

FUND POSITION STATEMENT

Summary of Fund Asset Allocation and Performance

Superannuation Fund Committee

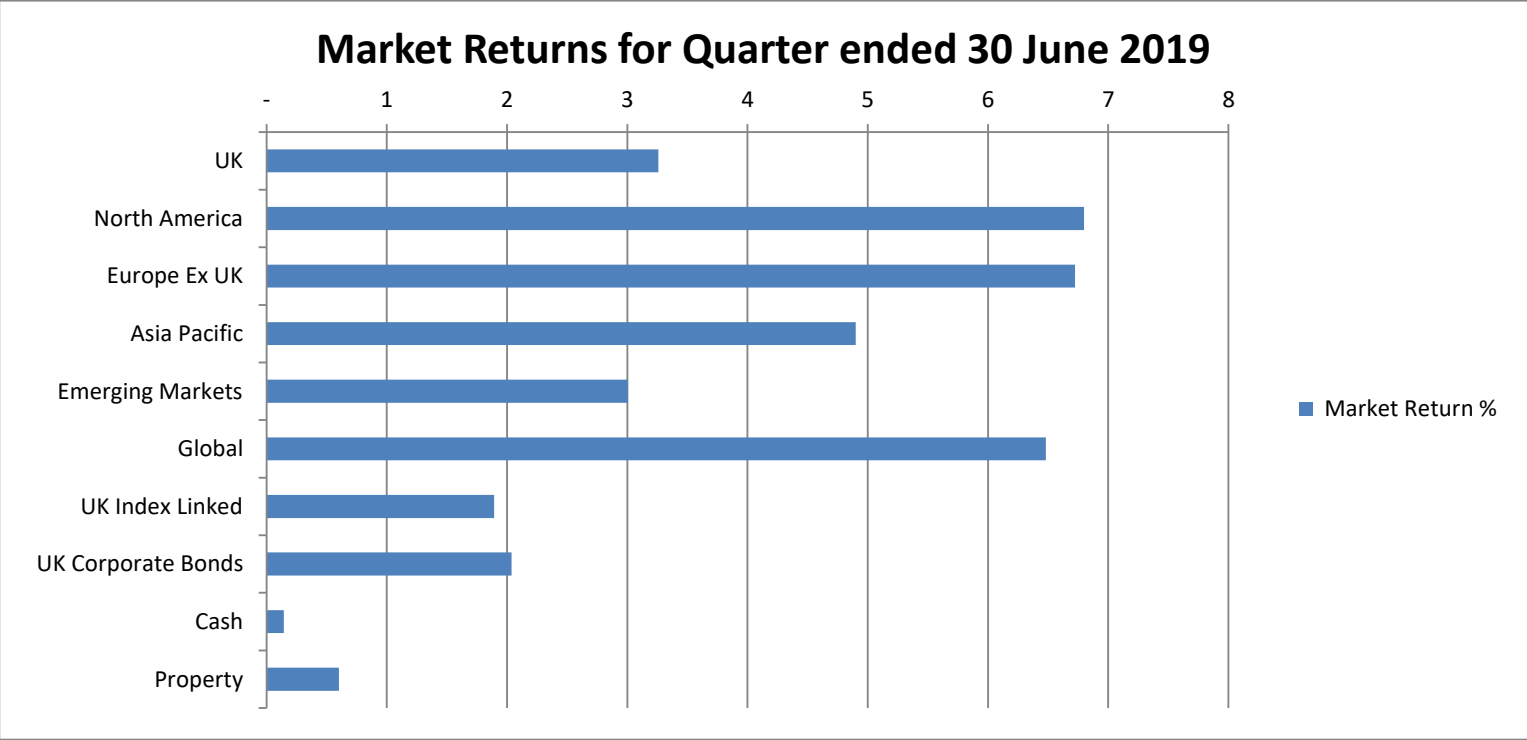
By: Chairman Superannuation Fund Committee
Acting Corporate Director of Finance



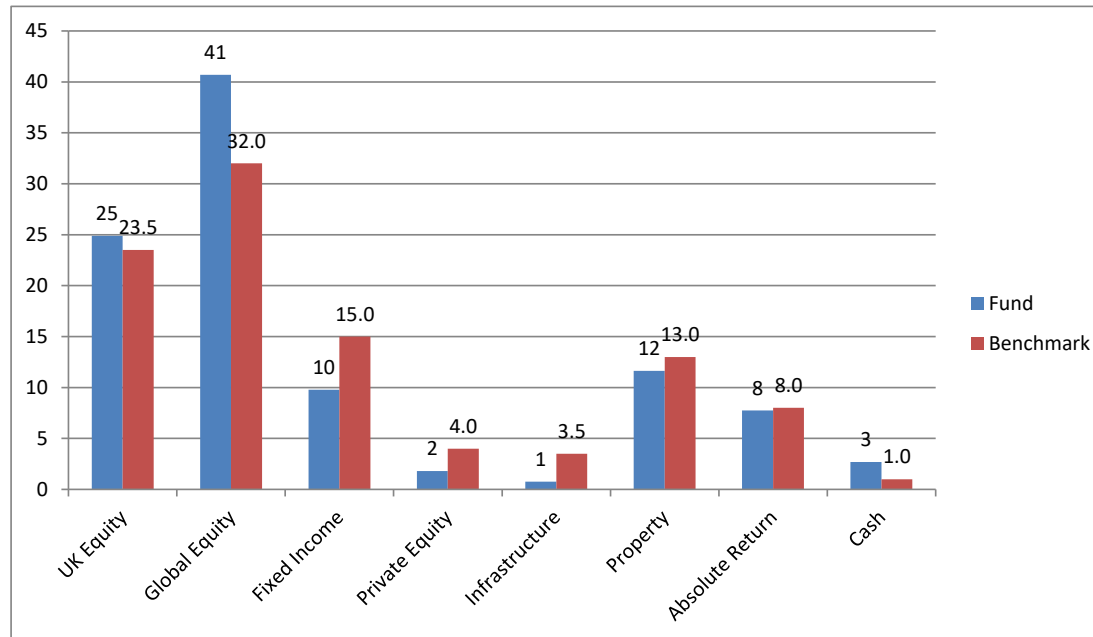
Kent County Council
Superannuation Fund Q1 2019-20

Nick Vickers - Business Partner (Pension
Fund)

Market Returns for Quarter ended 30 June 2019

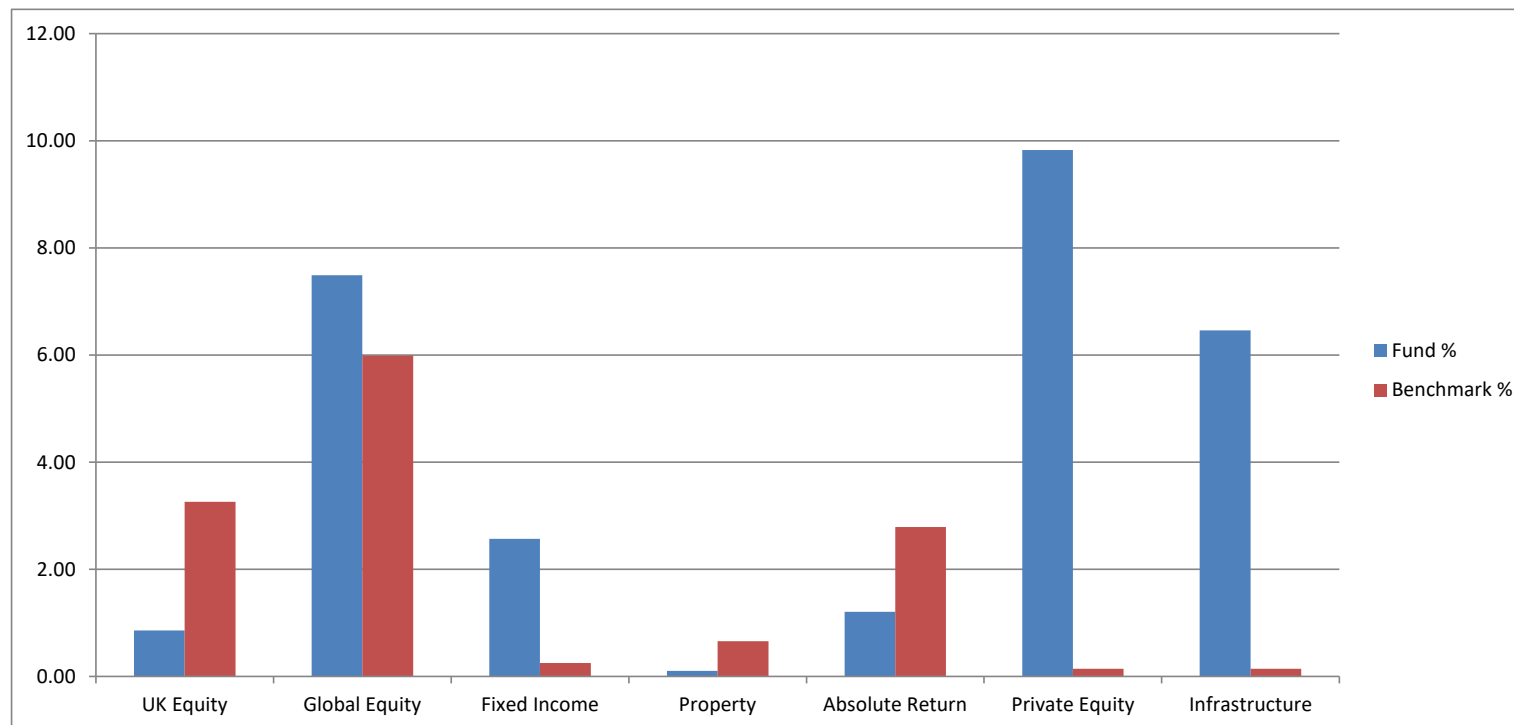


Fund Asset Allocation vs Benchmark as at 30 June 2019



Asset Class	Fund		Benchmark
	£m	%	%
UK Equity	1,600	24.9	23.5
Global Equity	2,618	40.7	32
Fixed Income	629	9.8	15
Private Equity	117	1.8	4
Infrastructure	49	0.8	3.5
Property	748	11.6	13
Absolute Return	498	7.7	8
Cash	173	2.7	1
Total	6,432	100	100

Fund Asset Class Performance for Quarter ending 30 June 2019



Asset Class	Fund %	Benchmark %	Outperformance %
UK Equity	0.86	3.26	-2.40
Global Equity	7.49	5.99	1.50
Fixed Income	2.57	0.25	2.32
Property	0.10	0.66	-0.55
Absolute Return	1.20	2.79	-1.58
Private Equity	9.82	0.14	9.68
Infrastructure	6.46	0.14	6.32

Market Value Summary by Fund Manager as at 30 June 2019

Fund Mandate	Asset Class	Market Value as at 31 March 2019 (£m)	Market Value as at 30 June 2019 (£m)	Change in Market Value (£m)	% of Total Fund 30 June 2019
Baillie Gifford *	Global Equity	1,302	1,317	15	20.5%
Schroders	UK Equity	958	993	35	15.4%
DTZ	Direct Property	487	484	-3	7.5%
Pyrford	Absolute Return	424	429	5	6.7%
Goldman Sachs	Fixed Interest	385	395	10	6.1%
M&G	Global Equity	358	368	10	5.7%
UBS UK	UK Equity	336	349	13	5.4%
UBS Global	Global Equity	303	323	20	5.0%
Schroders GAV	Global Equity	292	315	23	4.9%
Woodford	UK Equity	260	224	-36	3.5%
Sarasin	Global Equity	254	270	16	4.2%
Schroders	Fixed Interest	241	247	7	3.8%
Fidelity	Pooled Property	131	131	0	2.0%
Internally managed cash *	Cash	68	151	83	2.4%
Harbourvest	Private Equity	77	85	8	1.3%
Ruffer	Absolute Return	68	69	1	1.1%
Kames	Pooled Property	52	50	-2	0.8%
DTZ Pooled Funds	Pooled Property	50	50	0	0.8%
Impax	Global Equity	48	52	4	0.8%
Partners	Infrastructure	47	49	2	0.8%
YFM	Private Equity	29	34	5	0.5%
M&G Property	Pooled Property	26	32	6	0.5%
UBS Emerging Markets	Global Equity	15	16	1	0.2%
Total Kent Fund		6,211	6,432	221	100.0%

* £100m withdrawn from Baillie Gifford during the quarter and being held internally in cash

Performance Returns as at 30 June 2019

	Quarter		1 Year		3 Year (p.a.)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Total Fund	3.79	3.06	4.67	4.71	10.53	9.23
Uk Equity						
Schroders UK Equity	3.66	3.14	0.98	0.82	9.52	8.98
UBS	3.30	3.26	0.60	0.57	--	--
Woodford	-13.80	3.26	-21.01	0.57	-7.18	9.00
Global Equity						
Baillie Gifford	9.17	5.62	9.39	9.14	19.48	19.16
Sarasin	6.12	6.08	9.76	9.69	14.61	13.47
Schroders GAV	7.78	6.08	7.55	9.69	11.54	13.47
UBS Emerging Markets	3.59	3.76	7.77	8.31	--	--
UBS World Ex UK Equity	6.68	6.71	10.89	10.91	--	--
Impax	8.09	6.08	11.20	9.69	12.77	13.47
M&G	2.70	6.08	--	--	--	--
Fixed Interest						
Goldman Sachs	2.54	0.86	7.33	3.50	5.49	3.50
Schroders Fixed Interest	2.60	0.25	2.23	1.03	2.23	0.72
Property						
DTZ	0.07	0.66	5.19	3.98	9.64	6.53
Fidelity	0.17	0.60	4.48	3.44	7.11	6.36
Kames	0.88	0.60	5.95	3.44	7.75	6.36
M&G Property	0.58	0.60	3.63	3.44	3.78	6.36
Private Equity						
Harbourvest	12.05	0.14	23.13	0.56	19.43	0.33
YFM	4.73	0.14	39.04	0.56	22.36	0.33
Infrastructure						
Partners	6.46	0.14	13.31	0.56	12.56	0.33
Absolute Return						
Pyrford	1.13	2.79	2.69	7.88	2.34	8.33
Ruffer	1.64	2.79	--	--	--	--

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
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
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 30 June 2019

UK Equities	Global Equities	Fixed Interest	Property	Cash/Alternatives
Schroders +1.5% £993 m	Baillie Gifford +1.5% £1,317 m	Goldman Sachs +6.0% Abs. £395 m	DTZ Property £534 m	Internally managed Cash £151 m
UBS 0.0% £349 m	M&G +3.0% £368 m	Schroders +4.0% £247 m	Fidelity Property £131 m	Partners Infrastructure £49 m
Woodford £224 m	Schroders +3.0% - +4% £315 m		Kames Property £50 m	YFM Private Equity £34 m
	UBS +0.0% £339 m		M&G Property £32 m	HarbourVest Private Equity £85 m
	Impax +2.0% £52 m			Pyrford Abs. Return RPI + 5% £429 m
	Sarasin +2.5% £270 m			Ruffer Abs. Return RPI £69 m
Total Fund £6.4 bn				