

FUND POSITION STATEMENT

Classification: Unrestricted
Item: D1 refers

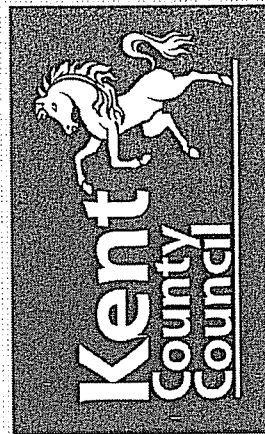
Summary of Fund Asset Allocation and Performance

Superannuation Fund Committee

3rd July 2009

By: Chairman Superannuation Fund Committee

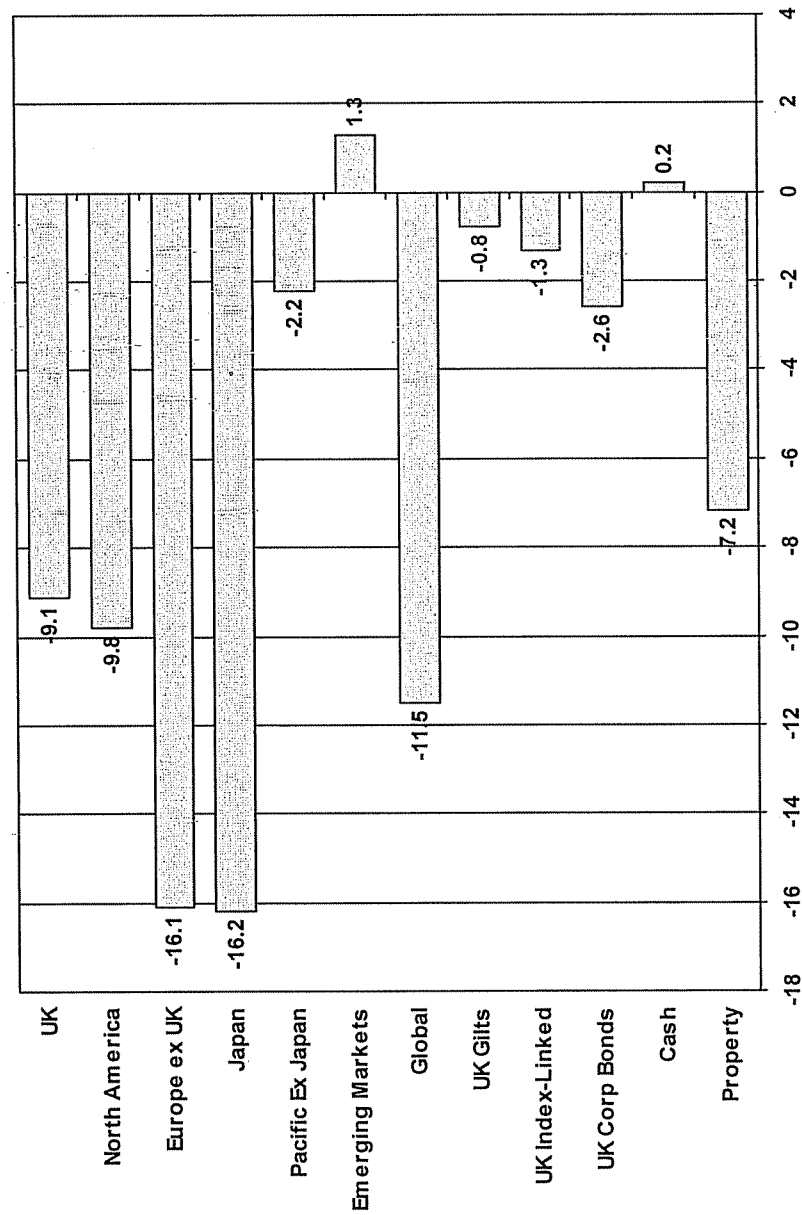
Director of Finance



Kent County Council
Superannuation Fund 2009

Nick Vickers—Head of Financial Services

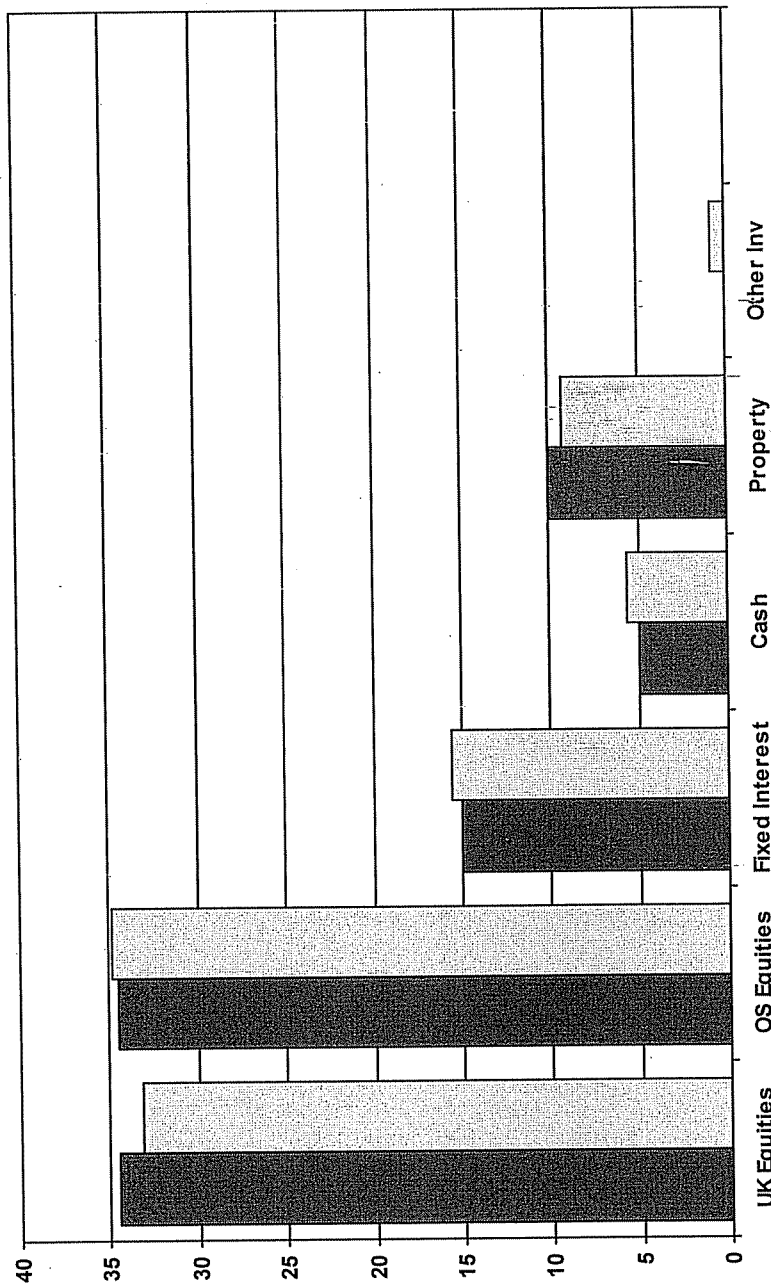
Market Returns-3 months to 31 March 2009



- The first quarter of 2009 has been most volatile. Further falls in prices were experienced in both January and February before a strong rally in March provided some much needed relief.
- However, despite the strong rally in March, nearly all markets finished the quarter down. Only emerging markets delivered a positive return over the quarter.
- UK equities outperformed Global equities, in sterling terms, with a return of -9.1% compared to -11.5%.
- Property values continued to decline throughout the quarter with a fall to -7.2%. Whilst valuations are now looking attractive the economic situation is leading to falling rental values.

Kent Fund Asset Allocation vs Fund Benchmark

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■ Benchmark □ Asset Allocation

Asset Class	Kent Fund		Benchmark
	£m	%	%
UK Equities	675	33.1	34.5
Overseas Equities	666	32.7	34.5
Fixed Interest	367	18.0	15
UK Property	156	7.7	10
European Property	23	1.2	1
Cash	139	6.8	5
Other Inv	10	0.5	-
Total Value	2,036	100.0	100

Asset Distribution Fund Manager

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Values (GBP)'000	Mandate	Value at		Transactions	Capital		Income	Value at 31/03/09	Fund %	Benchmark
		31/12/08			Gain / loss					
Schroders	UK Equity	325,752		12,937	-32,489	2,876	306,200	15	Customised	
Invesco	UK Equity	261,474		10,000	-34,718	0	236,756	12	Customised	
Societe Generale	UK Equity	123,846		-118,002	-5,814	349	29	0	Customised	
State Street	UK Equity	0		119,098	-6,525	0	112,573	6	FTSE 100 All Share	
Alliance Bernstein	Global Equity	196,252		968	-20,250	960	176,971	9	MSCI World	
Ballie Gifford	Global Equity	337,311		11,620	-23,650	1,976	325,281	16	Customised	
GMO	Global Quantitative	148,985			-19,479		129,506	6	MSCI World	
Schroders	Global Quantitative	95,805			-10,994		84,811	4	MSCI World	
Goldman Sachs	Fixed Interest	194,653		2,259	-10,057	2,668	186,855	9	ML £ Broad Market	
Schroders	Fixed Interest	160,918			-1,025		159,893	8	ML £ Broad Market	
DTZ	Property UK	173,399		-395	-14,749	3,583	158,255	8	IPD All Properties Index	
DTZ	Property Europe	30,415		6	-6,936	114	23,485	1	IPD All Properties Index	
Internally Managed	Cash	152,017		-12,275	-3,356	323	136,386	7	LIBID 7 Day Rate	
Total Fund		2,200,827		26,216	-190,043	12,848	2,037,000	100	Kent Combined Fund	

Performance Returns to 31 March 2009

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	Quarter		1 year		3 years	
	Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %
Total Fund	-8.0	-8.2	-19.8	-19.8	-7.1	-6.1
UK Equity						
Schroders UK	-9.1	-8.9	-25.8	-28.8	-8.1	-5.5
State Street	-5.9	-9.1				
Invesco	-13.0	-9.1	-19.4	-29.3	-	-
Overseas Equity						
Alliance Bernstein	-9.8	-11.5	-31.8	-19.8	-	-
Baillie Gifford	-6.6	-10.7	-20.4	-19.8	-5.5	-6.2
GMO	-13.1	-11.5	-19.3	-19.8	-	-
Schroders GAV	-11.5	-11.5	-24.7	-19.8	-	-
Fixed Interest						
Goldmans Fixed Interest	-3.8	-2.6	-4.4	2.5	-0.5	2.1
Schroders Fixed Interest	-0.6	-2.6	3.8	2.5	-	-
Property						
UK Property	-6.5	-7.1	-25.9	-22.5	-5.4	-8.4
European Property	-22.5	n/a	-1.2	n/a	-	-

Data Source: The WM Company

- returns subject to rounding differences

- The fund decreased in value by over £160m in the quarter.
- The Fund marginally outperformed the benchmark for the quarter posting negative returns of -8.0% compared to a benchmark return of -8.2%, placing us 67th against the WMLA average
- The 1 year performance is -19.8% against the benchmark of -19.8%, placing us 43rd against the WMLA average
- Our 3 year performance is -7.1% against a benchmark return of -6.1%. This places us 64th against the WMLA average
- Alliance Bernstein showed much improved performance over the quarter with returns of 1.7% greater than benchmark
- Baillie Gifford, Schroders Fixed Interest, UK Property, and State Street also showed relatively good performance over the quarter.
- Invesco's defensive portfolio underperformed benchmark in the quarter due to a lack of exposure to the rallying sectors of the FTSE All-Share Index.

Fund Structure

UK Equities

Schroders
+1.5%
£306m

State Street
+0.0%
£112m

Invesco
Unconstrained
£237m

Global Equities

Baillie Gifford
+1.5%
£325m

Alliance
Bernstein
+3.0%
£177m

GMO
+3.0%
£130m

Schroders
+3.0 - +4.0%
£85m

Fixed Interest

Goldman Sachs
+0.75%
£187m

Schroders
+1.0%
£160m

Alternative

DTZ
UK Property
£158m

DTZ
Europe Property
Eur 35m (£30m)
€34.5m invested
as at 30.09.08

Kent Cash
£136m

Henderson
Secondary PFI
£11m

YFM Private
Equity £4m
£1.6m invested
as at 30.09.08

Market Value £2.0bn
as at 31 March 2009.