

# FUND POSITION STATEMENT

## Summary of Fund Asset Allocation and Performance

### Superannuation Fund Committee

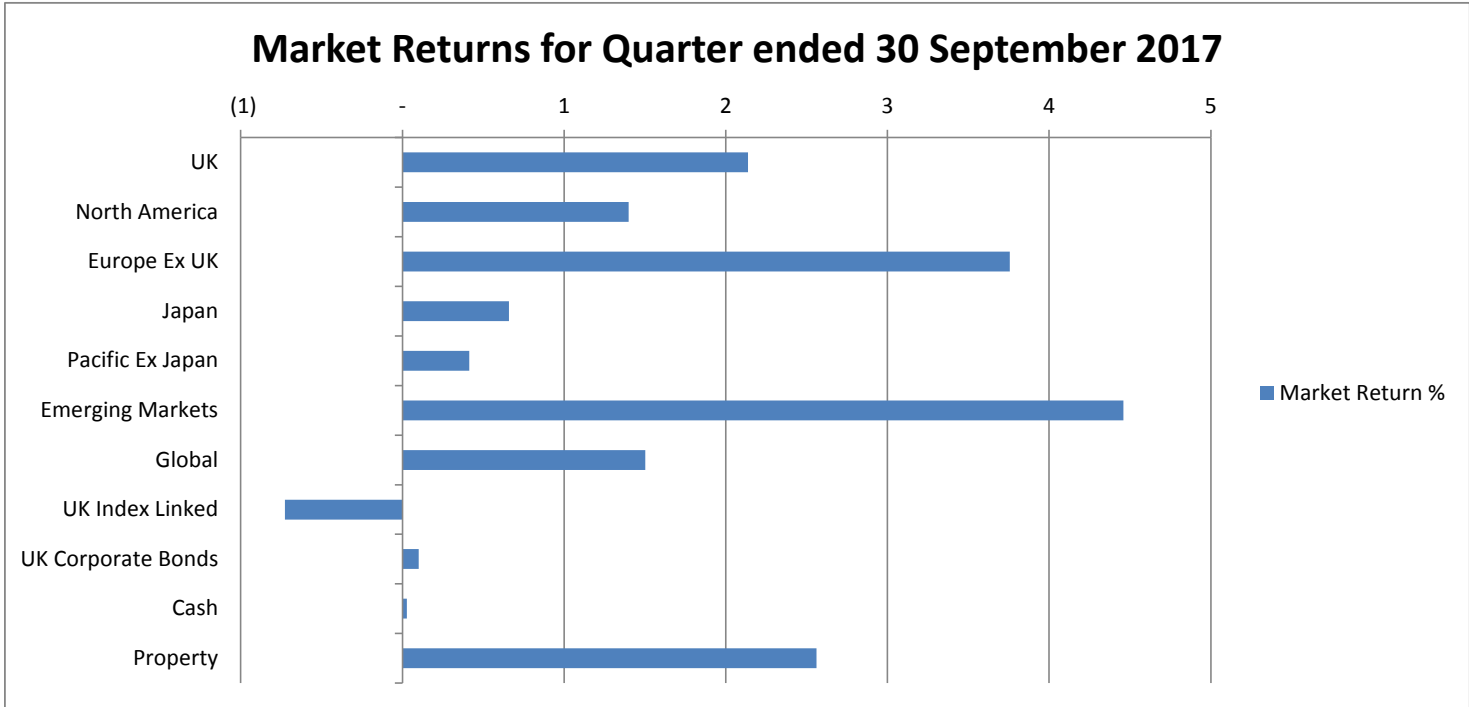
**By: Chairman Superannuation Fund Committee**  
Corporate Director of Finance



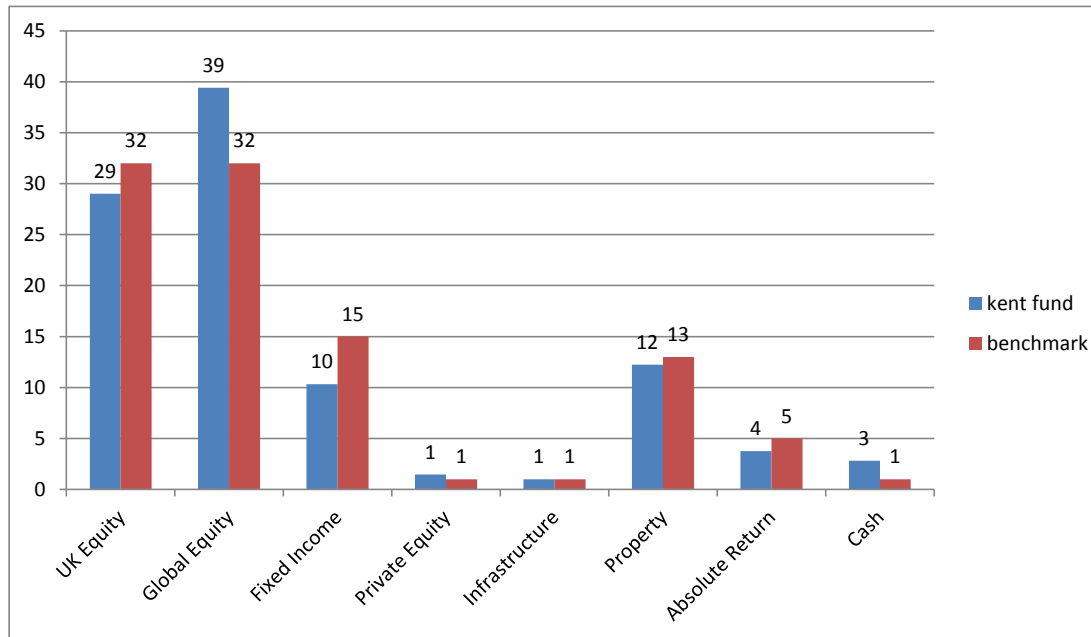
Kent County Council  
Superannuation Fund Q2 2017-18

Nick Vickers - Business Partner

# Market Returns for Quarter ended 30 September 2017

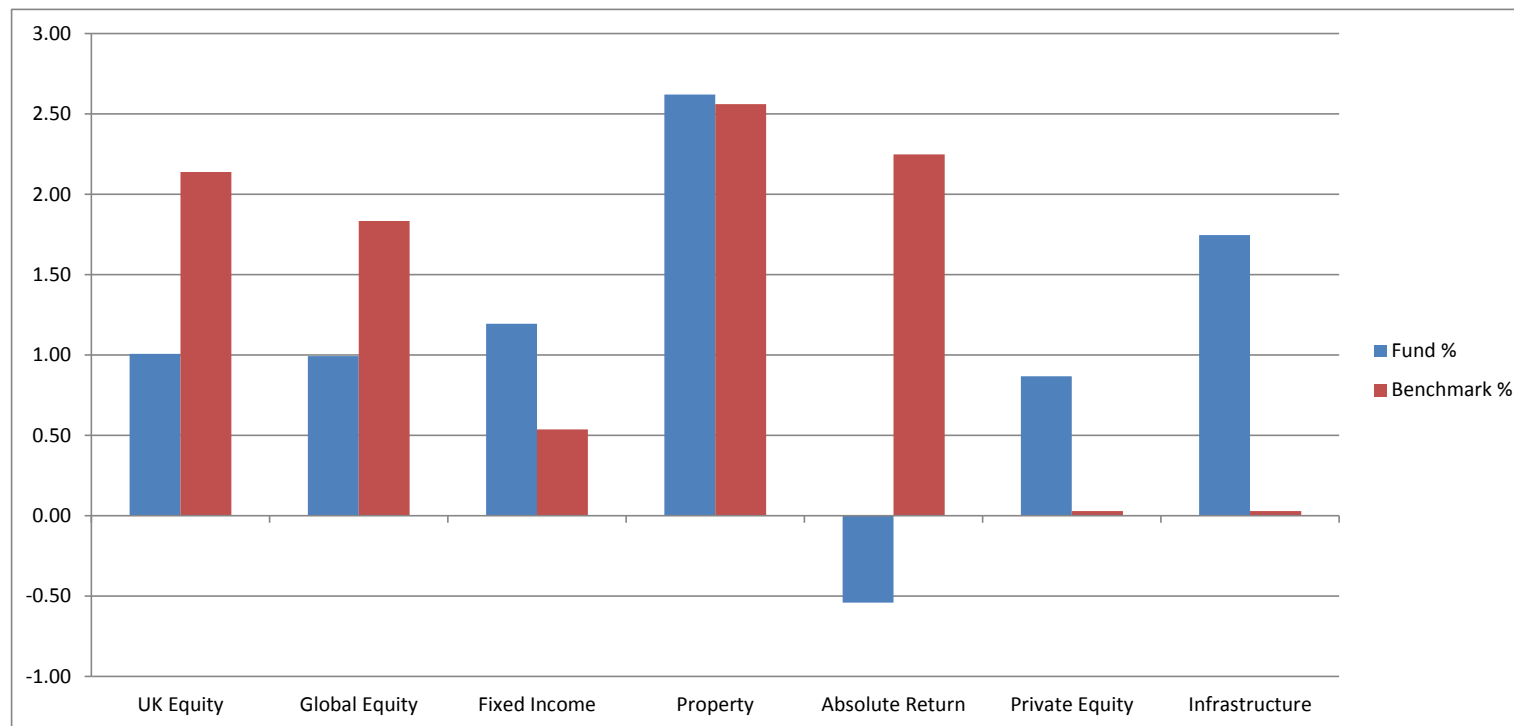


## Fund Asset Allocation vs Benchmark as at 30 September 2017



Asset Class	Kent Fund		Benchmark
	£m	%	%
UK Equity	1,673	29	32
Global Equity	2,274	39	32
Fixed Income	596	10	15
Private Equity	83	1	1
Infrastructure	57	1	1
Property	706	12	13
Absolute Return	217	4	5
Cash	162	3	1
<b>Total</b>	<b>5,767</b>	<b>100</b>	<b>100</b>

## Fund Asset Class Performance for Quarter ending 30 September 2017



Asset Class	Fund %	Benchmark %	Outperformance %
UK Equity	1.01	2.14	-1.13
Global Equity	0.99	1.83	-0.84
Fixed Income	1.19	0.54	0.66
Property	2.62	2.56	0.06
Absolute Return	-0.54	2.25	-2.79
Private Equity	0.87	0.03	0.84
Infrastructure	1.75	0.03	1.72

## Market Value Summary by Fund Manager as at 30 September 2017

Fund Mandate	Asset Class	Market Value as at 30 June 2017 (£m)	Market Value as at 30 September 2017 (£m)	Change in Market Value (£m)	% of Total Fund 30 September 2017
Baillie Gifford	Global Equity	1,283	1,306	24	22.65%
Schroders	UK Equity	903	922	19	15.99%
DTZ	Direct Property	468	474	7	8.22%
Goldman Sachs	Fixed Interest	364	371	7	6.43%
Woodford	UK Equity	325	306	-19	5.31%
State Street	UK Equity	316	323	7	5.60%
M&G	Global Equity	313	318	5	5.51%
Schroders GAV	Global Equity	277	278	1	4.82%
State Street	Global Equity	280	284	5	4.93%
Schroders	Fixed Interest	244	244	0	4.24%
Sarasin	Global Equity	224	229	5	3.96%
Pyrford	Absolute Return	219	217	-2	3.76%
Fidelity	Pooled Property	112	116	4	2.01%
Harbourvest	Private Equity	68	65	-3	1.14%
Internally managed cash	Cash	61	78	16	1.35%
Kames	Pooled Property	60	54	-5	0.94%
Partners	Infrastructure	58	57	-1	0.98%
DTZ Pooled Funds	Pooled Property	48	48	0	0.83%
Impax	Global Equity	44	45	1	0.78%
YFM	Private Equity	19	18	-1	0.31%
M&G Property	Pooled Property	13	14	0	0.24%
<b>Total Kent Fund</b>		<b>5,698</b>	<b>5,767</b>	<b>69</b>	<b>100.00%</b>

<b>Performance Returns as at 30 September 2017</b>
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	Quarter		1 Year		3 Year (p.a.)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
<b>Total Fund</b>	1.12	1.68	12.58	10.15	11.14	9.46
<b>Uk Equity</b>						
Schroders UK Equity	2.11	2.10	13.56	11.70	7.92	8.35
State Street UK Equity	2.17	2.14	12.08	11.94	8.59	8.51
Woodford	-5.73	2.14	0.69	11.94	--	--
<b>Global Equity</b>						
Baillie Gifford	1.84	2.26	19.46	16.17	19.51	14.04
Sarasin	2.15	1.83	18.11	14.88	13.03	14.43
Schroders GAV	0.28	1.83	12.92	14.88	13.47	14.66
State Street Global Equity	1.71	1.71	15.67	15.79	15.57	15.73
Impax	1.82	1.83	12.24	14.88	16.00	14.66
M&G	1.45	1.96	15.44	15.49	11.53	15.05
<b>Fixed Interest</b>						
Goldman Sachs	1.93	0.86	7.06	3.50	5.32	3.52
Schroders Fixed Interest	0.10	0.09	3.56	0.47	1.76	1.40
<b>Property</b>						
DTZ	2.60	2.56	13.92	10.23	12.57	9.42
Fidelity	3.61	2.40	2.60	9.31	10.75	8.91
Kames	4.23	2.40	10.75	9.31	9.19	8.91
M&G Property	0.01	2.40	2.90	9.31	--	--
<b>Private Equity</b>						
Harbourvest	0.68	0.03	13.93	0.12	22.11	0.27
YFM	1.59	0.03	15.54	0.12	9.22	0.27
<b>Infrastructure</b>						
Partners	1.75	0.03	8.43	0.12	19.36	0.27
<b>Absolute Return</b>						
Pyrford	-0.54	2.25	2.09	9.01	4.75	7.29

## Fund Manager Benchmarks and Performance Targets

Asset Class / Manager	Performance Benchmark	Performance Target
<b>UK Equities:</b>		
Schroders UK Equity	Customised	+1.5% pa over rolling 3 years
Woodford	FTSE All Share	Unconstrained
State Street UK Equity	FTSE All Share	Match
<b>Global Equities:</b>		
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
<b>Fixed Income:</b>		
Schroders Fixed Interest	3 months Sterling Libor	+4% pa over a full market cycle
Goldman Sachs	+3.5% Absolute	+6% Absolute
<b>Property:</b>		
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	
<b>Alternatives: (Cash / Other Assets)</b>		
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 September 2017

UK Equities	Global Equities	Fixed Interest	Property	Cash/Alternatives
Schroders +1.5% £922 m	Baillie Gifford +1.5% £1,306 m	Goldman Sachs +6.0% Abs. £371 m	DTZ Property £522 m	Internally managed Cash £78 m
State Street 0.0% £323 m	M&G +3.0% £318 m	Schroders +4.0% £244 m	Fidelity Property £116 m	Partners Infrastructure £57 m
Woodford £306 m	Schroders +3.0% - +4% £278 m		Kames Property £54 m	YFM Private Equity £18 m
	State Street +0.0% £284 m		M&G Property £14 m	HarbourVest Private Equity £65 m
	Impax +2.0% £45 m			Pyrford Abs. Return RPI + 5% £217 m
	Sarasin +2.5% £229 m			
Total Fund    £5.8 bn				