

FUND POSITION STATEMENT

Classification: Unrestricted
Item: D3 refers

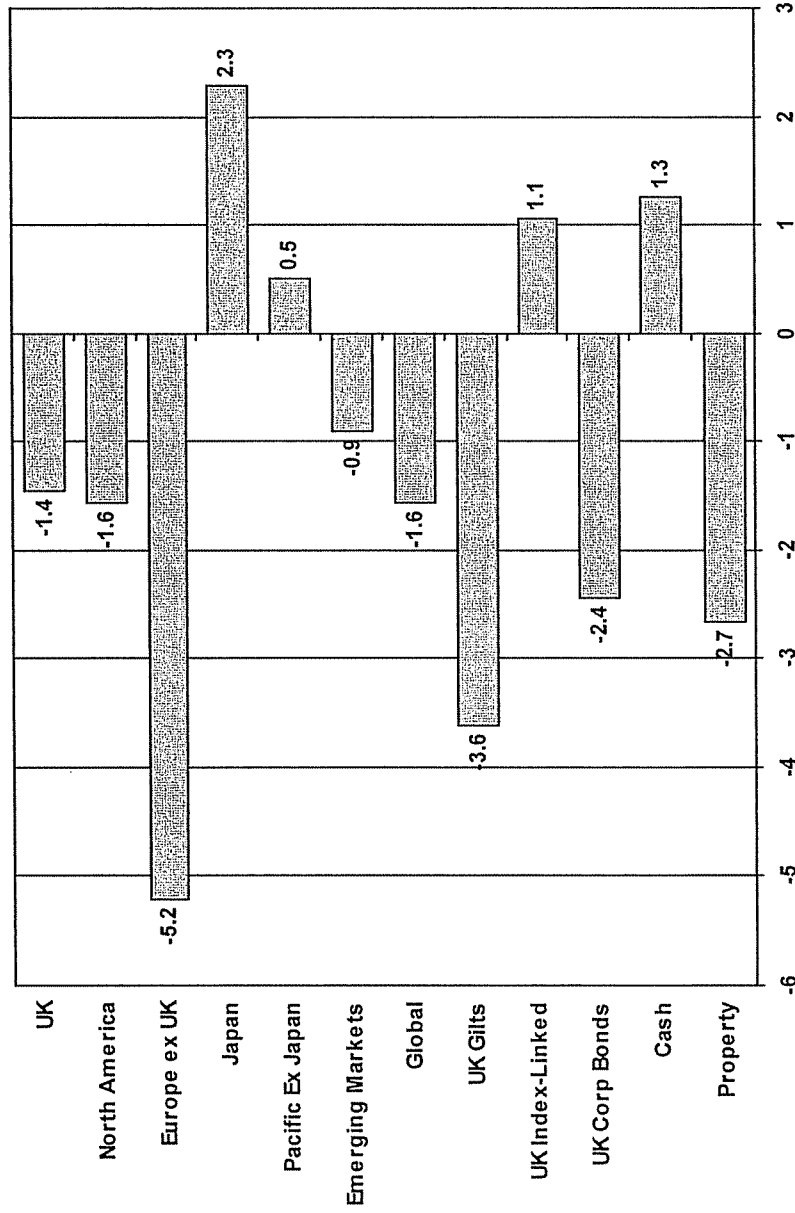
Summary of Fund Asset Allocation and Performance Superannuation Fund Committee 12 September 2008

By: Director of Finance



Kent County Council
Superannuation Fund 2008
Nick Vickers—Head of Financial Services

Market Returns-3 months to 30 June 2008

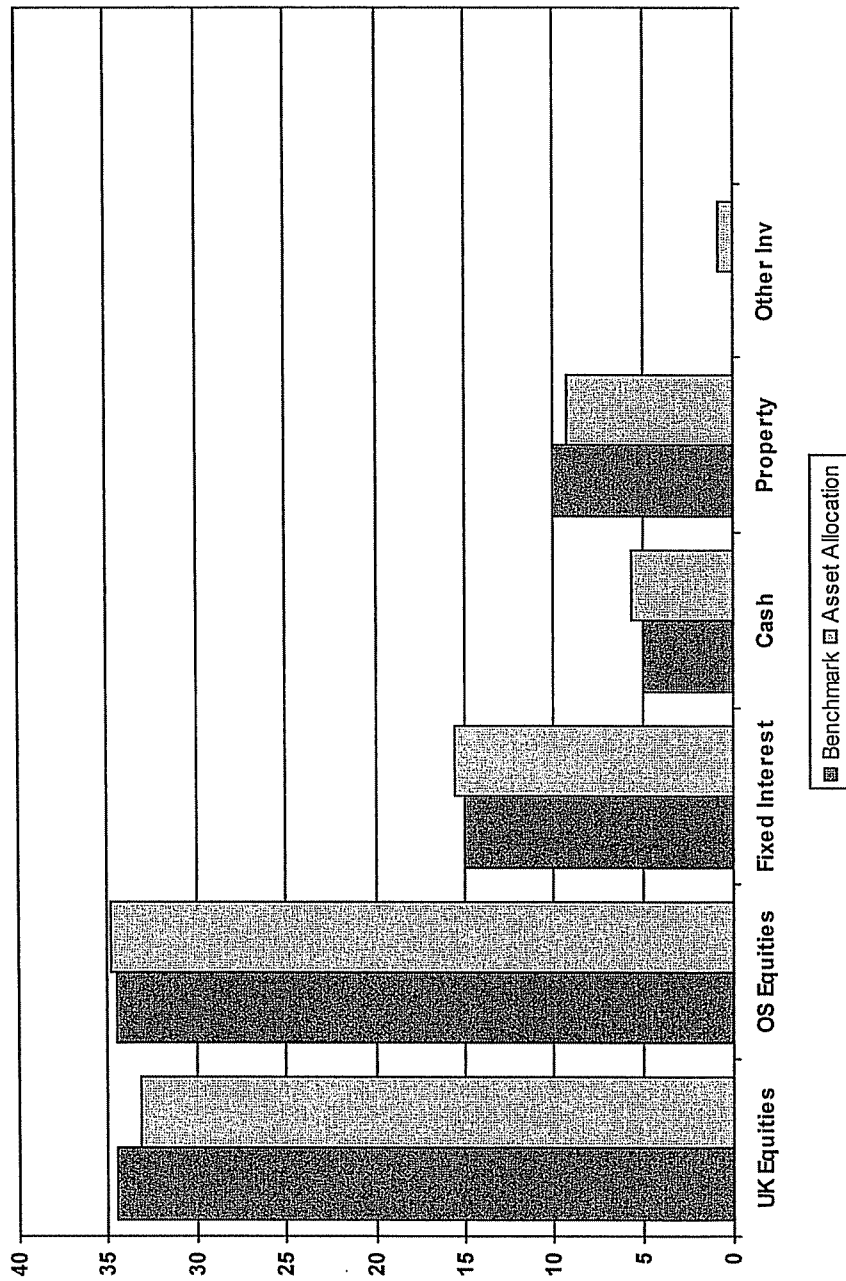


- There was mixed performance from equity markets; Japan was the best performer and Europe ex UK the worst
- UK Gilts and corporate bonds performed particularly badly
- Property returns on the IPD index continued to fall and the consensus view seems to be that further falls are certain.

Kent Fund Asset Allocation vs Fund Benchmark

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Asset Class	Kent Fund		Benchmark
	£m	%	%
UK Equities	809	33.3	34.5
Overseas Equities	853	35.0	34.5
Fixed Interest	357	14.7	15
UK Property	218	9.0	10
European Property	24	1.0	1
Cash	153	6.3	5
Other Inv	17	0.7	-
Total Value	2,431	100.0	100



Asset Distribution Fund Manager

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Values (GBP)'000	Mandate	Value at		Capital		Income	Value at 30/06/08	Fund	Benchmark
		31/03/08	Transactions	Gain / loss	%				
Schroders	UK Equity	399,093	6,416	-9,553	6,421	395,955	17	Customised	
Invesco	UK Equity	237,034	0	-2,775	0	234,259	10	Customised	
Societe Generale	UK Equity	170,615	2,614	-9,809	1,684	163,420	7	Customised	
Alliance Bernstein	Global Equity	258,683	3,081	-8,445	2,998	253,319	11	MSCI World	
Ballie Gifford	Global Equity	395,617	4,806	-4,882	4,314	395,540	16	Customised	
GMO	Global Quantitative	160,477		-2,976		157,501	7	MSCI World	
Schroders	Global Quantitative	112,574		-6,412		106,162	5	MSCI World	
Goldman Sachs	Fixed Interest	195,841	2,884	-8,412	2,753	190,314	7	ML £ Broad Market	
Schroders	Fixed Interest	154,025		-8,373		145,652	6	ML £ Broad Market	
DTZ	Property UK	226,498	1,666	-7,823	3,021	220,342	10	IPD All Properties Index	
DTZ	Property Europe	23,289	430		50	23,719	0	IPD All Properties Index	
Internally Managed	Cash	131,885	12,338	0	1,651	144,222	4	LIBID 7 Day Rate	
Black Rock (ML)	Transition	1,402		-741		660			
Total Fund		2,467,032	34,235	-70,202	22,892	2,431,066	100	Kent Combined Fund	

Performance Returns to 30 June 2008

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	Quarter		1 year		3 years	
	Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %
Total Fund	1.9	1.7	-10.7	-8.4	5.8	6.4
UK Equity						
Schroders UK	-0.8	-1.4	-11.1	-12.7	6.8	6.0
Societe Generale	-4.7	-1.4	-20.6	-12.7	3.4	7.2
Invesco	-1.2	-1.4	-13.7	-13.0	-	-
Overseas Equity						
Alliance Bernstein	-2.1	-1.6	-14.8	-9.4	-	-
Baillie Gifford	-0.1	-1.9	-2.5	-7.4	11.2	9.3
GMO	-1.9	-1.6	-10.7	-9.4	-	-
Schroders GAV	-5.7	-1.6	-17.4	-9.4	-	-
Fixed Interest						
Goldmans Fixed Interest	-2.9	-2.4	1.9	2.8	0.9	1.3
Schroders Fixed Interest	-5.4	-2.4	0.4	2.8	-	-
Property						
UK Property	-2.1	-2.7	-9.4	-14.9	9.6	5.2
European Property	0.2	-2.7	3.8	-14.9	-	-

- The fund decreased in value by £36m in the quarter.
- The Fund marginally underperformed the benchmark for the quarter posting negative returns of -1.9% compared to a benchmark return of -1.7%, placing us 63rd against the WMLA average
- The 1 year performance is -10.7% against the benchmark of -8.4% - placing us 89th against the WMLA average
- Our 3 year performance is 5.8% against a benchmark return of 6.4%. This places us 64th against the WMLA average
- European Property was the best performer this quarter showing the only positive return of 0.2%
- DTZ, Ballie Gifford, Schroders UK equities and Invesco all outperformed their benchmark this quarter. All other managers underperformed
- Among the worst performers were SocGen, Schroders Fixed Interest and Schroders GAV who all underperformed considerably this quarter posting negative returns at least 3% below their benchmark

Fund Structure

UK Equities

Schroders
+1.5%
£396m

Soc Gen
+2.0%
£163m

Invesco
Unconstrained
£234m

Global Equities

Baillie Gifford
+1.5%
£396m

Alliance
Bernstein
+3.0%
£253m

GMO
+3.0%
£158m

Schroders
+3.0 - +4.0%
£106m

Fixed Interest

Goldman Sachs
+0.75%
£190m

Schroders
+1.0%
£146m

Alternative

DTZ
UK Property
£220m

DTZ
Europe Property
Eur 35m (£25m)
£24m invested
as at 30.06.08

Kent Cash
£138m

Henderson
Secondary PFI
£10m
£9.5m invested

YFM Private
Equity £4m
£1.5m invested
as at 31.03.08

Market Value approx £2.431bn
as at 30 June 2008.