

# FUND POSITION STATEMENT

## Summary of Fund Asset Allocation and Performance

### Superannuation Fund Committee

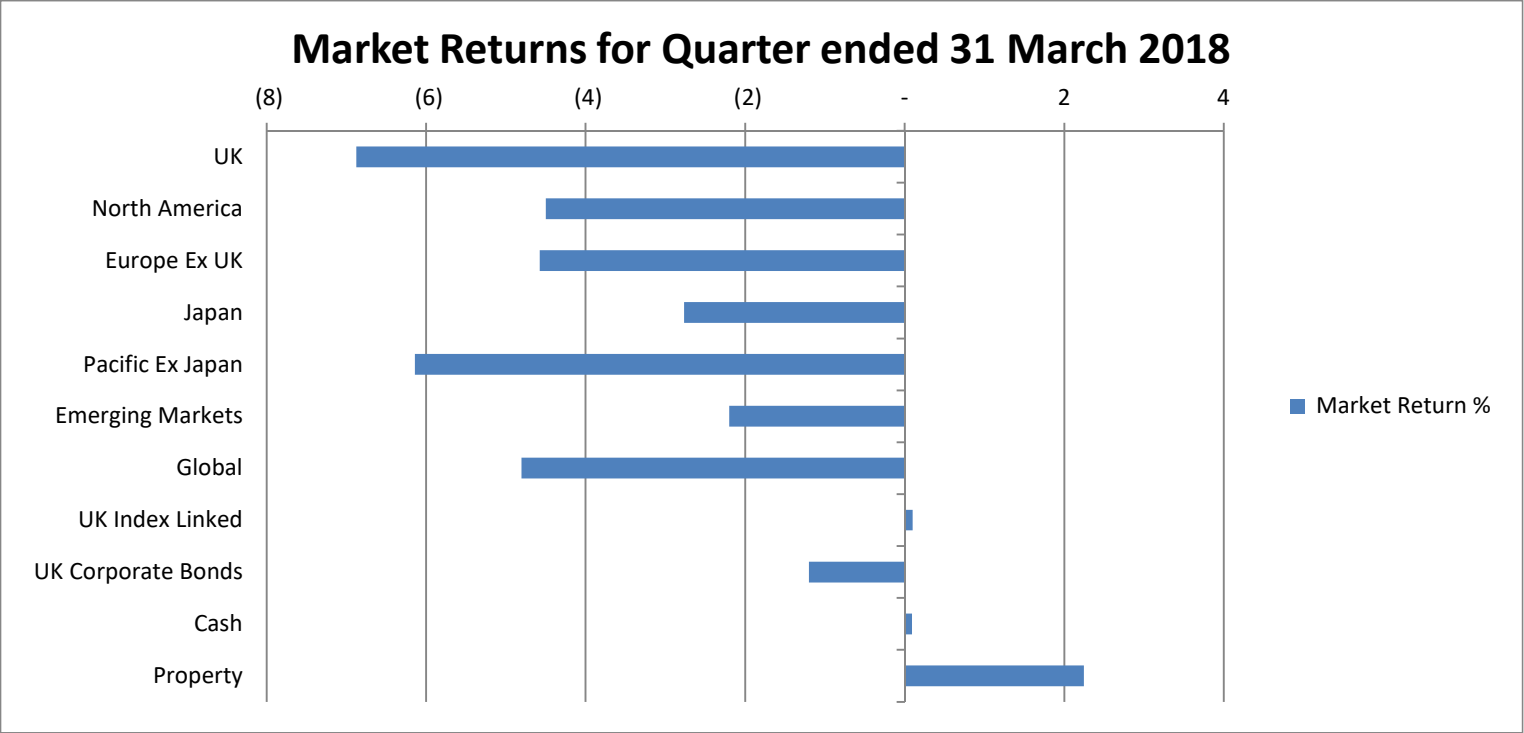
**By: Chairman Superannuation Fund Committee**  
Corporate Director of Finance



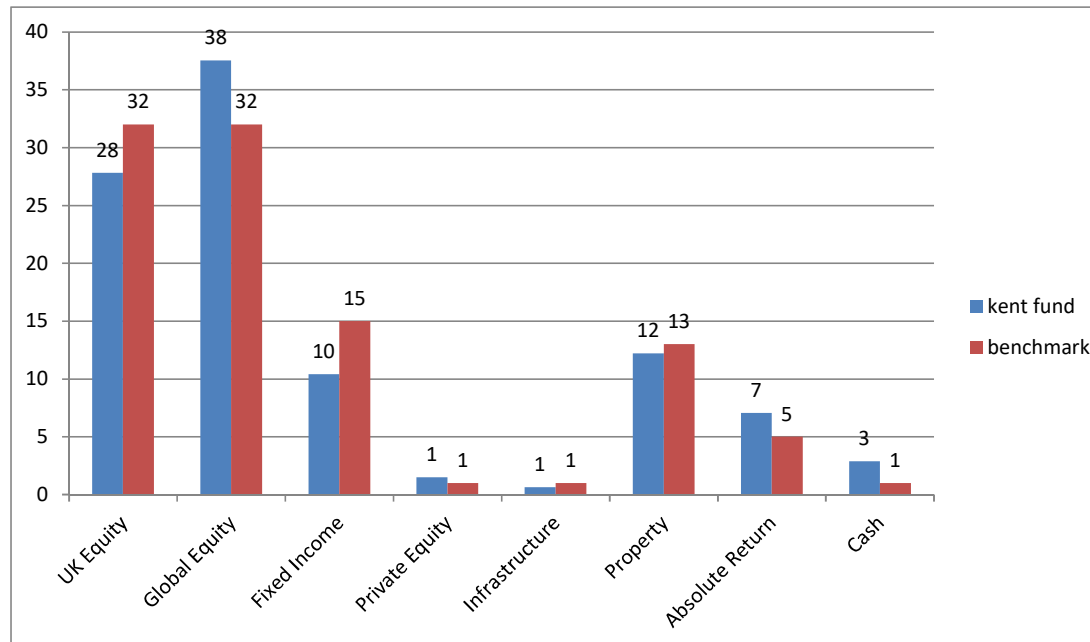
Kent County Council  
Superannuation Fund Q4 2017-18

Nick Vickers - Business Partner

# Market Returns for Quarter ended 31 March 2018

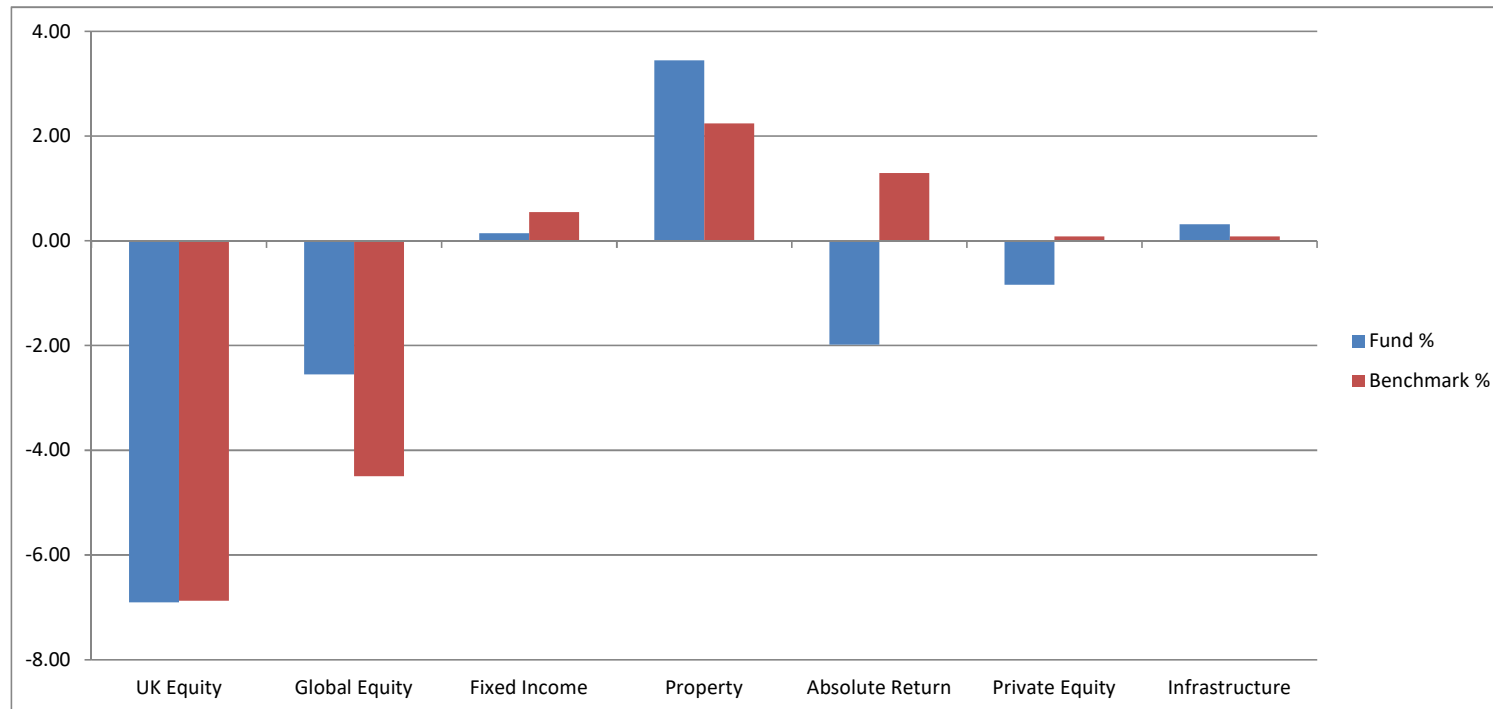


## Fund Asset Allocation vs Benchmark as at 31 March 2018



Asset Class	Kent Fund		Benchmark
	£m	%	%
UK Equity	1,616	28	32
Global Equity	2,181	38	32
Fixed Income	605	10	15
Private Equity	87	1	1
Infrastructure	37	1	1
Property	710	12	13
Absolute Return	410	7	5
Cash	167	3	1
<b>Total</b>	<b>5,812</b>	<b>100</b>	<b>100</b>

## Fund Asset Class Performance for Quarter ending 31 March 2018



Asset Class	Fund %	Benchmark %	Outperformance %
UK Equity	-6.91	-6.87	-0.03
Global Equity	-2.55	-4.50	1.94
Fixed Income	0.15	0.55	-0.40
Property	3.45	2.24	1.20
Absolute Return	-1.98	1.30	-3.28
Private Equity	-0.84	0.09	-0.93
Infrastructure	0.32	0.09	0.23

## Market Value Summary by Fund Manager as at 31 March 2018

Fund Mandate	Asset Class	Market Value as at 31 December 2017 (£m)	Market Value as at 31 March 2018 (£m)	Change in Market Value (£m)	% of Total Fund 31 March 2018
Baillie Gifford	Global Equity	1,164	1,170	6	20.13%
Schroders	UK Equity	962	900	-62	15.49%
DTZ	Direct Property	481	484	3	8.33%
Pyrford	Absolute Return	418	410	-8	7.05%
Goldman Sachs	Fixed Interest	371	368	-3	6.34%
M&G	Global Equity	343	315	-28	5.42%
State Street*	UK Equity	339	0	-339	0.00%
UBS UK*	UK Equity	0	318	318	5.46%
Woodford	UK Equity	305	274	-31	4.72%
State Street*	Global Equity	298	0	-298	0.00%
UBS Global*	Global Equity	0	285	285	4.91%
Schroders GAV	Global Equity	292	277	-16	4.76%
Schroders	Fixed Interest	243	247	4	4.25%
Sarasin	Global Equity	239	230	-8	3.96%
Fidelity	Pooled Property	120	123	3	2.11%
Internally managed cash	Cash	80	116	36	2.00%
Harbourvest	Private Equity	67	65	-2	1.11%
Partners	Infrastructure	55	37	-18	0.64%
Kames	Pooled Property	55	52	-3	0.90%
DTZ Pooled Funds	Pooled Property	50	51	1	0.88%
Impax	Global Equity	47	45	-2	0.77%
M&G Property	Pooled Property	21	23	2	0.40%
YFM	Private Equity	18	22	4	0.38%
<b>Total Kent Fund</b>		<b>5,970</b>	<b>5,812</b>	<b>-157</b>	<b>100.00%</b>

\* During the quarter the UK and Global Equities Passive mandates with State Street were transitioned to UBS in their entirety.

## Performance Returns as at 31 March 2018

	Quarter		1 Year		3 Year (p.a.)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
<b>Total Fund</b>	-2.65	-1.72	4.74	4.80	8.70	7.61
<b>Uk Equity</b>						
Schroders UK Equity	-6.42	-6.74	1.57	1.24	5.21	5.76
UBS*	--	--	--	--	--	--
Woodford	-10.13	-6.87	-13.38	1.25	0.10	5.86
<b>Global Equity</b>						
Baillie Gifford	0.51	-4.38	14.29	3.54	16.19	9.83
Sarasin	-3.50	-4.50	6.74	2.37	9.61	10.18
Schroders GAV	-5.34	-4.50	-1.39	2.37	8.67	10.18
UBS Emerging Markets*	--	--	--	--	--	--
UBS World Ex UK Equity*	--	--	--	--	--	--
Impax	-4.73	-4.50	3.50	2.37	12.08	10.18
M&G	-8.13	-4.38	-0.66	2.90	9.57	10.78
<b>Fixed Interest</b>						
Goldman Sachs	-0.80	0.86	3.75	3.50	4.32	3.52
Schroders Fixed Interest	1.59	0.12	2.21	0.41	1.19	0.06
<b>Property</b>						
DTZ	3.65	2.24	12.08	11.01	12.01	8.78
Fidelity	2.53	1.90	11.92	10.05	8.74	8.07
Kames	3.89	1.90	12.20	10.05	9.12	8.07
M&G Property	-2.78	1.90	-1.41	10.05	--	--
<b>Private Equity</b>						
Harbourvest	-2.47	0.09	6.07	0.21	18.51	0.26
YFM	4.98	0.09	11.49	0.21	15.79	0.26
<b>Infrastructure</b>						
Partners	0.32	0.09	10.29	0.21	20.40	0.26
<b>Absolute Return</b>						
Pyrford	-1.98	1.30	-2.59	8.43	2.52	7.76

## 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
UBS 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
UBS Global Equity	FTSE (Dev) World ex UK	Match
UBS Emerging Market Equities	FTSE Emerging Markets	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	
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 31 March 2018

UK Equities	Global Equities	Fixed Interest	Property	Cash/Alternatives
Schroders +1.5% £900 m	Baillie Gifford +1.5% £1,170 m	Goldman Sachs +6.0% Abs. £368 m	DTZ Property £535 m	Internally managed Cash £116 m
UBS 0.0% £318 m	M&G +3.0% £315 m	Schroders +4.0% £247 m	Fidelity Property £123 m	Partners Infrastructure £37 m
Woodford £274 m	Schroders +3.0% - +4% £277 m		Kames Property £52 m	YFM Private Equity £22 m
	UBS +0.0% £285 m		M&G Property £23 m	HarbourVest Private Equity £65 m
	Impax +2.0% £45 m			Pyrford Abs. Return RPI + 5% £410 m
	Sarasin +2.5% £230 m			
Total Fund			£5.8 bn	