

FUND POSITION STATEMENT

Summary of Fund Asset Allocation and Performance

Superannuation Fund Committee

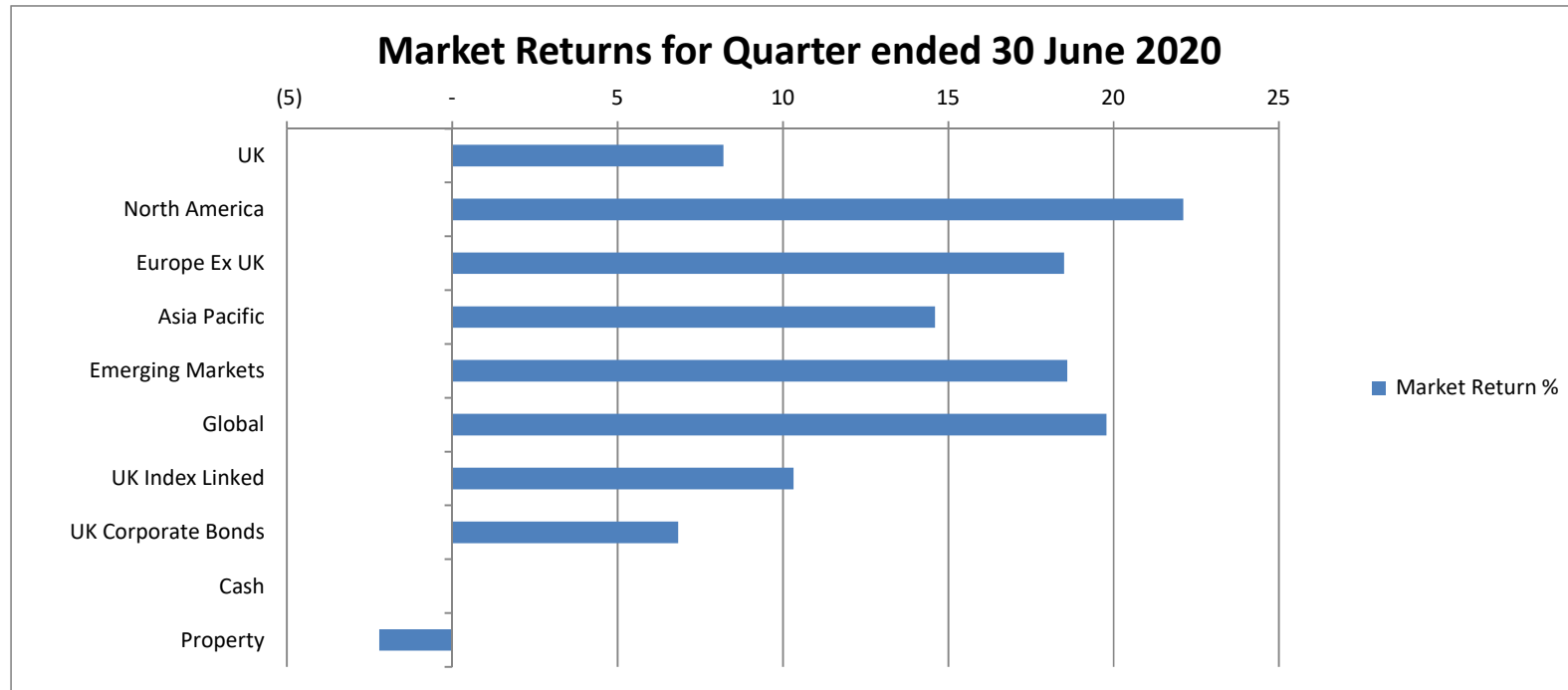
By: Chairman Superannuation Fund Committee
Corporate Director of Finance



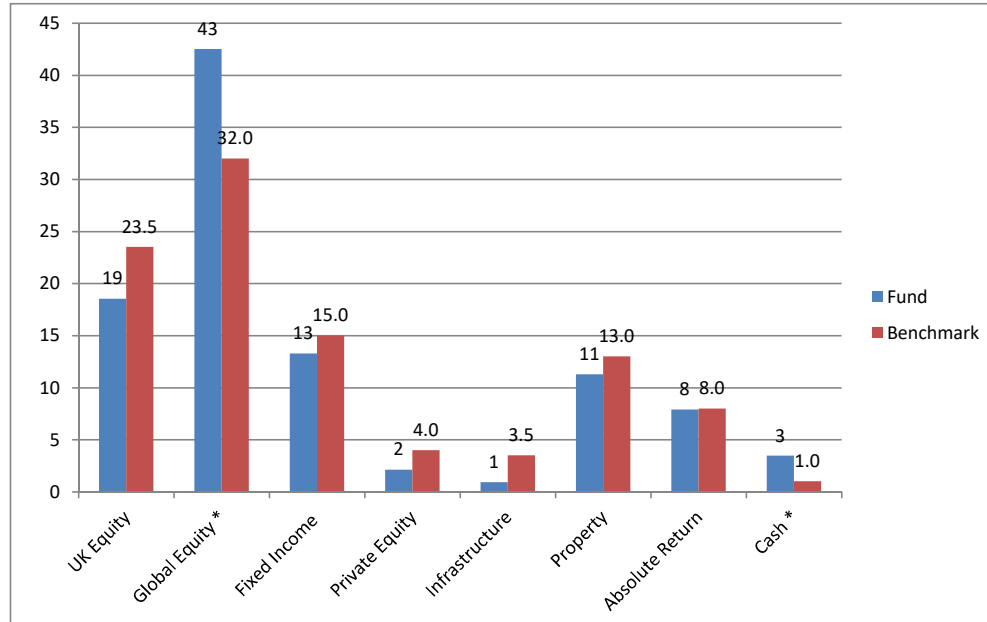
Kent County Council
Superannuation Fund Q1 2020-21

Alison Mings- Acting Business Partner -
Kent Pension Fund

Market Returns for Quarter ended 30 June 2020



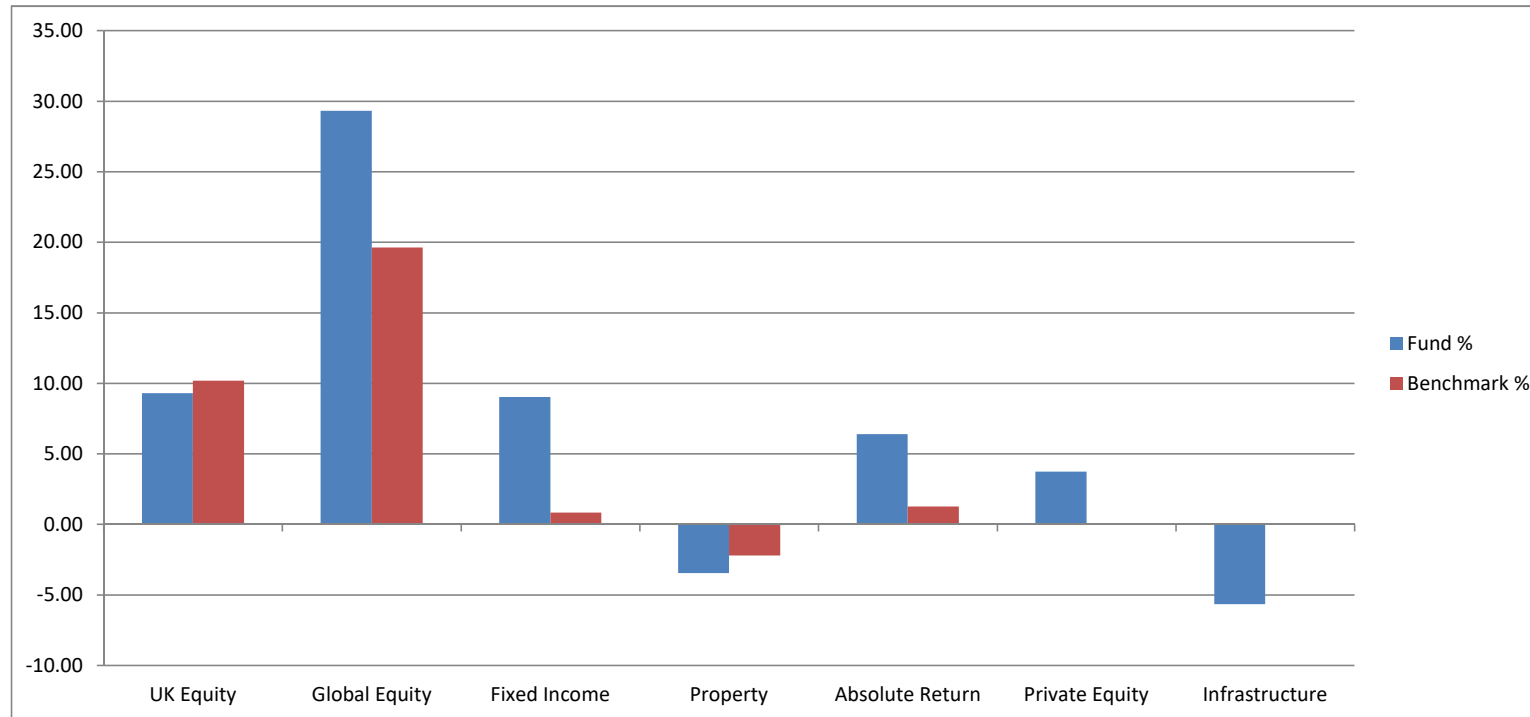
Fund Asset Allocation vs Benchmark as at 30 June 2020



Asset Class	Fund		Benchmark	Over / (under) weight
	£m	%	%	%
UK Equity	1,213	18.5	23.5	-5.0
Global Equity *	2,781	42.5	32	10.5
Fixed Income	869	13.3	15	-1.7
Private Equity	139	2.1	4	-1.9
Infrastructure	60	0.9	3.5	-2.6
Property	737	11.3	13	-1.7
Absolute Return	517	7.9	8	-0.1
Cash *	226	3.5	1	2.5
Total	6,542	100	100	

* £100m withdrawn from Baillie Gifford on 29.06.2020 and held as internally managed cash

Fund Asset Class Performance for Quarter ending 30 June 2020



Asset Class	Fund %	Benchmark %	Outperformance %
UK Equity	9.30	10.17	-0.87
Global Equity	29.31	19.61	9.70
Fixed Income	9.02	0.83	8.19
Property	-3.46	-2.21	-1.25
Absolute Return	6.38	1.26	5.12
Private Equity	3.73	-0.01	3.74
Infrastructure	-5.67	-0.01	-5.66

Market Value Summary by Fund Manager as at 30 June 2020

Fund Manager	Asset Class	Market Value as at 31 March 2020 (£m)	Market Value as at 30 June 2020 (£m)	Change in Market Value (£m)	% of Total Fund 30 June 2020
Baillie Gifford - ACCESS fund *	Global Equity	1,123	1,451	328	22.2%
Schroders - ACCESS fund	UK Equity	770	845	75	12.9%
DTZ	Direct Property	478	459	-19	7.0%
Pyrford	Absolute Return	415	441	26	6.7%
Goldman Sachs	Fixed Interest	369	398	29	6.1%
M&G - ACCESS fund	Global Equity	299	363	64	5.6%
UBS Global - ACCESS fund	Global Equity	289	348	59	5.3%
UBS UK - ACCESS fund	UK Equity	275	304	29	4.6%
Schroders GAV	Global Equity	250	299	48	4.6%
Sarasin	Global Equity	246	293	47	4.5%
Schroders	Fixed Interest	216	237	21	3.6%
M&G Alpha Opportunities	Fixed Interest	120	130	10	2.0%
Fidelity	Pooled Property	131	128	-3	2.0%
CQS	Fixed Interest	108	122	13	1.9%
Harbourvest	Private Equity	100	101	1	1.5%
Ruffer - ACCESS fund	Absolute Return	71	77	5	1.2%
M&G Property	Pooled Property	65	65	0	1.0%
Partners	Infrastructure	60	60	0	0.9%
Impax	Global Equity	43	52	9	0.8%
Kames	Pooled Property	47	44	-3	0.7%
DTZ Pooled Funds	Pooled Property	46	41	-5	0.6%
YFM	Private Equity	35	38	3	0.6%
Woodford	UK Equity	36	30	-6	0.5%
UBS Emerging Markets - ACCESS fund	Global Equity	13	16	2	0.2%
Internally managed cash *	Cash	102	200	99	3.1%
Total Kent Fund		5,709	6,542	735	100.0%

* £100m withdrawn from Baillie Gifford on 29.06.2020 and held as internally managed cash

Total investments in ACCESS pooled funds	2,841	3,404
Percentage of the total Fund	50%	52%

Performance Returns as at 30 June 2020

	Quarter		1 Year		3 Year (p.a.)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Total Fund	14.31	8.31	1.87	-0.91	4.91	4.28
UK Equity						
Schroders UK Equity	9.76	9.15	-14.83	-14.67	-2.17	-2.16
UBS	10.55	10.17	-12.88	-12.99	--	--
Woodford	-16.42	10.17	-35.86	-12.99	-23.85	-4.24
Global Equity						
Baillie Gifford	38.14	17.54	27.59	1.79	18.38	5.77
Sarasin	18.98	19.64	8.75	5.18	9.43	7.92
Schroders GAV	19.25	19.64	-5.65	5.18	1.41	7.92
UBS Emerging Markets	18.64	18.89	-0.89	-0.36	--	--
UBS World Ex UK Equity	20.40	20.43	7.70	7.72	--	--
Impax	21.76	19.64	1.58	5.18	5.77	7.92
M&G	21.46	19.64	-1.23	5.18	4.94	7.92
Fixed Interest						
Goldman Sachs	7.97	0.86	0.84	3.50	3.05	3.50
Schroders Fixed Interest	9.60	0.30	-4.60	1.00	-1.17	0.86
CQS	12.42	1.28	--	--	--	--
M&G Alpha Opportunities	8.14	1.28	--	--	--	--
Property						
DTZ	-4.04	-2.21	-2.78	-2.57	4.58	3.90
Fidelity	-3.00	-2.00	-2.25	-2.59	4.76	3.40
Kames	-2.92	-2.00	-4.37	-2.59	4.08	3.40
M&G Property	-0.21	-2.00	-0.02	-2.59	2.12	3.40
Private Equity						
Harbourvest	0.86	-0.01	6.52	0.40	14.52	0.41
YFM	5.85	-0.01	-1.81	0.40	16.04	0.41
Infrastructure						
Partners	-5.67	-0.01	-6.24	0.40	5.81	0.41
Absolute Return						
Pyrford	6.21	1.26	2.72	6.04	1.61	7.45
Ruffer	7.34	1.26	10.91	6.04	--	--

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
CQS	Libor + 4%	
M&G Alpha Opportunities	Libor + 4%	
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 2020

UK Equities	Global Equities	Fixed Interest	Property	Cash/Alternatives
Schroders +1.5% £845 m	Baillie Gifford +1.5% £1,451 m	Goldman Sachs +6.0% Abs. £398 m	DTZ Property £500 m	Internally managed Cash £200 m
UBS 0.0% £304 m	M&G +3.0% £363 m	Schroders +4.0% £237 m	Fidelity Property £128 m	Partners Infrastructure £60 m
Woodford £30 m	Schroders +3.0% - +4% £299 m	CQS £122 m	Kames Property £44 m	YFM Private Equity £38 m
	UBS +0.0% £364 m	M&G Alpha Opps £130 m	M&G Property £65 m	HarbourVest Private Equity £101 m
	Impax +2.0% £52 m			Pyrford Abs. Return RPI + 5% £441 m
	Sarasin +2.5% £293 m			Ruffer Abs. Return RPI £77 m
			Total Fund £6.5 bn	ACCESS fund