

FUND POSITION STATEMENT

Summary of Fund Asset Allocation and Performance

Superannuation Fund Committee

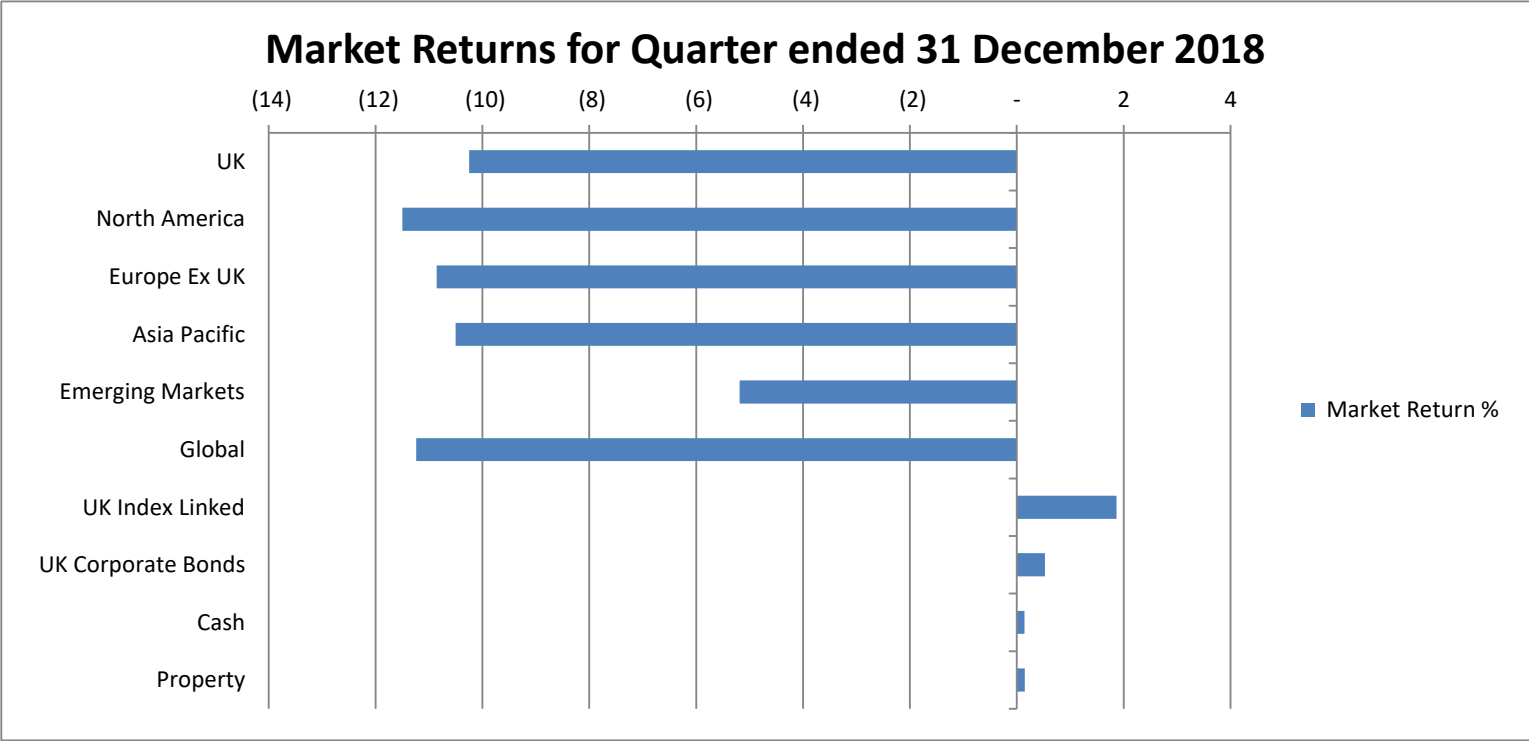
By: Chairman Superannuation Fund Committee
Acting Corporate Director of Finance



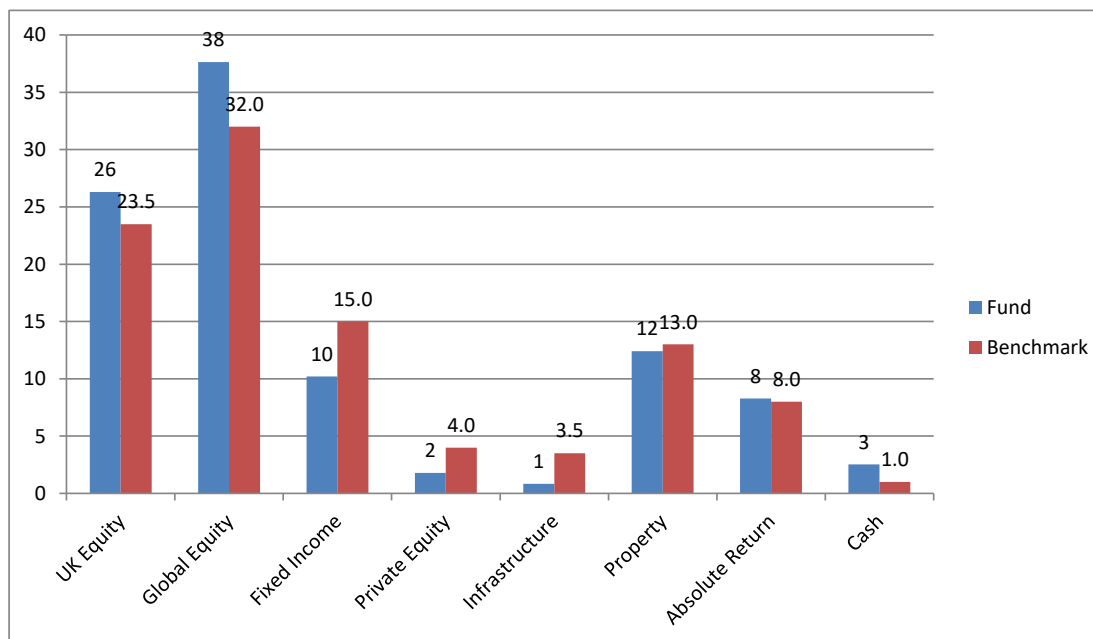
Kent County Council
Superannuation Fund Q3 2018-19

Nick Vickers - Business Partner (Pension
Fund)

Market Returns for Quarter ended 31 December 2018

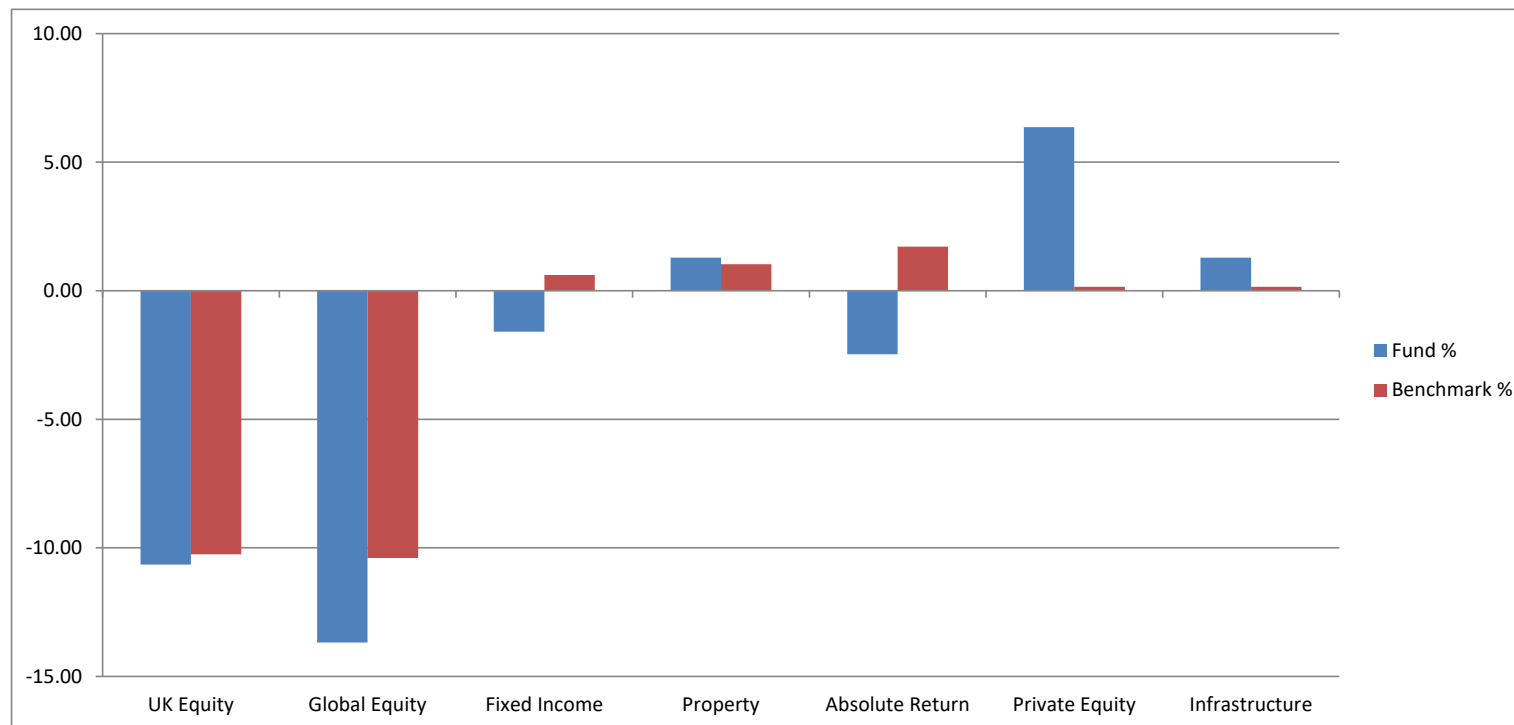


Fund Asset Allocation vs Benchmark as at 31 December 2018



Asset Class	Fund		Benchmark
	£m	%	%
UK Equity	1,523	26.3	23.5
Global Equity	2,179	37.6	32
Fixed Income	591	10.2	15
Private Equity	104	1.8	4
Infrastructure	49	0.8	3.5
Property	718	12.4	13
Absolute Return	479	8.3	8
Cash	147	2.5	1
Total	5,790	100	100

Fund Asset Class Performance for Quarter ending 31 December 2018



Asset Class	Fund %	Benchmark %	Outperformance %
UK Equity	-10.65	-10.25	-0.41
Global Equity	-13.69	-10.40	-3.29
Fixed Income	-1.59	0.61	-2.20
Property	1.28	1.03	0.25
Absolute Return	-2.47	1.71	-4.18
Private Equity	6.36	0.15	6.21
Infrastructure	1.29	0.15	1.14

Market Value Summary by Fund Manager as at 31 December 2018

Fund Mandate	Asset Class	Market Value as at 30 September 2018 (£m)	Market Value as at 31 December 2018 (£m)	Change in Market Value (£m)	% of Total Fund 31 December 2018
Baillie Gifford	Global Equity	1,366	1,157	-210	20.0%
Schroders	UK Equity	970	874	-96	15.1%
DTZ *	Direct Property	501	457	-44	7.9%
Pyrford	Absolute Return	421	413	-8	7.1%
Goldman Sachs	Fixed Interest	372	368	-4	6.4%
M&G	Global Equity	366	320	-46	5.5%
UBS UK	UK Equity	344	309	-35	5.3%
UBS Global	Global Equity	311	276	-35	4.8%
Schroders GAV	Global Equity	306	273	-33	4.7%
Woodford	UK Equity	288	255	-32	4.4%
Sarasin	Global Equity	262	230	-32	4.0%
Schroders	Fixed Interest	241	235	-6	4.1%
Fidelity	Pooled Property	128	131	3	2.3%
Internally managed cash *	Cash	47	87	40	1.5%
Harbourvest	Private Equity	74	79	4	1.4%
Ruffer	Absolute Return	70	66	-4	1.1%
Kames	Pooled Property	54	54	0	0.9%
DTZ Pooled Funds	Pooled Property	52	52	0	0.9%
Impax	Global Equity	48	43	-6	0.7%
Partners	Infrastructure	37	49	12	0.8%
YFM	Private Equity	29	25	-4	0.4%
M&G Property	Pooled Property	24	25	0	0.4%
UBS Emerging Markets	Global Equity	15	14	-1	0.2%
Total Kent Fund		6,327	5,790	-536	100.0%

* Drury House Sold for £43.75m

Performance Returns as at 31 December 2018

	Quarter		1 Year		3 Year (p.a.)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Total Fund	-8.40	-5.48	-2.88	-0.20	8.75	8.41
Uk Equity						
Schroders UK Equity	-9.92	-10.05	-9.17	-9.27	6.13	6.02
UBS	-10.21	-10.25	--	--	--	--
Woodford	-11.26	-10.25	-16.35	-9.47	-4.46	6.13
Global Equity						
Baillie Gifford	-15.35	-10.15	-0.65	-5.33	15.43	10.92
Sarasin	-12.32	-10.67	-3.62	-3.78	10.87	11.92
Schroders GAV	-10.75	-10.67	-6.68	-3.78	10.67	11.92
UBS Emerging Markets	-3.94	-3.87	--	--	--	--
UBS World Ex UK Equity	-11.27	-11.30	--	--	--	--
Impax	-11.57	-10.67	-8.72	-3.78	11.31	11.92
M&G	-12.62	-10.56	-6.73	-3.27	14.29	12.53
Fixed Interest						
Goldman Sachs	-1.10	0.86	-0.85	3.50	4.84	3.51
Schroders Fixed Interest	-2.34	0.26	-3.34	0.87	0.58	0.63
Property						
DTZ	1.08	1.03	8.00	7.33	9.37	6.94
Fidelity	2.45	0.90	9.44	6.55	7.85	6.46
Kames	0.49	0.90	10.66	6.55	8.40	6.46
M&G Property	0.88	0.90	4.06	6.55	5.77	6.46
Private Equity						
Harbourvest	4.39	0.15	24.62	0.46	21.93	0.29
YFM	6.81	0.15	28.22	0.46	22.18	0.29
Infrastructure						
Partners	4.61	0.15	15.03	0.46	18.08	0.29
Absolute Return						
Pyrford	-1.97	1.71	-1.17	7.70	3.06	8.18
Ruffer	-5.44	1.71	--	--	--	--

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%
Absolute Return – Ruffer	Retail Price Index (RPI)	
Internally managed cash – KCC Treasury and Investments team	GBP 7 Day LIBID	

Fund Structure as at 31 December 2018

UK Equities	Global Equities	Fixed Interest	Property	Cash/Alternatives
Schroders +1.5% £874 m	Baillie Gifford +1.5% £1,157 m	Goldman Sachs +6.0% Abs. £368 m	DTZ Property £508 m	Internally managed Cash £87 m
UBS 0.0% £309 m	M&G +3.0% £320 m	Schroders +4.0% £235 m	Fidelity Property £131 m	Partners Infrastructure £49 m
Woodford £255 m	Schroders +3.0% - +4% £273 m		Kames Property £54 m	YFM Private Equity £25 m
	UBS +0.0% £290 m		M&G Property £25 m	HarbourVest Private Equity £79 m
	Impax +2.0% £43 m			Pyrford Abs. Return RPI + 5% £413 m
	Sarasin +2.5% £230 m			Ruffer Abs. Return RPI £66 m
Total Fund			£5.8 bn	