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Date: 13 March 2017

Dear Member

SUPERANNUATION FUND COMMITTEE - FRIDAY, 17 MARCH 2017

Attached for consideration at next Friday, 17 March 2017 meeting of the Superannuation Fund Committee is the Appendix to the Fund Position Statement which was omitted from the agenda papers.

Agenda Item No

B1 Fund Position Statement – Appendix 1 (Pages 3 - 10)

I would be grateful if you could add this to your papers.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Lynch', is written over a faint, larger signature.

**John Lynch
Head of Democratic Services**

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FUND POSITION STATEMENT

Summary of Fund Asset Allocation and Performance

Superannuation Fund Committee

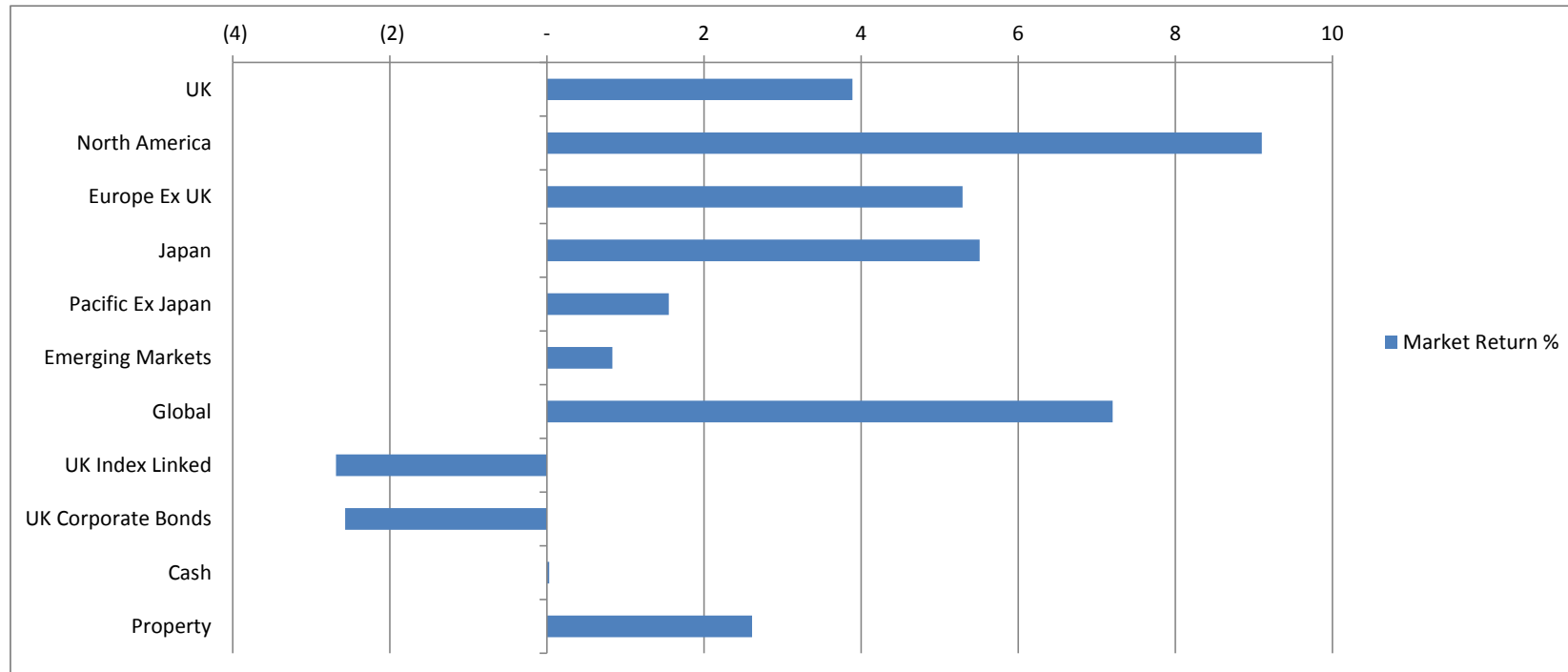
By: Chairman Superannuation Fund Committee
Corporate Director of Finance and Procurement



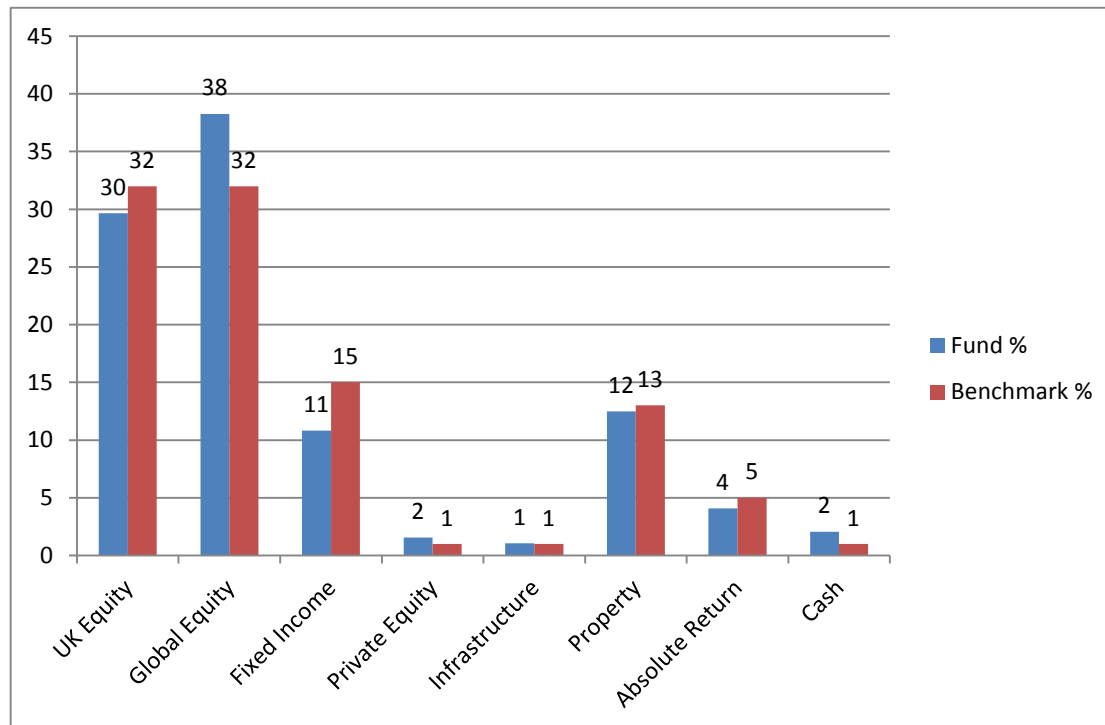
Kent County Council
Superannuation Fund Q3 2016-17

Nick Vickers—Business Partner (Pension
Fund)

Market Returns for Quarter ended 31 December 2016

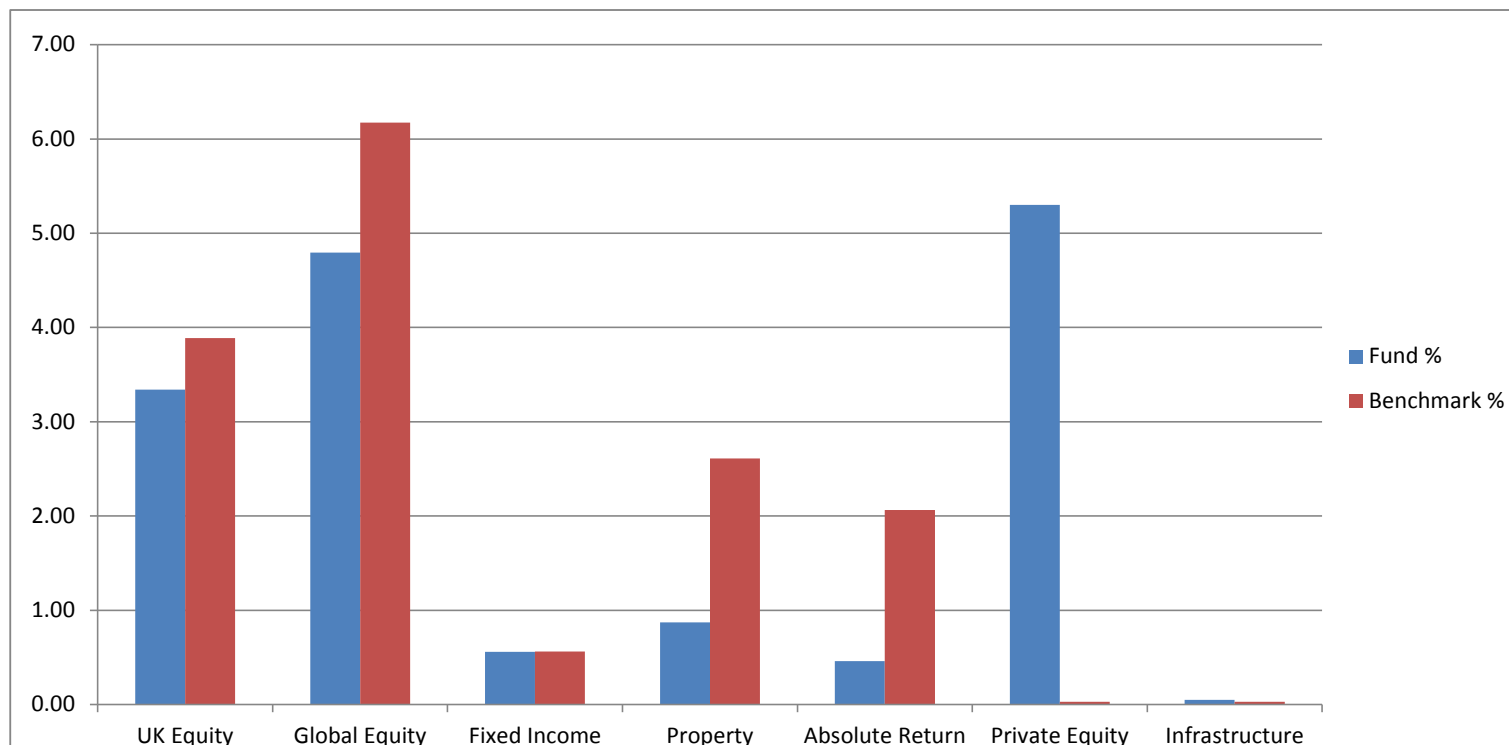


Fund Asset Allocation vs Benchmark as at 31 December



Asset Class	Kent Fund		Benchmark
	£m	%	%
UK Equity	1,564	30	32
Global Equity	2,017	38	32
Fixed Income	570	11	15
Private Equity	82	2	1
Infrastructure	56	1	1
Property	658	12	13
Absolute Return	215	4	5
Cash	109	2	1
Total	5,271	100	100

Fund Asset Class Performance for Quarter ending 31 December 2016



Asset Class	Fund %	Benchmark %
UK Equity	3.34	3.89
Global Equity	4.79	6.17
Fixed Income	0.56	0.56
Property	0.87	2.61
Absolute Return	0.46	2.06
Private Equity	5.30	0.03
Infrastructure	0.05	0.03

Market Value Summary by Fund Manager as at 31 December 2016

Fund Mandate	Market Value as at 30 September 2016 (£)	Market Value as at 31 December 2016 (£)	Change in Market Value (£)	% of Total Fund 31 December 2016
Baillie Gifford	1,093,630,396	1,109,778,671	16,148,275	21.06%
Schroders UK Equity	811,868,318	852,256,863	40,388,545	16.17%
DTZ	440,601,143	431,112,399	-9,488,744	8.18%
Goldman Sachs	346,381,955	345,966,084	-415,871	6.56%
Woodford	304,204,460	302,361,008	-1,843,452	5.74%
M&G	274,791,461	301,921,741	27,130,280	5.73%
State Street UK Equity	288,311,454	299,451,566	11,140,112	5.68%
Schroders GAV	244,136,371	267,974,592	23,838,221	5.08%
State Street Global Equity	245,762,606	263,173,972	17,411,366	4.99%
Schroders Fixed Interest	235,935,012	239,608,517	3,673,505	4.55%
Pyrford	213,330,028	214,648,378	1,318,350	4.07%
Sarasin	193,512,040	201,795,741	8,283,701	3.83%
Fidelity	108,603,186	107,712,728	-890,458	2.04%
Harbourvest	62,448,911	64,823,468	2,374,557	1.23%
Kames	58,641,720	58,923,668	281,948	1.12%
Partners	56,810,281	56,187,486	-622,795	1.07%
DTZ Pooled Funds	47,578,722	47,051,181	-527,541	0.89%
Impax	40,116,968	41,152,948	1,035,980	0.78%
Internally managed cash	33,902,687	34,135,799	233,112	0.65%
YFM	10,643,969	17,082,089	6,438,120	0.32%
M&G Property	13,136,167	13,390,744	254,577	0.25%
Total Kent Fund	5,124,347,855	5,270,509,643	146,161,788	100.00%

Performance Returns as at 31 December 2016
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	Quarter		1 Year		3 Years (p.a.)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Total Fund	2.97	3.71	16.91	15.55	9.16	8.77
Uk Equity						
Schroders UK Equity	4.97	3.81	16.61	16.41	5.30	5.95
State Street UK Equity	3.86	3.89	16.84	16.76	6.08	6.05
Woodford	-0.62	3.89	3.31	16.76	--	--
Global Equity						
Baillie Gifford	1.48	5.44	25.66	25.49	14.20	11.93
Sarasin	4.28	6.38	19.64	28.66	--	--
Schroders GAV	9.76	6.38	33.08	28.67	13.07	14.01
State Street Global Equity	7.08	7.14	30.21	30.56	15.13	15.29
Impax	2.58	6.38	33.14	28.67	11.84	14.01
M&G	9.84	6.50	41.13	29.40	10.87	14.33
Fixed Interest						
Goldman Sachs	-0.12	0.86	8.24	3.52	4.40	3.53
Schroders Fixed Interest	1.56	0.10	3.76	0.48	3.45	2.56
Property						
DTZ	0.51	2.61	2.79	2.63	12.05	11.70
Fidelity	1.70	2.30	1.60	2.80	12.90	10.70
Kames	1.97	2.30	3.50	2.80	--	--
M&G Property	2.30	2.30	11.86	2.80	--	--
Private Equity						
Harbourvest	5.41	0.03	30.17	0.27	24.44	0.33
YFM	5.13	0.03	25.09	0.27	0.22	0.33
Infrastructure						
Partners	0.05	0.03	25.57	0.27	15.62	0.33
Absolute Return						
Pyrford	0.46	2.06	9.66	7.59	5.34	6.81

Fund Manager Benchmarks and Performance Targets

Asset Class / Manager	Performance Benchmark	Performance Target
UK Equities:		
Schroders UK Equity	Customised	+1.5% pa over rolling 3 years
Woodford	FTSE All Share	Unconstrained
State Street UK Equity	FTSE All Share	Match
Global Equities:		
Baillie Gifford	Customised	+1.5% pa over rolling 3 years
Sarasin	MSCI AC World Index NDR	+2.5% over rolling 3 - 5 years
M&G	MSCI AC World Index GDR	+3% pa
Schroders GAV	MSCI AC World Index NDR	+3% - 4% pa over rolling 3 years
Impax	MSCI AC World Index NDR	+2% pa over rolling 3 years
State Street Global Equity	FTSE World ex UK	Match
Fixed Income:		
Schroders Fixed Interest	3 months Sterling Libor	+4% pa over a full market cycle
Goldman Sachs	+3.5% Absolute	+6% Absolute
Property:		
DTZ	IPD Pension Fund Index	Match or exceed over rolling 3 years
Fidelity	IPD UK PF All Balanced Property Fund Index	
Kames	IPD UK PF All Balanced Property Fund Index	
M&G Property	IPD UK PF All Balanced Property Fund Index	
Alternatives: (Cash / Other Assets)		
Private Equity – YFM	GBP 7 Day LIBID	
Private Equity – HarbourVest	GBP 7 Day LIBID	
Infrastructure – Partners Group	GBP 7 Day LIBID	
Infrastructure - Henderson	GBP 7 Day LIBID	
Absolute Return – Pyrford	Retail Price Index (RPI)	RPI + 5%
Internally managed cash – KCC Treasury and Investments team	GBP 7 Day LIBID	

Fund Structure as at 31 December 2016

UK Equities	Global Equities	Fixed Interest	Property	Cash/Alternatives
Schroders +1.5% £852 m	Baillie Gifford +1.5% £1,110 m	Goldman Sachs +6.0% Abs. £346 m	DTZ Property £478 m	Internally managed Cash £34 m
State Street 0.0% £299 m	M&G +3.0% £302 m	Schroders +4.0% £240 m	Fidelity Property £108 m	Partners Infrastructure £56 m
Woodford £302 m	Schroders +3.0% - +4% £268 m		Kames Property £59 m	YFM Private Equity £17 m
	State Street +0.0% £263 m		M&G Property £13 m	HarbourVest Private Equity £65 m
	Impax +2.0% £41 m			Pyrford Abs. Return RPI + 5% £215 m
	Sarasin +2.5% £202 m			
Total Fund £5.3 bn				