



## HANSON Market Commentary December 2014

**This market commentary has been produced by the Investment Management team at Hanson Asset Management.**

The first two weeks of December were, for those folk expecting a “Santa Rally,” something of a disappointment as markets slid back down to October lows before finally staging a rally at the very end of the year. Macro events remain in play but are receiving fewer headlines as nothing much seems to change; Syria is a human disaster zone, ISIS remain a thorn in the side of western civilization and Russia remains in the Crimea supporting pro-Russian militants. However, the biggest influences on markets were probably economic, particularly the impact of the continuing slide in the oil price. The divergence in economic outlook between the USA and UK, which seem to be set fair on an economic recovery course and the rest of the world, is now quite pronounced. Between them, Europe and the Emerging Markets are struggling against headwinds of deflation, no growth, falling commodity prices and a strengthening US dollar.

One of the main reasons for a slump in the price of oil has been the extra production from the USA, which is now one of the world’s major producers thanks to fracking of shale gas and tar sands. Another reason is the reluctance of the Saudis to cut production, as they are one of the lowest cost producers in the world and need cash flow to pay for their commitment to domestic infrastructure spending. A further reason is probably the American desire to see Russia struggle under the sanctions and the main source of the country’s wealth become cheaper and cheaper so as to produce the oil actually costs Russia. Some commentators would also say the Saudis want to squeeze

the US ‘frackers’ as they know the cost of producing oil under such a process is highly expensive relative to Saudi’s production costs.

To date the impact of lower oil prices on the Russian economy has been dramatic. The rouble collapsed from 33 Rb to the dollar 12 months ago to 63 Rb this Christmas. The rouble went into free fall in early December with the Russian central bank buying vast quantities of roubles to try and support the currency, all to no avail. This has failed to stop the flight of capital from the country and there was the threat of exchange controls being imposed to try and stem the flow. As a result we would expect to see a significant rise in inflation as import costs of the goods (they can import under the sanctions) rise to the Russian consumer.

In the UK, the Equity Market returned a negative 1.69% on a total return basis as measured by the FTSE All Share Index. The best performing area of the market was again the Mid250 which posted a positive return of 1.67% (again outperforming the FTSE100 over 12 months this time by 2.72%). The Small Cap area of the market had a difficult final month but ended it broadly flat, rising just 0.06% - rather like the year where the final return was just 0.89%. Of the major sectors, the best performing were Technology (5.8%) and Industrial (2.2%). Within the Technology sector it was the Hardware and Equipment subsector that provided most of the returns, rising 7.5% in the month. The other subsectors to perform well were Electronic and Electrical Equipment (6.6%) and



Healthcare Equipment and Services (6.5%). On the negative side the worst performing sectors were Healthcare (-4.1%) where the Pharmaceutical subsector returned a negative 5.0% and Consumer Goods (-4.0%) where the brewers – beverages, (-6.4%) suffered from Government intervention over 'tied Houses' and a change in the way beer could be sold through this particular route to market.

With the oil price more than halving in just 5 months some pressure is being brought to bear on US oil producers employing fracking as their production technique. Low energy costs had been seen as one of the main planks in the country's recovery from the Great Recession and despite the high cost of extraction from shale the economic numbers are backing up the strength of the recovery: the US dollar has strengthened considerably; inflation expectations have fallen to their lowest level since 2009. The 5 year breakeven inflation rate fell to 1.2% in December, its lowest level since September 2009. Capacity utilisation numbers have edged higher; credit growth is strong – though usually inflationary in the end – and wage inflation is beginning to appear. Politics in the US after a busy November remained low key with Mr Obama's hands pretty firmly tied by his loss of control of the Senate.

In US equity markets, the S&P500 finished the month down 0.25% and the NASDAQ down 1.09% but over the year both these indices returned a solid 13.69% and 14.75% respectively. The Russell 2000 had a strong finish to the year rising 3.3% in December but disappointing against the

their indices during the year with a rise of 11.42%.

In Europe attention was back on Greece as Sterling rose to a six-year high of €1.29 in December as concerns over Greece's future within the euro zone resurfaced. The euro also tumbled to its lowest level against the US dollar since March 2006 as markets reacted to a potential 'Grexit' from the single currency. However, all the financial and economic information is now suggesting that the Eurozone as a whole has slipped into deflation and increased expectations that the European Central Bank (ECB) will launch a Quantitative Easing programme later this month. As things stand it looks as though the buying of sovereign bonds by the ECB may happen for the first time. This move is likely to meet severe criticism and opposition in Germany.

The Greek crisis was raised a notch when Prime Minister Antonis Samaras failed to win approval for his Presidential nominee which triggered an election (25 January). Opinion polls show a lead for the anti-austerity Syriza party and markets are now fretting Greece is on a collision course with its EU and IMF creditors over the terms of its two bailouts worth €240bn. It is clear many Greek citizens feel the terms of the bailouts previously negotiated by the Samaras government have hamstrung their country's economic recovery. European equity markets returned a negative 1.92% as measured by the MSCI Europe ex-UK Index, over the month but over the 12 months reported a rise of 7.44%. To some market commentators this rise suggests the impact of QE, should it come, is probably already in the price.



Emerging Markets also had a difficult month returning a negative 2.4% as measured by the MSCI Emerging Markets Index. Needless to say this figure covered a wide range of performances with Russia being by some margin the worst, down 9.9% over the period, with Brazil, another petro-economy, also suffering and down 8.35%. The other two parts to the BRICs, China and India, both oil importers fared better with their markets rising 7.03% and 1.51% respectively, but it was over 12 months where the dramatic differences occurred as India rose 26.41%, China was up 8.28% whereas Russia and Brazil were down 12.09% and 3.51% respectively. It is also worth noting that the Shanghai Composite Index rose 52.87% over the year and was up 20.57% in price terms, during December, aided no doubt by the Shanghai-Hong-Kong Stock Connect initiative. The strong dollar and weak commodity prices were a headwind for the emerging economies, particularly those which were losing capital back to the USA.

Japan had the election result that was expected and in fact, Mr Abe increased his majority – a large vote of confidence for his 3 Arrows of economic reform. However, the equity market struggled, returning a negative 0.23% during the month but over the year provided a positive return of over 10%. Inflation still remains a problem in Japan - producing it that is – but with the Government set on devaluing the Yen, increasing local pension funds exposure to domestic and international equities and wage growth beginning to come through conditions should be very much in favour of the equity market going forward.

Bond markets continued to defy gravity during December. Index-Linked Gilts were up between 1.46% (All Stocks Index) and 1.67% (Over 5 Years) but have provided a stellar return over 12 months, over 21% for the over 5 years and nearly 19% for the All Stocks. This was to an extent anomalous as inflation is, and has been, heading down in the UK for many months. Conventional Gilts also provided a positive return over the month (0.33% up to 5 years and 1.78% for the All Stocks) but it was at the long end of the curve where the real value was added over the 12 months. Up to 5 years returned -0.36% but the long end dragged the All Stocks Index up to a positive 13.86% for the year. So much so, the 10 year gilt now yields about 1.6% to maturity, in the realms of all-time lows.

Global Corporate Bonds struggled to return a negative 0.63% but Sterling, US Dollar and Euro Corporate Bonds all provided positive returns ranging from 0.14% and 1.31%. Convertible Bonds on the other hand had a negative month returning – 1.85%. There is only one question to ask this year with regard to Bond markets and that is, “when will interest rates start to rise?” Indeed, a question many folk were asking last year. We were adamant in our belief throughout the majority of last year that rates would not rise before the May 2015 election. We believe that is still the case and in fact would be surprised to see rates rise before Q4 2015 and more likely it will be 2016 before this worm begins to turn.

Finally, the Alternatives Sectors provided mixed returns: the Private Equity sector and Infrastructure space returned a rather disappointing -0.54% and -0.58% respectively. This made for an average



year in Private Equity as the 12 month return was 4.31% but Infrastructure had another good year with a rise of 12.98%. The Property Sector and Hedge Funds were in positive territory for the month with a 1.25% return and 0.43% respectively. Perhaps more importantly the Property Sector recorded a 20.12% return for the year, more than double the previous year's performance, as the hunt for yield continued. Unsurprisingly, discounts narrowed further and yields compresses whilst the Hedge Fund industry saw a 5.49% return.

**Global Markets Summary**  
**Source: Morningstar**  
**Currency: Base Currency**

Group/Investment					<u>Closing Price</u>
	Return 1 Month	Return QTD	Return YTD	Return 1 Yr	Closing Price 31/12/2014
<b>UK Large Cap</b>					
FTSE 100 PR GBP	-2.33	-0.86	-2.71	-2.71	6,566.09
FTSE 100 TR GBP	-2.26	-0.25	0.74	0.74	4,956.47
<b>UK Mid Cap</b>					
FTSE 250 PR GBP	1.47	4.59	0.94	0.94	16,085.44
FTSE 250 TR GBP	1.67	5.23	3.66	3.66	10,911.84
<b>UK Small Cap</b>					
FTSE Small Cap PR GBP					4,365.92
FTSE Small Cap TR GBP	0.06	0.28	0.89	0.89	5,820.27
<b>UK All Share</b>					
FTSE All Share PR GBP	-1.69	-0.03	-2.13	-2.13	3,532.74
FTSE All Share TR GBP	-1.60	0.58	1.18	1.18	5,449.09
<b>Europe</b>					
MSCI Europe Ex UK PR LCL	-1.98	0.08	4.40	4.40	1,143.73
MSCI Europe Ex UK GR LCL	-1.92	0.24	7.44	7.44	5,197.36
<b>US Large Cap</b>					
NASDAQ Composite PR USD	-1.16	5.40	13.40	13.40	4,736.05
NASDAQ Composite TR USD	-1.09	5.70	14.75	14.75	5,256.55
Dow Jones Industrial Average PR USD	-0.03	4.58	7.52	7.52	17,823.07
Dow Jones Industrial Average TR USD	0.12	5.20	10.04	10.04	35,650.39
S&P 500 PR	-0.42	4.39	11.39	11.39	2,058.90
S&P 500 TR USD	-0.25	4.93	13.69	13.69	8,155.98
<b>Canada</b>					
MSCI Canada PR CAD	-0.64	-1.85	8.35	8.35	1,869.79
MSCI Canada GR CAD	-0.35	-1.14	11.43	11.43	
<b>Japan</b>					
FTSE Japan PR JPY	-0.33	6.66	8.12	8.12	94.75
FTSE Japan TR JPY	-0.23	6.80	10.32	10.32	130.67
<b>Asia (ex Japan)</b>					
MSCI AC Asia Ex Japan PR LCL					676.40
MSCI AC Asia Ex Japan GR LCL	-1.45	2.29	7.72	7.72	1,345.89
<b>Hong Kong</b>					
Hang Seng HSI PR HKD	-1.59	2.93	1.28	1.28	23,605.04
Hang Seng HSI TR HKD	-1.58	3.21	5.48	5.48	57,026.93
<b>China</b>					
MSCI China PR LCL	1.14	6.95	4.67	4.67	66.05
MSCI China GR LCL	1.16	7.03	8.28	8.28	112.68
<b>Australia</b>					
S&P/ASX All Ordinaries PR	1.71	1.73	0.66	0.66	5,388.60
S&P/ASX All Ordinaries TR	1.93	2.58	5.02	5.02	46,046.93
<b>Emerging Markets</b>					
MSCI Emerging Markets PR LCL	-2.70	-0.37	2.55	2.55	48,361.14
MSCI Emerging Markets GR LCL	-2.44	0.08	5.57	5.57	97,552.71
<b>Frontier Emerging Market</b>					
MSCI Frontier Emerging Market GR LCL	-2.18	-6.81	14.43	14.43	4,691.94
<b>India</b>					
MSCI India PR INR	-4.36	1.34	24.37	24.37	1,016.30
MSCI India GR INR	-4.34	1.51	26.41	26.41	1,434.91
<b>Russia</b>					
MSCI Russia PR RUB	-10.88	-7.22	-16.45	-16.45	662.24
MSCI Russia GR LCL	-9.90	-5.87	-12.09	-12.09	
<b>Brazil</b>					
FTSE Brazil PR BRL	-8.64	-8.90	-7.63	-7.63	2,255.45
FTSE Brazil TR BRL					2,890.19

Group/Investment					Closing Price
	Return 1 Month	Return QTD	Return YTD	Return 1 Yr	Closing Price 31/12/2014
<b>Global Equities</b>					
FTSE All World Ex UK PR GBP	-1.55	4.42	9.51	9.51	265.51
FTSE All World Ex UK TR GBP	-1.39	4.88	12.22	12.22	367.80
<b>Private Equity</b>					
LPX Composite PR USD	-1.27	1.28	-5.13	-5.13	135.41
LPX Composite TR USD	-0.98	2.04	-1.80	-1.80	204.85
LPX Composite PR GBP	-0.84	5.30	0.77	0.77	86.85
LPX Composite TR GBP	-0.54	6.10	4.31	4.31	131.38
<b>Property</b>					
FTSE All UK Property NAV PR GBP	0.74	3.12	11.96	11.96	4,168.73
FTSE All UK Property NAV TR GBP	1.25	4.60	20.12	20.12	6,025.11
S&P Global Property TR USD	-0.38	6.45	13.61	13.61	390.14
<b>Infrastructure</b>					
S&P Global Infrastructure PR USD					2,471.62
S&P Global Infrastructure TR USD	-0.58	1.20	12.98	12.98	4,207.78
<b>Hedge Funds</b>					
FTSE WMA Hedge Invt Trust PR GBP	0.43	0.18	5.10	5.10	5,652.51
FTSE WMA Hedge Invt Trust TR GBP	0.43	0.22	5.49	5.49	5,716.11
<b>Global Government Bonds</b>					
Barclays Global Treasury TR USD	-0.63	-1.79	-0.79	-0.79	572.67
<b>Index-Linked Gilts</b>					
FTSE Index Linked Over 5 Yr PR GBP	1.67	9.18	20.29	20.29	
FTSE Index Linked Over 5 Yr TR GBP	1.67	9.42	21.38	21.38	4,149.12
FTSE Index Linked All Stocks PR GBP	1.46	8.13	17.77	17.77	
FTSE Index Linked All Stocks TR GBP	1.46	8.38	18.96	18.96	
<b>Conventional Gilts</b>					
FTSE Gilts Up to 5 Yr PR GBP	0.33	1.54	-0.36	-0.36	
FTSE Gilts Up to 5 Yr TR GBP	0.32	1.65	2.90	2.90	2,342.40
FTSE Gilts All Stocks PR GBP	1.78	5.71	9.98	9.98	175.36
FTSE Gilts All Stocks TR GBP	1.78	6.31	13.86	13.86	3,183.42
<b>US Treasury</b>					
Barclays US Treasury TR USD	0.14	1.93	5.05	5.05	563.04
<b>Global Corporate Bonds</b>					
Barclays Gbl Agg Corp TR USD	-0.63	0.06	3.15	3.15	
<b>Sterling Corporate Bond</b>					
Markit iBoxx GBP Corp PR	0.91	3.12	6.95	6.95	103.84
Markit iBoxx GBP Corp TR	1.30	4.31	12.25	12.25	293.51
<b>USD Corporate Bonds</b>					
Barclays US Corp IG TR USD	0.06	1.77	7.46	7.46	2,587.44
<b>Euro Corporate Bond</b>					
Markit iBoxx EUR Corp PR	0.14	0.55	4.67	4.67	98.93
Markit iBoxx EUR Corp TR	0.41	1.37	8.24	8.24	212.70
<b>Convertible Bonds</b>					
TReuters Global CB TR USD	-1.85	-0.62	1.71	1.71	322.68
<b>VIX</b>					
CBOE Market Volatility (VIX)	44.04	17.72	39.94	39.94	19.20
<b>FTSE APCIMS</b>					
FTSE WMA Stock Market Balanced PR GBP	-0.81	2.42	4.19	4.19	3,537.07
FTSE WMA Stock Market Balanced TR GBP	-0.71	2.95	7.23	7.23	
FTSE WMA Stock Market Income PR GBP	-0.31	2.69	4.50	4.50	2,688.84
FTSE WMA Stock Market Income TR GBP	-0.23	3.25	7.70	7.70	2,890.68
FTSE WMA Stock Market Growth PR GBP	-1.19	2.12	3.65	3.65	4,064.59
FTSE WMA Stock Market Growth TR GBP	-1.09	2.61	6.47	6.47	2,960.85
<b>BBA Libor</b>					
ICE LIBOR 1 Week GBP	0.04	0.12	0.48	0.48	

**Commodities & Currencies Summary**

Source: FT

Currency: Base Currency

Group/Investment	01/12/2014	01/10/2014	01/01/2014	01/01/2014	Price
	31/12/2014	31/12/2014	31/12/2014	31/12/2014	
	1 Month %	QTD %	YTD %	1 Yr %	31/12/2014
<b>Commodities</b>					
WTI Crude Oil	-18.19	-40.63	-45.01	-45.01	54.120
Brent Crude Oil	-17.46	-38.84	-47.74	-47.74	57.900
Natural Gas	-24.32	-24.92	-26.86	-26.86	3.094
Gold	1.40	-1.42	-0.19	-0.19	1,199.250
Silver (US Cents)	2.14	-8.07	-19.33	-19.33	1,573.000
Copper	-2.65	-5.94	-14.67	-14.67	6,289.000
Iron Ore (Platts)	6.25	-7.07	-45.88	-45.88	72.250
Baltic Dry Index	-34.12	-26.37	-65.66	-65.66	782.000

Group/Investment	01/12/2014	01/10/2014	01/01/2014	01/01/2014	Rate
	31/12/2014	31/12/2014	31/12/2014	31/12/2014	
	1 Month %	QTD %	YTD %	1 Yr %	31/12/2014
<b>Currencies</b>					
GBP: USD	-0.43	-3.82	-5.86	-5.86	1.55930
EUR: USD	-2.94	-4.21	-12.18	-12.18	1.21010
USD: CNY	0.96	1.05	2.48	2.48	6.20400
USD: AUD	4.30	6.93	9.32	9.32	1.22200
USD: JPY	1.02	9.30	14.07	14.07	119.89500
GBP: EUR	2.57	0.41	7.20	7.20	1.28860
GBP: CHF	2.68	0.03	5.19	5.19	1.54940
GBP: ZAR	4.27	-1.52	3.99	3.99	18.03860

## Global Markets Index Explanation

### UK Large Cap

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FTSE 100	The index measures the performance of the 100 most highly capitalized blue chip companies listed on London Stock Exchange, which pass screening for size and liquidity. It is free float market-capitalization weighted.
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### UK Mid Cap

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FTSE 250	The index is a capitalisation-weighted index consisting of the 101st to the 350th largest companies on the London Stock Exchange.
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### UK Small Cap

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FTSE Small Cap	The index is an index of small market capitalisation companies consisting of the 351st to the 619th largest listed companies on the London Stock Exchange main market.
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### UK All Share

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FTSE All Share	The index represents 98-99% of the UK market capitalization and is an aggregation of the FTSE 100, FTSE 250 and FTSE Small Cap Indices.
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### Europe

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MSCI Europe Ex UK	The index measures the performance of the large and mid cap segments of developed Europe, excluding UK equity securities. It is free float-adjusted market-capitalization weighted.
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### US Large Cap

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NASDAQ Composite	The index measures the performance of all domestic and international based common type stocks listed on the NASDAQ Stock Market. It includes common stocks, ordinary shares, ADRs, shares of beneficial interest or limited partnership interests and tracking stocks. The index is market capitalization-weighted.
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Dow Jones Industrial Average	The index measures the performance of stocks of 30 US blue-chip companies covering all industries with the exception of transportation and utilities. It is price-weighted.
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S&P 500	The index measures the performance of 500 widely held stocks in US equity market. Standard and Poor's chooses member companies for the index based on market size, liquidity and industry group representation. Included are the stocks of industrial, financial, utility, and transportation companies. The index is market capitalization-weighted.
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### Canada

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MSCI Canada	The index is designed to measure the performance of the large and mid cap segments of the Canada market. With 96 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Canada.
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### Japan

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FTSE Japan	The FTSE Japan Index is comprised of 459 large and mid cap Japanese companies that are constituents of the FTSE All-World Index.
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### Asia (ex Japan)

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MSCI All Country Asia Ex Japan	The index measures the performance of the large and mid cap segments of the Asia, excluding Japan equity securities, including developed and emerging market. It is free float-adjusted market-capitalization weighted.
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### Hong Kong

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Hang Seng HSI	The index measures the performance of the largest and most liquid companies in Hong Kong Stock Exchange. It is arithmetically calculated and market-capitalization weighted.
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**China**

MSCI China

The index measures the performance of 138 large and mid cap segments of emerging China equity securities. It is free float-adjusted market-capitalization weighted covering 85% of China's equity universe.

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**Australia**

S&amp;P/ASX All Ordinaries

The index represents the 500 Largest Companies in the Australian equities Market.

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**Emerging Markets**

MSCI Emerging Markets

The index measures the performance of the large and mid cap segments of emerging market equity securities. It is free float-adjusted market-capitalization weighted.

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**India**

MSCI India

The index measures the performance of the large and mid cap segments of India equity securities. It is free float-adjusted market-capitalization weighted.

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**Russia**

MSCI Russia

The index is a free-float adjusted market capitalization weighted index that is designed to track the equity market performance of Russian securities listed on MICEX Stock Exchange. The MSCI Russia Total Return Index takes into account both price performance and income from dividend payments. The MSCI Russia Index is constructed based on the MSCI Global Investable Market Indices Methodology, targeting a free-float market capitalization coverage of 85%.

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**Brazil**

FTSE Brazil

The FTSE Brazil is a market-capitalisation weighted index representing the performance of 81 large and mid cap Brazilian stocks.

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**Global Equities**

FTSE All World Ex UK

The index is the Large/Mid Cap aggregate of around 2,800 stocks from the FTSE Global Equity Index Series ex UK. It covers 90-95% of the investable market capitalisation.

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**Private Equity**

LPX Composite

The LPX Composite is a global equity index that covers all listed private equity companies which fulfill certain liquidity constraints.

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**Property**

FTSE All UK Property NAV

The index reflects the investment performance of retail, office and industrial property in the UK.

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S&amp;P Global Property

The index defines and measures the investable universe of publicly traded property companies. With more than 500 constituents from 36 countries. The S&P Global Property divides into two sub-indices: S&P Developed Property and S&P Emerging Property.

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**Infrastructure**

S&amp;P Global Infrastructure

The S&P Global Infrastructure Index provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure, the index includes three distinct infrastructure clusters: utilities, transportation, and energy.

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**Hedge Funds**

FTSE APCIMS Hedge Investment Trust

The FTSE APCIMS Hedge (Investment Trust) Index is designed to reflect the portfolio of a client requiring exposure to multi-manager hedge funds. All index constituents are closed-ended UK quoted investment companies and they are classified under FTSE's Industry Classification Benchmark.

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**Global Government Bonds**

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Barclays Global Treasury	The Global Treasury Index tracks fixed-rate local currency government debt of investment grade countries. The index represents the Treasury sector of the Global Aggregate Index and currently contains issues from 37 countries denominated in 23 currencies. The three major components of this index are the U.S. Treasury Index, the Pan-European Treasury Index, and the Asian Pacific Treasury Index, in addition to Canadian, Chilean, Mexican, and South-African government bonds.
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**Index-Linked Gilts**

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FTSE Index Linked Over 5 Yr	The index Consists of securities with over 5-year maturity from the index-linked family of the FTSE Actuaries UK Gilts Index Series, which includes all British Government Securities quoted on the London Stock Exchange.
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FTSE Index Linked All Stocks	Securities with all outstanding terms from the FTSE Actuaries UK Gilts Index Series which includes all British Government Securities quoted on the London Stock Exchange.
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**Conventional Gilts**

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FTSE Gilts Up to 5 Yr	Consisting of securities with up-to-5-year maturity from the Conventional index family of the FTSE Actuaries UK Gilts Index Series, which includes all British Government Securities quoted on the London Stock Exchange.
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FTSE Gilts All Stocks	Securities with all outstanding terms from the Conventional index family of the FTSE Actuaries UK Gilts Index Series, which includes all British Government Securities quoted on the London Stock Exchange.
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**US Treasury**

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Barclays US Treasury	The index includes public obligations of the U.S. Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. In addition, certain special issues, such as state and local government series bonds (SLGs), as well as U.S. Treasury TIPS, are excluded. STRIPS are excluded from the index because their inclusion would result in double-counting. Securities in the index roll up to the U.S. Aggregate, U.S. Universal, and Global Aggregate Indices.
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**Global Corporate Bonds**

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Barclays Global Aggregate Corporate	The index is comprised of Corporate Issues from three major components the U.S. Aggregate, Pan-European Aggregate and the Asian Pacific Aggregate index.
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**Sterling Corporate Bond**

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IBOXX GBP Corporate	The index tracks sterling-denominated Corporate bonds across the world with the minimum amount outstanding of £250m. The index is calculated by volume and market value.
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**USD Corporate Bonds**

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Barclays US Corp Investment Grade	U.S. Corporate Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility, and financial issuers that meet specified maturity, liquidity, and quality requirements.
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**Euro Corporate Bond**

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IBOXX EUR Corporate	The index tracks euro-denominated Corporate bonds across the world with the minimum amount outstanding of £500m. The index is calculated by volume and market value.
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**Convertible Bonds**

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TReuters Global Convertible Bonds	Thomas Reuters Convertible Indexes (previously UBS Convertible Indexes) measure the size and performance of the convertibles asset class, and are the most widely used convertible bond benchmark internationally. The indexes are independently managed by specialist convertible bond data provider MACE Advisers. The Indexes are market capitalisation-weighted, total-return indexes. They do not impose any currency, regional or sectoral weights, and do not have a fixed number of constituents.
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**VIX**

CBOE Market Volatility (VIX)

The CBOE Volatility Index (VIX) is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices. It is considered by many to be the world's premier barometer of investor sentiment and market volatility.

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**FTSE APCIMS**

The FTSE APCIMS Private Investor Index Series provides investors with an objective benchmark against which to measure their investment portfolios, assuming they are UK domestic investors with Sterling denominated accounts. The index series represents the performance for growth-orientated, income, balanced and conservative investors, and incorporates returns from FTSE indices representing UK equities, foreign equities, fixed income, cash and investment trusts, according to variable percentage weightings set by committee and based upon average allocations across private client investment managers.

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FTSE APCIMS Stock Market Balanced

FTSE APCIMS Stock Market Income

FTSE APCIMS Stock Market Growth

**BBA Libor**

BBA Libor 1 Week

The London Interbank Offered Rate is the average interest rate estimated by leading banks in London that they would be charged if borrowing from other banks.

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