

FUND POSITION STATEMENT

Summary of Fund Asset Allocation and Performance

Superannuation Fund Committee

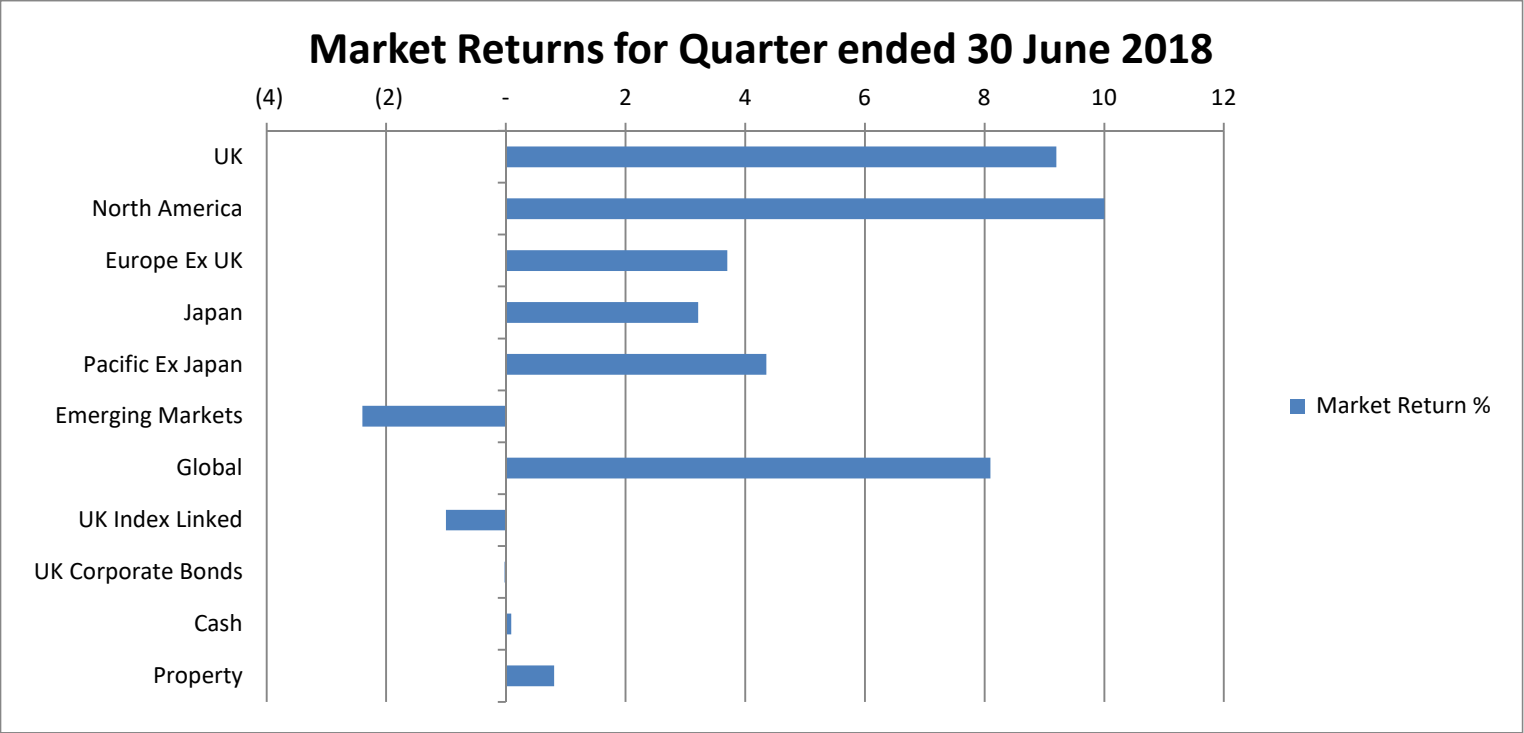
By: Chairman Superannuation Fund Committee
Acting Corporate Director of Finance



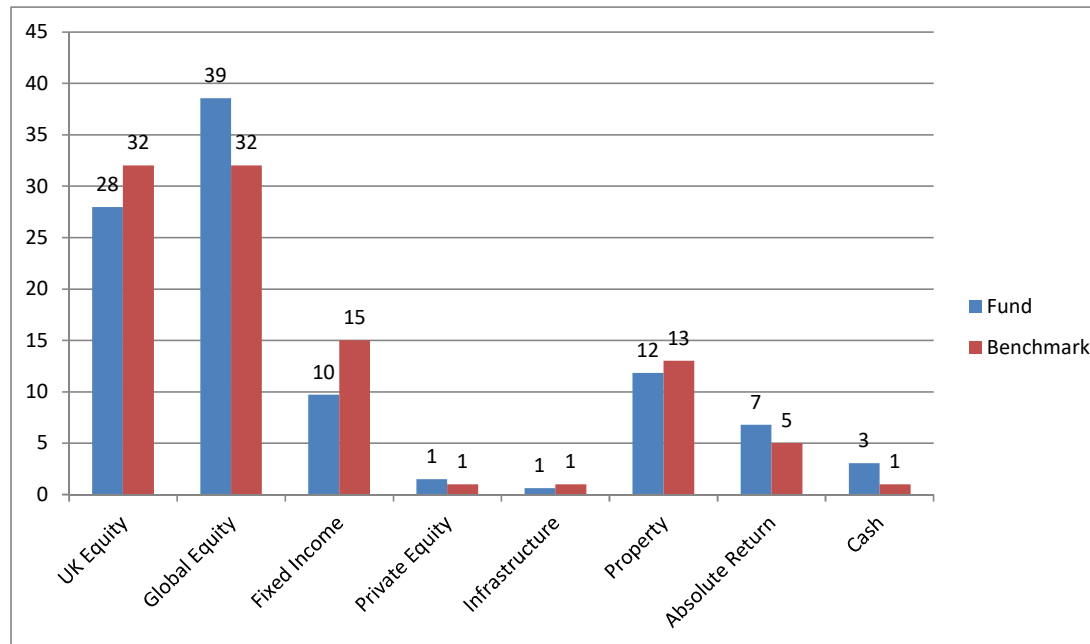
Kent County Council
Superannuation Fund Q1 2018-19

Nick Vickers - Business Partner (Pension Fund)

Market Returns for Quarter ended 30 June 2018

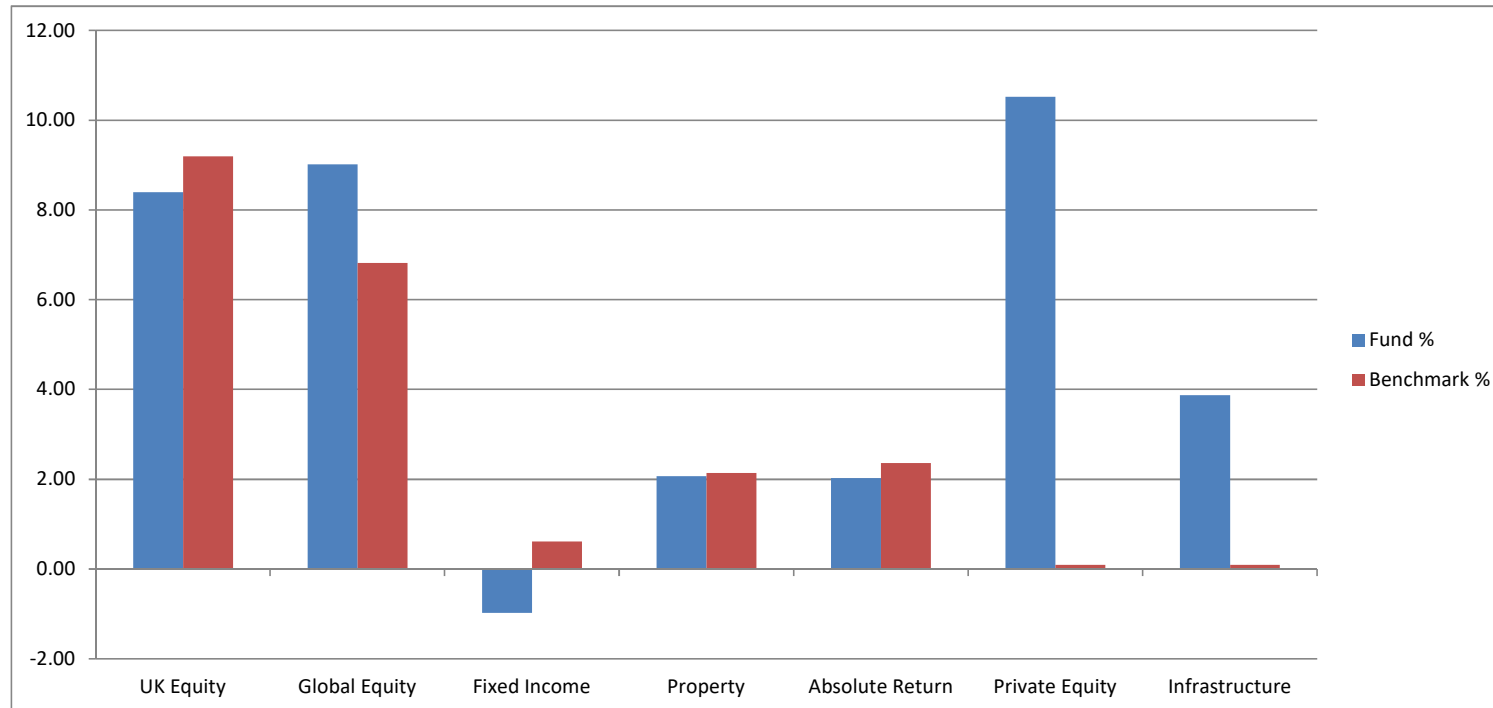


Fund Asset Allocation vs Benchmark as at 30 June 2018



Asset Class	Fund		Benchmark
	£m	%	%
UK Equity	1,727	28	32
Global Equity	2,382	39	32
Fixed Income	599	10	15
Private Equity	92	1	1
Infrastructure	39	1	1
Property	730	12	13
Absolute Return	418	7	5
Cash	189	3	1
Total	6,176	100	100

Fund Asset Class Performance for Quarter ending 30 June 2018



Asset Class	Fund %	Benchmark %	Outperformance %
UK Equity	8.40	9.20	-0.81
Global Equity	9.02	6.82	2.20
Fixed Income	-0.98	0.61	-1.59
Property	2.07	2.14	-0.07
Absolute Return	2.03	2.36	-0.34
Private Equity	10.52	0.09	10.43
Infrastructure	3.88	0.09	3.78

Market Value Summary by Fund Manager as at 30 June 2018

Fund Mandate	Asset Class	Market Value as at 31 March 2018 (£m)	Market Value as at 30 June 2018 (£m)	Change in Market Value (£m)	% of Total Fund 30 June 2018
Baillie Gifford	Global Equity	1,170	1,300	129	21.04%
Schroders	UK Equity	900	984	84	15.93%
DTZ	Direct Property	484	500	16	8.10%
Pyrford	Absolute Return	410	418	8	6.77%
Goldman Sachs	Fixed Interest	368	368	-1	5.96%
M&G	Global Equity	315	343	28	5.55%
UBS UK	UK Equity	318	345	27	5.59%
Woodford	UK Equity	274	283	9	4.59%
UBS Global	Global Equity	285	306	21	4.96%
Schroders GAV	Global Equity	277	293	16	4.74%
Schroders	Fixed Interest	247	242	-5	3.91%
Sarasin	Global Equity	230	246	15	3.98%
Fidelity	Pooled Property	123	126	3	2.04%
Internally managed cash	Cash	116	118	2	1.92%
Harbourvest	Private Equity	65	70	6	1.14%
Partners	Infrastructure	37	39	1	0.62%
Kames	Pooled Property	52	53	1	0.86%
DTZ Pooled Funds	Pooled Property	51	51	0	0.83%
Impax	Global Equity	45	46	2	0.75%
M&G Property	Pooled Property	23	24	1	0.39%
YFM	Private Equity	22	22	0	0.36%
Total Kent Fund		5,812	6,176	364	100.00%

Performance Returns as at 30 June 2018

	Quarter		1 Year		3 Year (p.a.)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Total Fund	6.19	5.36	8.29	9.27	11.50	10.22
Uk Equity						
Schroders UK Equity	9.30	9.02	8.97	8.85	8.64	9.41
UBS	9.20	9.20	--	--	--	--
Woodford	3.30	9.20	-12.83	9.02	1.22	9.60
Global Equity						
Baillie Gifford	11.06	5.79	18.95	7.86	21.87	13.77
Sarasin	6.71	6.82	9.79	8.94	13.89	14.68
Schroders GAV	4.61	6.82	5.34	8.94	13.09	14.69
UBS Emerging Markets	-2.32	-2.38	--	--	--	--
UBS World Ex UK Equity	7.83	7.84	--	--	--	--
Impax	4.11	6.82	4.76	8.94	14.99	14.69
M&G	8.79	7.01	9.42	9.51	14.32	15.31
Fixed Interest						
Goldman Sachs	-0.18	0.86	1.10	3.50	4.66	3.51
Schroders Fixed Interest	-2.17	0.26	-1.01	0.56	1.12	0.76
Property						
DTZ	1.97	2.14	11.85	10.70	11.42	8.26
Fidelity	2.48	2.00	12.59	9.73	8.34	7.62
Kames	2.22	2.00	9.40	9.73	8.50	7.62
M&G Property	0.80	2.00	4.90	9.73	--	--
Private Equity						
Harbourvest	12.80	0.09	14.52	0.28	20.75	0.26
YFM	3.73	0.09	14.46	0.28	16.50	0.26
Infrastructure						
Partners	3.88	0.09	11.51	0.28	19.76	0.26
Absolute Return						
Pyrford	2.03	2.36	-0.55	8.45	4.10	7.91

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

UK Equities	Global Equities	Fixed Interest	Property	Cash/Alternatives
Schroders +1.5% £984 m	Baillie Gifford +1.5% £1,300 m	Goldman Sachs +6.0% Abs. £368 m	DTZ Property £551 m	Internally managed Cash £118 m
UBS 0.0% £345 m	M&G +3.0% £343 m	Schroders +4.0% £242 m	Fidelity Property £126 m	Partners Infrastructure £39 m
Woodford £283 m	Schroders +3.0% - +4% £293 m		Kames Property £53 m	YFM Private Equity £22 m
	UBS +0.0% £306 m		M&G Property £24 m	HarbourVest Private Equity £70 m
	Impax +2.0% £46 m			Pyrford Abs. Return RPI + 5% £418 m
	Sarasin +2.5% £246 m			
Total Fund			£6.2 bn	