

FUND POSITION STATEMENT

Classification: Unrestricted
Item: D2 refers

Summary of Fund Asset Allocation and Performance

Superannuation Fund Committee

5th March 2010

By: Chairman Superannuation Fund Committee

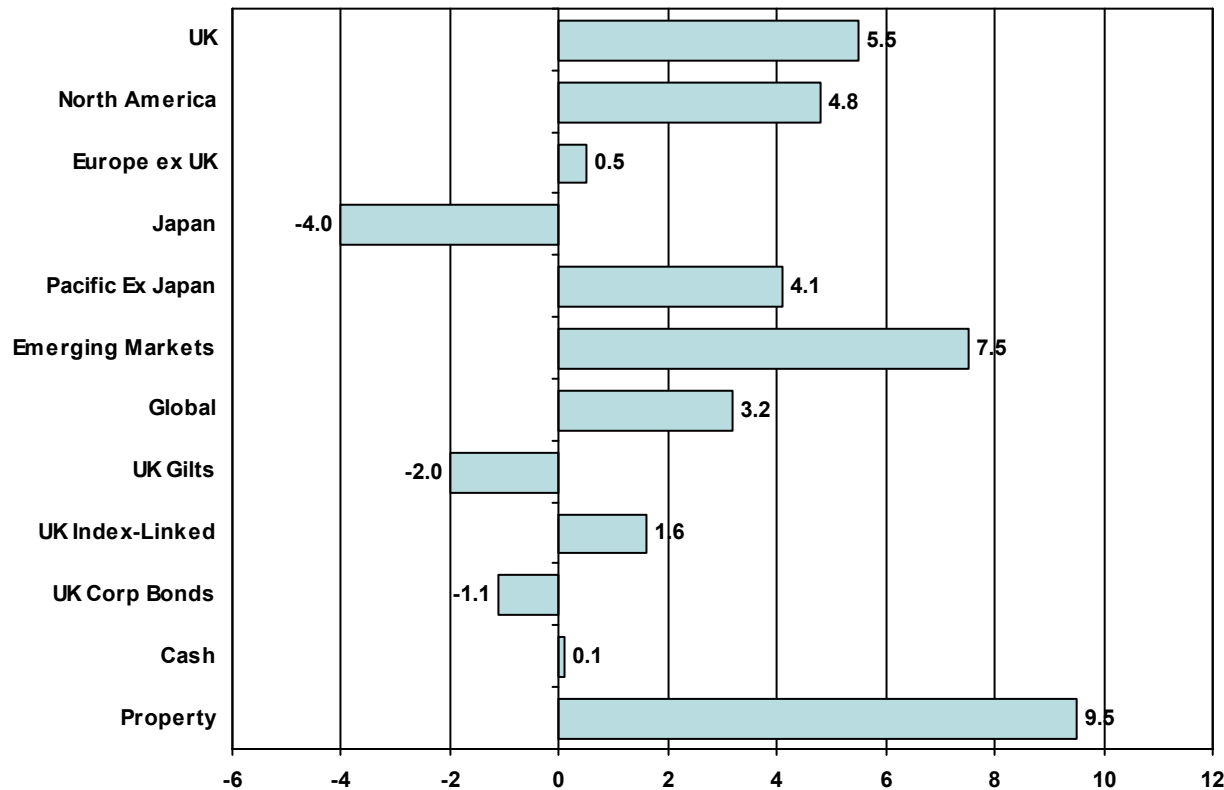
Director of Finance



Kent County Council
Superannuation Fund 2010

Nick Vickers—Head of Financial Services

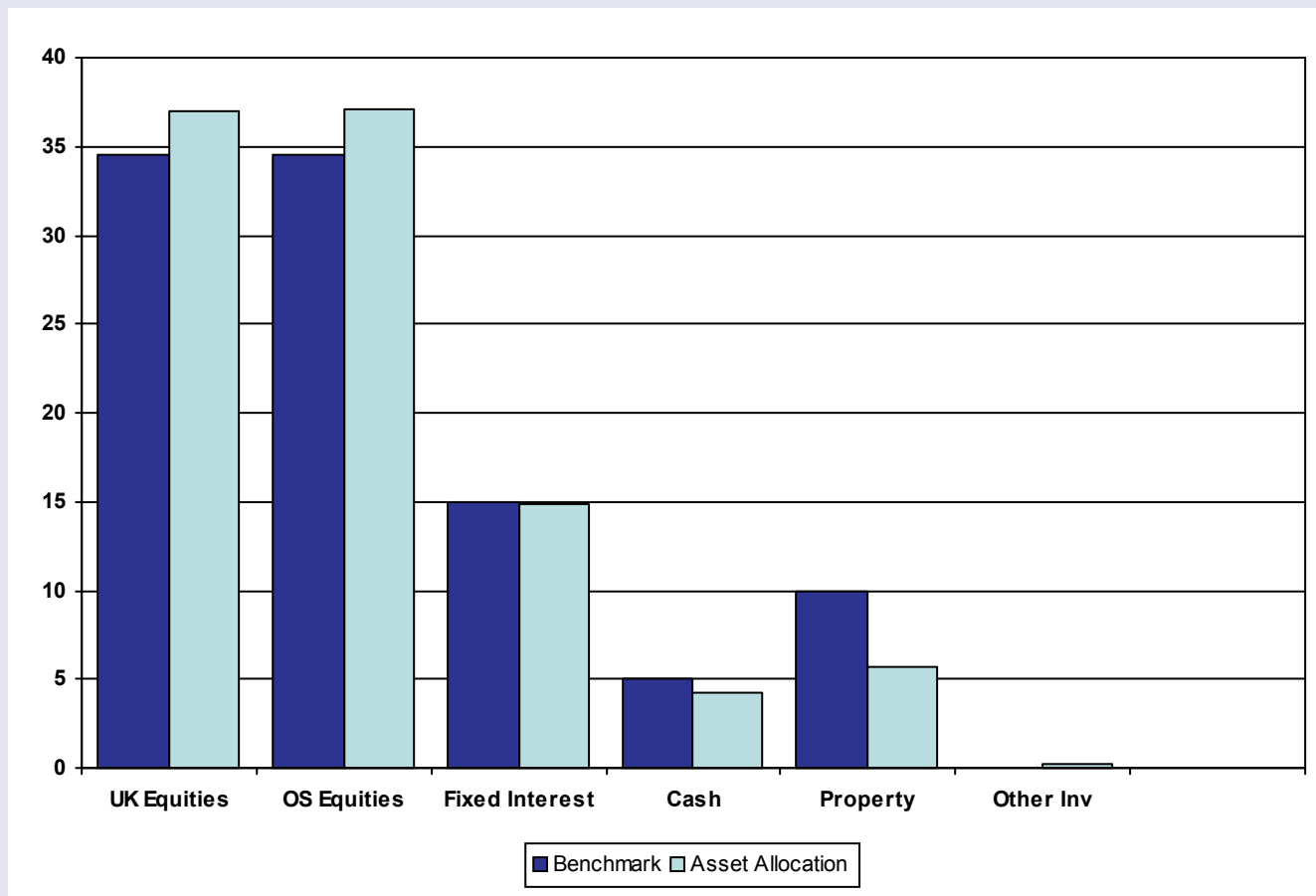
Market Returns-3 months to 31 December 2009



- The final quarter of 2009 showed strong results across most equity markets.
- UK and North American equities continued to perform well with returns of 5.5% and 4.8% respectively.
- Emerging markets demonstrated the best equity performance throughout the quarter with a return of 7.5%.
- Property values achieved positive growth for the second consecutive quarter with a rise of 9.5% for the quarter.

Kent Fund Asset Allocation vs Fund Benchmark

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Asset Class	Kent Fund		Benchmark
	£m	%	%
UK Equities	929	34.8	34.5
Overseas Equities	1,032	38.7	34.5
Fixed Interest	395	14.8	15
UK Property	173	6.5	10
European Property	19	0.8	1
Cash	112	4.2	5
Other Inv	5	0.2	-
Total Value	2,665	100.0	100.0

Asset Distribution Fund Manager

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Values (GBP)'000	Mandate	Value at 30/09/09	Transactions	Capital Gain / loss	Income	Value at 31/12/09	% Fund	Benchmark
Schroders	UK Equity	426,986	2,389	16,758	2,434	446,133	17	Customised
Invesco	UK Equity	300,433		13,868		314,301	12	Customised
State Street	UK Equity	172,875		9,537		182,412	7	FTSE 100 All Share
State Street	Global Equity	0	50,000	1,825		51,825	2	FTSE All World ex UK
Alliance Bernstein	Global Equity	226,565	1,279	7,493	1,111	235,336	9	MSCI World
Baillie Gifford	Global Equity	440,544	1,719	22,340	1,265	464,603	17	Customised
GMO	Global Quantitative	160,162		4,443		164,605	6	MSCI World
Schroders	Global Quantitative	119,251		3,550		122,801	5	MSCI World
Goldman Sachs	Fixed Interest	217,953	716	339	979	219,008	8	ML £ Broad Market
Schroders	Fixed Interest	175,385	-25	2,144	125	177,505	7	ML £ Broad Market
DTZ	Property UK	145,254	9,006	18,283	2,900	172,543	6	IPD All Properties Index
DTZ	Property Europe	19,634	11	-830		18,815	1	IPD All Properties Index
Internally Managed	Cash	134,701	-39,709			94,992	4	LIBID 7 Day Rate
Total Fund		2,539,743	25,386	99,950	8,814	2,665,079	100	Kent Combined Fund

Performance Returns to 31 December 2009

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	Quarter		1 year		3 years	
	Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %
<u>Total Fund</u>	3.6	3.8	16.8	17.5	-0.8	0.2
<u>UK Equity</u>						
Schroders UK	4.5	5.4	29.3	29.5	1.1	-1.2
State Street	5.5	5.5				
Invesco	4.6	5.5	11.6	30.1		
<u>Overseas Equity</u>						
Alliance Bernstein	3.8	3.2	19.8	16.4	-5.5	1.2
Baillie Gifford	5.3	2.6	30.1	20.9	5.5	2.8
GMO	2.8	3.2	10.5	16.4	0.0	1.2
Schroders GAV	3.0	3.2	28.2	16.4	1.6	1.2
<u>Fixed Interest</u>						
Goldman Sachs Fixed Interest	0.6	-1.1	10.9	3.7	4.0	3.7
Schroders Fixed Interest	1.3	-1.1	10.4	3.7	6.0	3.7
<u>Property</u>						
UK Property	12.4	9.4	14.0	2.2	-4.1	-9.2

Data Source: The WM Company
- returns subject to rounding differences

- The fund increased in value by over £100m during the quarter.
- The Fund lagged the benchmark for the quarter posting positive returns of 3.6% against a benchmark of 3.8%, placing us 25th in the WMLA universe.
- The 1 year performance of the fund produced returns of 16.8%, placing us 54th in the WMLA universe.
- Our 3 year performance is -0.8%, placing us 67th in the WMLA universe.
- Baillie Gifford performed very well over the quarter, returning 5.3% against a benchmark of 2.6%.
- Invesco's defensive portfolio underperformed benchmark for the fourth quarter in a row due to a continued lack of exposure to the rallying sectors of the FTSE All-Share Index.

Fund Structure

UK Equities

Schroders
+1.5%
£446m

State Street
+0.0%
£182m

Invesco
Unconstrained
£314m

Global Equities

Baillie Gifford
+1.5%
£464m

Alliance
Bernstein
+3.0%
£235m

GMO
+3.0%
£164m

Schroders
+3.0 - +4.0%
£122m

State Street
+0.0%
£51m

Fixed Interest

Goldman Sachs
+0.75%
£219m

Schroders
+1.0%
£177m

Alternative

DTZ
UK Property
£173m

DTZ
Europe Property
€20m (£19m)

Kent Cash
£89m

Henderson
Secondary PFI
£4m

YFM Private
Equity £1m

Market Value £2.6bn
as at 31 December 2009.