

## INVESTMENT POLICY

### Policy Framework

The Local Government Pension Scheme Regulations set out the range of assets in which the Fund may be invested. Policy decisions are taken by the Superannuation Fund Committee of Kent County Council, which is the administering authority for the Fund.

The Superannuation Fund Committee meets on a quarterly basis to set investment strategy, review the performance of the fund managers and make policy decisions. It is advised by the Director of Finance and independent external consultants (Hymans Robertson).

All funds, except for a day to day cash balance, are managed by external fund managers who are responsible for taking investment decisions within the overall asset allocation set by the Committee. The daily cash balance of the Fund is lent to the County Council and interest is earned on the balance, in accordance with the Regulations.

### Fund Managers

The Fund Managers and the asset class under management as at 31 March, is set out below.

Alliance Bernstein	Global Equities
Baillie Gifford & Co	Global Equities
GMO	Global Equities
Goldman Sachs Asset Management	Fixed Interest
Invesco Perpetual	UK Equities
Schroder Investment Management	UK Equities, Global Equities, Fixed Interest
Société Générale Asset Management	UK Equities
DTZ Investment Management Ltd	Property – UK/Europe
Henderson	PFI
YFM	Private equity

### Asset Allocation

The benchmark for the Kent Fund as at 31 March 2008 is as follows

	Benchmark
	%
UK Equities	34.5
Overseas Equities	34.5
Total Bonds	15
Property	10
European Property	1
Cash	5

The position compared with 31 March 2008 is shown below for the whole Fund:

31 March 2008			31 March 2007	
£m	%		£m	%
817	33	UK Equities	878	35
857	35	Overseas Equities	888	35
74	3	Gilts	85	3
275	11	UK Fixed Interest	239	9
36	2	Overseas Bonds	-18	-1
159	6	Cash/Other Assets	228	9
249	10	Property	256	10
<hr/> 2,467	100		<hr/> 2,556	100

## INVESTMENT PERFORMANCE

The County Council uses The WM Company investment performance service which in conjunction with CIPFA and the Society of County Treasurers produces performance figures for local authority funds. The property portfolio is subject to an independent review of performance by the Investment Property Databank

The performance figures below are given against the customised Kent benchmark and the WM Local Authority Universe. This Universe is representative of the UK Local Authority peer group and consists of 88 funds for 2007/08.

### 2007-2008

The relative performance of the Kent Fund is shown in the table below for 2007-08

Kent Fund	Kent Benchmark	WM Local Authority Universe Average Return
%	%	%
-5.8	-3.9	-2.7

This performance was in the 91st percentile compared with the WM Local Authority Universe.

### 2006-2008 ( 3 Years)

The performance of the Kent Fund is shown in the table below for the last 3 years;

Kent Fund	Kent Benchmark	WM Local Authority Universe Average Return
%	%	%
8.5	8.7	9.2

This performance was in the 60th percentile compared with the WM Local Authority Universe.

### 1999-2008 (10 Years)

The performance of the Kent Fund is shown in the table below for the last 10 years:

Kent Fund	Kent Benchmark	WM Local Authority Universe Average Return
%	%	%
4.4	5.2	5.2

This performance was in the 80th percentile compared with the WM Local Authority Universe.