

FUND POSITION STATEMENT

Summary of Fund Asset Allocation and Performance

Superannuation Fund Committee

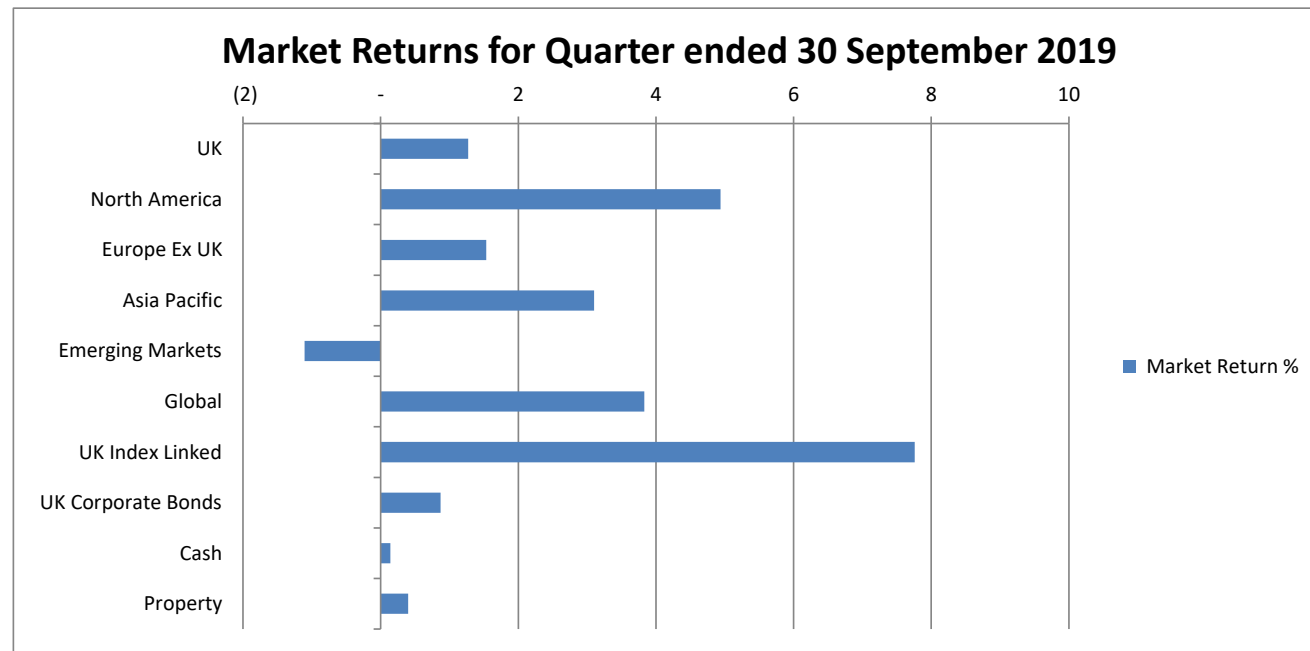
By: **Chairman Superannuation Fund Committee**
Corporate Director of Finance



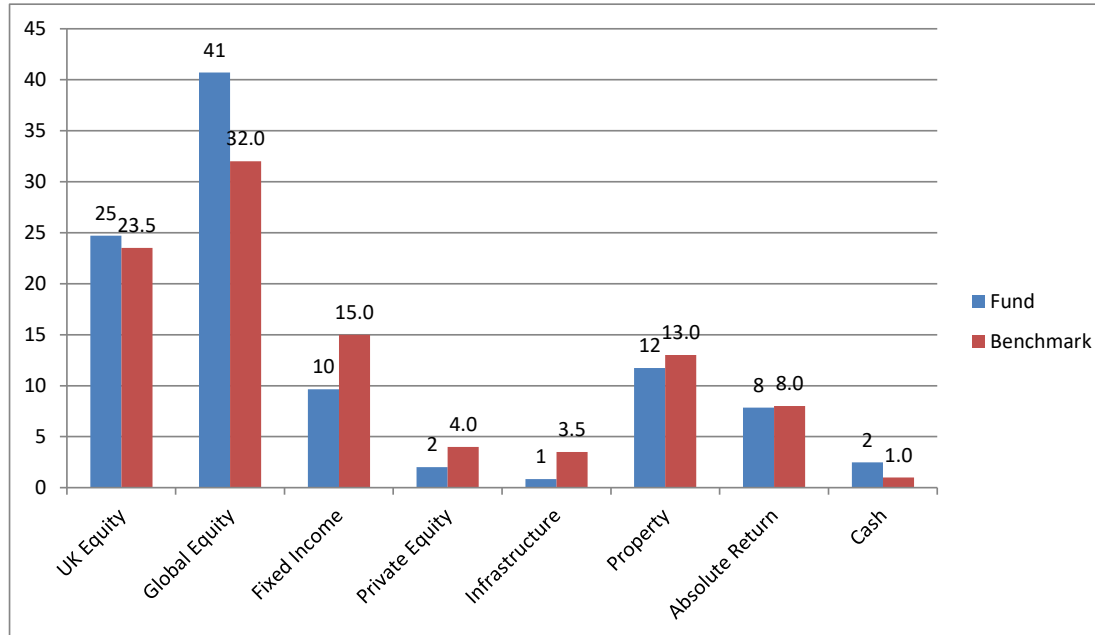
Kent County Council
Superannuation Fund Q2 2019-20

Nick Vickers - Business Partner (Pension Fund)

Market Returns for Quarter ended 30 September 2019

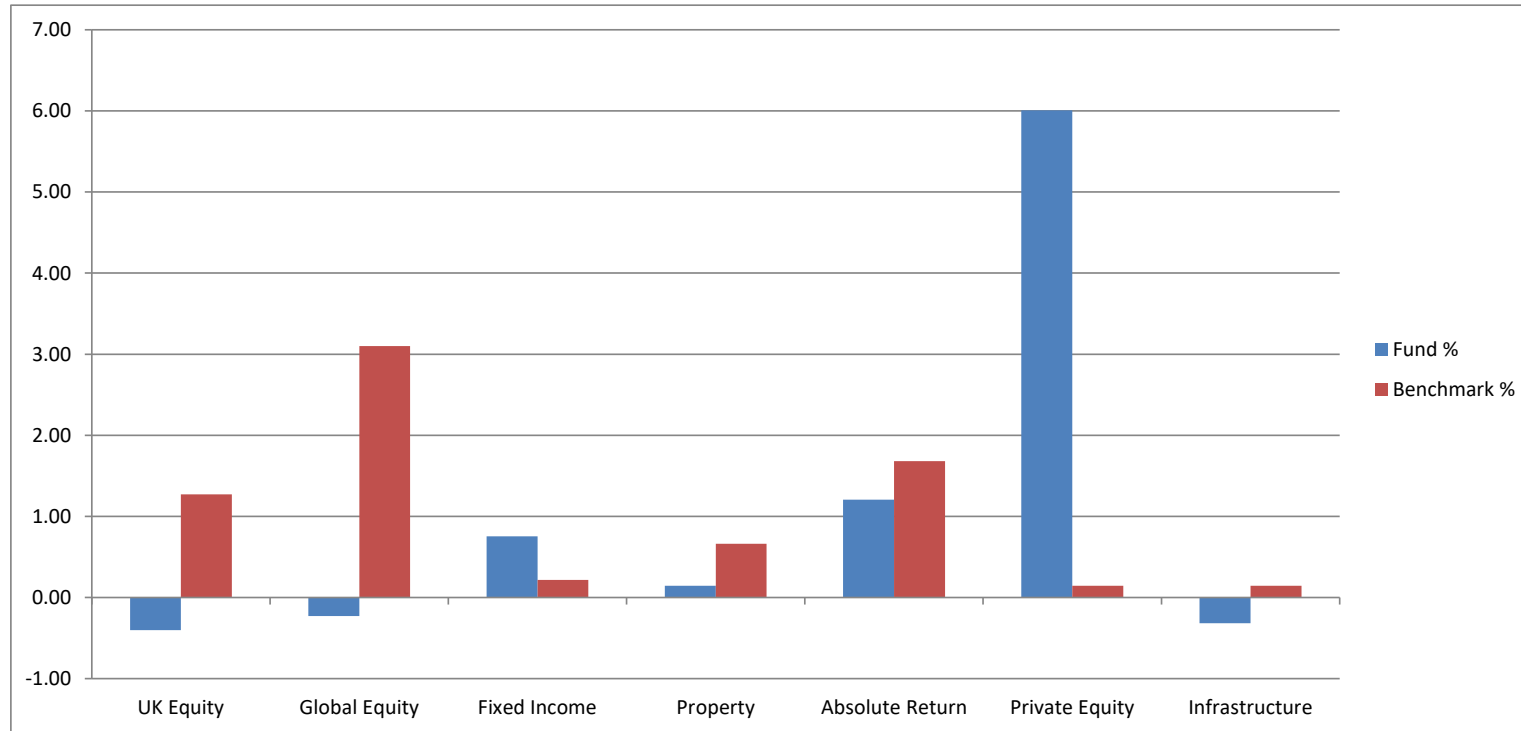


Fund Asset Allocation vs Benchmark as at 30 September 2019



Asset Class	Fund		Benchmark
	£m	%	%
UK Equity	1,588	24.7	23.5
Global Equity	2,615	40.7	32
Fixed Income	620	9.7	15
Private Equity	130	2.0	4
Infrastructure	54	0.8	3.5
Property	753	11.7	13
Absolute Return	504	7.9	8
Cash	159	2.5	1
Total	6,424	100	100

Fund Asset Class Performance for Quarter ending 30 September 2019



Asset Class	Fund %	Benchmark %	Outperformance %
UK Equity	-0.40	1.27	-1.67
Global Equity	-0.23	3.10	-3.33
Fixed Income	0.76	0.22	0.54
Property	0.15	0.66	-0.52
Absolute Return	1.21	1.68	-0.47
Private Equity	6.01	0.14	5.86
Infrastructure	-0.32	0.14	-0.46

Market Value Summary by Fund Manager as at 30 September 2019

Fund Mandate	Asset Class	Market Value as at 30 June 2019 (£m)	Market Value as at 30 Sept 2019 (£m)	Change in Market Value (£m)	% of Total Fund 30 Sept 2019
Baillie Gifford	Global Equity	1,317	1,286	-31	20.0%
Schroders	UK Equity	993	1,006	13	15.7%
DTZ	Direct Property	484	481	-3	7.5%
Pyrford	Absolute Return	429	433	4	6.7%
Goldman Sachs	Fixed Interest	395	400	6	6.2%
M&G	Global Equity	368	374	6	5.8%
UBS UK	UK Equity	349	353	4	5.5%
UBS Global	Global Equity	323	337	13	5.2%
Schroders GAV	Global Equity	315	309	-6	4.8%
Woodford	UK Equity	224	197	-26	3.1%
Sarasin	Global Equity	270	283	13	4.4%
Schroders	Fixed Interest	247	247	-1	3.8%
Fidelity	Pooled Property	131	132	1	2.1%
Internally managed cash	Cash	151	121	-30	1.9%
Harbourvest	Private Equity	85	93	9	1.5%
Ruffer	Absolute Return	69	71	2	1.1%
Kames	Pooled Property	50	50	0	0.8%
DTZ Pooled Funds	Pooled Property	50	48	-2	0.8%
Impax	Global Equity	52	52	0	0.8%
Partners	Infrastructure	49	54	5	0.8%
YFM	Private Equity	34	38	4	0.6%
M&G Property	Pooled Property	32	42	10	0.7%
UBS Emerging Markets	Global Equity	16	16	0	0.2%
Total Kent Fund		6,432	6,423	-8	100.0%

Performance Returns as at 30 September 2019

	Quarter		1 Year		3 Year (p.a.)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Total Fund	0.10	1.58	2.16	4.33	8.10	8.05
Uk Equity						
Schroders UK Equity	1.34	0.92	3.69	2.59	7.40	6.62
UBS	1.23	1.27	2.68	2.68	--	--
Woodford	-11.77	1.27	-31.37	2.68	-13.43	6.76
Global Equity						
Baillie Gifford	-2.31	2.56	1.60	5.98	13.87	10.56
Sarasin	4.95	3.25	7.91	7.28	13.50	11.65
Schroders GAV	-1.94	3.25	0.93	7.28	8.13	11.65
UBS Emerging Markets	-0.81	-0.51	6.48	7.12	--	--
UBS World Ex UK Equity	4.10	4.10	8.17	8.21	--	--
Impax	0.62	3.25	7.51	7.28	8.91	11.65
M&G	1.61	3.25	1.50	7.90	10.61	12.30
Fixed Interest						
Goldman Sachs	1.43	0.86	7.53	3.50	4.95	3.50
Schroders Fixed Interest	-0.32	0.22	2.33	1.03	1.43	0.73
Property						
DTZ	0.03	0.66	4.08	2.90	9.43	7.59
Fidelity	0.65	0.40	3.44	2.22	6.77	6.75
Kames	0.29	0.40	0.70	2.22	7.91	6.75
M&G Property	-0.16	0.40	2.30	2.22	3.17	6.75
Private Equity						
Harbourvest	6.78	0.14	21.17	0.58	19.44	0.36
YFM	4.00	0.14	31.16	0.58	23.47	0.36
Infrastructure						
Partners	-0.32	0.14	7.03	0.58	10.31	0.36
Absolute Return						
Pyrford	0.93	1.68	2.81	7.43	1.70	8.24
Ruffer	2.91	1.68	2.02	7.43	--	--

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 September 2019

UK Equities	Global Equities	Fixed Interest	Property	Cash/Alternatives
Schroders +1.5% £1,006 m	Baillie Gifford +1.5% £1,286 m	Goldman Sachs +6.0% Abs. £400 m	DTZ Property £530 m	Internally managed Cash £121 m
UBS 0.0% £353 m	M&G +3.0% £374 m	Schroders +4.0% £247 m	Fidelity Property £132 m	Partners Infrastructure £54 m
Woodford £197 m	Schroders +3.0% - +4% £309 m		Kames Property £50 m	YFM Private Equity £38 m
	UBS +0.0% £352 m		M&G Property £42 m	HarbourVest Private Equity £93 m
	Impax +2.0% £52 m			Pyrford Abs. Return RPI + 5% £433 m
	Sarasin +2.5% £283 m			Ruffer Abs. Return RPI £71 m
Total Fund £6.4 bn				

