

# FUND POSITION STATEMENT

Classification: Unrestricted  
Item: D3 refers

## Summary of Fund Asset Allocation and Performance

### Superannuation Fund Committee

06 June 2008

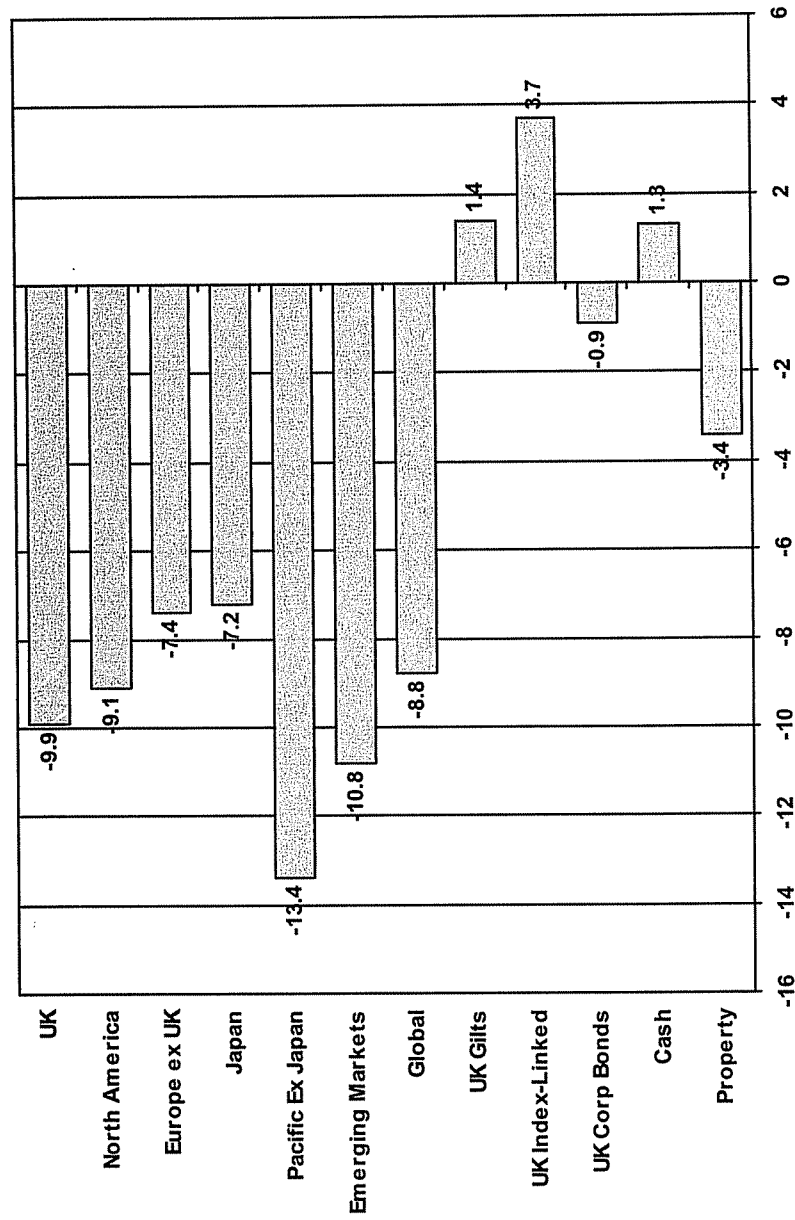
By: Director of Finance



Kent County Council  
Superannuation Fund 2008

Nick Vickers— Head of Financial Services

# Market Returns-3 months to 31 March 2008



- Equity markets fell sharply this quarter in all regions. The Pacific region excluding Japan, and Emerging Markets were the worst hit with double digit losses.

- Fixed interest investments and cash showed the only positive returns in the quarter with indexed linked investments being the best performer.

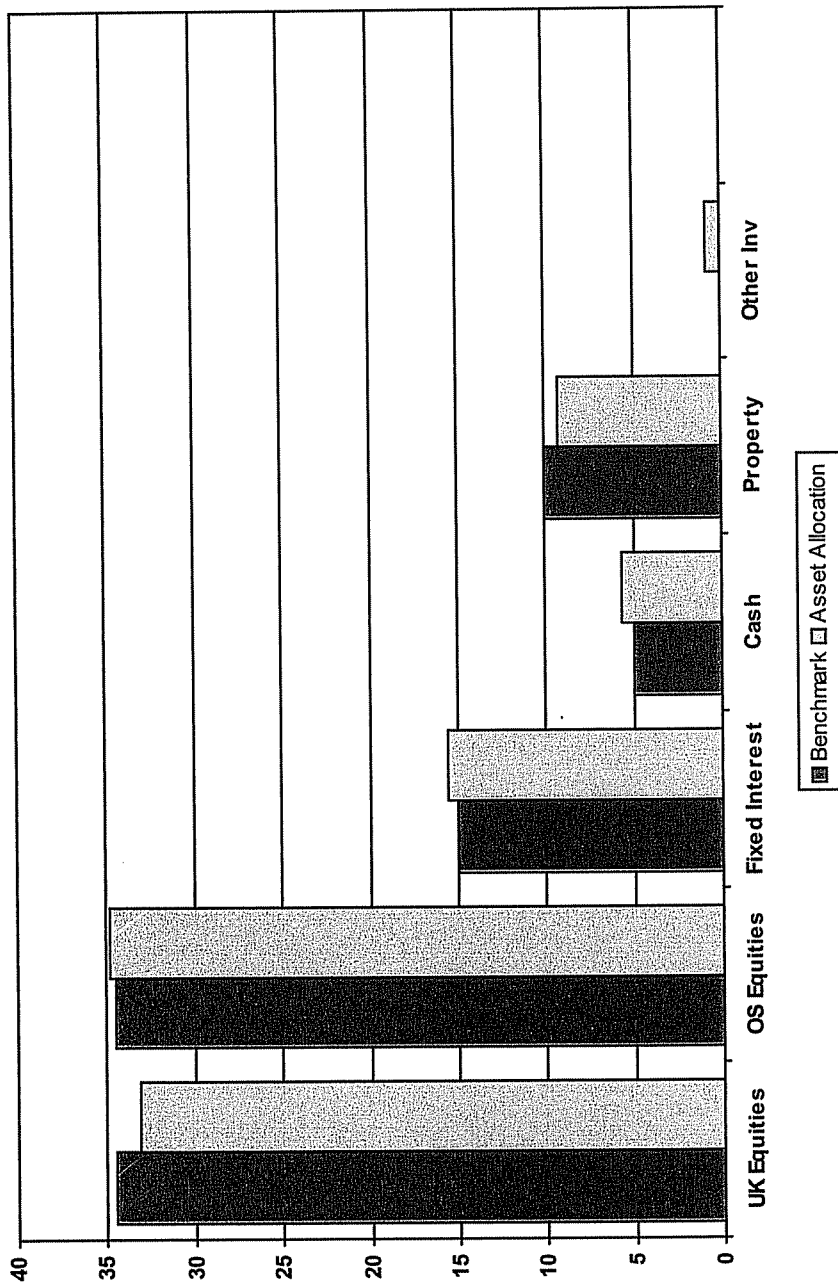
- Property returns on the IPD index plummeted further this quarter where the predicted market slowing is taking hold.



# Kent Fund Asset Allocation vs Fund Benchmark

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Asset Class	Kent Fund		Benchmark
	£m	%	%
UK Equities	817	33.1	34.5
Overseas Equities	857	34.8	34.5
Fixed Interest	385	15.6	15
UK Property	226	9.2	10
European Property	23	0.9	1
Cash	139	5.6	5
Other Inv	20	0.8	-
<b>Total Value</b>	<b>2,467</b>	<b>100.0</b>	<b>100</b>



# Asset Distribution Fund Manager

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Values (GBP)'000	Mandate	Value at 13/12/07	Transactions	Capital Gain / loss	Income	Value at 31/03/08	% Fund	Benchmark
Schroders	UK Equity	442,595	3,197	-46,699	3,202	399,093	17	Customised
Invesco	UK Equity	272,399	226	-35,592	0	237,034	10	Customised
Societe Generale	UK Equity	192,061	1,428	-22,874	2,477	170,615	7	Customised
Alliance Bernstein	Global Equity	295,647	1,134	-38,098	1,134	258,683	11	MSCI World
Ballie Gifford	Global Equity	431,589	1,302	-37,275	1,971	395,617	16	Customised
GMO	Global Quantitative	175,507		-15,030		160,477	7	MSCI World
Schroders	Global Quantitative	122,130		-9,556		112,574	5	MSCI World
Goldman Sachs	Fixed Interest	199,450	2,053	-5,662	2,689	195,841	7	ML £ Broad Market
Schroders	Fixed Interest	153,113		911		154,025	6	ML £ Broad Market
DTZ	Property UK	254,236	-1,675	-26,063	2,806	226,498	10	IPD All Properties Index
DTZ	Property Europe	21,789	1,500		353	23,289	0	IPD All Properties Index
Internally Managed	Cash	108,201	22,466	1,217	1,594	131,885	4	LIBID 7 Day Rate
Black Rock (ML)	Transition	2,178		-777		1,402	-	-
Total Fund		2,670,897	31,631	-235,498	16,227	2,467,032	100	Kent Combined Fund

# Performance Returns to 31 March 2008

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	Quarter		1 year		3 years	
	Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %
<b>Total Fund</b>	-8.2	-6.9	-5.8	-3.9	8.5	8.7
<b>UK Equity</b>						
Schroders UK	-9.8	-9.6	-5.5	-7.5	9.0	8.4
Societe Generale	-10.4	-9.6	-13.5	-7.5	6.3	9.4
Invesco	-13.1	-9.6	-	-	-	-
<b>Overseas Equity</b>						
Alliance Bernstein	-12.5	-8.8	-7.9	-4.0	-	-
Baillie Gifford	-8.2	-8.8	3.4	-0.5	14.2	12.2
GMO	-8.6	-8.8	-4.3	-4.0	-	-
Schroders GAV	-7.8	-8.8	-8.5	-4.0	-	-
<b>Fixed Interest</b>						
Goldmans Fixed Interest	-1.5	-0.9	2.8	2.9	3.3	3.7
Schroders Fixed Interest	0.6	-0.9	4.0	2.9	-	-
<b>Property</b>						
UK Property	-9.2	-3.4	-6.0	-10.7	12.1	7.7
European Property	1.6	-3.4	3.6	-10.7	-	-

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

- The fund decreased in value by £200m in the quarter.
- The fund under-performed the benchmark for the quarter posting negative returns of -8.2% compared to a benchmark return of -6.9%, placing us 95th against the WMLA average
- The 1 year performance is -5.8% against the benchmark of -3.9% - placing us 91st against the WMLA average
- Our 3 year performance is 8.5% against a benchmark return of 8.7%. This places us 60th against the WMLA average
- European Property and Schroders Fixed Interest were the best performers this quarter showing positive returns of 1.6% and 0.6% respectively.
- DTZ Property has shown top class performance over 3 and 5 years, recently winning an award for being 1st place out of the 42 large pension funds in the IPD index. The quarterly performance figure shown here includes the annual revaluation of the direct properties, which accounts for the seemingly poor performance in the quarter.
- Among the worst performers were Invesco, SocGen, Alliance Bernstein and Goldman Sachs all underperforming against the benchmark.

# Fund Structure

## UK Equities

Schroders  
+1.5%  
£399m

Soc Gen  
+2.0%  
£171m

Invesco  
Unconstrained  
£237m

## Global Equities

Baillie Gifford  
+1.5%  
£396m

Alliance  
Bernstein  
+3.0%  
£259m

GMO  
+3.0%  
£160m

Schroders  
+3.0 - +4.0%  
£113m

## Fixed Interest

Goldman Sachs  
+0.75%  
£196m

Schroders  
+1.0%  
£154m

## Alternative

DTZ  
UK Property  
£227m

DTZ  
Europe Property  
Eur 35m (£25m)  
£23m invested  
as at 31.03.08

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 £2,467bn  
as at 31 March 2008.