

# FUND POSITION STATEMENT

Classification: Unrestricted  
Item: D3 refers



## Summary of Fund Asset Allocation and Performance Superannuation Fund Committee

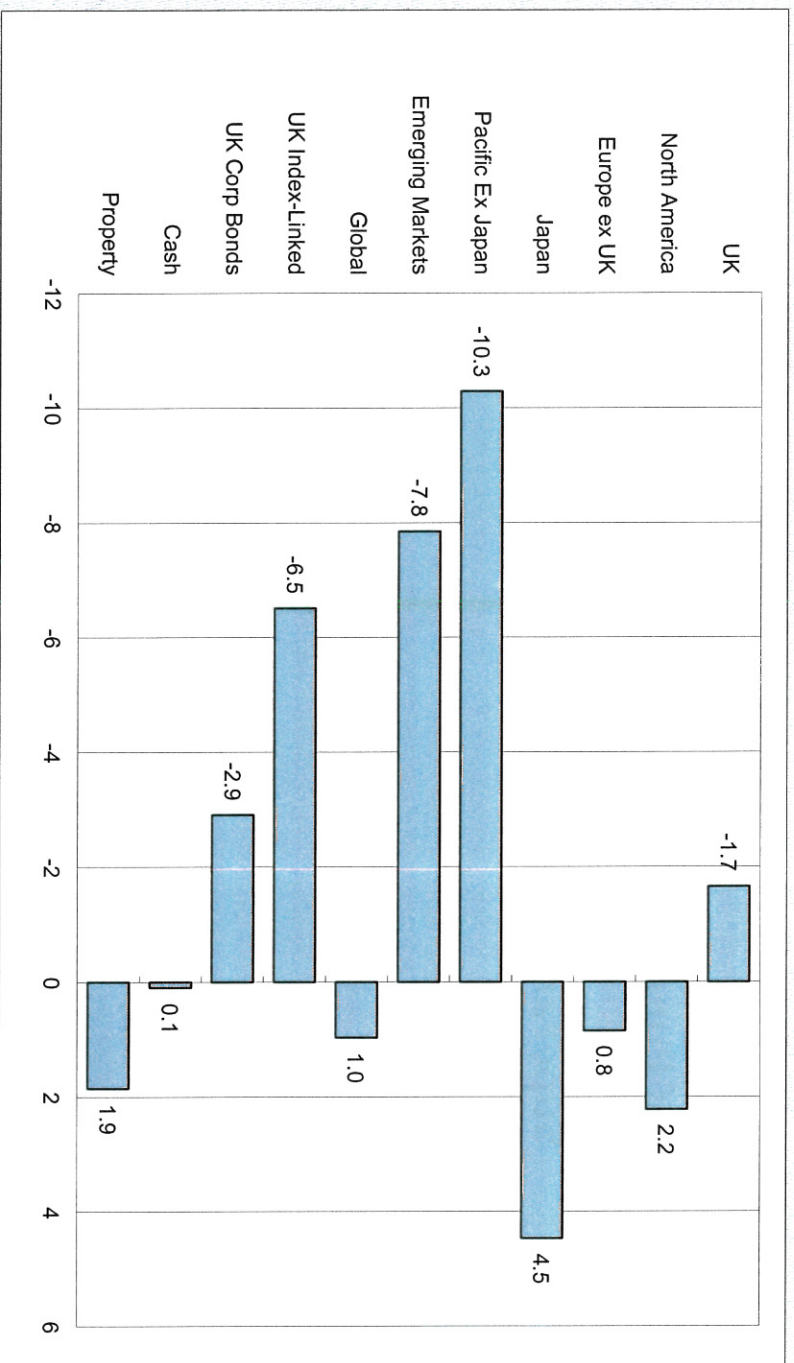
**By: Chairman Superannuation Fund Committee**  
Corporate Director of Finance and Procurement



Kent County Council  
Superannuation Fund 2013  
Nick Vickers— Head of Financial Services



## Market Returns - 3 Months to 30 June 2013

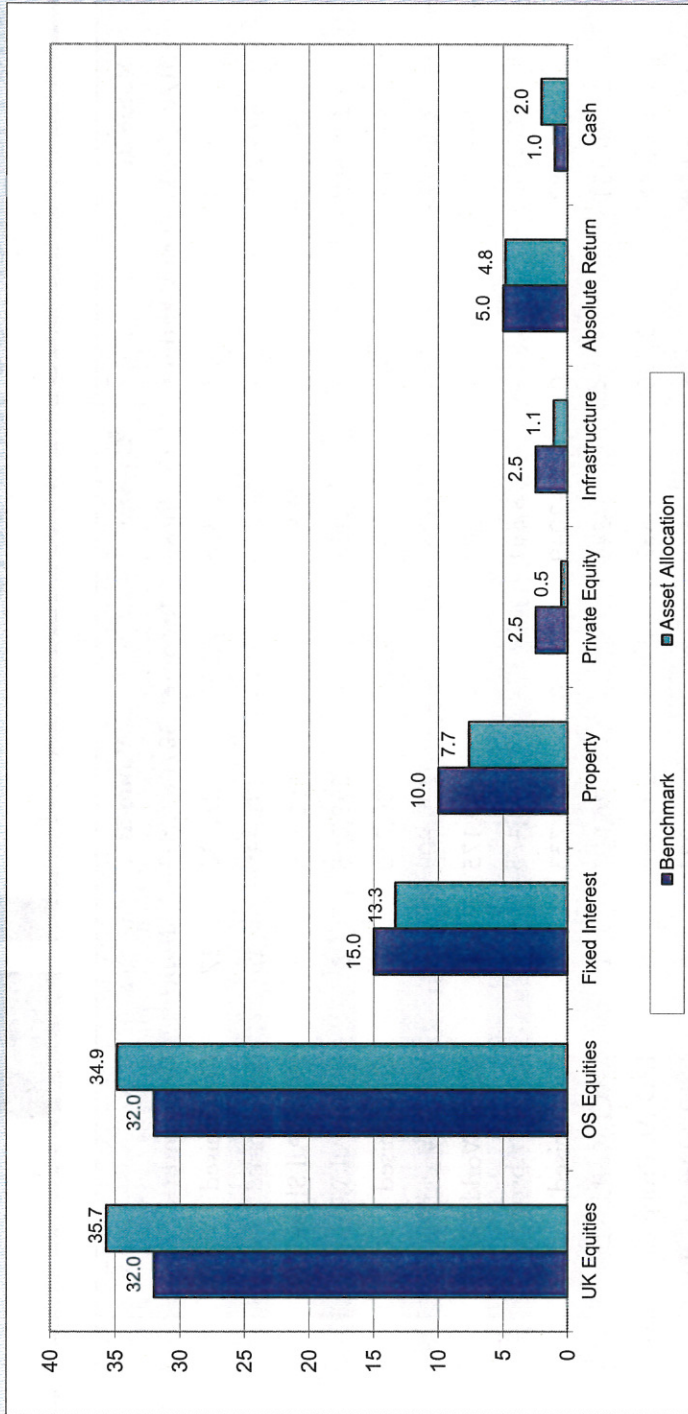


- Generally markets fell back in the quarter largely due to sentiment change due to indications that QE in the USA would taper down. Some markets did regain lost ground at the end of the quarter.
- This was most marked in equity markets in the Pacific ex Japan and Emerging Markets reflecting particular sensitivity to winding down QE and poor economic news in China, India and Brazil.
- Yields rose a little during the quarter but still stay at very low levels.



# Asset Allocation vs Fund Benchmark - 30 June 2013

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Asset Class	Kent Fund		Benchmark
	£m	%	
UK Equities	1,354	35.7	32.0
Overseas Equities	1,322	34.9	32.0
Fixed Interest	506	13.3	15.0
Property	291	7.7	10.0
Private Equity	19	0.5	2.5
Infrastructure	41	1.1	2.5
Absolute Return	183	4.8	5.0
Cash	77	2.0	1.0
<b>Total Value</b>	<b>3,793</b>	<b>100</b>	<b>100.0</b>



# Asset Distribution Fund Manager - 30 June 2013

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Values (GBP)'000	Mandate	Value at 31/03/2013	Transactions	Capital Gain / loss	Income	Value at 30/06/2013	% Fund	Benchmark
Schroders	UK Equity	623,444	7,003	-3,318	7,056	627,130	17	Customised
Invesco	UK Equity	479,239	-	12,210	-	491,449	13	Customised
State Street	UK Equity	183,843	-	-2,965	-	180,879	5	FTSE All Share
State Street	Global Equity	290,667	-	1,431	-	292,098	8	FTSE All World ex UK
Baillie Gifford	Global Equity	699,367	5,867	-4,463	5,627	700,770	18	Customised
GMO	Global Quantitative	220,778	-	6,031	-	226,809	6	MSCI World NDR
Schroders	Global Quantitative	168,671	-	504	-	169,175	4	MSCI World NDR
Goldman Sachs	Fixed Interest	301,337	-	-8,861	-	292,475	8	+3.5% Absolute
Schroders	Fixed Interest	215,782	0	-2049	0	213,733	6	Customised
Impax	Environmental	26,251	-	-245	-	26,007	1	MSCI World NDR
DTZ	Property UK	300,748	-10,790	1,887	3,905	291,846	8	IPD All Properties Index
Harbourvest	Private Equity	13,878	628	518	-	15,024	0	GBP 7 Day LIBID
YFM	Private Equity	3,720	-	192	-	3,912	0	GBP 7 Day LIBID
Partners	Infrastructure	30,871	1,026	905	-	32,802	1	GBP 7 Day LIBID
Henderson	Infrastructure	8,212	-	-3	-	8,209	0	GBP 7 Day LIBID
Pyrford	Absolute Return	153,450	30,236	-1,066	-	182,620	5	RPI + 5%
Internally Managed	Cash	62,379	-23,947	-	58	38,432	1	GBP 7 Day LIBID
Total Fund		3,782,637	10,023	708	16,645	3,793,369	100	Kent Combined Fund



# Performance Returns - 30 June 2013

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	Quarter		1 year		3 years (p.a.)	
	Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %
<b>Total Fund</b>	0.5	-0.3	16.9	15.2	11.4	10.9
		-0.5*		13.7*		10.4*
<b>UK Equity</b>						
Schroders UK	0.6	-1.6	21.3	17.6	12.9	12.6
State Street	-1.6	-1.7	18.0	17.9	12.9	12.8
Invesco	2.5	-1.7	22.2	17.9	16.5	12.8
<b>Overseas Equity</b>						
Baillie Gifford	0.2	-0.2	23.6	22.3	14.5	11.6
GMO	2.7	0.8	21.6	22.6	12.4	13.2
Schroders GAV	0.3	0.8	22.6	22.6	11.2	13.2
State Street	0.5	0.5	22.5	22.6	12.8	13.0
Impax Environmental Fund	-0.9	0.8	21.6	22.6	4.7	13.2
<b>Fixed Interest</b>						
Goldman Sachs Fixed Interest	-2.9	0.9	5.2	7.9	7.2	7.8
Schroders Fixed Interest	-0.9	-1.6	3.1	0.6	4.0	3.5
<b>Property</b>						
DTZ Property	2.0	1.9	8.1	4.1	7.2	6.0
<b>Private Equity</b>						
Harbourvest	3.6	0.1	11.2	0.4		
YFM	5.2	0.1	12.1	0.4	24.7	0.4
<b>Infrastructure</b>						
Partners	2.9	0.1	4.9	0.4		
Henderson	0.0	0.1	-1.5	0.4	9.1	0.4
<b>Absolute Return</b>						
Pyrford	-0.5	1.6	5.5	8.3		
Data Source: The WM Company						
- returns subject to rounding differences						
* Strategic Benchmark						

- The Fund significantly outperformed the benchmark in the quarter and the Fund has outperformed over the 1 and 3 year periods.
- The Fund ranked in the 5th percentile for the quarter, 20th 1 year, 20th 3 yrs and 24th 5 years.
- Schroder UK Equities, Invesco and Baillie Gifford all produced positive returns whilst their benchmarks were negative. Invesco continued to perform very strongly.
- GMO delivered their most significant outperformance for some time.
- Pyrford with their higher weight in Fixed Income had a negative quarter.





# Fund Structure - 30 June 2013

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UK Equities	Global Equities	Fixed Interest	Property	Cash/Alternatives
Schroders +1.5% £627m	Baillie Gifford +1.5% £701m	Goldman Sachs +6.0% Abs. £292m	DTZ Property £292m	Kent Cash £38m
State Street +0.0% £181m	GMO +3.0% £227m	Schroders +2.0% £214m		Henderson Secondary PFI £8m
Invesco Unconstrained £491m	Schroders +3.0 - +4.0% £169m			Partners £33m
	State Street +0.0% £292m			YFM Private Equity £4m
	Impax £26m			HarbourVest £15m
				Pyrford RPI +5.0% £183m

Market Value £3.8bn  
as at 30th June 2013

