11,835.303 US Personal Good Total 7,185.651 14,236.533 14,24 3,24 3,24 3,24 3,24 3,24 3,24 3,24	11/A///Incohental///August		10006	444.62	100.51	1 256 429
US Transportation NORFOLK SOUTHERN CORP 3061 208.14 (157.60 4480,849 35 Transportation UBER TECHNOLOGIES INC 121888 36.29 27.48 3.349.355 US Industrial Transport Total 7,940,445 SUPPORT SERVICES 2000 2000 2000 2000 2000 2000 2000 20		· · · · · · · · · · · · · · · · · · ·	-			
US Transportation UBER TECHNOLOGIES INC 121888 38.29 27.48 3,349,335 US Industrial Transport Total 7,940,445 SUPPORT SERVICES 2 US Support Services CERIDIAN HCM HOLDING INC 3853 73.27 56.48 213,765 US Support Services CERIDIAN HCM HOLDING INC 3853 73.27 56.48 213,765 US Support Services TRANSUNION 1300C 91.7.4 68.47 903,399 US Support Services Transport TOD 35632 57.05 43.20 1,559,240 US Support Services Transport TGROUP INC 35632 57.05 43.20 1,559,240 US Support Services Total 4,781,930 US Support Services Total 4,781,930 US Support Services Total 2,176,522 US Boverages COCA-COLA COTHE 2,75705 58.38 44.21 12,187,632 US Boverages Total 7,185,851 US Food Production & Processing Total 7,186,851 HOUSEHOLD GOODS 1,77,186,851 US Food Production & Processing Total 7,186,851 US House data Tutiles UNDER ARMOUR INC-CLASS A 298783 20,17 15,27 4,563,230 US House data Tutiles UNDER ARMOUR INC-CLASS A 298783 20,17 15,27 4,563,230 US House data Tutiles UNDER ARMOUR INC-CLASS A 298783 20,17 15,27 4,563,230 US House data Tutiles UNDER ARMOUR INC-CLASS A 298783 20,17 15,27 4,563,230 US House data Tutiles UNDER ARMOUR INC-CLASS C 210737 17,96 13,60 2,2865,878 US House data Tutiles UNDER ARMOUR INC-CLASS C 210737 17,96 13,60 2,2865,878 US House data Tutiles UNDER ARMOUR INC-CLASS C 210737 17,96 13,60 2,2865,878 US Presonal Goods Total 1,1,649,370 PERSONAL GOODS 10 US Personal Goods Total 1,1,835,303 US Personal Good Total 1,1,835,303 US Personal Good Total 1,1,835,303 US Personal Good S Total 1,1,835,303 US Personal Good S Total 1,1,835,303 US Personal Good S 1,24,867 US Healthcare Equipm TEMVARDS LIFESCIENCES CORP 19147 219,74 166,39 7,618,512 US Healthcare Equipm TEMVARD HURC 3,7929 265,27 200,66 7,618,513 US Healthcare Equipm TEMVARD HURCAL INC 4,2424 43,42 32,88 1,395,393 US Personal Good S 1,24,887 US Healthcare Equipm TEMVARD HURCAL INC 4,2424 43,42 32,88 1,395,393 US Healthcare Equipm TEMVARD CUTICAL INC 4,2424 43,42 32,88 1,395,393 US Healthcare Equipm TEMVARD CUTICAL INC 4,2444 43,42 32,88 1,395,393 US Healthcare ARE CUE						
SUPPORT SERVICES         CERIDIAN HCM HOLDING INC         3863         73.27         55.48         213,765           US Support Services         GENPACT LTD         63394         44.28         33.53         2,125,526           US Support Services         TRINET GROUP INC         35632         57.05         43.20         1,539,240           US Support Services         TRINET GROUP INC         35632         57.05         43.20         1,539,240           US Support Services         TRINET GROUP INC         35632         57.05         58.38         44.21         12,187,632           US Beverages         COCA-COLA CO/THE         275705         58.38         44.21         12,187,632           US Beverages Total         COCA-COLA CO/THE         275705         58.38         44.21         12,187,632           US Food Prod & Production & Processing Total         Total         7,185,851         7,185,851           HOUSEHOLD GOODS         UNDER ARMOUR INC-CLASS A         298783         20.17         15.27         4,663,230           US Hous Gds Txtiles         UNDER ARMOUR INC-CLASS C         210737         17.66         13.60         2,865,878           US Hous Gds Txtiles         UNDER ARMOUR INC-CLASS C         21077         15.27         2,663,873	JS Transportation	UBER TECHNOLOGIES INC				
US Support Services CERIDIAN HCM HOLDING INC 3863 73.27 65.48 213.765 US Support Services ICENDACT LTD 63394 44.28 33.53 2,125.526 US Support Services TRANSUMION 13005 91.74 09.47 203.369 US Support Services TRANSUMION 36652 57.05 43.20 1,559.240 US Support Services Trail 7757 558.38 44.21 12,187.632 US Beverages COCA-COLA COTTHE 275705 58.38 44.21 12,187.632 US Beverages Total 72.7775 58.38 44.21 12,187.632 US Beverages Total 72.7776 58.38 44.21 12,187.632 US Food Prod & Proce MONDELEZ INTERNATIONAL INC-A 185418 57.37 43.44 7,185.851 US Food Prod & Proce MONDELEZ INTERNATIONAL INC-A 185418 57.37 43.44 7,185.851 US Food Prod & Procesting Total 71.785,851 HOUSEHOLD GOODS US Hous Gds Txtiles UNDER ARMOUR INC-CLASS A 296783 20.17 15.27 4,563.230 US Hous Gds Txtiles UNDER ARMOUR INC-CLASS A 296783 20.17 15.27 4,563.230 US Hous Gds Txtiles UNDER ARMOUR INC-CLASS C 210737 17.96 13.60 2,865,878 US Poroant Goods Total 71.85,861 PERSONAL GOODS US Personal Care / HC PROCTOR & GAMBLE CO/THE 125545 124.50 94.27 11,855,303 US Personal Care / HC PROCTOR & GAMBLE CO/THE 125545 124.50 94.27 11,855,303 US Personal Care / HC PROCTOR & GAMBLE CO/THE 125545 124.50 94.27 11,855,303 US Personal Care / HC PROCTOR & GAMBLE CO/THE 125545 124.50 94.27 11,855,303 HEALTHCARE EQUIPMENT & SERVICES 2 US Healthcare Equipm HCA 10,DINGS ORP 70577 29.68 22.40 1,560,723 US Healthcare Equipm HCA 10,DINGS ORP 70577 29.68 22.40 1,560,723 US Healthcare Equipm HCA 10,DINGS ORP 70577 29.68 22.40 1,560,723 US Healthcare Equipm HCA 10,DINGS ORP 70577 29.68 22.40 1,560,734,635 PHARMACEUTICAL, BIOTECH 2 US Healthcare Equipm HCA 10,DINGS ORP 70577 29.68 22.40 1,560,734,635 PHARMACEUTICAL, BIOTECH 2 US Healthcare Equipm HCA 10,DINGS ORP 70577 29.68 22.40 1,560,734,635 PHARMACEUTICAL, BIOTECH 2 US Healthcare Equipm HCA 10,DINGS ORP 70577 29.68 22.40 1,563,496 US Healthcare Equipm HCA 10,DINGS ORP 70577 29.68 22.40 1,560,734,635 PHARMACEUTICAL, BIOTECH 2 US Healthcare A BEOTT LABORATORIES 7140 7140 24.68 20.13 29.96677 US Hea	JS Industrial Transpo	ort Total				7,940,445
US Support Services ENPACT LTD 63394 44 28 33.53 2,125,526 (39.47) 903,339 US Support Services TRANSUNION 13006 91.74 69.47 903,339 US Support Services TRANSUNION 13006 91.74 69.47 903,339 US Support Services Total 4,781,930 (47.91,930 (47.91,93	SUPPORT SERVICES	· · · · · · · · · · · · · · · · · · ·	· · · · ·			
US Suppot Services         CENPACT LTD         63394         44 28         33.53         2,125,526           US Suppot Services         TRINET GROUP INC         35632         57.05         43.20         1,539,240           US Suppot Services         TRINET GROUP INC         35632         57.05         43.20         1,539,240           US Suppot Services         Total         4.781,330         4.781,330           US Beverages         COCA-COLA CO/THE         275705         58.38         44.21         12,187,632           US Food Prod Production & Processing Total         7.185,851         7.185,851         7.185,851           US Food Prod Strilles         UNDER ARMOUR INC-CLASS A         298783         20.17         15.27         4,563,230           US Hous Gds Txtilles         UNDER ARMOUR INC-CLASS C         210737         17.96         13.60         2,665,878           US Hous Gds Txtilles         UNDER ARMOUR INC-CLASS C         210737         17.96         14,69,370           PERSONAL GOODS         94.27         11,835,303         11,493,700         11,493,700           VE Personal Care / HC/PROCTOR & GAMBLE CO/THE         125545         124.50         94.27         11,835,303           VE Beathcare Equipmet MARDS LIFESCIENCES CORP         18147         219.74 <td>JS Support Services</td> <td></td> <td>. 3853</td> <td>73.27</td> <td>55.48</td> <td>213,765</td>	JS Support Services		. 3853	73.27	55.48	213,765
US Support Services         TRINET GROUP INC         35632         57.05         43.20         1,539,240           US Support Services Total         4,781,930         4,781,930         4,781,930           BEVERAGES         12,187,632         12,187,632         12,187,632           US Beverages Total         12,187,632         12,187,632           FOOD PRODUCTION/PROCESS         12,187,632         12,187,632           US Food Prod & Processing Total         7,185,851         7,185,851           US Hous Gds Txilles         UNDER ARMOUR INC-CLASS A         298783         20,17         15,27         4,563,230           US Hous Gds Txilles         UNDER ARMOUR INC-CLASS C         210737         17,96         13,60         2,865,878           US Hous Gds Txilles         UNDER ARMOUR INC-CLASS C         210737         17,96         14,643,370           PERSONAL GOODS         11,849,370         11,849,370         11,849,370           VERSONAL GOODS         11,845,303         11,849,370         11,849,370           VERSONAL GOODS         11,849,370         11,845,303         11,849,370           US Healthcare Equipm ANTHEM INC         37929         265,27         200,86         7,618,512           US Healthcare Equipm CMARDS LIFESCIENCES CORP         18147		GENPACT LTD				2,125,526
US Support Services Total         4,781,930           BEVERAGES         275705         58.38         44.21         12,187,632           US Beverages Total         12,187,632         12,187,632         12,187,632           FOOD PRODUCTION/PROCESS         7,185,851         12,187,632         7,185,851           US Food Prod & Proceming Total         7,185,851         7,185,851         7,185,851           HOUSEHOLD GOODS         298783         20.17         15.27         4,563,230           US Hous Gds Txitiles         UNDER ARMOUR INC-CLASS A         298783         20.17         15.27         4,563,230           US Hous Gds Txitiles         UNDER ARMOUR INC-CLASS C         210737         17,96         13.60         2,865,873           US Hous Gds Txitiles         UNDER ARMOUR INC-CLASS C         210737         17,96         13.60         2,865,873           US Hous Gds Txitiles         UNDER ARMOUR INC-CLASS C         210737         17,96         11,649,370           PERSONAL GOODS         11,649,370         11,649,370         11,843,503         11,835,303           US Personal Care / Hd PROCTOR & GAMBLE CO/THE         125645         124.50         94.27         11,835,303           US Healthcare Equipment & SERVICES         124.50         94.27         11,835,			······································			
BEVERAGES         COCA-COLA CO/THE         275705         58.38         44.21         12,187,832           US Beverages         COCA-COLA CO/THE         275705         58.38         44.21         12,187,632           FOOD PRODUCTION/PROCESS         US         12,187,632         12,187,632           US Food Production & Processing Total         7,185,851         7,43,44         7,185,851           HOUSEHOLD GOODS         UNDER ARMOUR INC-CLASS A         298783         20.17         15.27         4,563,230           US Hous Gds Txtilles         UNDER ARMOUR INC-CLASS C         210737         17.96         13.60         2,865,378           US Hous Gds Txtilles         VF CORP         67175         62.97         62.82         4,220,262           US Household Goods Total         11,649,370         14.835,303         11,849,370           VERSONAL GOODS         US Personal Gare / Hc PROCTOR & GAMBLE CO/THE         125545         124.50         94.27         11,835,303           US Personal Goods Total         11,849,303         11,845,303         11,835,303         11,85,303           US Healthcare Equipm CDWARDS LIFESCIENCES CORP         18147         219.74         166.39         3,019,427           US Healthcare Equipm TEX MOLDINGS INC         24203         138.70 <t< td=""><td></td><td></td><td>35632</td><td>57.05</td><td>43.20</td><td></td></t<>			35632	57.05	43.20	
US Beverages         COCA-COLA CO/THE         275705         58.38         44.21         12,187,632           US Beverages Total	os support services					4,701,930
US Beverages         COCA-COLA CO/THE         275705         58.38         44.21         12,187,632           US Beverages Total			-			
US Beverages Total         12,187,632           FOOD PRODUCTION/PROCESS			275705	<u> </u>	41 24	12 187 632
FOOD PRODUCTION/PROCESS         FOOD PRODUCTION/PROCESS           US Food Prod & Proce (MONDELEZ INTERNATIONAL INC-A         165418         57.37         43.44         7,185,851           US Food Production & Processing Total         7,185,851         7,185,851         7,185,851           HOUSEHOLD GOODS         15.27         4,563,230         20.17         15.27         4,563,230           US Hous Gds Txtiles         UNDER ARMOUR INC-CLASS C         210737         17.96         13.60         2,866,878           US Hous Gds Txtiles         UNDER ARMOUR INC-CLASS C         210737         17.96         13.60         2,866,878           US Household Goods Total         11,649,370         11,649,370         11,849,370         11,835,303           PERSONAL GOODS         US Personal Care / Hc PROCTOR & GAMBLE CO/THE         125545         124.50         94.27         11,835,303           US Personal Goods Total         11,649,370         11,835,303         11,835,303         11,835,303           HEALTHCARE Equipment ANTHEM INC         37929         265.27         200.86         7,618,612           US Healthcare Equipm TENWARDS LIFESCIENCES CORP         18147         219.74         166.39         3,019,427           US Healthcare Equipm TENWISTA HOLDINGS CORP         70577         29.58         2.40<			210100		********	
US Food Prod & Proce MONDELEZ INTERNATIONAL INC-A 165418 57.37 43.44 7,185,851 US Food Production & Processing Total 7,185,851 US Hous Gds Txilies UNDER ARMOUR INC-CLASS A 298783 20.17 15.27 4,563,230 US Hous Gds Txilies UNDER ARMOUR INC-CLASS A 298783 20.17 15.27 4,563,230 US Hous Gds Txilies UNDER ARMOUR INC-CLASS C 210737 17.96 13.60 2,665,878 US Hous Gds Txilies VF CORP 67175 82.97 62.82 4,220,262 US Household Goods Total 11,649,370 PERSONAL GOODS 101 11,835,303 US Personal Care / Hc PROCTOR & GAMBLE CO/THE 125545 124.50 94.27 11,835,303 US Personal Goods Total 21,000 11,835,303 US Personal Goods Total 11,835,303 US Healthcare Equipm CDWARDS LIFESCIENCES CORP 18147 219.74 166,39 3,019,427 US Healthcare Equipm ENVISTA HOLDINGS CORP 70577 29.58 22.40 1,580,782 US Healthcare Equipm HCA HOCKWAVE MEDICAL INC 42424 33.20 105.02 2,541,887 US Healthcare Equipm HOCKWAVE MEDICAL INC 42424 33.20 312.90 236.93 5,534,635 US Healthcare Equipm THERMO FISHER SCIENTIFIC 23360 312.90 236.93 5,534,635 US Healthcare ABBOTT LABORATORIES 97840 87.11 65.96 6,453,496 US Healthcare AERE PHARMACEUTICALS INC 11723 20.47 15.50 181,705 US Healthcare AERE PHARMACEUTICALS INC 11236 41.11 31.13 349,760 US Pharm, Biotech ASSEMBLY BIOSCIENCES INC 7199 17.55 13.29 96,667 US Pharm, Biotech ASSEMBLY BIOSCIENCES INC 7199 17.55 13.29 96,667 US Pharm, Biotech ASSEMBLY BIOSCIENCES INC 7199 17.55 13.29 96,667 US Pharm, Biotech ASSEMBLY BIOSCIENCES INC 7199 17.55 13.29 96,667 US Pharm, Biotech ASSEMBLY BIOSCIENCES INC 7199 17.55 13.29 95,667 US Pharm, Biotech ASSEMBLY BIOSC			1			
US Food Production & Processing Total         7,185,851           HOUSEHOLD GOODS         7           US Hous Gds Txtiles         UNDER ARMOUR INC-CLASS A         298783         20.17         15.27         4,563,230           US Hous Gds Txtiles         UNDER ARMOUR INC-CLASS C         210737         17.96         13.60         2,865,878           US Hous Gds Txtiles         VINDER ARMOUR INC-CLASS C         210737         17.96         13.60         2,865,878           US Hous Gds Txtiles         VF CORP         67175         82.97         62.62         4,220,262           US Household Goods Total         11,649,370         11,835,303         11,835,303         11,835,303           PERSONAL GOODS         111,835,303         11,835,303         11,835,303         11,835,303           VS Personal Goods Total         11,835,303         11,835,303         11,835,303           HEALTHCARE EQUIPMENT & SERVICES         11,835,303         11,835,303           US Healthcare Equipm ENVISTA HOLDINGS CORP         70577         29.56         22.40         1,580,782           US Healthcare Equipm HOX MOLDINGS INC         24203         138.70         105.02         2,541,887           US Healthcare Equipm HDK MOKISH NCLAI INC         42442         34.23         3,534,635         131,					· · ·	
HOUSEHOLD GOODS         HOUSER ARMOUR INC-CLASS A         298783         20.17         15.27         4,563,230           US Hous Gds Txtiles         UNDER ARMOUR INC-CLASS C         210737         17.96         13.60         2,865,878           US Hous Gds Txtiles         VF CORP         67175         82.97         62.82         4,220,262           US Household Goods Total         11,649,370         11,849,370         11,849,370           PERSONAL GOODS         11,835,303         11,835,303         11,835,303           US Personal Care / Hc PROCTOR & GAMBLE CO/THE         125545         124.50         94.27         11,835,303           US Healthcare Equipm Goods Total         11,835,303         11,835,303         11,835,303         11,835,303           US Healthcare Equipm EDWARDS LIFESCIENCES CORP         18147         219.74         166.39         3,019,427           US Healthcare Equipm EDWARDS INC         24203         138.70         105.02         2,541,887           US Healthcare Equipm HCA HOLDINGS INC         24203         138.70         105.02         2,541,887           US Healthcare Equipm HERMO FISHER SCIENTIFIC         23360         312.90         236.93         5,534,635           US Healthcare Equipm HERMO FISHER SCIENTIFIC         23360         312.90         236.93 <td></td> <td></td> <td>165418</td> <td>57.37</td> <td>43.44</td> <td></td>			165418	57.37	43.44	
US Hous Gds Txtiles         UNDER ARMOUR INC-CLASS A         298783         20.17         15.27         4,563,230           US Hous Gds Txtiles         UNDER ARMOUR INC-CLASS C         210737         17.96         13.60         2,865,878           US Hous Gds Txtiles         VF CORP         67175         82.97         62.82         4,220,262           US Household Goods Total         11,649,370         11,649,370         11,835,303           PERSONAL GOODS         11,835,303         11,835,303         11,835,303           US Personal Care / Hc PROCTOR & GAMBLE CO/THE         125545         124.50         94.27         11,835,303           US Healthcare Equipm ANTHEM INC         37929         265.27         200.86         7,618,512           US Healthcare Equipm EDWARDS LIFESCIENCES CORP         18147         219.74         166.39         3,019,427           US Healthcare Equipm EXA HOLDINGS CORP         70577         29.58         22.40         1,580,782           US Healthcare Equipm TEXM OFISHER SCIENTIFIC         23360         312.90         236.93         5,534,635           US Healthcare Equipm THERMO FISHER SCIENTIFIC         23360         312.90         236.93         5,534,635           US Healthcare Equipm THERMO FISHER SCIENTIFIC         14400         26.58         20.13 <td>JS Food Production</td> <td></td> <td></td> <td></td> <td></td> <td>7,185,851</td>	JS Food Production					7,185,851
US Hous Gds Txtiles UNDER ARMOUR INC-CLASS C 210737 17.96 13.60 2,865,878 US Hous Gds Txtiles VF CORP 67175 82.97 62.82 4,220,262 US Household Goods Total 11,649,370 PERSONAL GOODS 11,649,370 PERSONAL GOODS 11,1649,370 US Personal Care / Hc PROCTOR & GAMBLE CO/THE 125545 124.50 94.27 11,835,303 US Personal Goods Total 11,835,303 US Personal Goods Total 11,835,303 US Personal Goods Total 11,835,303 US Healthcare Equipm MATHEM INC 37929 265.27 200,86 7,618,512 US Healthcare Equipm ENVISTA HOLDINGS CORP 70577 29.58 22.40 1,580,782 US Healthcare Equipm ENVISTA HOLDINGS CORP 70577 29.58 22.40 1,580,782 US Healthcare Equipm ENVISTA HOLDINGS CORP 70577 29.58 22.40 1,580,782 US Healthcare Equipm ENVISTA HOLDINGS CORP 70577 29.58 22.40 1,580,782 US Healthcare Equipm ENVISTA HOLDINGS CORP 70577 29.58 22.40 1,580,782 US Healthcare Equipm ENVISTA HOLDINGS CORP 70577 29.58 22.40 1,580,782 US Healthcare Equipm ENVISTA HOLDINGS CORP 70577 29.58 22.40 1,580,782 US Healthcare Equipm ENVISTA HOLDINGS INC 24203 138.70 105.02 2,541,887 US Healthcare Equipm HCA HOLDINGS INC 24203 132.90 236.93 5,534,635 US Healthcare Equipm HCA BIOTECH 219.04 114400 26.58 20.13 289,820 US Healthcare Equipm MEA ServicesTotal 21,690,635 US Healthcare ABBOTT LABORATORIES 97840 87.11 65.96 6,453,496 US Healthcare AERIE PHARMACEUTICALS INC 11723 20.47 15.50 181,705 US Healthcare ALINYLAM PHARMACEUTICALS INC 11723 20.47 15.50 181,705 US Healthcare APELLIS PHARMACEUTICALS INC 11723 64.1.11 31.13 249,760 US Healthcare APELLIS PHARMACEUTICALS INC 11236 41.11 31.13 249,760 US Pharm, Biotech ASSEMBLY BIOSCIENCES INC 7199 17.55 13.29 95,667 US Pharm, Biotech ASTRAZENECA PLC-SPONS ADR 179432 448.69 36.87 6,615,311 US Healthcare BAXTER INTERNATIONAL INC 54471 89.19 67.53 3,678,681 US Healthcare BAXTER INTERNATIONAL INC 54471 89.19 67.53 3,678,681 US Healthcare BIOGEN INC 6185 268.84 203.57 1,259,054 US Healthcare BIOCEN INC 6186 268.84 203.57 1,259,054 US Healthcare BIOCEN INC AND THERAPEUTICS 1 18800 38.18 27.40 617,775						
US Hous Gds Txtiles         VF CORP         67175         82.97         62.82         4,220,262           US Household Goods         Total         11,649,370         11,649,370           PERSONAL GOODS         11,835,303         11,835,303         11,835,303           US Personal Goods Total         11,835,303         11,835,303           HEALTHCARE EQUIPMENT & SERVICES         11,835,303           US Healthcare Equipm         ANTHEM INC         37929         265.27         200.86         7,618,512           US Healthcare Equipm         EDWARDS LIFESCIENCES CORP         18147         219.74         166.39         3,019,427           US Healthcare Equipm         ENVISTA HOLDINGS CORP         70577         29.58         22.40         1,580,782           US Healthcare Equipm         FACA HOLDINGS INC         24203         138.70         105.02         2,541,887           US Healthcare Equipm         THERMO FISHER SCIENTIFIC         23360         312.90         236.93         5,534,635           US Healthcare Equipment & Services Total         21,690,635         21,890,635         21,890,635           PHARMACEUTICAL, BIOTECH         14400         26.58         20.13         289,820           US Healthcare         ABBOTT LABORATORIES         97840 <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td></td<>						
JS Household Goods Total         11,649,370           PERSONAL GOODS         11,835,303           JS Personal Care / HC PROCTOR & GAMBLE CO/THE         125545         124.50         94.27         11,835,303           JS Personal Goods Total         11,835,303         11,835,303         11,835,303           HEALTHCARE EQUIPMENT & SERVICES         11,835,303         11,835,303           JS Healthcare Equipm ANTHEM INC         37929         265.27         200.66         7,618,512           JS Healthcare Equipm EDWARDS LIFESCIENCES CORP         18147         219.74         166.39         3,019,427           JS Healthcare Equipm ENVISTA HOLDINGS CORP         70577         29.58         22.40         1,580,782           JS Healthcare Equipm SHOCKWAVE MEDICAL INC         42422         43.42         288         1,395,392           JS Healthcare Equipm HCA HOLDINGS INC         21,690,635         21,690,635         12,690,635           JS Healthcare Equipm HCA SErvicesTotal         21,690,635         21,690,635         21,690,635           JS Healthcare ABBOTI LABORATORIES         97840         87.11         66.96         6,453,496           US Healthcare         AERIE PHARMACEUTICALS INC         11723         20.47         15.50         181,705           US Healthcare         AERIE PHAR					λ	
PERSONAL GOODS         PERSONAL GOODS           JS Personal Care / Hc PROCTOR & GAMBLE CO/THE         125645         124.50         94.27         11,835,303           JS Personal Goods Total         11,835,303         11,835,303         11,835,303           JS Personal Goods Total         11,835,303         11,835,303           HEALTHCARE EQUIPMENT & SERVICES         11,835,303           JS Heaithcare Equipm ANTHEM INC         37929         265.27         200.86         7,618,512           JS Heaithcare Equipm ENVISTA HOLDINGS CORP         70577         29.58         22.40         1,580,782           JS Heaithcare Equipm HCA HOLDINGS INC         24203         138.70         105.02         2,541,887           JS Heaithcare Equipm SHOCKWAVE MEDICAL INC         42442         43.42         32.88         1,395,392           JS Heaithcare Equipm THERMO FISHER SCIENTIFIC         23360         312.90         236.93         5,534,635           JS Heaithcare Equipment & ServicesTotal         21,690,635         21,690,635         21,690,635           PHARMACEUTICAL, BIOTECH         11400         26.58         20.13         289,820           JS Heaithcare         ABBOTT LABORATORIES         97840         87.11         65.96         6,453,496           JS Heaithcare         AERIE P			6/1/5	82.97	62.82	
JS Personal Care / Hc         PROCTOR & GAMBLE CO/THE         125545         124.50         94.27         11,835,303           JS Personal Goods Total         11,835,303         11,835,303         11,835,303           JS Personal Goods Total         11,835,303         11,835,303           IEALTHCARE EQUIPMENT & SERVICES         11,835,303           JS Healthcare Equipm         ANTHEM INC         37929         265.27         200.86         7,618,512           JS Healthcare Equipm         EDWARDS LIFESCIENCES CORP         18147         219.74         166.39         3,019,427           JS Healthcare Equipm         ENVISTA HOLDINGS CORP         70577         29.58         22.40         1,580,782           JS Healthcare Equipm         SHOCKWAVE MEDICAL INC         42442         43.42         32.88         1,395,392           JS Healthcare Equipm         SHOCKWAVE MEDICAL INC         42442         43.42         32.69         5,534,635           JS Healthcare Equipm         THERMO FISHER SCIENTIFIC         23360         312.90         236.93         5,534,635           JS Healthcare         ABBOTT LABORATORIES         97840         87.11         65.96         6,453,496           JS Healthcare         AERIE PHARMACEUTICALS INC         11723         20.47         15.50						
JS Personal Goods Total         11,835,303           HEALTHCARE EQUIPMENT & SERVICES         1           US Healthcare Equipm         ANTHEM INC         37929         265.27         200.86         7,618,512           US Healthcare Equipm         EDWARDS LIFESCIENCES CORP         18147         219.74         166.39         3,019,427           US Healthcare Equipm         EDWARDS LIFESCIENCES CORP         18147         219.74         166.39         3,019,427           US Healthcare Equipm         ENVISTA HOLDINGS CORP         70577         29.58         22.40         1,580,782           US Healthcare Equipm         HCA HOLDINGS INC         24203         138.70         105.02         2,541,887           US Healthcare Equipm         THERMO FISHER SCIENTIFIC         23360         312.90         236.93         5,534,635           US Healthcare Equipment & ServicesTotal         21,690,635         20.13         289,820         21,690,635           US Healthcare         ABBOTT LABORATORIES         97840         87.11         65.96         6,453,496           US Healthcare         ABBOTT LABORATORIES         97840         87.11         65.96         6,453,496           US Healthcare         ALNYLAM PHARMACEUTICALS INC         11723         20.47         15.50		PROCTOR & GAMBLE CO/THE	125545	124 50	94 27	11 835 303
US Healthcare Equipm         ANTHEM INC         37929         265.27         200.86         7,618,512           US Healthcare Equipm         EDWARDS LIFESCIENCES CORP         18147         219.74         166.39         3,019,427           US Healthcare Equipm         EDWISTA HOLDINGS CORP         70577         29.58         22.40         1,580,782           US Healthcare Equipm         HCA HOLDINGS INC         24203         138.70         105.02         2,541,887           US Healthcare Equipm         SHOCKWAVE MEDICAL INC         42442         43.42         32.88         1,395,392           US Healthcare Equipm         THERMO FISHER SCIENTIFIC         23360         312.90         236.93         5,534,635           US Healthcare Equipment & ServicesTotal         21,690,635         21,690,635         21,690,635           US Pharm, Biotech         89BIO INC         14400         26.58         20.13         289,820           US Healthcare         ABBOTT LABORATORIES         97840         87.11         65.96         6,453,496           US Healthcare         AERIE PHARMACEUTICALS INC         11723         20.47         15.50         181,705           US Healthcare         AERIE PHARMACEUTICALS INC         11236         41.11         31.13         349,760			120010		0 (,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
US Healthcare Equipm         ANTHEM INC         37929         265.27         200.86         7,618,512           US Healthcare Equipm         EDWARDS LIFESCIENCES CORP         18147         219.74         166.39         3,019,427           US Healthcare Equipm         EDWISTA HOLDINGS CORP         70577         29.58         22.40         1,580,782           US Healthcare Equipm         HCA HOLDINGS INC         24203         138.70         105.02         2,541,887           US Healthcare Equipm         SHOCKWAVE MEDICAL INC         42442         43.42         32.88         1,395,392           US Healthcare Equipm         THERMO FISHER SCIENTIFIC         23360         312.90         236.93         5,534,635           US Healthcare Equipment & ServicesTotal         21,690,635         21,690,635         21,690,635           US Pharm, Biotech         89BIO INC         14400         26.58         20.13         289,820           US Healthcare         ABBOTT LABORATORIES         97840         87.11         65.96         6,453,496           US Healthcare         AERIE PHARMACEUTICALS INC         11723         20.47         15.50         181,705           US Healthcare         AERIE PHARMACEUTICALS INC         11236         41.11         31.13         349,760						
US Healthcare Equipm         EDWARDS LIFESCIENCES CORP         18147         219.74         166.39         3,019,427           US Healthcare Equipm         ENVISTA HOLDINGS CORP         70577         29.58         22.40         1,580,782           US Healthcare Equipm         HCA HOLDINGS INC         24203         138.70         105.02         2,541,887           US Healthcare Equipm         SHOCKWAVE MEDICAL INC         42442         43.42         32.88         1,395,392           US Healthcare Equipm         THERMO FISHER SCIENTIFIC         23360         312.90         236.93         5,534,635           US Healthcare Equipm         THERMO FISHER SCIENTIFIC         23360         312.90         236.93         5,534,635           US Healthcare Equipm         THERMO FISHER SCIENTIFIC         23360         312.90         236.93         5,534,635           US Healthcare Equipm         THERMO FISHER SCIENTIFIC         23360         312.90         236.93         5,534,635           US Healthcare Equipment & ServicesTotal			37020	265.27	200.86	7 618 512
US Healthcare Equipm         ENVISTA HOLDINGS CORP         70577         29.58         22.40         1,580,782           US Healthcare Equipm         HCA HOLDINGS INC         24203         138.70         105.02         2,541,887           US Healthcare Equipm         SHOCKWAVE MEDICAL INC         42442         43.42         32.88         1,395,392           US Healthcare Equipm         THERMO FISHER SCIENTIFIC         23360         312.90         236.93         5,534,635           US Healthcare Equipment & ServicesTotal          21,690,635         21,690,635           PHARMACEUTICAL, BIOTECH          21,690,635         20.13         289,820           US Healthcare         ABBOTT LABORATORIES         97840         87.11         65.96         6,453,496           US Healthcare         AERIE PHARMACEUTICALS INC         11723         20.47         15.50         181,705           US Healthcare         ALNYLAM PHARMACEUTICALS INC         11236         41.11         31.13         349,760           US Pharm, Biotech         ASSEMBLY BIOSCIENCES INC         7199         17.55         13.29         95,667           US Pharm, Biotech         ATRECA INC-A         9538         18.38         13.92         132,744           US Pharm, Biotech						
US Healthcare Equipm         SHOCKWAVE MEDICAL INC         42442         43.42         32.88         1,395,392           US Healthcare Equipm         THERMO FISHER SCIENTIFIC         23360         312.90         236.93         5,534,635           US Healthcare Equipment & ServicesTotal         21,690,635         21,690,635           PHARMACEUTICAL, BIOTECH         20         200         200         289,820           US Pharm, Biotech         89BIO INC         14400         26.58         20.13         289,820           US Healthcare         ABBOTT LABORATORIES         97840         87.11         65.96         6,453,496           US Healthcare         AERIE PHARMACEUTICALS INC         11723         20.47         15.50         181,705           US Healthcare         ALNYLAM PHARMACEUTICALS INC         2766         114.79         86.92         240,418           US Healthcare         APELLIS PHARMACEUTICALS INC         11236         41.11         31.13         349,760           US Pharm, Biotech         ASSEMBLY BIOSCIENCES INC         7199         17.55         13.29         95,667           US Pharm, Biotech         ASTRAZENECA PLC-SPONS ADR         179432         48.69         36.87         6,615,311           US Healthcare         BAXTER INTERNATIONA						
US Healthcare Equipm         THERMO FISHER SCIENTIFIC         23360         312.90         236.93         5,534,635           US Healthcare Equipment & ServicesTotal         21,690,635           PHARMACEUTICAL, BIOTECH         200         2						
US Healthcare Equipment & ServicesTotal         21,690,635           PHARMACEUTICAL, BIOTECH         Image: Constraint of the system of the syste						
PHARMACEUTICAL, BIOTECH         Image: mail of the system         Imag			23360	312.90	236.93	
US Pharm, Biotech         89BIO INC         14400         26.58         20.13         289,820           US Healthcare         ABBOTT LABORATORIES         97840         87.11         65.96         6,453,496           US Healthcare         AERIE PHARMACEUTICALS INC         11723         20.47         15.50         181,705           US Healthcare         ALNYLAM PHARMACEUTICALS INC         2766         114.79         86.92         240,418           US Healthcare         APELLIS PHARMACEUTICALS INC         11236         41.11         31.13         349,760           US Pharm, Biotech         ASSEMBLY BIOSCIENCES INC         7199         17.55         13.29         95,667           US Pharm, Biotech         ASTRAZENECA PLC-SPONS ADR         179432         48.69         36.87         6,615,311           US Healthcare         BAXTER INTERNATIONAL INC         54471         89.19         67.53         3,678,681           US Healthcare         BIOGEN INC         6185         268.84         203.57         1,259,054           US Healthcare         BIOHAVEN PHARMACEUTICAL HOLD         13673         48.45         36.69         501,612           US Healthcare         BIOAK DIAMOND THERAPEUTICS I         18900         36.18         27.40         517,775 </td <td>uo neatticare Equipi</td> <td></td> <td></td> <td></td> <td></td> <td>41,090,035</td>	uo neatticare Equipi					41,090,035
US Healthcare         ABBOTT LABORATORIES         97840         87.11         65.96         6,453,496           US Healthcare         AERIE PHARMACEUTICALS INC         11723         20.47         15.50         181,705           US Healthcare         ALNYLAM PHARMACEUTICALS INC         2766         114.79         86.92         240,418           US Healthcare         APELLIS PHARMACEUTICALS INC         11236         41.11         31.13         349,760           US Pharm, Biotech         ASSEMBLY BIOSCIENCES INC         7199         17.55         13.29         95,667           US Pharm, Biotech         ATRECA INC-A         9538         18.38         13.92         132,744           US Pharm, Biotech         ASTRAZENECA PLC-SPONS ADR         179432         48.69         36.87         6,615,311           US Healthcare         BAXTER INTERNATIONAL INC         54471         89.19         67.53         3,678,681           US Healthcare         BIOGEN INC         6185         268.84         203.57         1,259,054           US Healthcare         BIOHAVEN PHARMACEUTICAL HOLD         13673         48.45         36.69         501,612           US Healthcare         BLACK DIAMOND THERAPEUTICS I         18900         36.18         27.40         517,775				· ·		
US Healthcare         AERIE PHARMACEUTICALS INC         11723         20.47         15.50         181,705           US Healthcare         ALNYLAM PHARMACEUTICALS INC         2766         114.79         86.92         240,418           US Healthcare         APELLIS PHARMACEUTICALS INC         11236         41.11         31.13         349,760           US Pharm, Biotech         ASSEMBLY BIOSCIENCES INC         7199         17.55         13.29         95,667           US Pharm, Biotech         ATRECA INC-A         9538         18.38         13.92         132,744           US Pharm, Biotech         ASTRAZENECA PLC-SPONS ADR         179432         48.69         36.87         6,615,311           US Healthcare         BAXTER INTERNATIONAL INC         54471         89.19         67.53         3,678,681           US Healthcare         BIOGEN INC         6185         268.84         203.57         1,259,054           US Healthcare         BIOHAVEN PHARMACEUTICAL HOLD         13673         48.45         36.69         501,612           US Healthcare         BLACK DIAMOND THERAPEUTICS I         18900         36.18         27.40         517,775						
US Healthcare         ALNYLAM PHARMACEUTICALS INC         2766         114.79         86.92         240,418           US Healthcare         APELLIS PHARMACEUTICALS INC         11236         41.11         31.13         349,760           US Pharm, Biotech         ASSEMBLY BIOSCIENCES INC         7199         17.55         13.29         95,667           US Pharm, Biotech         ATRECA INC-A         9538         18.38         13.92         132,744           US Pharm, Biotech         ASTRAZENECA PLC-SPONS ADR         179432         48.69         36.87         6,615,311           US Healthcare         BAXTER INTERNATIONAL INC         54471         89.19         67.53         3,678,681           US Healthcare         BIOGEN INC         6185         268.84         203.57         1,259,054           US Healthcare         BIOHAVEN PHARMACEUTICAL HOLD         13673         48.45         36.69         501,612           US Healthcare         BLACK DIAMOND THERAPEUTICS I         18900         36.18         27.40         517,775						
US Healthcare         APELLIS PHARMACEUTICALS INC         11236         41.11         31.13         349,760           US Pharm, Biotech         ASSEMBLY BIOSCIENCES INC         7199         17.55         13.29         95,667           US Pharm, Biotech         ATRECA INC-A         9538         18.38         13.92         132,744           US Pharm, Biotech         ASTRAZENECA PLC-SPONS ADR         179432         48.69         36.87         6,615,311           US Healthcare         BAXTER INTERNATIONAL INC         54471         89.19         67.53         3,678,681           US Healthcare         BIOGEN INC         6185         268.84         203.57         1,259,054           US Healthcare         BIOHAVEN PHARMACEUTICAL HOLD         13673         48.45         36.69         501,612           US Healthcare         BLACK DIAMOND THERAPEUTICS I         18900         36.18         27.40         517,775						
US Pharm, Biotech         ASSEMBLY BIOSCIENCES INC         7199         17.55         13.29         95,667           US Pharm, Biotech         ATRECA INC-A         9538         18.38         13.92         132,744           US Pharm, Biotech         ASTRAZENECA PLC-SPONS ADR         179432         48.69         36.87         6,615,311           US Healthcare         BAXTER INTERNATIONAL INC         54471         89.19         67.53         3,678,681           US Healthcare         BIOGEN INC         6185         268.84         203.57         1,259,054           US Healthcare         BIOHAVEN PHARMACEUTICAL HOLD         13673         48.45         36.69         501,612           US Healthcare         BLACK DIAMOND THERAPEUTICS I         18900         36.18         27.40         517,775						
US Pharm, Biotech         ATRECA INC-A         9538         18.38         13.92         132,744           US Pharm, Biotech         ASTRAZENECA PLC-SPONS ADR         179432         48.69         36.87         6,615,311           US Healthcare         BAXTER INTERNATIONAL INC         54471         89.19         67.53         3,678,681           US Healthcare         BIOGEN INC         6185         268.84         203.57         1,259,054           US Healthcare         BIOHAVEN PHARMACEUTICAL HOLD         13673         48.45         36.69         501,612           US Healthcare         BLACK DIAMOND THERAPEUTICS I         18900         36.18         27.40         517,775						
US Healthcare         BAXTER INTERNATIONAL INC         54471         89.19         67.53         3,678,681           US Healthcare         BIOGEN INC         6185         268.84         203.57         1,259,054           US Healthcare         BIOHAVEN PHARMACEUTICAL HOLD         13673         48.45         36.69         501,612           US Healthcare         BLACK DIAMOND THERAPEUTICS I         18900         36.18         27.40         517,775	US Pharm, Biotech	ATRECA INC-A		18.38	13.92	132,744
US Healthcare         BIOGEN INC         6185         268.84         203.57         1,259,054           US Healthcare         BIOHAVEN PHARMACEUTICAL HOLD         13673         48.45         36.69         501,612           US Healthcare         BLACK DIAMOND THERAPEUTICS I         18900         36.18         27.40         517,775						
US Healthcare         BIOHAVEN PHARMACEUTICAL HOLD         13673         48.45         36.69         501,612           US Healthcare         BLACK DIAMOND THERAPEUTICS I         18900         36.18         27.40         517,775						
US Healthcare BLACK DIAMOND THERAPEUTICS I 18900 36.18 27.40 517,775						
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US Healthcare BRISTOL-MYERS SQUIBB CO 102329 62.93 47.65 4,876,038						
US Healthcare COHERUS BIOSCIENCES INC 59283 18.04 13.66 809,799						

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10 Hoeltheres		0700	20.00	24.97	217,260
	CONSTELLATION PHARMACEUTICAL ELI LILLY & CO	8700 41110	32.98 139.58	24,97	4,344,915
- MAAL/MAAL//	FORTY SEVEN INC	27866	36.88	27.93	778,173
	GLOBAL BLOOD THERAPEUTICS IN	8786	65.21	49.38	433,826
	GLYCOMIMETICS INC	18311	4.28	3.24	59,343
	G1 THERAPEUTICS INC	16294 10636	19.36 20.86	14.66 15.80	238,860 167,998
	HERON THERAPEUTICS INC	37600	4.72	3.57	134,382
	INCYTE CORP	6262	73.07	55.33	346,468
	IRONWOOD PHARMACEUTICALS INC	31994	12.08	9.15	292,648
	KODIAK SCIENCES INC	5300	60.93	46.14	244,522
-	MADRIGAL PHARMACEUTICALS INC	3519	82.99	62.84	221,134
	MIRATI THERAPEUTICS INC	3263	86.80	65.72	214,461
Au/./	MOMENTA PHARMACEUTICALS INC	16300	28.99	21.95	357,805
	MYOKARDIA INC	11431	67.96	51.46	588,231
	MYOVANT SCIENCES LTD	23146	12.70	9.62	222,582
	NEKTAR THERAPEUTICS	27826	19.89	15.06	419,079 280,903
	ODONATE THERAPEUTICS INC	12709 303366	29.19	22.10 28.19	8,552,056
	PHASEBIO PHARMACEUTICALS INC	38700	4.97	3.76	145,639
JS Pharm, Biotech	PORTOLA PHARMACEUTICALS INC	63181	12.79	9.68	611,882
diameter of the	RADIUS HEALTH INC	20644	17.56	13.30	274,492
· · · · · · · · · · · · · · · · · · ·	REATA PHARMACEUTICALS INC-A REVANCE THERAPEUTICS INC	1782 41254	218.79 22.38	165.67 16.95	295,220
	RIGEL PHARMACEUTICALS INC	37337	22.36	1.71	63,894
	SATSUMA PHARMACEUTICALS INC	5500	24.71	18.71	102,907
	SEATTLE GENETICS INC	7212	108.39	82.07	591,910
	SYNDAX PHARMACEUTICALS	24029	9.38 35.27	7.10	170,667 401,531
······································	TRICIDA INC TURNING POINT THERAPEUTICS I	5100	58.39	44.21	225,486
	VERTEX PHARMACEUTICALS INC	5738	227.04	171.91	986,446
US Healthcare	WAVE LIFE SCIENCES LTD	11951	7.10	5.38	64,250
	UNITEDHEALTH GROUP INC	25633	272.35	206.22	5,286,125
US Pharmaceutical, B					54,338,478
FOOD RETAIL					
	HOUGHTON MIFFLIN HARCOURT CO	102894	5.52	4.18 64.00	430,071 3,640,941
US Retail Food & Drug	HYATT HOTELS CORP-CL A	56891 99732	<u>84.52</u> 213.89	161.96	16,152,346
	PERFORMANCE FOOD GROUP CORP	61000	51.79	39.22	2,392,139
US Food Retail Total					22,615,497
RETAILERS - GENER	AL				
US Retailers Gen	AMAZON.COM INC	15090	2,007.70	1,520.23	22,940,277
	LOWE'S COS INC	4228	116.17	87.96	371,911
	TJX COMPANIES INC	61	59.03	44.70	2,727 23,314,915
US Retailers - Genera					20,014,010
MEDIA			1/16/1/16 6//*/		
US Media & Photo	CHARTER COMMUNICATIONS INC-A	27946	517.05	391.51	10,941,146 4,510,896
US Media & Photo US Media & Photo	ELECTRONIC ARTS INC FACEBOOK INC	55268 54762	107.79 201.89	81.62 152.87	4,510,896
	LIBERTY MEDIA CORP-MEDIA C	68394	46.79	35.43	2,423,158
US Media & Photo	MATCH GROUP INC	34180	78.21	59.22	2,024,161
US Media & Photo		24719	345.04	261.26	6,458,192
US Media & Photo US Media & Photo	NEW YORK TIMES CO-A WALT DISNEY COMPANY	35425 71496	32.01 138.27	24.24	858,630 7,485,491
US Media Total	THE POLL OUN ANT	00711			43,073,201
114 maana marga ay ay ah					
ELECTRICITY					
US Electricity	AVANGRID INC	25800	53.26	40.33	1,040,475
US Electricity	DUKE ENERGY CORP	34548	97.62	73.92	2,553,714

US Electricity	EDISON INTERNATIONAL	22194	76.52	57.94	1,285,941
US Electricity	EXELON CORP	169260		36.03	6,098,028
US Electricity	NATIONAL GRID PLC-SP ADR	31230		50.16	1,566,401
US Electricity	NRG ENERGY INC	108141	36.89	27.93	3,020,714
US Electricity	PPL CORP	92533	36.18	27.40	2,534,987
US Electricity Total					18,100,260
GAS & WATER					
Gas	SEMPRA ENERGY	45251		121.61	5,502,808
Gas US Gas & Water Tot	UGI CORP al	36367	41.56	31.47	1,144,442 6,647,249
BANKS, RETAIL	· · · · · · · · · · · · · · · · · · ·				
US Banks Retail	BANK OF AMERICA CORP	528918	32.81	24.84	13,140,297
US Banks Retail	JPMORGAN CHASE & CO	32105		100.19	3,216,444
US Banks Retail	SVB FINANCIAL GROUP	3138		181.98	571,047
US Banks - Retail To	ital				16,927,787
NON-LIFE INSURAN	CE				
US Insurance	AMERICAN INTERNATIONAL GROUP	104940	50.24	38.04	3,992,099
US Insurance	ASSURANT INC	25531		98.84	2,523,609
US Insurance	ASSURED GUARANTY LTD	87375		34.70	3,032,129
US Insurance	ATHENE HOLDING LTD-CLASS A	68759	43.56	32.98	2,267,922
US Insurance	HARTFORD FINANCIAL SVCS GRP	62980		44.88	2,826,495
US Insurance	MARSH & MCLENNAN COS INC COM	39703		84.69	3,362,559
US Insurance	PROGRESSIVE CORP	31255		61.08	1,909,159
US Insurance US Insurance	PRUDENTIAL FINANCIAL INC TRUPANION INC	12967		68.94	893,886
US Non-Life Insuran		34637	31.95	24.19	837,957 <b>21,645,815</b>
REAL ESTATE			1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.		
US Real Estate	AMERICAN TOWER CORP	36638	231.70	175.44	6,427,889
US Real Estate	ALEXANDRIA REAL ESTATE EQUIT	28280		123.52	3,493,203
US Real Estate	CAMDEN PROPERTY TRUST	3011		85.12	256,310
US Real Estate	EQUINIX INC	11787		446.54	5,263,409
US Real Estate	HEALTHPEAK PROPERTIES INC	2222	35.98	27.24	60,536
US Real Estate	STORE CAPITAL CORP	60790		29.72	1,806,685
US Real Estate US Real Estate Total	VORNADO REALTY TRUST	25730	65.77	49.80	1,281,381 18,589,413
				Public de de constante de la const	
GENERAL FINANCIA		00044	100.00		
US Special Finance US Special Finance	AMERICAN EXPRESS CO	39041		98.30	3,837,719
US Special Finance	ARES MANAGEMENT CORP - A EQUITABLE HOLDINGS INC	81411		27.30 18.18	2,222,897
US Special Finance	THE BLACKSTONE GROUP INC-A	149200		46.24	2,712,512 4,660,659
US Special Finance	EQUIFAX INC	9250		113.48	1,049,704
US Special Finance	FLEETCOR TECHNOLOGIES INC	14174		238.71	3,383,545
US Special Finance	GLOBAL PAYMENTS INC	50526	195.40	147.96	7,475,669
US Special Finance	HAMILTON LANE INC-CLASS A	35785		49.11	1,757,473
US Special Finance	IHS MARKIT LTD	58036		59.71	3,465,052
US Special Finance	ONEMAIN HOLDINGS INC	49153		32.04	1,575,093
US Special Finance US Special Finance	PAYPAL HOLDINGS INC RAYMOND JAMES FINANCIAL INC	37681		86.22	3,248,945
US Special Finance	S&P GLOBAL INC	18742		69.20 222.29	1,296,956
US Special Finance	TD AMERITRADE HOLDING CORP	63670		35.95	2,000,000
US Special Finance	VISA INC CL A SHS	53411		150.61	8,044,075
JS Special Finance	VOYA FINANCIAL INC	42775		45.24	1,934,933
JS Special Finance J <b>S General Financia</b>	WEXINC	11474		164.24	1,884,539
					53,707,493
SOFTWARE	ADORE SYSTEMS INC				
	ADOBE SYSTEMS INC ALPHABET INC - CL A SHARES	6900 16110		265.82 1,084.15	1,834,124 17,465,679
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US Software & Comp		100778	22.54	17.07	1,720,007
		46168	67.22	50.90	2,349,904
	GODADDY INC - CLASS A GUIDEWIRE SOFTWARE INC	11179	112.44	85.14	<u>2,549,904</u> 951,775
		211663	170.17	128.85	27,273,354
US Software & Comp		33624	182.24	120.05	4,639,847
	SALESFORCE.COM INC	12697	87.73	66.43	4,039,847
US Software & Comp		7394	338.35	256,20	1,894,333
	SLACK TECHNOLOGIES INC-CL A	33413	20.71	15.68	523,970
		7199	155.21	117.53	846,063
US Software & Comp	SPECIAL INC	10122	141.27	106.97	1,082,747
	SS&C TECHNOLOGIES HOLDINGS	88551	63.01	47.71	4,224,872
US Software & Comp		129518	17.65	13.36	1,730,954
US Software & Comp		22046	208.05	157.54	3,473,027
US Software & Comp	WORKDAY INC-CLASS A	14238	184.63	139.80	1,990,499
US Software & Comp	WORKDAT INC-CLASS A	14230	104.03	139.00	72.844,604
TECHNOLOGY HAR	DWARE				
US IT Hardware	ADVANCED MICRO DEVICES	90090	46.96	35.56	3,203,430
US IT Hardware	APPLE INC	119627	309.34	234.23	28,020,501
US IT Hardware	FIRST SOLAR INC	8934	49.57	37.53	335,332
US IT Hardware	INTEL CORP	43203	63.89	48.38	2,090,053
US IT Hardware	KLA-TENCOR CORP	18461	165.73	125.49	2,316,685
US IT Hardware	LATTICE SEMICONDUCTOR CORP	130884	18.60	14.08	1,843,360
US IT Hardware	LUMENTUM HOLDINGS INC	36931	75.77	57.37	2,118,844
US IT Hardware	MARVELL TECHNOLOGY GROUP LTD	133466	24.04	. 18.20	2,429,493
US IT Hardware	MICRON TECHNOLOGY INC	75209	53.05	40.17	3,021,105
US IT Hardware	TAIWAN SEMICONDUCTOR-SP ADR	44023	53.93	40.84	1,797,714
US IT Hardware	TERADYNE INC	27677	65.95	49.94	1,382,116
US IT Hardware	TEXAS INSTRUMENTS INC	37452	120.62	91.33	3,420,621
US IT Hardware	WESTERN DIGITAL CORP	42758	65.48	49.58	2,120,004
US Technology Hard	ware Total			<u> </u>	54,099,259
					111-11-11-1
TOTAL UNITED STA	TES				567,073,089
. <u></u>					
• 					m/m/m/////
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#### DERBYSHIRE PENSION FUND JANUARY 2020 PORTFOLIO VALUATION - BID

EUROPEAN EQUITIES Company name	Number held	Mkt price in local currency	Mkt Price GBP	Value in Sterling £	
EUROPEAN PASSIVE TRACKER FUND EUROPEAN UBS LIFE EUROPE EX-UK EQUITY	T 127,335,613	344.41	3.44	438,556,584	
				138 556 581	

438,556,584

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DERBYSHIRE PENSION FUND JANUARY 2020 PORTFOLIO VALUATION - BID

OTHER EQUITIES	Number	Mkt price	Mkt Price	Value in Sterling
Company name	held	in local	GBP	£
JAPAN Investment Companies		currency		
Japan CC Japan Income & Growth Trust	5,000,000	149.00	149.00	7,450,000
Japan JPMorgan JAP IT 25P	7,730,000	434.00	434.00	33,548,200
Japan JPMF japs smoc	2,250,000	414.00	414.00	9,315,000
Japan Schroder Japan Growth Fund 10p ords	11,300,000	190.00	190.00	21,470,000
J Investment Companies Total				71,783,200
Unit Trusts & OEICs				
Japan Baillie Gifford OGF - Japanese B Acc Shares	4,522,619.35	1,704.00	1,704.00	77,065,434
Japan Baring Japan Growth Trust	5,500,000.00	221.60	221.60	12,188,000
Japan Invesco Japan FD-UKNTACC	4,565,901.17	194.89	194.89	8,898,485
Japan JPMorgan Jap Fd A Acc	3,000,000.00	495.70	495.70	14,871,000
Japan Schroder UT Tokyo Ac	11,000,000.00	356.90	356,90	39,259,000
J Unit Trusts Total				152,281,918
Life Policies				
internatio: LGIM Japan Equity Index Fund	26,144,067.250	2.02	2.02	52,878,468
International Life Policies				52,878,468
luve the set Patilion				
Investment Entities Japan Aberdeen Global - JAP Smaller Cos Fund D£	1.662,639.78	11.58	11.58	19,253,369
Japan JO Hambro - Japan Fd GBP-A	15,000,000.00	2.37	2.37	35,490,000
J Investment Entities Total	10,000,000,000			54,743,369
JAPAN TOTAL				331,686,955
OTHER ASIA				
Investment Companies				
Asian ABERDEEN ASIAN INCOME FUND ORDS	3,000,000	201.00	201.00	6,030,000
Asian ABERDEEN NDIT 25P	7,780,000	242.00	242.00	18,827,600
Asian ASIA DRAGON TRUST 20P	8,610,000	391.00	391.00	33,665,100
Asian INVESCO ASIA TRUST 10P	6,358,000	273.00	273.00	17,357,340 75,880,040
OA Investment Companies Total				10,000,040
Unit Trusts & OEICs				
Asian Stewart Investors Asia Pacific Fund (First State As	5,250,000	1,454.64	1,454.64	76,368,600
Asian JPMorgan Asia Fund A Ac	20,000,000	233.70	233.70	46,740,000
Asian Schroder Instl PAC Fd Ac	2,000,000	1,651.00	1,651.00	33,020,000
OA Unit Trusts Total			•	156,128,600
Investment Entities				
Asian Baring Int'i Australia \$	130,000.000	121.03	91.64	11,913,709
OA Investment Entities Total				11,913,709
				243,922,349
OTHER ASIA TOTAL				240,322,043
EMERGING MARKETS				
Investment Companies	0 700 405	693.00	582.00	16,228,634
Internatio ABERDEEN EMERGING MARKETS Internatio BLACKROCK FRONTIERS INV TRUST	2,788,425 2,950,000	582.00 116.00	116.00	3,422,000
Internatio: JP Morgan EMER IT25P	3,465,500	999.00	999.00	34,620,345
Int'l Investment Companies Total	-()			54,270,979
Unit Trusts & OEICs	0.000.000	040 70	040 70	25 404 000
Internatio: Stewart Investors Global Emerging Markets Funf	3,000,000 3,500,000	846.73 297.33	846.73 297.33	25,401,900 10,406,550
Latin Ame Thd ndle Lnamer Gwth Int'l Unit Trusts Total	3,500,000	237.33	201.00	35,808,450
inst only fraudy form				,, · <b></b>
Life Policies				
Internatio: LGIM World Emerging Markets Index Fund	34,671,449.980	3.52	3.52	121,945,384
International Life Policies				121,945,384
Investment Entities				
Latin Ame JPMorgan LNAMER A U\$	86,085,904	50.73	38.41	3,306,797
Internatio: POLUNIN FUNDS-DEVEL CNTY-B	47,502.659	1,113.62	843.23	40,055,813
LatAm Investment Entities Total		,		43,362,610

EMERGING MARKETS TOTAL

255,387,422

830,996,726

OTHER EQUITIES TOTAL

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#### DERBYSHIRE PENSION FUND JANUARY 2020 PORTFOLIO VALUATION - BID

OTHER EQUITIES Company name PRIVATE EQUITY	Number held	Mkt price in local currency	Value in Sterling £
Quoted Private Equity			
UK InvestAPAX GLOBAL ALPHA LTD	3,000,000	164.50	4,935,000
UK Invest HARBOURVEST GLOBAL PRIVATE	925,000	1836.00	16,983,000
UK Invest HGCAPITAL TRUST PLC	7,053,150	267.50	18,867,176
UK InvestICG ENTERPRISE TRUST PLC	181,795	966.00	1,756,140
UK Invest NB PRIVATE EQUITY PARTNERS Ltd (A)	1,500,000	15.60	17,718,480
UK Invest PANTHEON INTERNATIONAL PLC	345,000	2435.00	8,400,750
UK Invest PRINCESS PRIVATE EQUITY HOLDING LTD	500,000	11.15	4,683,000
UK Invest STANDARD LIFE PRIVATE EQUUITY	900,000	385.00	3,465,000
UK Invest SCHRODER UK PUBLIC PRIVATE	5,000,000	31.50	1,575,000
UK Quoted Private Equity Total	0,000,000	01.00	78,383,546
Unquoted Private Equity	20,000,000	0.47	10,708,506
UK Uncla ADAM STREET PARTNERS (FEEDER) 2017 FU	30,000,000	0.47	
UK Uncla BAIRD CAPITAL PARTNERS EUROPE FUND L	4,300,000	0.03	111,679
UK Uncla CAPITAL DYNAMICS GLOBAL SECONDARIES	20,000,000	• 0.71	10,712,768
UK Uncla CAPITAL DYNAMICS MID-MARKET DIRECT FL	25,000,000	0.94	19,638,877
UK Uncla CAPITAL DYNAMICS LGPS COLLECTIVE PE \	20,000,000	0.39	7,891,900
UK Uncla CATAPULT GROWTH FUND UNITS	3,000,000	0.07	224,251
UK Uncla EAST MIDLANDS VENTURE	3,000,000	0.07	197,722
UK Uncla EPIRIS FUND II	25,000,000	0.54	13,422,687
UK Uncla GRAPHITE CAPITAL PARTNERS FUND 1X A	11,250,000	0.02	193,881
UK Uncla GRAPHITE CAPITAL PARTNERS FUND 1X C	11,250,000	0.02	193,881
UK Uncla MOBEUS EQUITY PARTNERS IV LP	10,000,000	0.63	6,304,696
UK Invest PANORAMIC ENTERPRISE CAPITAL UNITS	1,428,486	1.17	1,675,834
	10,000,000	0.42	4,176,968
UK Invest PANORAMIC GROWTH FUND 2 LP		0.42	2,855,041
UK Invest PARTNERS GROUP GLOBAL VALUE 2008	7,500,000		· · ·
UK Invest STAR CAPITAL STRATEGIC ASSETS III LP	12,500,000	0.49	5,124,033
UK Uncla VESPA CAPITAL II LLP	10,000,000	0.72	7,161,634
UK Unquoted Private Equity Total			90,594,359
PRIVATE EQUITY TOTAL			168,977,905
INFRASTRUCTURE UK Infrastructure Quoted			
	4 000 000	140 60	4 660 000
Closed-er FORESIGHT SOLAR FUND LTD	4,000,000	116.50	4,660,000
Closed-er GREENCOAT UK WIND PLC	11,875,000	142.00	16,862,500
Closed-er HICL INFRASTRUCUTRE CO LTD	6,060,872	177.60	10,764,109
Closed-e INTERNATIONAL PUBLIC PARTNERSHIP LTD	20,462,823.00	167.20	34,213,840.06
Closed-e 3I INFRASTRUCTURE PLC	2,249,999.00	310.50	6,986,246.90
Closed-e RENEWABLES INFRASTRUCTURE GR	8,111,111.00	131.80	10,690,444.30
UK Infrastructure Quoted Total			84,177,140
UK Infrastructure Unquoted			
	25 000 000	1.00	25,118,541
UK Uncla DALMORE CAPITAL 3 LP	25,000,000	1.00	
UK Uncla EQUITIX FUND 1 LTD P'SHIP	7,500,000	1.67	12,519,945
UK Uncla Equitix Fund IV Ltd P'ship	25,000,000	1.11	27,680,948
UK Uncla FIRST STATE EDIF II	20,000,000	0.84	14,058,631
UK Uncla IMPAX NEW ENERGY INVESTORS II UNITS	10,000,000	0.01	109,881
UK Uncla JP Morgan Infrastructure Investment Fund UK L	110,000,000	1.00	83,441,975
UK Uncla MEIF 5 Co-Invest LP	12,600,000	0.60	6,398,263
UK Uncla MEIF 6 Co-Invest LP	28,000,000	0.00	·
UK Uncla Macquarie European Infrastructure Fund 5 LP	14,400,000	0.98	11,866,714
UK Uncla Macquarie European Infrastructure Fund 6 SCS	56,000,000	0.24	11,419,320
UK Uncla Macquarie Green Infrastructure Fund (Euro)	59,000,000	0.00	-
UK Uncla PIP Multi Strategy Infrastructure LP	25,000,000	0.83	20,829,607
	15,000,000	1.14	17,080,114
UK Uncla SL CAPITAL INFRASTRUCTURE 1LP	, ,	0.71	
UK Uncla SL Capital Infratructure II SCSP UK Infrastructure Total	25,000,000	0.71	14,852,332 <b>245,376,271</b>
			• •
INFRASTRUCTURE TOTAL	•		329,553,411

ALTERNATIVES TOTAL

498,531,316

	HRE PENS ( 2020 POR	ION FUND TFOLIO VALUATION - BID			31/01/2020 Valuation
Real Prop	erty.				£
Property		Southampton Property			6,800,000
Property		Retail Unit Tamworth			8,450,000
Property		15-17 Jockeys Field London		•	11,700,000
Property		D'Arblay House; London			16,900,000
Property		Bristol Odeon Development			5,200,000
• -		Quintins Centre, Hailsham			6,000,000
Property					24,100,000
Property		Caledonia House, London			13,800,000
Property		Chelsea Fields Ind Est, London			
Property		Planet Centre, Feltham			14,100,000
Property		Hill St, Mayfair			15,900,000
Property		Birmingham - Travelodge developm't			17,200,000
Property		Saxmundham, Tesco developm't			9,700,000
Property		Roundhay Road, Leeds			6,600,000
Property		Premier Inn, Rubery, Birmingham			6,200,000
Property		South Normanton Warehouse, Alfreton			15,600,000
Property		Loddon Centre, Basingstoke	1		13,800,000
		Parkway, Bury St Edmunds			11,250,000
Property					13,550,000
Property		Waitrose, York			10,650,000
Property		Link 95, Haywood Manchester			
Property		Car Park, Welford Rd Leicester			12,750,000
Total Rea	I Property				240,250,000
Property	Managed F	Funds	Number held	Mkt price	
Property	Pence	Assura PLC	6,000,000	77.8000	4,668,000
Property	GBP	Aviva Pooled Property Fund - class A	611,335	16.4933	10,082,941
Property	GBP	Aviva Pooled Property Fund - class B	527,609	16,6156	8,766,531
Property	GBP	Bridges Property Alternatives Fund III LP	10,000,000	0.7611	7,611,186
	GBP	Bridges Property Alternatives Fund IV LP	10,000,000	0,2351	2,350,996
Property				6070.4789	22,876,500
Property	EUR	Fidelity Eurozone Select Real Estat Fund - price in Euro		0.7261	18,152,919
Property	GBP	Hearthstone Residential Fund 1 LP	25,000,000		
Property	GBP	Igloo Regeneration P'ship Property Unit Trust	4,644,493	0.0419	194,641
Property	EUR	Invesco Real Estate-European Fund FCP - SIF	44,569	118.2870	4,428,408
Property	Pence	Target Healthcare REIT Ltd	4,085,000	119.5000	4,881,575
Property	GBP	M&G PP UK Property Fund (Inc)	27,124	729,0600	19,775,023
Property	EUR	M&G European Property Fund SICAV-FIS (Class X)	25,000,000	1.0339	21,712,405
Property	GBP	Threadneedle Pensions Property Fund	1,647,730	6.1563	10,143,923
Property	Pence	Tritax Big Box Indirect Pooled Fund	10,000,000	139,5000	13,950,000
Property	GBP	Unite UK Student Accommodation Fund	15,584,567	1.4103	21,978,264
• •			10,00 ,1007		171,573,313
rotai Pro	perty Fund				11 1]01 0]010
Desulate	n: Conital	LCRS Control	0.00		2,000,000
Regulato	ry Capital	LGPS Central	0.00		2,000,000
			Beatlan		. · ·
		· · · · · · · · · · · · · · · · · · ·	Mellon	Tarah 11-6a	
Cash	Updated	to 31 January 2020	USD	Exch rate	
Cash		Northern Trust	UK		20,848,981
Cash			Euro		0
Cash			Wellington		4,872,894
0.0011			Ū		
	•	Northern Trust	LGPS Cent-Ca	pital & Income	0
		Northern Habe		,	
. ·					
Cash					11 505 000
Cash		Cash - Lloyds bank Superfund			11,535,000
		Adjustments for timing differences	LGIM Emerg N	irkts Purch trade :	-20,000,000
-		· · ·			
Cash		Cash Temporary Loans	207,000,000		
ouon		Lloyds 95 Day Notice	10,008,744		
		-			
		Santander 180 Day Notice	10,000,000		
		Aberdeen Standard Life	30,000,000		
		Federated Prime Rate	30,000,000		
		Insight MMF	30,000,000	1	
		Certs of Deposit	C	1	
		Treasury Bills	C	1	317,008,744
				-	
Total Ca	ch			Total Cash	334,265,619
				-	
i otai oa	311				
Total Ga					
Total da					

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#### DERBYSHIRE PENSION FUND JANUARY 2020 PORTFOLIO VALUATION - BID

JANUAR	Y 2020 PORTFOLIO VALI	JATION - BID						
		Number	Mkt Price in	Mkt Price in	Mkt Price		-	Total
		held	local currenc	local currency	pence			£
			(Ciean) use	(Dirty)	GBP			GBP
			Calc & IL	use for Non				
UK GILT			Valuation	L Valuation		•		
	% 7/9/2020	10,322,000	101.81	103,34	103.34			10,666,964
	% 7/3/2020	10,000,000	100.36	102.31	102.31			10,230,637
TSY 1.75	% 7/9/2022	13,490,000	103.42	104.13	· 104.13			14,047,723
TSY 4% 7	7/3/2022	10,995,000	107.40	109.04	109.04			11,988,768
TSY 2.25	% 7/9/2023	15,400,000	106.53	107.45	107.45			16,547,149
TSY 5% 7	7/3/2025	5,500,000	123.14	125.18	125.18			6,885,049
TSY 2% 7		7,000,000	109.04	109.86	109.86			7,690,038
	6 7/22/2026	5,650,000	107.11	107.15	107.15			6,054,226
	% 7/12/2027	18,000,000	129.60	130.28	130.28			23,449,950
	% 7/12/2030							
		13,162,000	144.21	144.97	144.97			19,080,521
	% 7/6/2032	12,370,000	142.52	143.19	143.19			17,712,665
	6 7/9/2034	16,373,000	151.42	153.26	153.26			25,092,938
TSY 4.25	% 7/3/2036	11,400,000	151.24	152.98	152.98			17,439,686
TSY 1.75	% 7/9/2037	11,800,000	113.41	114.13	114,13			13,467,381
TSY 4.75	% 7/12/2038	7,934,000	166,57	167.33	167,33			13,275,624
TSY 4.25	% 7/9/2039	4,050,000	159.19	160.93	160.93			6,517,774
	% 1/22/2044	8,000,000	147.15	147.25	147.25			11,780,171
	% 7/12/2046	3,900,000	175.42	176.09	176.09			6,867,607
		5,500,000	175.42	170.03	170.08			
001 UKG	Diotai							238,794,870
US GOVE	ERNMENT BONDS							
T 2.75% 3	31/8/2023	26,191,000	105.02	106.20	80.42			21,061,797
T 2.25%	15/11/2024	21,000,000	104.29	104,78	79.34			16,661,845
	15/11/2042	7,500,000	114.17	114.78	86.91			6,518,144
		7,000,000	114.17	114.70	. 00.91			
004 USG	BIOGAI							44,241,786
		•						
	-							
NON GO	VERNMENT BONDS							
Kames U	K Corp Bond Fund	48,202,369	326.42	326.42	326.42			157,342,172
	ndon UK Corporate Bond F	160,017,046	102.74	102.74	102.74			164,404,713
	t Bonds Total	100,017,040	192.74	102.14	102.17			
NOR GOV	C DONUS TOTAL			•				321,746,885
MULTI A	SSET CREDIT							
AMP Cap	ital Infrastructure Debt Fu	17,000,000	0.95	0.95	0,95			13,561,477
Barings G	Blobal Private Loan Fund	40,000,000	0.54	0.54	0.54			21,571,432
Barings G	Blobal Private Loan Fund 2	40,000,000	0.92	0.92	0.92			36,666,277
-	Blobal Private Loan Fund 3	50,000,000	0.27	0.27	0.27			13,548,570
	dit Multi Asset Fund Class	105,489	1,078.53	1,078.53	1,078.53			113,773,506
	dit PARTNERS European	76,000,000	0.29	0.29	0.29			18,546,521
	nderson Multi Asset Credi							
		98,198,676	1.10	1,10	1.10			108,230,948
Multi Ass	set Credit Total							325,898,731
UK INDE	X LINKED							
TREAS	.125% IL STK 22/7/2030	6,510,000	382.44	287 72	382.73			24 015 012
				382.73				24,915,913
	% IL STK 26/1/2035	8,000,000	293.48	293,56	293,56			23,484,615
002 UKG	IL TOLEI							48,400,527
INDEX LI	NKED (3 monthers)							
		Number held	Clean Price	Index Ratio	Gross	Accrued Interest		Total
UK INDE	X LINKED (3monthers)							
	125% IL STK 22/3/2024	9,230,000	110.9850	1,200660	12,299,459,58	4,247.32		12,303,707
	.25% IL STK 22/11/2027	7,400,000	133.6440	1.499800	14,832,506.07	18,550.82		
								14,851,057
	.125% IL STK 22/3/2029	5,325,000	127.7600	1.225940	8,340,339.53	2,450.38		8,342,790
	.25% IL STK 22/11/2032	2,777,000	156.5330	1,340480	5,826,961.21	6,961.57		5,833,923
	.75% IL STK 22/3/2034	11,465,000	152,7580	1.253340	21,950,626.65	31,654.74		21,982,281
	.125% IL STK 22/11/2037		175.2500	1.439170	14,073,571.47	12,589.49		14,086,161
TREAS 0	.625% IL STK 22/3/2040	5,600,000	170,4790	1.344260	12,833,413.63	12,884.62		12,846,298
TREAS 0	.625% IL STK 22/11/2042	5,950,000	180.6320	1.369930	14,723,465.15	7,457.93		14,730,923
	.125% IL STK 22/3/2044	11,470,000	168,2510	1.200640	23,170,418.61	5,278.09		23,175,697
	125% IL STK 22/3/2046	8,730,000	173.6000	1.129070	17,111,371.99	4,017.24		
						,		17,115,389
	.75% IL STK 22/11/2047	.6,500,000	202.7510	1.400910	18,462,333.72			18,472,111
	.125% IL STK 10/08/2048	5,300,000	180.7100	1.059200	10,144,625.70	-126.02		10,144,500
	.5% IL STK 22/3/2050	5,000,000	201.3170	1,363930	13,729,114.79	9,203.30		13,738,318
UK INDE	X LINKED (3monthers) T	DTAL						187,623,154
US INDE	X LINKED	Number held	Clean Price	Index Ratio	Gross \$	Accrued Interest \$	Total \$	Total £
	6 15/1/2023	7,000,000	100.687500	1.114240	7,853,302.80	456.73	7,853,760	5,946,866.72
	6 15/4/2028	4,045,000	130.554688	1,590160	8,397,534.95		8,442,005	
113.023%	V 10/7/2020	-1,040,000	100.004000	1.090100	0,001,004.80	44,470.13	0,442,000	6,392,286.25

#### DERBYSHIRE PENSION FUND JANUARY 2020 PORTFOLIO VALUATION - BID Number Mkt Price in Mkt Price in

	Number held	Mkt Price in 1 local currencic		Mkt Price pence			Total £
		(Clean) use	(Dirty)	GBP			GBP
TII1.750% 15/1/2028	5,550,000	114.953125	1.227670	7,832,409.91	5,069,71	7,837,480	5,934,539.57
TII2.5% 15/1/2029	7,000,000	123.484375	1.197910	10,354,621.74	9,134.62	10,363,756	7,847,436.31
TII2.125% 15/2/2040	4,095,000	138,148438	1.189930	6,731,646.43	40,671.81	6,772,318	5,127,999.37
TII0.75% 15/2/2042	20,300,000	110.765625	1.138220	25,593,356,89	71,160.33	25,664,517	19,433,172.43
TII0.625% 15/2/2043	10,000,000	108.164063	1.118660	12,099,881.02	29,211.96	12,129,093	9,184,149.20
0045 USGB IL Total							59,866,450

#### TOTAL BONDS

Index linked-total Conventional-total Non gov-total 1,226,572,402

295,890,131 283,036,656 647,645,615