

FUND POSITION STATEMENT

Classification: Unrestricted
Item: D3 refers

Summary of Fund Asset Allocation and Performance

Superannuation Fund Committee

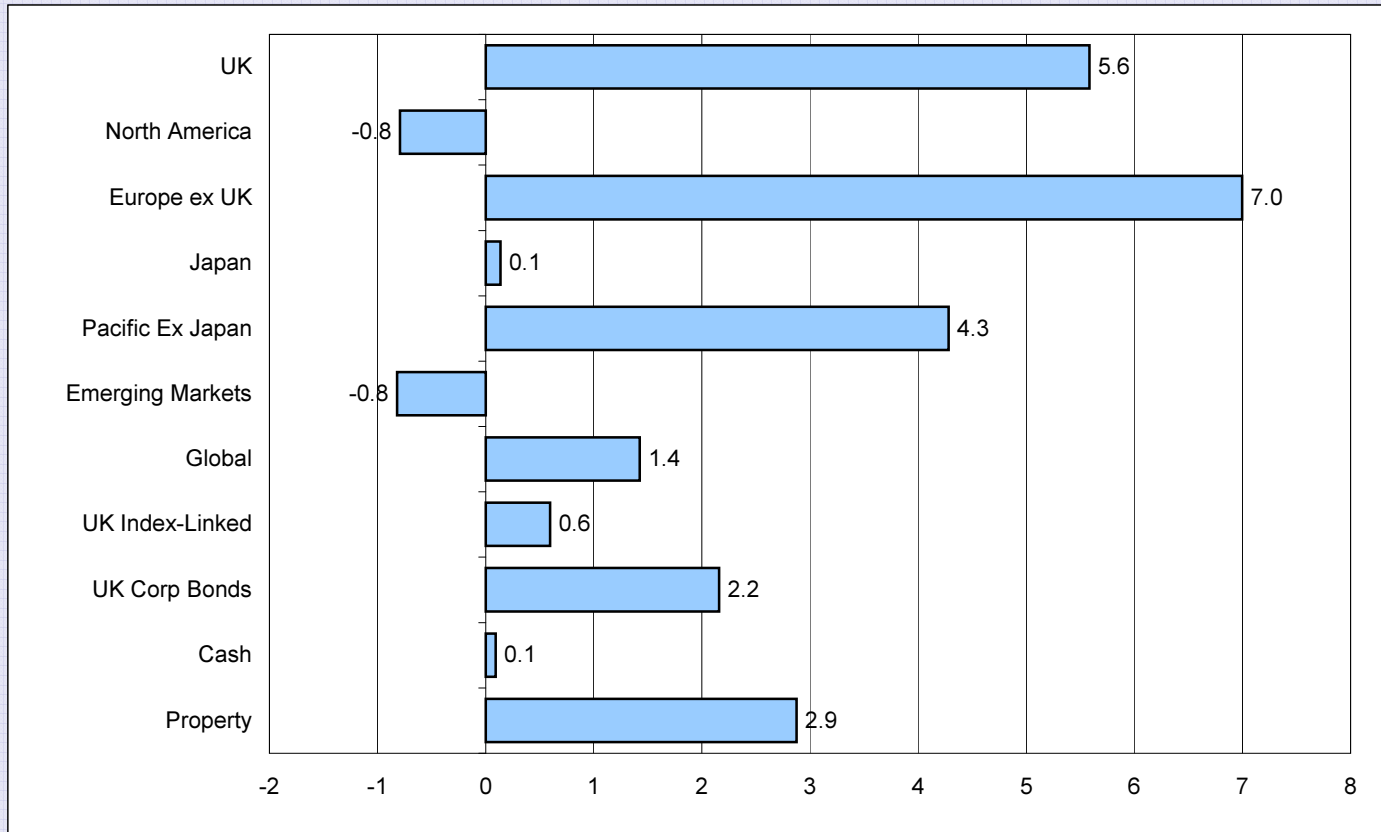
By: Chairman Superannuation Fund Committee
Corporate Director of Finance and Procurement



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

Market Returns - 3 Months to 30 September 2013

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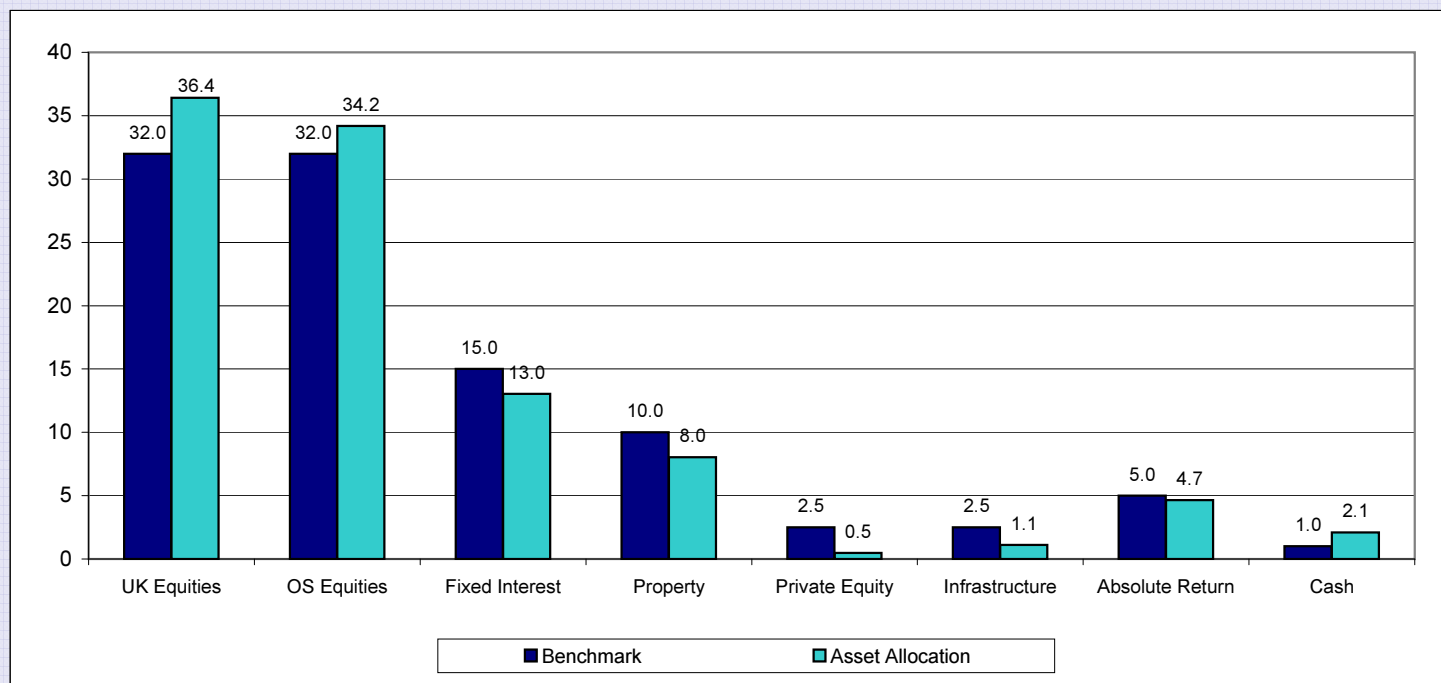
The period saw good returns for all markets except US and Emerging Market Equities.

The strongest returns were in UK and European ex-UK equities. Concerns remain over the impact the tapering of monetary stimulus will have.

UK property returns have moved into positive territory with a lot of support for the asset class.

Asset Allocation vs Fund Benchmark - 30 September 2013

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Asset Class	Kent Fund		Benchmark
	£m	%	%
UK Equities	1,427	36.4	32.0
Overseas Equities	1,340	34.2	32.0
Fixed Interest	511	13.0	15.0
Property	315	8.0	10.0
Private Equity	18	0.5	2.5
Infrastructure	44	1.1	2.5
Absolute Return	183	4.7	5.0
Cash	82	2.1	1.0
Total Value	3,920	100	100.0

Asset Distribution Fund Manager - 30 September 2013



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Values (GBP)'000	Mandate	Value at 30/06/2013	Transactions	Capital Gain / loss	Income	Value at 30/09/2013	% Fund	Benchmark
Schroders	UK Equity	627,130	9,233	40,388	9,289	676,750	17	Customised
Invesco	UK Equity	491,449	0	15,905	0	507,353	13	Customised
State Street	UK Equity	180,879	-9,999	10,240	0	181,119	5	FTSE All Share
State Street	Global Equity	292,098	1	2,828	0	294,927	8	FTSE All World ex UK
Baillie Gifford	Global Equity	700,770	3,014	14,999	3,096	718,783	18	Customised
GMO	Global Quantitative	226,809	0	3,803	0	230,612	6	MSCI World NDR
Schroders	Global Quantitative	169,175	0	4,869	0	174,044	4	MSCI World NDR
Goldman Sachs	Fixed Interest	292,475	0	4,367	0	296,843	8	+3.5% Absolute
Schroders	Fixed Interest	213,733	0	634	0	214,366	5	Customised
Impax	Environmental	26,007	0	1,591	0	27,598	1	MSCI World NDR
DTZ	Property UK	292,173	21,835	2,254	3,892	316,262	8	IPD All Properties Index
Harbourvest	Private Equity	15,024	795	-691	0	15,129	0	GBP 7 Day LIBID
YFM	Private Equity	3,912	-649	61	0	3,324	0	GBP 7 Day LIBID
Partners	Infrastructure	32,802	2,927	-984	0	34,745	1	GBP 7 Day LIBID
Henderson	Infrastructure	8,209	0	796	0	9,005	0	GBP 7 Day LIBID
Pyrford	Absolute Return	182,620	292	-278	0	182,634	5	RPI + 5%
Internally Managed	Cash	38,432	-2,352	0	42	36,081	1	GBP 7 Day LIBID
Total Fund		3,793,696	25,097	100,780	16,319	3,919,574	100	Kent Combined Fund

Performance Returns - 30 September 2013

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	Quarter		1 year		3 years (p.a.)	
	Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %
Total Fund	3.1	3.0	16.6	14.6	9.4	8.9
		2.8*		13.2*		8.4*
UK Equity						
Schroders UK	7.9	5.5	26.7	18.5	10.7	9.9
State Street	5.7	5.6	19.1	18.9	10.2	10.1
Invesco	3.2	5.6	21.3	18.9	14.6	10.1
Overseas Equity						
Baillie Gifford	2.6	2.6	22.2	20.6	11.5	9.2
GMO	1.7	1.3	20.4	19.9	10.0	10.8
Schroders GAV	2.9	1.3	21.7	19.9	8.8	10.8
State Street	1.0	1.0	19.1	19.2	10.4	10.4
Impax Environmental Fund	6.1	1.3	26.3	19.9	5.0	10.8
Fixed Interest						
Goldman Sachs Fixed Interest	1.5	0.9	2.3	4.7	6.0	6.5
Schroders Fixed Interest	0.3	0.7	1.0	-0.1	3.1	3.0
Property						
DTZ Property	2.1	2.9	7.8	6.5	7.2	6.2
Private Equity						
Harbourvest	-4.4	0.1	6.4	0.4		
YFM	1.8	0.1	11.4	0.4	24.3	0.4
Infrastructure						
Partners	-2.7	0.1	5.2	0.4		
Henderson	9.7	0.1	6.4	0.4	9.2	0.4
Absolute Return						
Pyrford	-0.2	2.1	4.0	8.2		

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

The Fund was ahead of its benchmark for the quarter, 1 year and 3 years.

Once again this performance was driven by the 3 large equity mandates; Schroders UK, Invesco UK and Baillie Gifford Overseas. Schroders UK equities was 8.2% ahead of benchmark to the year.

Impax for the first time in a long period has produced strong returns and was +6.4% ahead of benchmark to the year.

The Goldman Sachs fixed income mandate lagged in the year. This is a long term unconstrained mandate and the cash benchmark is not a true measure.

Pyrford are now substantially behind the benchmark to the year and August and September saw negative returns which are being followed up.

Fund Structure - 30 September 2013

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UK Equities	Global Equities	Fixed Interest	Property	Cash/Alternatives
Schroders +1.5% £677m	Baillie Gifford +1.5% £719m	Goldman Sachs +6.0% Abs. £297m	DTZ Property £316m	Kent Cash £36m
State Street +0.0% £181m	GMO +3.0% £231m	Schroders +2.0% £214m		Henderson Secondary PFI £9m
Invesco Unconstrained £507m	Schroders +3.0 - +4.0% £174m			Partners £35m
	State Street +0.0% £295m			YFM Private Equity £3m
	Impax £28m			HarbourVest £15m
				Pyrford RPI +5.0% £183m

Market Value £3.9bn
as at 30th September 2013