

Summary of Fund Asset Allocation and Performance

Superannuation Fund Committee

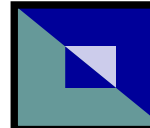
By: Chairman Superannuation Fund Committee
Corporate Director of Finance and Procurement



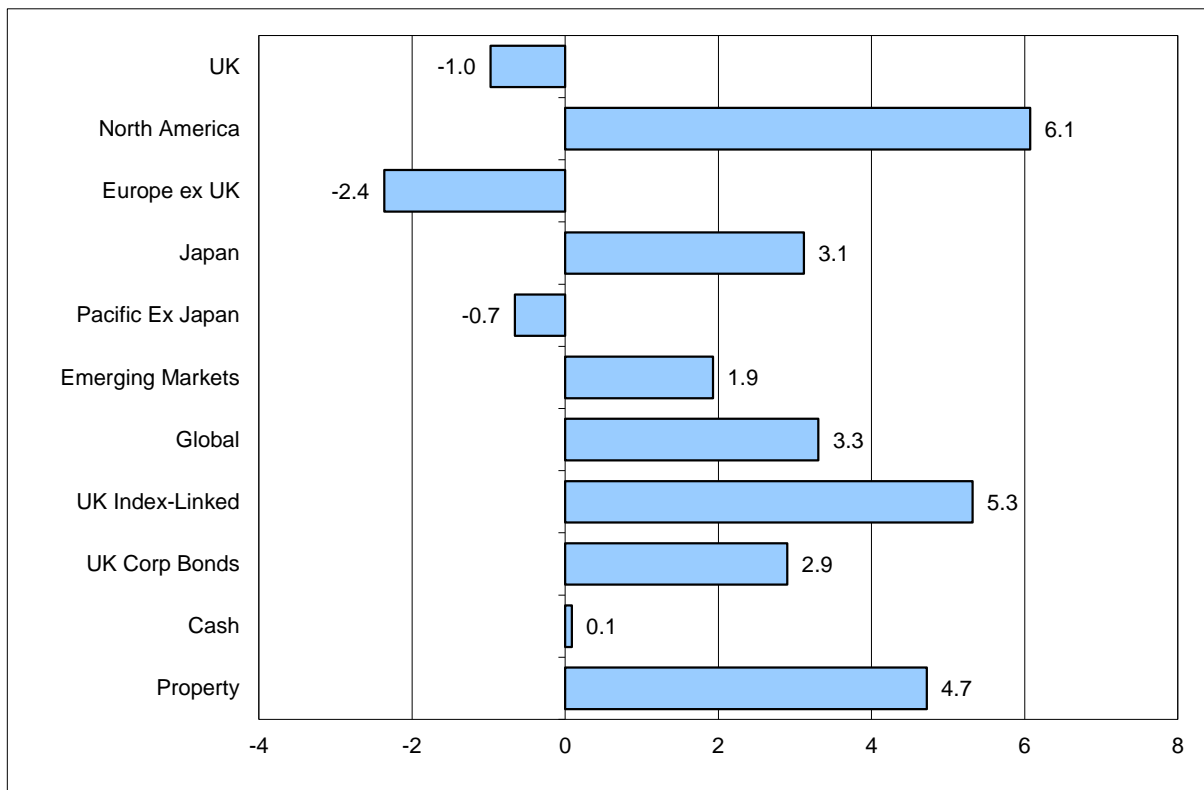
Kent County Council
Superannuation Fund Q3 2014

Nick Vickers—Head of Financial Services

Market Returns - 3 Months to 30 September 2014



Classification: Unrestricted
Item: D1



The June to September quarter saw significant variations in returns by asset class—with hindsight this presaged the turbulent equity market conditions in October.

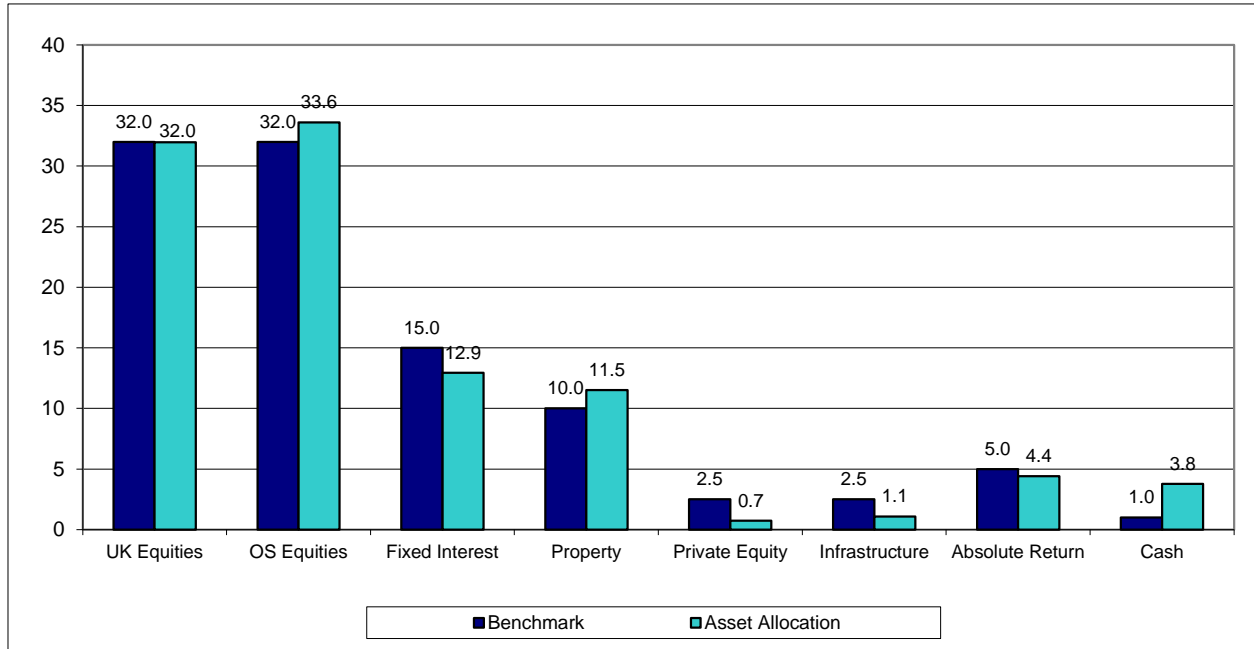
The US was the strongest performing market for equities despite this being seen as the most over valued developed market.

Fixed income performed strongly in the quarter.

UK property returns were strong.

Asset Allocation vs Fund Benchmark - 30 September 2014

Classification: Unrestricted
Item: D1



Asset Class	Kent Fund		Benchmark
	£m	%	%
UK Equities	1,357	32.0	32.0
Overseas Equities	1,425	33.6	32.0
Fixed Interest	548	12.9	15.0
Property	489	11.5	10.0
Private Equity	31	0.7	2.5
Infrastructure	46	1.1	2.5
Absolute Return	187	4.4	5.0
Cash	160	3.8	1.0
Total Value	4,243	100	100.0

Asset Distribution Fund Manager - 30 September 2014

Classification: Unrestricted
Item: D1

Values (GBP)'000	Mandate	Value at 31/06/2014	Transactions	Capital Gain / loss	Income	Value at 30/09/2014	% Fund	Benchmark
Schroders	UK Equity	727,790	7,878	-4,671	7,907	730,998	17	Customised
State Street	UK Equity	615,496	-40,000	-5,081	-	570,414	13	FTSE All Share
State Street	Global Equity	177,690	-	6,119	-	183,809	4	FTSE All World ex UK
Baillie Gifford	Global Equity	759,014	3,672	-3,004	3,253	759,683	18	Customised
M&G	Global Equity	205,421	-	2,084	-	207,505	5	MSCI AC World GDR
Sarasin	Global Equity	151,418	607	5,036	487	157,061	4	MSCI AC World NDR
Schroders	Global Quantitative	189,413	-	4,241	-	193,654	5	MSCI World NDR
Goldman Sachs	Fixed Interest	318,861	-	-1,447	-	317,414	7	+3.5% Absolute
Schroders	Fixed Interest	223,241	0	7,832	0	231,073	5	Customised
Impax	Environmental	29,924	7	-1,116	-	28,816	1	MSCI World NDR
DTZ	Property	379,890	18,412	10,938	5,635	409,240	10	IPD All Properties Index
Fidelity	Property	31,588	17,909	1,499	-	50,996	1	IPD All Properties Index
Kames	Property	9,898	19,500	-355	-	29,043	1	IPD All Properties Index
Harbourvest	Private Equity	21,325	5,751	2,052	-	29,128	1	GBP 7 Day LIBID
YFM	Private Equity	3,764	-	-285	-	3,480	0	GBP 7 Day LIBID
Partners	Infrastructure	37,330	1,047	395	-	38,772	1	GBP 7 Day LIBID
Henderson	Infrastructure	9,985	-230	-858	-	8,896	0	GBP 7 Day LIBID
Pyrford	Absolute Return	185,846	-	1,403	-	187,249	4	RPI + 5%
Internally Managed	Cash	124,863	-19,317	-	85	105,546	2	GBP 7 Day LIBID
Total Fund		4,202,757	15,236	24,783	17,368	4,242,776	100	Kent Combined Fund

Performance Returns - 30 September 2014

Classification: Unrestricted
Item: D1

	Quarter		1 year		3 years (p.a.)	
	Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %
Total Fund	1.0	1.4	8.1	8.6	12.6	12.2
		1.8*		9.1*		11.9*
UK Equity						
Schroders UK	0.4	-1.0	8.0	6.0	16.1	13.7
State Street	-1.0	-1.0	6.1	6.1	14.1	13.9
Overseas Equity						
Baillie Gifford	0.0	1.6	5.6	8.6	14.6	14.5
Sarasin	3.6	3.0	n/a	n/a	n/a	n/a
Schroders GAV	2.2	3.2	11.3	12.1	15.6	16.4
State Street	3.4	3.4	12.4	12.4	16.3	16.4
Impax Environmental Fund	-3.7	3.2	4.4	12.1	11.2	16.4
M&G	1.0	3.2	n/a	n/a	n/a	n/a
Fixed Interest						
Goldman Sachs Fixed Interest	-0.5	0.9	6.9	3.5	7.3	6.5
Schroders Fixed Interest	3.5	1.8	7.8	3.6	5.3	3.0
Property						
DTZ Property	4.2	4.7	20.5	19.7	11.0	9.6
Fidelity	2.4	4.7	n/a	n/a	n/a	n/a
Kames	-1.2	4.7	n/a	n/a	n/a	n/a
Private Equity						
Harbourvest	7.9	0.1	16.8	0.3	4.5	0.4
YFM	-7.6	0.1	-12.1	0.3	1.8	0.4
Infrastructure						
Partners	1.0	0.1	-3.0	0.3	-1.6	0.4
Henderson	-8.7	0.1	1.3	0.3	1.3	0.4
Absolute Return						
Pyrford	0.8	1.7	2.5	7.3	n/a	n/a

Data Source: The WM Company

- returns subject to rounding differences

* Strategic Benchmark

The Fund underperformed its benchmark in the quarter.

We do not have the WM Local Authority Average returns but we are likely to have underperformed due to our high UK equity weighting and low Fixed Income.

Schroders UK equities and Sarasin global equities were the only equity managers to outperform.

Schroders Fixed Income performed strongly but Goldman Sachs underperformed.

Pyrford continued to underperform.

Fund Structure - 30 September 2014

Classification: Unrestricted
Item: D1

UK Equities

Schroders
+1.5%
£731m

State Street
+0.0%
£570m

Market Value £4.2bn
as at 30 September 2014

Global Equities

Baillie Gifford
+1.5%
£760m

M&G
+3.0%
£208m

Schroders
+3.0 - +4.0%
£194m

State Street
+0.0%
£184m

Impax
+2.0%
£29m

Sarasin
+2.5%
£157m

Fixed Interest

Goldman Sachs
+6.0% Abs.
£317m

Schroders
+2.0%
£231m

Property

DTZ
Property
£409m

Fidelity
Property
£51m

Kames
Property
£29m

Cash/Alternatives

Kent Cash
£106m

Henderson
Secondary PFI
£9m

Partners
£39m

YFM Private
Equity
£3m

HarbourVest
£29m

Pyrford
RPI +5.0%
£187m