

Summary of Fund Asset Allocation and Performance

Superannuation Fund Committee

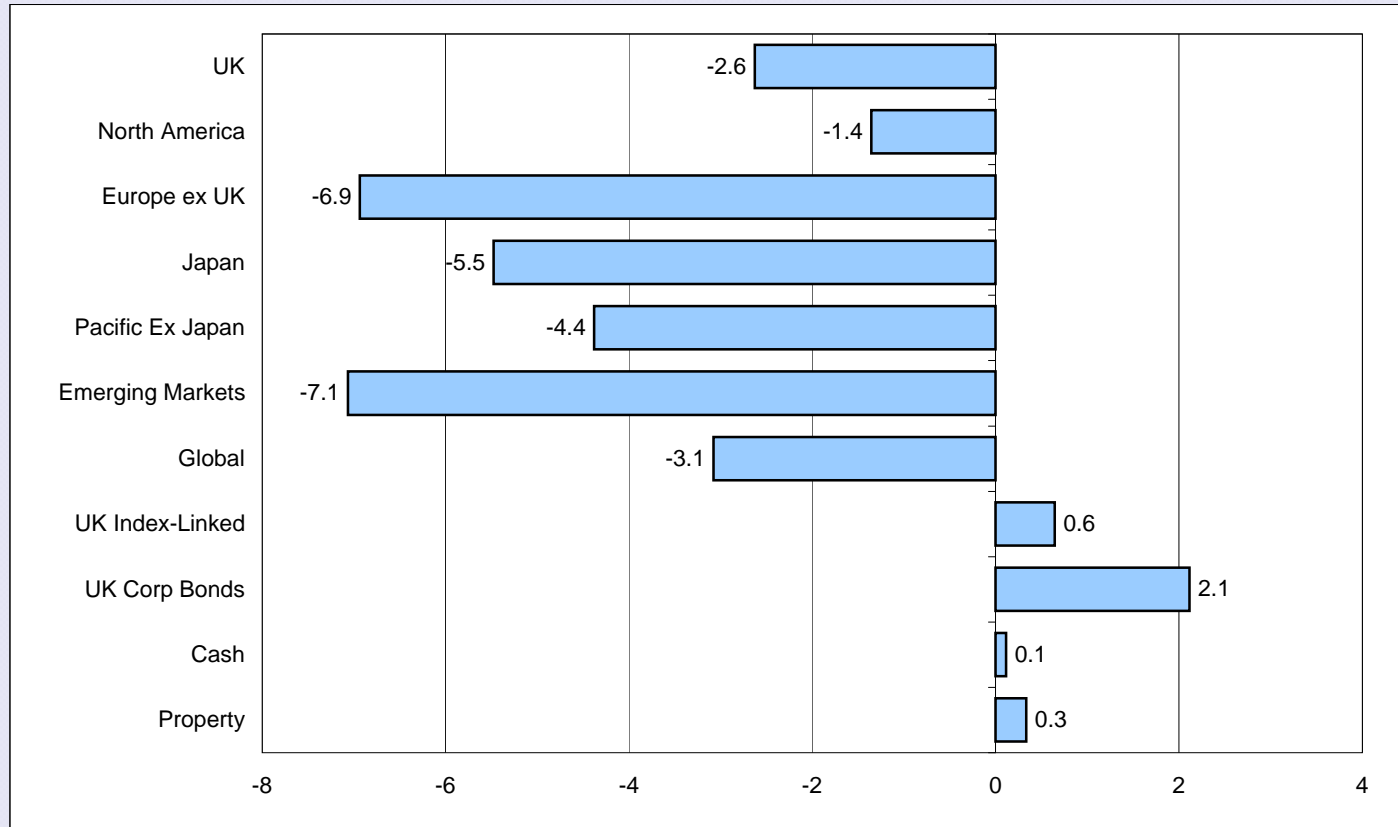
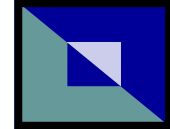
By: Chairman Superannuation Fund Committee
Corporate Director Finance and Procurement



Kent County Council
Superannuation Fund 2012

Nick Vickers—Head of Financial Services

Market Returns - 3 Months to 30 June 2012



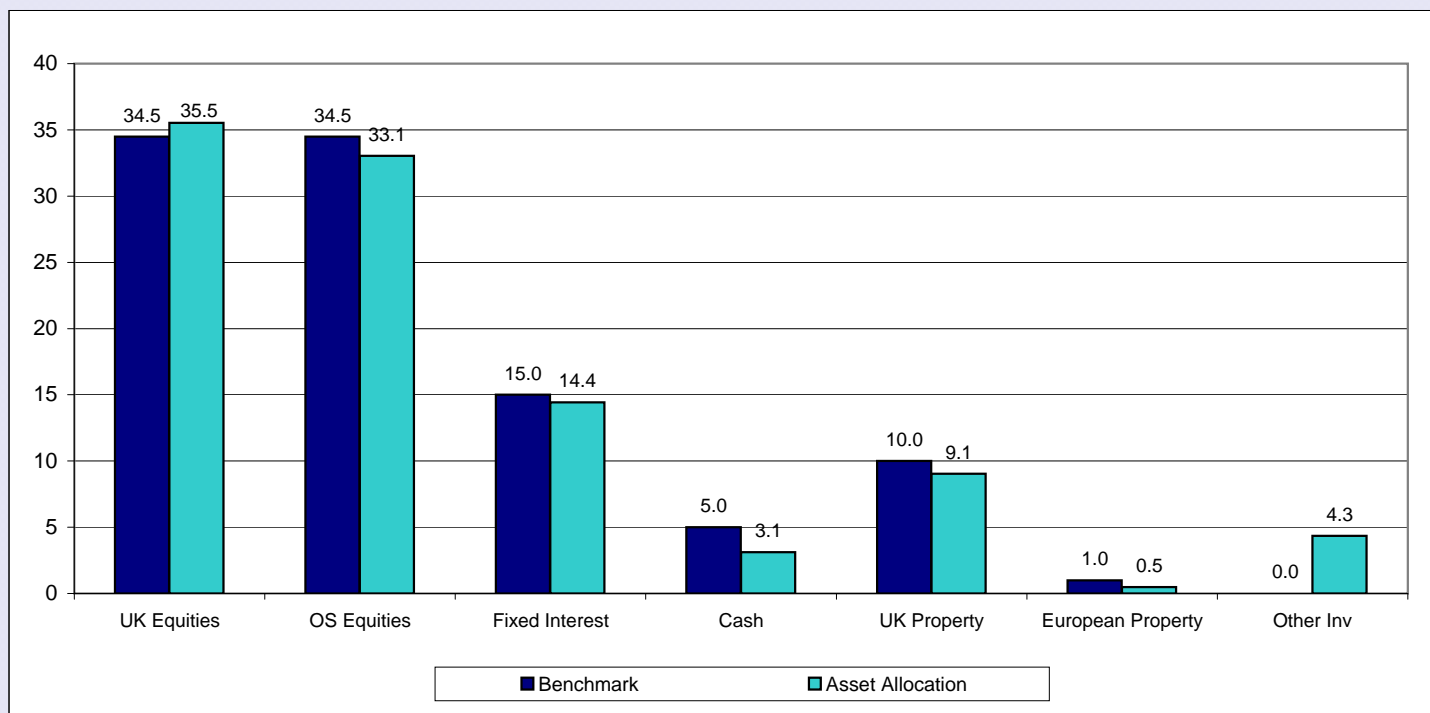
The second quarter of 2012 saw a return to risk aversion and in this cautious environment equities in all areas fell in unison. Latest developments in the Eurozone, moderation of growth in the US and signs of a slowdown in China renewed investors' worries and as a result equities across all markets saw a fall, although UK and the US equities held their values better than those in the other markets.

Risk-off and safe assets on the other hand did well and resulted in positive growth in Index Linked Securities and the UK Corporate Bonds in our portfolio.

Property continued to return modest growth.

Asset Allocation vs Fund Benchmark - 30 June 2012

Classification: Unrestricted
Item: D2 refers



Asset Class	Kent Fund		Benchmark
	£m	%	%
UK Equities	1,151	35.5	34.5
Overseas Equities	1,070	33.1	34.5
Fixed Interest	467	14.4	15.0
UK Property	293	9.1	10.0
European Property	15	0.5	1.0
Cash	101	3.1	5.0
Other Inv	141	4.3	-
Total Value	3,238	100	100

Asset Distribution Fund Manager - 30 June 2012

Classification: Unrestricted
Item: D2 refers

Values (GBP)'000	Mandate	Value at		Capital		Value at		%	Benchmark
		31/03/2012	Transactions	Gain / loss	Income	30/06/2012	Fund		
Schroders	UK Equity	529,247	5,874	(18,212)	5,910	516,910	16	Customised	
Invesco	UK Equity	398,911	-	3,316	-	402,227	12	Customised	
State Street	UK Equity	194,329	-	(5,100)	-	189,233	6	FTSE All Share	
State Street	Global Equity	247,399	-	(8,987)	-	238,411	7	FTSE All World ex UK	
Baillie Gifford	Global Equity	583,125	6,117	(22,250)	5,207	566,993	18	Customised	
GMO	Global Quantitative	192,010	-	(5,555)	-	186,455	6	MSCI World NDR	
Schroders	Global Quantitative	144,498	-	(6,488)	-	138,010	4	MSCI World NDR	
Goldman Sachs	Fixed Interest	273,518	168	4,320	138	278,006	9	Customised	
Schroders	Fixed Interest	203,234	778	3,215	778	207,228	6	ML £ Broad Market	
Impax	Environmental	23,517	-	(2,122)	-	21,396	1	MSCI World NDR	
DTZ	Property UK	297,143	881	(2,224)	4,156	295,800	9	IPD All Properties Index	
DTZ	Property Europe	16,036	-	(612)	105	15,424	0	IPD All Properties Index	
Harbourvest	Private Equity	4,632	878	(262)	-	5,248	0	GBP 7 Day LIBID	
YFM	Private Equity	3,061	432	81	-	3,574	0	GBP 7 Day LIBID	
Partners	Infrastructure	25,921	1,928	(658)	-	27,191	1	GBP 7 Day LIBID	
Henderson	Infrastructure	8,490	-	(49)	-	8,442	0	GBP 7 Day LIBID	
Internally Managed	Cash	47,148	(6,090)	0	71	41,058	1	GBP 7 Day LIBID	
Pyrford	Absolute Return	80,354	15,117	707	-	96,178	3	RPI	
Total Fund		3,272,574	26,089	(60,880)	16,365	3,237,782	100	Kent Combined Fund	

Performance Returns - 30 June 2012

Classification: Unrestricted
Item: D2 refers

	Quarter		1 year		3 years	
	Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %
Total Fund	-1.4	-1.7	-0.3	0.2	12.5	12.3
UK Equity						
Schroders UK	-2.3	-2.6	-5.8	-3.0	14.0	13.6
State Street	-2.6	-2.6	-2.9	-3.1	13.8	13.8
Invesco	0.8	-2.6	8.1	-3.1	15.0	13.8
Overseas Equity						
Baillie Gifford	-2.9	-4.3	-2.2	-6.9	16.4	11.2
GMO	-2.9	-3.3	-4.1	-2.7	11.8	12.9
Schroders GAV	-4.5	-3.3	-8.4	-2.7	12.5	12.9
State Street	-3.6	-3.6	-3.6	-3.6		
Impax Environmental Fund	-9.0	-3.3	-17.2	-2.7		
Fixed Interest						
Goldman Sachs Fixed Interest	1.6	1.8	10.0	9.8	10.4	8.8
Schroders Fixed Interest	2.0	1.8	4.9	7.5	6.9	6.3
Property						
UK Property	0.7	0.3	5.1	4.8	15.9	12.3
Overseas Property	-3.2	0.3	-13.8	4.8	-6.9	12.3
Private Equity						
Harbourvest	-5.0	0.1				
YFM	2.6	0.1				
Infrastructure						
Partners	-2.6	0.1	-6.6	0.5		
Henderson	-0.6	0.1	3.8	0.5		
Absolute Return						
Pyrford	0.6	0.4				
Data Source: The WM Company						
- returns subject to rounding differences						

Invesco was the best performer in the quarter and has good outperformance over the 1 and 3 year periods.

Baillie Gifford also outperformed and are well ahead of the benchmark over 1 and 3 year periods.

GMO are marginally ahead of benchmark for the quarter but behind for the 1 and 3 year periods.

Schroders UK equity portfolio outperformed whereas the Global Equity mandate underperformed. However for the 1 year period Schroders has underperformed across both equity mandates, but returned around benchmark performance for the 3 year period.

Impax continued to underperform.

StateStreet being a tracker fund continues to return benchmark figures as expected.

In the fixed interest portfolios, this quarter Goldman Sachs underperformed and Schroders outperformed the benchmark by small margins. However whilst both have had positive returns over the 3 year period, Schroders failed to match the benchmark for the 1 year timeframe.

DTZ's UK property portfolio has consistently posted modest but above benchmark returns, although its European investment continues to significantly underperform the benchmark.

Returns on Infrastructure and Private Equity investments follow the J curve income cycle. Recent investments in Partners and Harbourvest are still in their early stages of the J curve and as expected have not shown positive returns over the 1 year period. However earlier investments in YFM and Henderson are showing better results as expected

New investment made in January in an absolute return fund with Pyrford has shown positive return in the first complete quarter

Fund Structure - 30 June 2012

Classification: Unrestricted
Item: D2 refers

UK Equities

Global Equities

Fixed Interest

Property

Cash/Alternatives

Schroders
+1.5%
£517m

Baillie Gifford
+1.5%
£567m

Goldman Sachs
+0.75%
£278m

DTZ
UK Property
£296m

Kent Cash
£41m

State Street
+0.0%
£189m

GMO
+3.0%
£186m

Schroders
+1.0%
£207m

DTZ
Europe Property
£15m

Henderson
Secondary PFI
£8m

Invesco
Unconstrained
£402m

Schroders
+3.0 - +4.0%
£138m

Partners
£27m

State Street
+0.0%
£238m

YFM Private
Equity
£4m

Impax
£21m

HarbourVest
£5m

Pyrford
+5.0%
£96m

Market Value £3.2bn
as at 30 June 2012