

FUND POSITION STATEMENT

Summary of Fund Asset Allocation and Performance

Superannuation Fund Committee

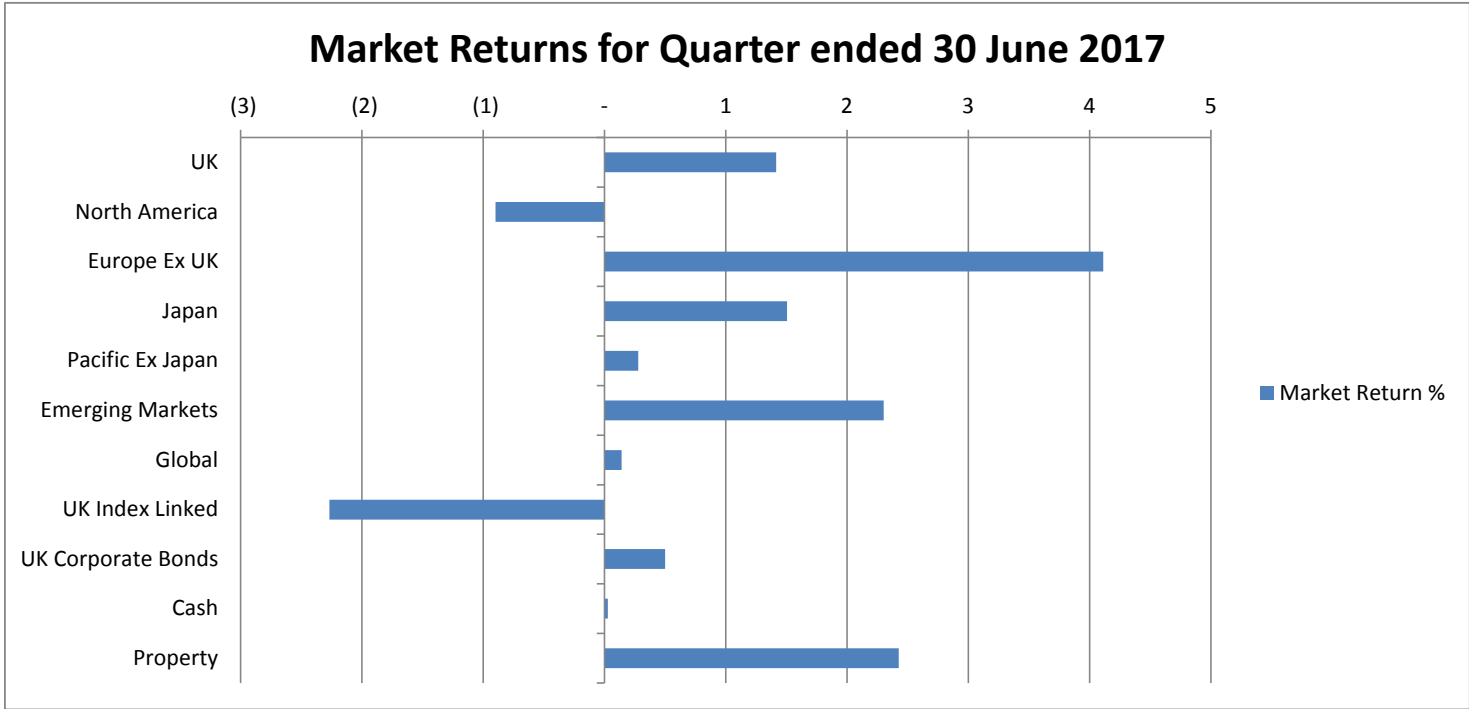
By: Chairman Superannuation Fund Committee
Corporate Director of Finance



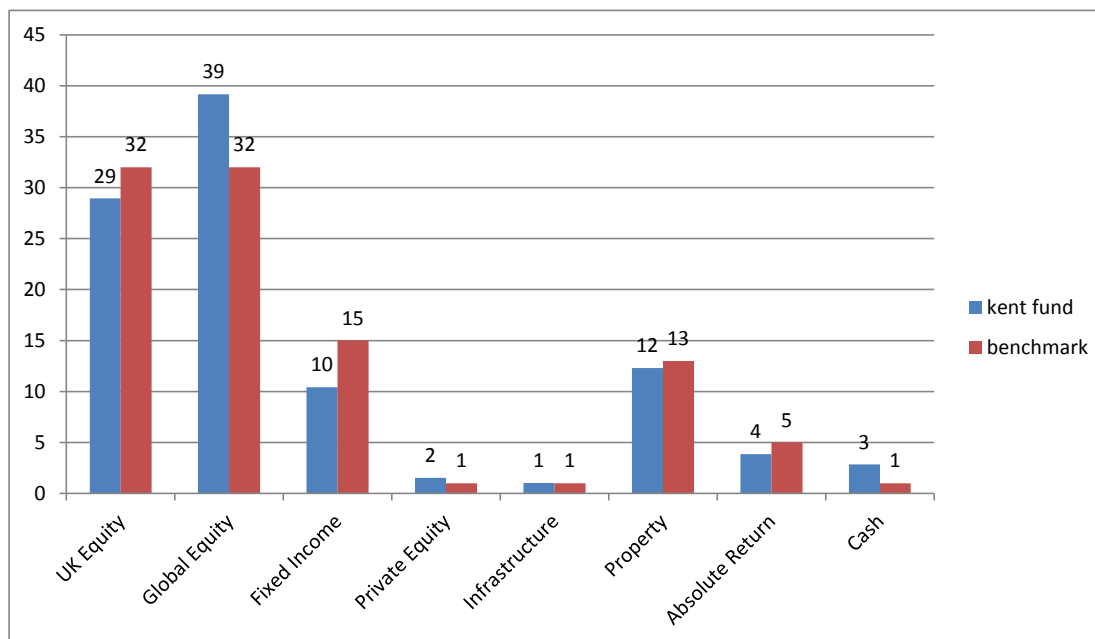
Kent County Council
Superannuation Fund Q1 2017-18

Nick Vickers - Business Partner

Market Returns for Quarter ended 30 June 2017

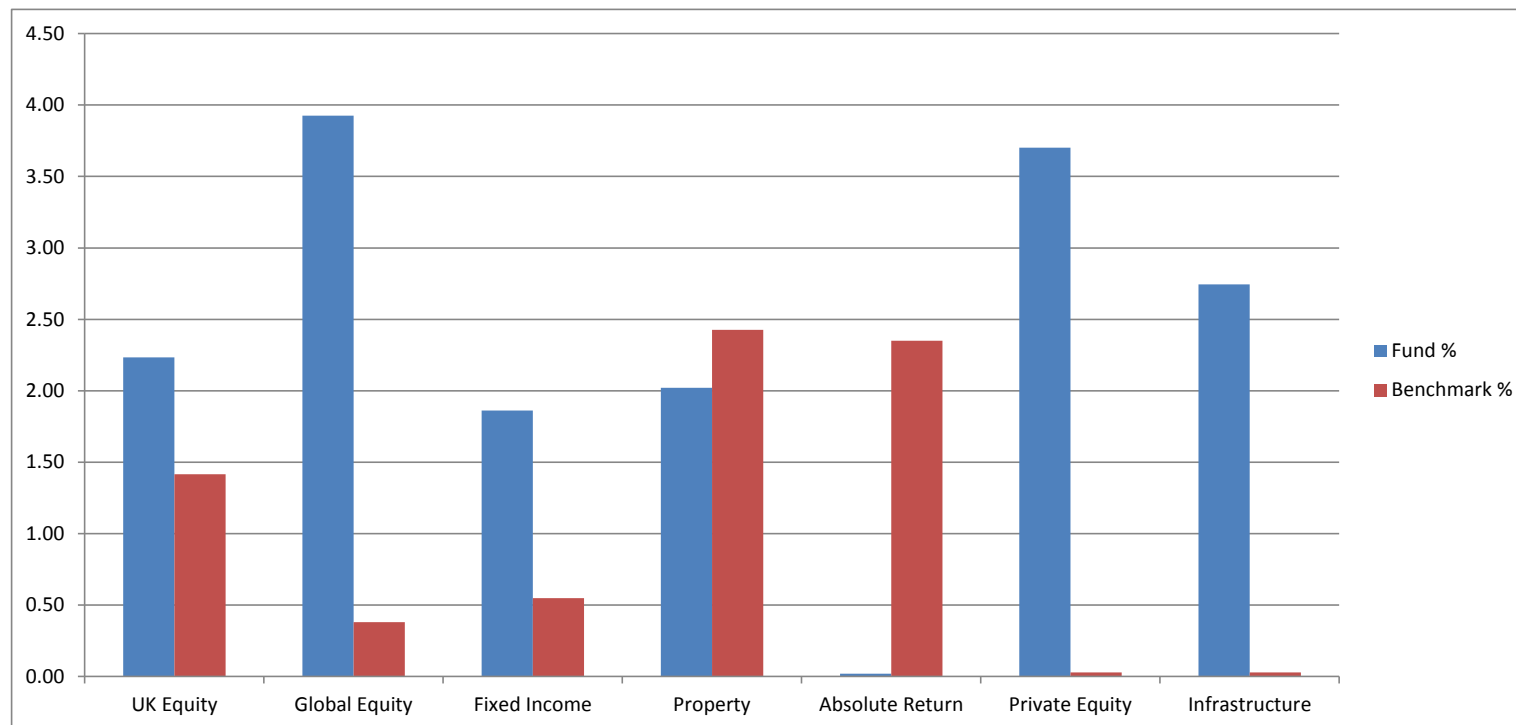


Fund Asset Allocation vs Benchmark as at 30 June 2017



Asset Class	Kent Fund		Benchmark
	£m	%	%
UK Equity	1,649	29	32
Global Equity	2,232	39	32
Fixed Income	593	10	15
Private Equity	86	2	1
Infrastructure	58	1	1
Property	700	12	13
Absolute Return	219	4	5
Cash	161	3	1
Total	5,698	100	100

Fund Asset Class Performance for Quarter ending 30 June 2017



Asset Class	Fund %	Benchmark %	Outperformance %
UK Equity	2.23	1.42	0.82
Global Equity	3.92	0.38	3.54
Fixed Income	1.86	0.55	1.31
Property	2.02	2.43	-0.41
Absolute Return	0.02	2.35	-2.33
Private Equity	3.70	0.03	3.67
Infrastructure	2.75	0.03	2.72

Market Value Summary by Fund Manager as at 30 June 2017

Fund Mandate	Asset Class	Market Value as at 31 March 2017 (£m)	Market Value as at 30 June 2017 (£m)	Change in Market Value (£m)	% of Total Fund 30 June 2017
Baillie Gifford	Global Equity	1,202	1,283	81	22.51%
Schroders	UK Equity	886	903	17	15.85%
DTZ	Direct Property	469	468	-1	8.21%
Goldman Sachs	Fixed Interest	355	364	9	6.38%
Woodford	UK Equity	317	325	8	5.70%
State Street	UK Equity	312	316	4	5.55%
M&G	Global Equity	317	313	-4	5.49%
Schroders GAV	Global Equity	281	277	-4	4.86%
State Street	Global Equity	278	280	1	4.91%
Schroders	Fixed Interest	242	244	2	4.28%
Sarasin	Global Equity	216	224	8	3.93%
Pyrford	Absolute Return	218	219	0	3.84%
Fidelity	Pooled Property	110	112	2	1.96%
Harbourvest	Private Equity	65	68	3	1.19%
Internally managed cash	Cash	47	61	14	1.08%
Kames	Pooled Property	60	60	0	1.05%
Partners	Infrastructure	57	58	1	1.02%
DTZ Pooled Funds	Pooled Property	48	48	0	0.84%
Impax	Global Equity	43	44	1	0.78%
YFM	Private Equity	15	19	4	0.34%
M&G Property	Pooled Property	13	13	0	0.24%
Total Kent Fund		5,551	5,698	147	100.00%

Performance Returns as at 30 June 2017

	Quarter		1 Year		3 Year (p.a.)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Total Fund	2.71	0.99	19.12	13.63	11.09	9.37
Uk Equity						
Schroders UK Equity	1.88	1.39	19.43	17.74	7.32	7.26
State Street UK Equity	1.42	1.42	18.25	18.12	7.46	7.40
Woodford	2.65	1.42	16.13	18.12	--	--
Global Equity						
Baillie Gifford	6.71	1.56	31.38	23.81	18.77	13.78
Sarasin	3.75	0.38	24.95	22.24	13.54	14.88
Schroders GAV	-1.08	0.38	23.26	22.24	13.47	15.17
State Street Global Equity	0.46	0.48	23.20	23.57	16.22	16.39
Impax	2.86	0.38	23.10	22.24	13.85	15.17
M&G	-1.22	0.55	27.11	22.90	11.37	15.50
Fixed Interest						
Goldman Sachs	2.44	0.86	8.20	3.50	4.46	3.52
Schroders Fixed Interest	1.01	0.11	5.57	0.57	2.89	1.97
Property						
DTZ	2.18	2.43	12.02	5.02	13.24	10.18
Fidelity	1.87	2.30	2.60	3.70	11.24	10.20
Kames	1.29	2.30	5.94	3.70	8.76	9.48
M&G Property	0.63	2.30	4.96	3.70	--	--
Private Equity						
Harbourvest	4.48	0.03	20.82	0.14	24.97	0.29
YFM	1.03	0.03	15.11	0.14	5.84	0.29
Infrastructure						
Partners	2.75	0.03	12.87	0.14	19.08	0.29
Absolute Return						
Pyrford	0.02	2.35	5.20	8.66	6.01	7.10

Fund Manager Benchmarks and Performance Targets

Asset Class / Manager	Performance Benchmark	Performance Target
UK Equities:		
Schroders UK Equity	Customised	+1.5% pa over rolling 3 years
Woodford	FTSE All Share	Unconstrained
State Street UK Equity	FTSE All Share	Match
Global Equities:		
Baillie Gifford	Customised	+1.5% pa over rolling 3 years
Sarasin	MSCI AC World Index NDR	+2.5% over rolling 3 - 5 years
M&G	MSCI AC World Index GDR	+3% pa
Schroders GAV	MSCI AC World Index NDR	+3% - 4% pa over rolling 3 years
Impax	MSCI AC World Index NDR	+2% pa over rolling 3 years
State Street Global Equity	FTSE World ex UK	Match
Fixed Income:		
Schroders Fixed Interest	3 months Sterling Libor	+4% pa over a full market cycle
Goldman Sachs	+3.5% Absolute	+6% Absolute
Property:		
DTZ	IPD Pension Fund Index	≥ 3 year rolling average of benchmark returns
Fidelity	IPD UK PF Property Fund Index	
Kames	IPD UK PF Property Fund Index	
M&G Property	IPD UK PF Property Fund Index	
Alternatives: (Cash / Other Assets)		
Private Equity – YFM	GBP 7 Day LIBID	
Private Equity – HarbourVest	GBP 7 Day LIBID	
Infrastructure – Partners Group	GBP 7 Day LIBID	
Infrastructure - Henderson	GBP 7 Day LIBID	
Absolute Return – Pyrford	Retail Price Index (RPI)	RPI + 5%
Internally managed cash – KCC Treasury and Investments team	GBP 7 Day LIBID	

Fund Structure as at 30 June 2017

UK Equities	Global Equities	Fixed Interest	Property	Cash/Alternatives
Schroders +1.5% £903 m	Baillie Gifford +1.5% £1,283 m	Goldman Sachs +6.0% Abs. £364 m	DTZ Property £516 m	Internally managed Cash £61 m
State Street 0.0% £316 m	M&G +3.0% £313 m	Schroders +4.0% £244 m	Fidelity Property £112 m	Partners Infrastructure £58 m
Woodford £325 m	Schroders +3.0% - +4% £285 m		Kames Property £60 m	YFM Private Equity £19 m
	State Street +0.0% £280 m		M&G Property £13 m	HarbourVest Private Equity £68 m
	Impax +2.0% £44 m			Pyrford Abs. Return RPI + 5% £219 m
	Sarasin +2.5% £224 m			
Total Fund £5.7 bn				