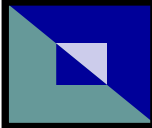
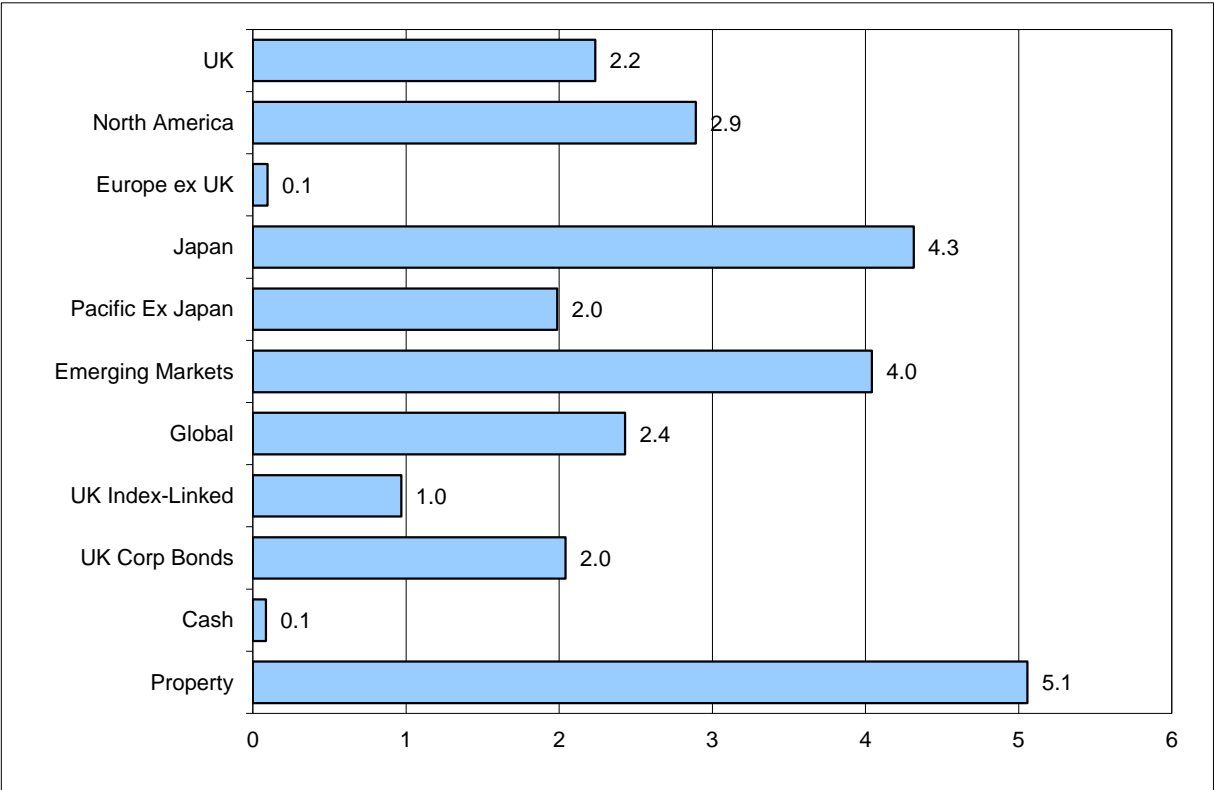


Market Returns - 3 Months to 30 June 2014



Classification: Unrestricted
Item: D1



Returns across all asset classes were positive in the quarter.

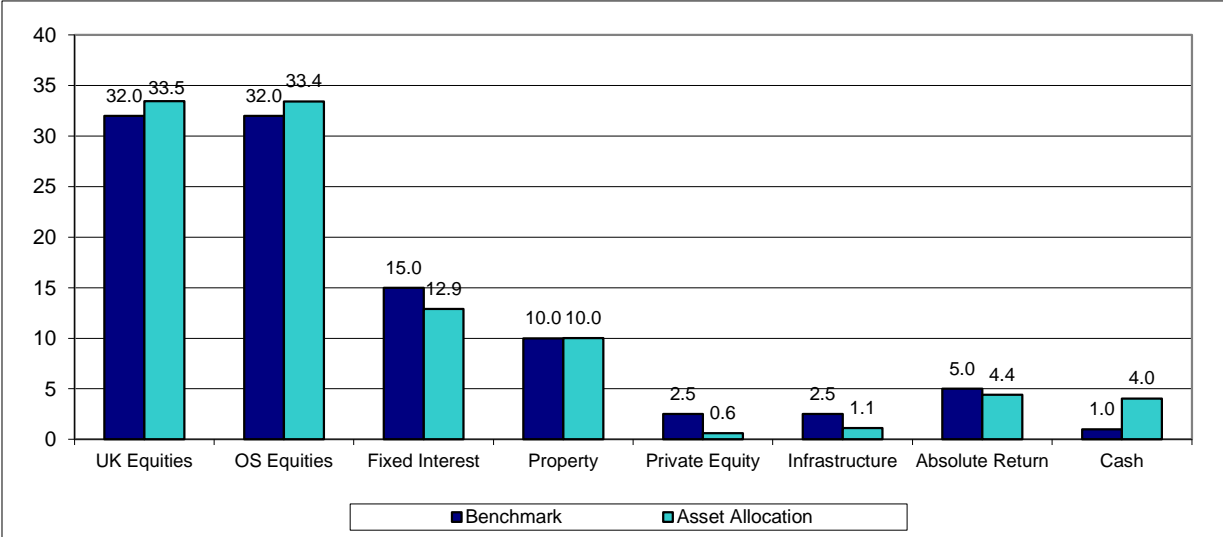
Whilst overseas equity returns were positive in sterling terms performance was far stronger in local currencies eg N America +5.3%, Europe +3.4%, Japan +5.2% and Emerging markets +7.1%.

UK Property continued to perform strongly-the property return shown is WM's not the IPD Index the Fund uses.

Asset Allocation vs Fund Benchmark - 30 June 2014

Classification: Unrestricted
Item: D1

Asset Class	Kent Fund		Benchmark
	£m	%	%
UK Equities	1,406	33.5	32.0
Overseas Equities	1,405	33.4	32.0
Fixed Interest	542	12.9	15.0
Property	421	10.0	10.0
Private Equity	25	0.6	2.5
Infrastructure	47	1.1	2.5
Absolute Return	186	4.4	5.0
Cash	170	4.0	1.0
Total Value	4,203	100	100.0



Asset Distribution Fund Manager - 30 June 2014

Classification: Unrestricted
Item: D1

Values (GBP)'000	Mandate	Value at		Capital		Value at		%	Benchmark
		31/03/2014	Transactions	Gain / loss	Income	30/06/2014	Fund		
Schroders	UK Equity	705,257	8,310	14,224	8,345	727,790	17	Customised	
State Street	UK Equity	712,115	-109,621	13,002	-	615,496	15	FTSE All Share	
State Street	Global Equity	173,448	-	4,242	-	177,690	4	FTSE All World ex UK	
Baillie Gifford	Global Equity	749,078	6,843	3,093	5,552	759,014	18	Customised	
M&G	Global Equity	200,749	-	4,672	-	205,421	5	MSCI AC World GDR	
Sarasin	Global Equity	149,762	1,061	595	1,247	151,418	4	MSCI AC World NDR	
Schroders	Global Quantitative	185,307	-	4,107	-	189,413	5	MSCI World NDR	
Goldman Sachs	Fixed Interest	310,642	-	8,219	-	318,861	8	+3.5% Absolute	
Schroders	Fixed Interest	220,617	0	2,624	0	223,241	5	Customised	
Impax	Environmental	30,196	-	-272	-	29,924	1	MSCI World NDR	
DTZ	Property	368,889	- 476	11,278	5,214	379,691	9	IPD All Properties Index	
Fidelity	Property	25,733	4,479	1,376	-	31,588	1	IPD All Properties Index	
Kames	Property	-	10,500	-602	-	9,898	0	IPD All Properties Index	
Harbourvest	Private Equity	20,298	1,057	-30	-	21,325	1	GBP 7 Day LIBID	
YFM	Private Equity	4,007	-	-243	-	3,764	0	GBP 7 Day LIBID	
Partners	Infrastructure	35,898	2,098	-666	-	37,330	1	GBP 7 Day LIBID	
Henderson	Infrastructure	10,026	-	-42	-	9,985	0	GBP 7 Day LIBID	
Pyrford	Absolute Return	183,481	-	2,365	-	185,846	4	RPI + 5%	
Internally Managed	Cash	26,413	98,450	-	81	124,863	3	GBP 7 Day LIBID	
Total Fund		4,111,913	22,702	67,944	20,440	4,202,558	100	Kent Combined Fund	

Performance Returns - 30 June 2014

Classification: Unrestricted
Item: D1

	Quarter		1 year		3 years (p.a.)	
	Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %
Total Fund	2.1	2.3	10.3	10.3	8.7	8.4
		2.3*		10.1*		7.9*
UK Equity						
Schroders UK	3.2	2.2	16.1	12.9	9.9	8.8
State Street	2.3	2.2	13.2	13.1	9.1	8.9
Overseas Equity						
Baillie Gifford	1.2	2.1	8.3	9.8	9.4	7.7
Sarasin	1.2	2.4	n/a	n/a	n/a	n/a
Schroders GAV	2.2	2.2	12.0	10.0	7.9	9.5
State Street	2.4	2.4	9.7	9.7	9.0	9.0
Impax Environmental Fund	-0.9	2.2	15.1	10.0	5.0	9.5
M&G	2.3	2.6	n/a	n/a	n/a	n/a
Fixed Interest						
Goldman Sachs Fixed Interest	2.6	0.9	9.0	3.5	8.0	7.0
Schroders Fixed Interest	1.2	0.9	4.4	2.5	4.2	3.5
Property						
DTZ Property	4.5	5.1	18.1	17.6	9.9	8.6
Fidelity ***	5.3	5.1	n/a	n/a	n/a	n/a
Kames	** -5.7	5.1	n/a	n/a	n/a	n/a
Private Equity						
Harbourvest	-0.2	0.1	3.5	0.3	-2.0	0.4
YFM	-6.1	0.1	-3.3	0.3	12.2	0.4
Infrastructure						
Partners	-1.8	0.1	-6.6	0.3	-2.8	0.4
Henderson	-0.4	0.1	21.6	0.3	7.5	0.4
Absolute Return						
Pyrford	1.3	1.8	1.4	7.6	n/a	n/a

Data Source: The WM Company

- returns subject to rounding differences

* Strategic Benchmark

** Indicates not invested for the entire period

*** Fidelity return does not currently include the one off up front fee - data to be revised

Both the actual asset allocation benchmark and the strategic benchmark gave the same return of +2.3%.

But the Fund outperformed the WM Local Authority Average in the quarter performing in the 34th percentile.

The Fund marginally underperformed the benchmark in the quarter.

The strongest performers relative to benchmark were Schroders UK equities and both Fixed Income mandates.

The strongest performance in Overseas equities came from the passive manager StateStreet suggesting this was a difficult quarter for active managers to beat the index.

Fund Structure - 30 June 2014

Classification: Unrestricted
Item: D1

UK Equities	Global Equities	Fixed Interest	Property	Cash/Alternatives
Schroders +1.5% £728m	Baillie Gifford +1.5% £759m	Goldman Sachs +6.0% Abs. £319m	DTZ Property £380m	Kent Cash £125m
State Street +0.0% £615m	M&G +3.0% £205m	Schroders +2.0% £223m	Fidelity Property £32m	Henderson Secondary PFI £10m
	Schroders +3.0 - +4.0% £189m		Kames Property £10m	Partners £37m
	State Street +0.0% £178m			YFM Private Equity £4m
	Impax +2.0% £30m			HarbourVest £21m
	Sarasin +2.5% £151m			Pyrford RPI +5.0% £186m
Market Value £4.2bn as at 30 June 2014				