

FUND POSITION STATEMENT

Classification: Unrestricted
Item: DI refers

Summary of Fund Asset Allocation and Performance

Superannuation Fund Committee

20th November 2009

By: Chairman Superannuation Fund Committee

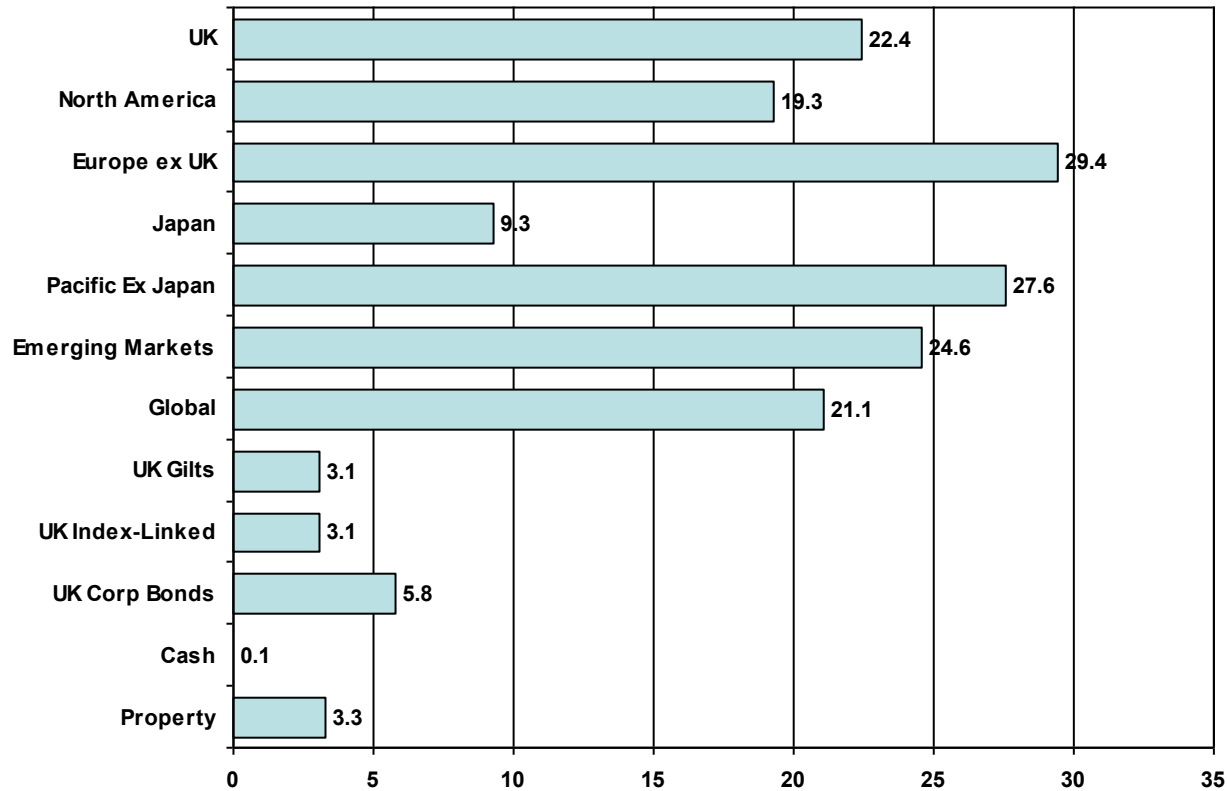
Director of Finance



Kent County Council
Superannuation Fund 2009

Nick Vickers—Head of Financial Services

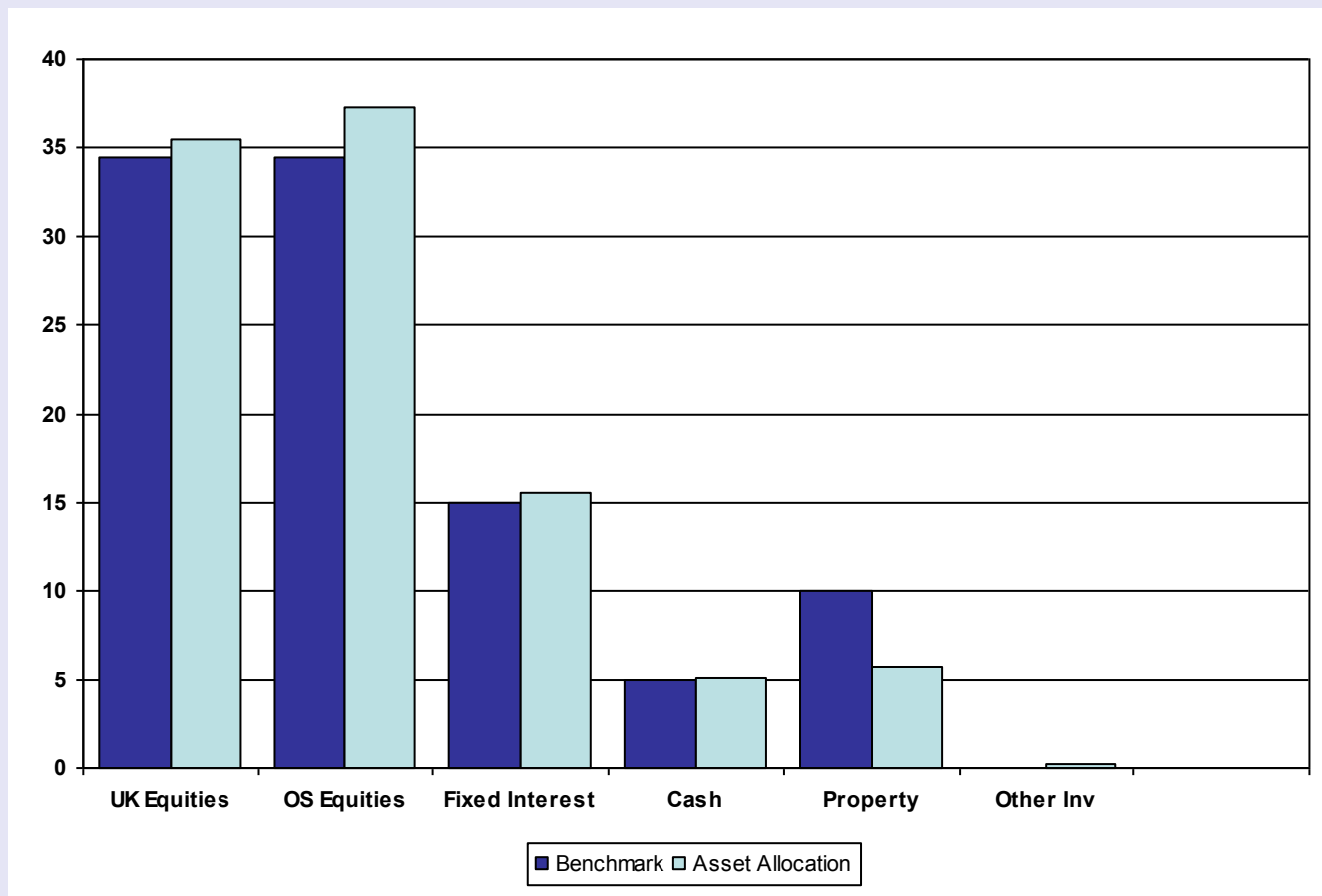
Market Returns-3 months to 30 September 2009



- The second quarter of 2009 showed strong results across most markets.
- UK and North American equities performed rather well with returns of 22.4% and 19.3% respectively.
- Europe excluding UK demonstrated the best performance throughout the quarter with a return of 29.4%.
- There was positive performance from Fixed Income.
- Property values returned to positive growth with a rise of 3.3% for the quarter.

Kent Fund Asset Allocation vs Fund Benchmark

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Asset Class	Kent Fund		Benchmark
	£m	%	%
UK Equities	901	35.5	34.5
Overseas Equities	947	37.3	34.5
Fixed Interest	393	15.5	15
UK Property	145	5.7	10
European Property	20	0.8	1
Cash	129	5.1	5
Other Inv	5	0.2	-
Total Value	2,540	100.0	100

Asset Distribution Fund Manager

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Values (GBP)'000	Mandate	Value at 30/06/09	Transactions	Capital Gain / loss	Income	Value at 30/09/09	% Fund	Benchmark
Schroders	UK Equity	340,348	13,800	72,838	3,829	426,986	17	Customised
Invesco	UK Equity	255,390	10,000	35,043		300,433	12	Customised
State Street	UK Equity	125,187	19,641	28,047		172,875	7	FTSE 100 All Share
State Street	Global Equity							FTSE All World ex UK
Alliance Bernstein	Global Equity	185,462	1,152	39,951	1,144	226,565	9	MSCI World
Ballie Gifford	Global Equity	350,770	11,838	77,936	2,194	440,544	17	Customised
GMO	Global Quantative	133,461		26,701		160,162	6	MSCI World
Schroders	Global Quantative	96,940		22,311		119,251	5	MSCI World
Goldman Sachs	Fixed Interest	198,290	5,758	13,905	2,691	217,953	9	ML £ Broad Market
Schroders	Fixed Interest	163,603		11,782	30	175,385	7	ML £ Broad Market
DTZ	Property UK	152,683	-12,856	5,427	2,602	145,254	6	IPD All Properties Index
DTZ	Property Europe	19,729		-94		19,634	1	IPD All Properties Index
Internally Managed	Cash	153,858	-15,451	-3,706	521	134,701	5	LIBID 7 Day Rate
Total Fund		2,175,711	33,882	330,141	13,011	2,539,743	100	Kent Combined Fund

Performance Returns to 30 September 2009

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	Quarter		1 year		3 years	
	Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %
<u>Total Fund</u>	15.7	16.4	7.7	7.7	-0.4	0.3
<u>UK Equity</u>						
Schroders UK	22.4	21.9	14.2	10.7	1.7	-1.0
State Street	22.4	22.4				
Invesco	13.7	22.4	6.3	10.8		
<u>Overseas Equity</u>						
Alliance Bernstein	22.1	21.1	4.0	9.6	-5.2	1.3
Baillie Gifford	22.6	22.0	16.6	14.7	5.2	3.7
GMO	20.0	21.1	6.0	9.6	0.4	1.3
Schroders GAV	23.0	21.1	18.5	9.6	3.1	1.3
<u>Fixed Interest</u>						
Goldmans Fixed Interest	8.4	5.8	13.0	11.6	3.8	4.1
Schroders Fixed Interest	7.2	5.8	17.1	11.6	5.6	4.1
<u>Property</u>						
UK Property	5.5	3.3	-17.5	-19.2	-7.0	-10.8
European Property	-0.5	3.3	-25.7	-19.2		
Data Source: The WM Company - returns subject to rounding differences						

- The fund increased in value by over £360m during the quarter.
- The Fund lagged the benchmark for the quarter posting positive returns of 15.7% against a benchmark of 16.4%, placing us 58th in the WMLA universe.
- The 1 year performance of the fund matches the benchmark figure of 7.7%, placing us 66th in the WMLA universe.
- Our 3 year performance is -0.4% against a benchmark return of 0.3%, placing us 70th in the WMLA universe.
- Schroders once again performed very well over the quarter with all three mandates outperforming their respective benchmark.
- Invesco's defensive portfolio underperformed benchmark for the third quarter in a row due to a continued lack of exposure to the rallying sectors of the FTSE All-Share Index.

Fund Structure

UK Equities

Schroders
+1.5%
£427m

State Street
+0.0%
£173m

Invesco
Unconstrained
£300m

Global Equities

Baillie Gifford
+1.5%
£441m

Alliance
Bernstein
+3.0%
£226m

GMO
+3.0%
£160m

Schroders
+3.0 - +4.0%
£119m

Fixed Interest

Goldman Sachs
+0.75%
£218m

Schroders
+1.0%
£175m

Alternative

DTZ
UK Property
£145m

DTZ
Europe Property
€21m (£20m)

Kent Cash
£129m

Henderson
Secondary PFI
£4m

YFM Private
Equity £1m

Market Value £2.5bn
as at 30 September 2009.