



AGENDA

PENSION BOARD

Tuesday, 25th November, 2025, at 10.00 am Ask for: **James Clapson**

Council Chamber, Sessions House, County Hall, Maidstone Telephone **03000 417 387**

Membership

Scheme Employer Representatives (4)

Kent County Council (2)	Mr P Chamberlain and 1 Vacancy
District/Medway Council (1)	Cllr R Carnac
Police/Fire & Rescue (1)	Mr B Fullbrook

Scheme Member Representatives (4)

Active Scheme Member Representative	Ms K King, Kent County Council
Active Scheme Member Representative	Mr J Parsons, Medway Council (Vice-Chair)
Pensioner Representatives	Mrs A Mings and Mr G Ward

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

1. Election of Chair for the Meeting
2. Apologies and Substitutes
3. Declarations of Interest by Board members on items on the agenda for this meeting
4. Minutes of the meeting held on 4 September 2025 (Pages 1 - 10)
5. Date of next meeting

The next meeting of the board will be held on 31 March 2026, commencing at 10.00 am

6. Pension Fund Committee Update
7. Governance Update (Pages 11 - 16)
8. Pensions Administration (Pages 17 - 36)
9. Investment Update (Pages 37 - 60)

Motion to exclude the press and public for exempt business

That, under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of part 1 of Schedule 12A of the Act.

Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information)

EXEMPT ITEMS

(During these items the meeting is likely NOT to be open to the press and public)

10. Performance Dashboard Demonstration
11. Projects Update (Pages 61 - 64)
12. Employer Governance Matters (Inc. Valuation Update) (Pages 65 - 154)
13. Risk Register (Pages 155 - 194)
14. Asset Pooling (Pages 195 - 200)

Benjamin Watts
Deputy Chief Executive (Monitoring Officer)
03000 416814

Monday, 17 November 2025

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item 4

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To: Kent Pension Board – 25 November 2025

From: Chairman – Kent Pension Board
Interim Corporate Director of Finance

Subject: Governance Update

Classification: Unrestricted

Summary:

There are several hot topic governance issues for the Fund currently. The key issues currently impacting the Fund's governance are: LGPS consultation response (access and protections) which is covered in the Administration paper, Pension Board Independent Chair appointment, and Local Government Reorganisation.

Recommendation:

- It is proposed that a formal decision is taken to Pension Fund Committee in December 2025 to appoint an Independent Member to Pension Board. It is proposed that the Independent Member is considered for the role of Independent Chair for Pension Board in 2026.

FOR INFORMATION

1. Fund Policies

- 1.1 There are no policy updates to report to Pension Board. Officers are awaiting confirmation of a range of regulatory changes (impacting governance in areas such as Member training and risk management). These changes will then be used to update the Fund's policy documents.

2. Business Plan and Budget

- 2.1 Officers continue to work as per the strategy set in the Fund's business plan. The following paragraphs highlight key issues.

Investment and Funding

- 2.2 There are two significant aspects to the Investment and Funding plan for this year:
- delivering the Triennial Actuarial Valuation in a timely way.
 - delivering on the Committee's decision on the future asset pool for the Kent Fund.
- 2.3 There is a separate paper and presentation today from the Fund's Actuary (Barnett Waddingham) to take the Board through progress and updates on the

current position. A separate paper has been prepared by Officers to update the Board on progress regarding the future asset pool for the Fund.

- 2.4 The Fund's external audit by Grant Thornton of the Fund's accounts 24/25 has been completed. The Fund's Annual Report of Accounts for 24/25 have been approved.

Governance

- 2.5 Members of Board and Committee undertook a National Knowledge Assessment hosted by Hymans Robertson in September 2025. The collective results have recently been received by Officers. The results will be used to inform a robust training plan, which will be presented to Pension Board in 2026.
- 2.6 Earlier this year MHCLG launched consultations on Fit for Future and LGPS access and fairness. The Fund submitted responses but is still awaiting confirmation on how and when the regulations will be changed. Changes are anticipated to include governance requirements and set training expectations for Members. Any regulatory changes for pensions administration could mean the altering of past, present and future pensions, in what would be a serious increase in workload for the Fund and other Funds in the LGPS.
- 2.7 A further consultation was launched by MHCLG on 13 October 2025. The consultation is due to close on 22 December 2025. Officers intend to submit a consultation response. The consultation focuses on LGPS access and protections and there are four main areas where Funds are being asked to consider proposals:
- Academies in the LGPS
 - New Fair Deal
 - Normal minimum pension age
 - Pension access for councillors and mayors
- 2.8 Proposals from the consultation suggest that service impacts to the Fund would be broad ranging. Officers have flagged risk concerns due to resource availability and system functionality not being ready. The difficulty will be that any regulatory changes will be on-top of other recent complicated changes and potentially create a new backlog of work because cases cannot be dealt with. Please see details in the Risk Register paper.
- 2.9 Officers are currently working on the Fund's annual Scheme Return for the Pension Regulator. This will involve the collation of Fund data which will determine the Fund's annual financial contribution.

Administration

- 2.10 As well as business as usual commitments, there are a number of important projects for the Pensions Administration team, including the concluding of McCloud Remedy Rectification in 2026. Members will be aware there has been a

huge undertaking of resource on this project, which involves receiving records from all of the Fund's Employers for all scheme members between 2014 and 2021.

- 2.11 Another important area of focus has been in data cleaning and backlog clearance, as part of the Fund's preparations for the national dashboard going live. Please see full details in the Pension Administration paper.

Continuous improvement projects

- 2.12 Officers across the Fund have been involved with KCC's adoption of Oracle Cloud. This has significantly impacted the delivery of financial operational processes across the Fund, such as budget management, budget monitoring, reconciliation and invoice payment. Full details are in the Projects Paper but are noted here due to the scale of the impact on the services of the Fund.

3. Pension Board Independent Chair appointment

- 3.1 Since the last meeting, Officers have consulted democratic services colleagues, and the advice is that the decision to appoint independent members to the Pension Board is a responsibility of the Pension Fund Committee. It is therefore proposed to take a recommendation the next meeting of the Pension Fund Committee in December 2025. Subject to approval by the Committee, the search process can commence, with the objective of having the new member in place by the next meeting of the Board in March. After appointment, the Independent Member can then be elected Independent Chair of Pension Board by members of the Board.
- 3.2 The selection of the Independent Member of Pension Board will be in accordance with the Pension Board's Terms of Reference ([Terms of reference for the Kent Local Pension Board](#)), as set out previously. This states that 'one of the independent members may be appointed as Chair' and that they must meet the criteria for being a reasonable member of the Board.

4. Local Government Reorganisation

- 4.1 Officers are considering the potential impacts of Local Government Reorganisation (LGR) on Kent Pension Fund. Current proposals indicate that Kent County Council and the District and Borough Councils in Kent will cease to exist in 2028 and be replaced by unitary authority (ies). Member may be aware that proposal(s) have to be submitted to Government by the end of November 2025, and that a response will be received by the summer of 2026 at the latest.
- 4.2 Officers have been in discussions with colleagues from the Surrey Pension Fund, as Surrey County Council is ahead of Kent in its LGR work as it has a vesting day of 1 April 2027. Officers of the Surrey Pension Fund have been working on proposals for the future of the Fund, which is currently administered by Surrey

County Council, and have developed a proposal to create a Single Purpose Pension Authority (SPPA). This proposals have received support of the Fund's Pension Committee and will now continue through the governance process, ultimately requiring approval by the Secretary of State. Should it be approved Surrey would become the third SPPA in the LGPS, following South Yorkshire Pension Authority and London Pension Fund Authority.

- 4.3 Officers will be working closely with Surrey to understand the case for a SPPA and assess its relevance to Kent. Given LGR in Kent will mean that the Kent Pension Fund will need to administered by a new authority, as KCC will no longer exist, its will be appropriate to consider all options.
- 4.3 Work continues ahead of the government decision on LGR given the tight timeframes for implementation, and updates will be given to the Board and Committee as further details about Kent's LGR emerge. Once the final shape of Local Government becomes clearer in 2026, it will shape the recommendation for the future of the Kent Pension Fund.

5. Board Action Log

- 5.1 The table below records actions arising from previous Pension Board meetings in 24/25. Two actions were set at the previous meeting, and no other actions were set in 24/25. In response to the two recommendations from the Board at the previous meeting, details have been incorporated into the pension administration paper of today's agenda:

Table 1: Pension Board Action Log 24/25

Date set	Action	Area	Can be closed ?	Notes
4/9/25	Share vacancy details at team and grade level at each meeting	Pension Administration	Y	Info has been included in the Nov 2025 main pension administration paper, and these details will continue to be in future papers.
4/9/25	Share structure charts inc. vacancy % at each meeting	Pension Administration	Y	Info has been included in the Nov 2025 main pension administration paper, and these details will continue to be in future papers.

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November 2025

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From: Chairman – Kent Pension Board
Interim Corporate Director of Finance

To: Kent Pension Board – 25 November 2025

Subject: Pensions Administration

Classification: Unrestricted

Summary:

This report brings Members up to date with a range of matters concerning the administration of the Kent Pension Fund for the period 1 July to 30 September 2025.

The report covers updates on the following areas:

1. Operations Team (previously known as Administration Team)
2. Recruitment
3. IDRs, Complaints, Compliments and Comments
4. Overpayment Recovery and Write Off Limits
5. Engagement and Systems Team
6. Technical and Training Team

Recommendations:

The Board is recommended to:

- i. Note and comment on the report

Executive Summary:

	Key Highlights	Risks & Areas to Monitor
Operations Team	<p>Team Restructure: Five new work areas introduced to rebalance workloads and mitigate risks from future retirements.</p> <p>Mentoring & Office Days: Initiatives to promote knowledge sharing and support junior staff.</p> <p>Performance:</p> <ul style="list-style-type: none"> • 11,934 cases completed; 78.13% met legal targets. • Service score improved from 51 to 57 in CEM Benchmarking. • Costs per member rose to £31.43 but remain below peer average (£37.43). <p>Backlog Management: 13.36% of backlog outsourced to Hymans Robertson; 1,401 cases</p>	<p>Workforce Age Profile: Potential loss of LGPS experience over next 5 years.</p> <p>Outstanding Cases: Increase of 437 cases; 16.6% are pending due to missing third-party information.</p> <p>Backlog: Only partial sign-off on processes outsourced to Hymans; further validation needed.</p>

	<i>processed.</i>	
Recruitment	<p>9 roles filled (mix of internal and external hires).</p> <p>Vacancy rate reduced to 12.81% (12 FTEs).</p> <p>Phased recruitment plan in place for remaining vacancies.</p>	<p>Vacancy Impact: Remaining 12.81% vacancies could affect service delivery.</p>
Customer Engagement	<p>Telephony Survey: 98% satisfaction rate; 96% had queries resolved at first contact.</p> <p>Website & Portal Usage:</p> <ul style="list-style-type: none"> Record 25,967 website visits in July. 9,539 new registrations for MyPension Online. <p>Pension Awareness Week: Multiple webinars and communications to boost member understanding.</p>	<p>Communication Issues: Several comments flagged poor communication, especially in August and September.</p> <p>Complaint: One member unable to reach the team due to dialling the wrong number.</p>
Technical & Training	<p>Annual Allowance letters sent on time.</p> <p>LGPS consultation reviewed for response.</p>	<p>Training Gaps: Reduced training sessions due to McCloud preparation; need to ensure readiness.</p> <p>Data Issues: Errors in final interface file need resolution before benefit rectification.</p> <p>Process Readiness: Ongoing software testing and documentation required.</p>

FOR INFORMATION

1. Operations Team

Team Changes

- 1.1 Changes have been implemented in the Operations Team following a review of work volume and in response to training/recruitment needs. The Senior Management Team also undertook a risk assessment that considered the age profile of the workforce over a span of the next 5 years and compared this against attainment of normal pension age. The findings highlighted the potential to lose a significant number of years' of LGPS experience. To help mitigate these potential risks and address the demand in different areas of work changes have been made that are effective from 1 November 2025.
- 1.2 Prior to these changes the work teams were split into the following 5 areas of responsibility: Leavers and Retirements, Survivors and Urgent, Starters Transfers and Divorce, Aggregation and the Focus Team. This arrangement

resulted in a disproportionate volume of work being managed by the Leavers and Retirement Team, which increased the potential risk of a detrimental outcome for members' and colleagues.

- 1.3 A review was undertaken of work volumes in subject areas and considered the benefits of rebalancing the work teams to allow greater focus on retirement/estimate subject areas. The new 5 areas of responsibility have been defined as: Retirements, Estimates and Divorce, Deaths, Transfers and Interfunds, Aggregation. Adoption of this approach has allowed the balancing of staffing levels across the teams and better support the training and development needs identified across Pensions Operations.
- 1.4 Operations Team Managers are also undertaking a 6-month management review of their individual work area to establish and document best practice, which will support the smooth running of each team and ensure continuity in the future, once rotation is reintroduced.
- 1.5 Pension Officers have been empowered to provide mentoring to junior members of the team and greater opportunities to work alongside colleagues of all grades in person are being organised in the form of Team Office Days. These will be led by each of the 5 Team Managers and are being introduced to encourage organic knowledge sharing across all levels of the team.

Key Performance Indicators (KPIs)

- 1.6 **Appendix 1** details the number of cases outstanding at the start of the period, the number of new cases received during the period, the number of cases processed during the period and the number of cases outstanding at the end of the period. These figures exclude those cases which are being processed as part of the backlog project.
- 1.7 At the start of the period there were a total of 6,483 cases, 12,371 new cases were received, and 11,934 cases were completed. At the end of the period there were 6,920 cases outstanding. An increase of 437 cases. However, of these outstanding cases, 1,149 (16.60%) are on 'Reply Due' which are cases where there is information outstanding from an employer, member or third party and therefore cannot be progressed.
- 1.8 Of the 18 case types measured, 9 case types have fewer outstanding cases at the end of the period compared to the start of the period, these are: Survivors Pensions, Death Grants, Retirement Estimates, Deferred Benefits, LGPS Transfers In and Out, Non LGPS Transfers In, Divorces and Opt Outs. General Correspondence outstanding case numbers are the same at the end of the period as they were at the start of the period, therefore no increase or decrease.
- 1.9 **Appendix 2** details the performance against SLA and legal targets. Of the 11,934 cases completed, 8,513 (71.33%) were completed within the internal SLA target and 9,324 (78.13%) were completed within the legal target.

- 1.10 Of the 37 Initial Death cases over SLA target, 13 were completed within 4 days of the SLA target date.
- 1.11 Of the 32 Survivor Pension cases over SLA target, 10 were completed within 4 days of the SLA target date.
- 1.12 Of the 171 Active Member Retirement cases over SLA target, 61 were completed within 4 days of the SLA target date. Of the 163 Deferred Member Retirement cases over SLA target, 80 were completed within 4 days of the SLA target date.
- 1.13 The aim for Survivor Pensions and Retirement Benefits is to always ensure they are processed in time for the nearest payroll cut-off to the date due payment, or date all paperwork received if later.

CEM Benchmarking

- 1.14 The CEM Benchmarking Report for 2025 has been received. Costs per member have risen from £28.75 to £31.43. While this represents an increase, it remains well below the peer average of £37.43. A key factor in the rise is higher project-related spend year-on-year, though these costs are still lower than those of peers.
- 1.15 The service score has improved from 51 to 57, reflecting meaningful progress. Although it is still below the peer median of 63, the increase highlights the positive impact of the new telephony system and a noticeable rise in website engagement.
- 1.16 The areas for improvement from 2024's benchmarking related to telephony system and digital users and usage. Since then, an effective telephony system has been implemented meaning customers are able to reach the team quicker and get the answers they need at point of contact. In addition, the new member portal has increased digital engagement and allows members quick and easy access to the information they need. Both approaches align with the Kent Pension Fund business model.

Positive feedback from 2025

- Increased number of webinars
- Improved online functionality
- Improved telephony system
- Robust program for vulnerable members

Service Improvements Identified

- Regular surveys to gather feedback from customers
- Improve transaction times

- Increase number of self-service registered users and
- Use of social media for communicating with customers

Backlog

- 1.17 Lumera continues to prioritise the processing of 'quick win' backlog cases alongside other high-priority cases.

Case Summary by Category

Category	With Lumera		Queries			Completed		Total	Other Out of Scope
	For Review	In Checking	Employer Prepared	With Employer	With Client	Await Signoff	Signed Off		
Concurrent	2,910	427	176	0	3	26	139	3,681	489
Aggregation	5,914	1,003	453	0	3	118	399	7,890	1,663
Deferred	3,293	686	1,092	0	1	445	981	6,498	1,537
Refund	1,604	276	385	0	1	289	311	2,866	821
Open Task	144	0	1	0	0	0	1	146	374
Total	13,865	2,392	2,107	0	8	878	1,831	21,081	4,884

- 1.18 Hymans Robertson provide a monthly status report, reporting on progress for the backlog support for the previous month as well as the project duration to date. The report confirms the number of cases processed, the number of cases processed and checked leading to completion as well as any risks or issues.
- 1.19 Hymans staff are now signed off by Kent for competency on the following processes:
- A or B aggregations
 - ERN aggregations
 - Concurrent aggregations
 - Leaver deferred benefit
 - Leaver Refund
- 1.20 The following processes still require sign off:
- Pre 2014 concurrent
 - C and D aggregation
 - Manual aggregation
 - Interfund in and out
- 1.21 As of 30 September, Lumera have provided 2,664 cases to Hymans to process, representing 13.36% of the total backlog. Of the 2,664, 597 had already been processed by Kent and of the remaining 2,067 cases, 1,401 have been processed by Hymans.

Overseas Proof of Life

- 1.22 The overseas proof of life exercise identified 954 pensioner members living overseas. The team dispatched letters to all qualifying members living abroad by 10 October 2025 and where valid email addresses permitted (for 903 members) the letter was subsequently supplemented by an email version with the entitlement form attached. As at the end of October, 152 completed entitlement forms had been received. Reminder letters will be issued to members in late November.

Voice of the Customer – Telephony Survey

- 1.23 On 1 October the Pension Operations Team launched the Voice of the Customer telephony survey. The survey has been designed to collect data regarding the overall provision of the telephony service. The survey questions have been designed to understand the member experience and to check that the Nimbus telephony system allows member to navigate the telephone menu with ease and reach an expert in the subject they wish to discuss. The member also has an opportunity to provide comments, when they may choose to provide details to identify them, if they wish the team to make contact.

Qualifying calls handled	1686
Survey tasks created	509
Number of surveys returned	124
Feedback highlights - service	98% reported either satisfied or very satisfied with service. (89% level 5 – very satisfied)
Feedback highlights – query answered at point of contact	96%
Feedback highlights – call backs	100% expecting a call back received one

For context and to provide some further clarity regarding the results -

Calls handled – This figure excludes calls taken across death/survivor lines.

Survey tasks created – This figure represents the total number of surveys sent over the period. When considering this number, please note that some members may have asked not to be sent a survey and some records may not have an email address.

Number of surveys returned – when feedback is received it is anonymised and cannot be attributed to an individual member or call handler.

Comment highlights:

- I have a speech impediment, which I informed near the beginning of the call. She was very understanding saying that was no problem and to take my time.
- I also shared how helpful the ABS are now they are on-line. I found they had improved further this year, and it was really beneficial to have a 'play' with the calculations!
- Excellent service, whenever I have called the administration team at the Kent Pension Fund, they have always been very helpful and polite.
- That lady on the phone answered all my questions and even rang me back like she said, not many people do that so thank you.
- Kent have been by far the most helpful and proactive service I have dealt with in respect of my pension. I greatly appreciate the staff members who have assisted with my enquiries.
- Officer was professional knowledgeable and helpful. She has already actioned what was discussed.
- I would like to thank everyone at the Kent Pension Fund for all the help and support they have given me while trying to get my pension sorted over the last 7 months. At times it has been very trying, trying to get the information needed for my former employer, but you have supported me all the way. Everyone has been extremely helpful answering any questions I've had, especially the lady I spoke with today.

2. Recruitment

- 2.1 A summary of the recruitment activity over the period is shown below. Where interviews have been completed and start dates agreed, these future dates are also included:

Position	Team	Start Date	Number	External/Internal
Deputy Team Manager	Engagement & Systems	01/09/2025	1	Internal – 6-month secondment
Team Manager	Operations	01/10/2025	1	Internal – made permanent after secondment
Engagement & Systems Officer	Engagement & Systems	13/10/2025	1	External – permanent

Pensions Officer	Operations	01/11/2025	1	Internal – permanent
Pensions Assistant	Operations	01/11/2025	1	Internal – made permanent after 6-month FTC
Technical & Training Support Officer	Technical & Training	01/11/2025	1	Internal – made permanent after secondment
Engagement & Systems Officer	Engagement & Systems	03/11/2025	1	External – permanent
Pensions Assistant	Operations	17/11/2025	3	External - permanent

2.2 The Administration section of the Fund is now carrying 12 FTE vacancies; this continuing the general downward trend of vacancies remaining, over the last 18 months. Over the last quarter, the team has had several vacancies filled by external candidates, this has brought the added benefit of not requiring further backfilling.

2.3 The total FTE for the Administration Team should be 93.62 (headcount of 109) when at full capacity. Therefore, the current vacancies represent 12.81%.

2.4 A schedule to fill the remaining vacancies is in place for the remainder of 2025 and 2026. A phased approach has been taken to filling the vacancies due to the time that needs to be invested in supporting colleagues in their new roles.

Position	Team	No. of vacant positions
Pensions Administrator	Operations	4
Pensions Officer	Operations	1
Senior Pensions Administrator	Operations	3
Deputy Team Manager	Operations	1
Engagement & Systems Officer	Engagement & Systems Team	1
Pensions Assistant	Engagement & Systems Team	1
Training Officer	Technical & Training	1

Recruitment and Training – Operations Team

2.5 Following a successful recruitment campaign, the Operations Team will expand the Pension Assistant team in November by welcoming 3 new external colleagues. Now that the pool of Pension Assistants is at capacity, the team are planning to address the vacancies at Deputy Team Manager,

Pensions Officer, Senior Pensions Administrator and Pensions Administrator level through internal and external recruitment campaigns early in the new year. It is expected that this will in turn result in vacancies at Pension Assistant level again in the future (due to internal promotions), however there has previously been great success in attracting and recruiting full time external candidates at this level looking to begin a career in the pensions industry.

- 2.6 The recruitment process is being supported by the production of a 12-month training plan across the Operations Team and a revised approach to the movement of colleagues across the 5 new work teams. Prior to the Operations Team changes, movement of team members took place each month, however going forward movement will be informed by training and development needs and 1:1 conversations with line managers. This change has been made to address feedback from newly trained colleagues who expressed the need to spend longer on a subject post training to practice and embed the knowledge that has been taught. It is believed that this will also result in fewer errors, as colleagues should begin rotation with a better knowledge base and greater confidence in each subject.

3. *IDRPs, Complaints, Compliments and Comments*

- 3.1 Four new Stage 1 Internal Dispute Resolution Procedure (IDRP) appeals have been received. One was against the Administering Authority and related to the impact of taking redundancy in 2014 and the effects of McCloud. This has been referred to the Independent Adjudicator. Two were against Employers; one relating to an Ill Health Retirement award and one relating to Admission Agreement delays.
- 3.2 One of the Stage 1 applications related to Trivial Commutation with the member requesting clarification of the Regulations as another LGPS Fund has not allowed Trivial Commutation, which means Kent Pension Fund cannot proceed with the Trivial Commutation. So far, this has not been taken forward as an IDRP as clarification has been provided. The team are now waiting to hear if the member wishes to proceed with the appeal given the response sent.
- 3.3 A Stage 2 IDRP application has been received against an Employer's decision regarding Ill Health Retirement. This was reviewed by the Fund's independent adjudicator at Invicta Law, and the appeal was turned down.
- 3.4 For the period 1 July to 30 September 2025 a total of 1 complaint, 16 compliments and 37 comments were received. These have been summarised below:

	Complaints	Comments	Compliments
Jul	0	20 (x1 disagreement with policy or decision x1 good communication x18 poor communication)	7 (all good communication)
Aug	0	8 (all poor communication)	5 (all good communication)
Sep	1 (poor communication)	9 (all poor communication)	4 (all good communication)

- 3.5 The complaint received in September was from a member who was trying to contact the team via telephone and stated that his call was not being answered, and no-one was returning his call for 3 weeks. A member of the team called the individual after receiving the complaint where it became evident that the member was calling the wrong number. His enquiry related to a pension in payment and was resolved satisfactorily.

4. Pension Overpayment Write Offs

- 4.1 The number of pension overpayment write offs for the period 1 July to 30 September 2025 are set out below:

	Jul 2025		Aug 2025		Sep 2025	
	Number	Total (£)	Number	Total (£)	Number	Total (£)
£200-£5,000	-	-	1	63.24	-	-
£5,000-£50,000	-	-	-	-	-	-
£50,000+	-	-	-	-	-	-

- 4.2 A review of the Pension Overpayment and Write Off process is scheduled to be carried out by Internal Audit. This is currently at the planning and scoping stage, with the audit commencing in November 2025.

5. **Engagement and Systems Team**

5.1 **Communications from members:**

Month	Emails	Calls	1:1 visits	Website Visits	MyPension Online (MPO) registration queries
Jul	1,650	1,789	0	25,967	1,226
Aug	1,484	1,462	0	22,993	933
Sep	1,557	1,539	4	15,158	930

5.2 An email was issued to all members for whom we hold an email address informing them of the new multi factor authentication for MyPension Online. This resulted in an increase in communications from members.

5.3 25,967 visitors to the Kent Pension Fund website in July is the highest number of recorded visits in a month. 1,226 MPO queries received in July is over 700 more than the average and the most ever experienced.

5.4 In August, MPO queries remained high at 933 when the average is 500. Website visits and emails were still slightly above average in August, but calls returned to normal levels.

5.5 In September, MPO queries, emails, calls and website visits remained high and above average.

5.6 **Pension Awareness Week** – the Engagement and Systems Team organised a number of activities to promote Pension Awareness Week and Annual Benefit Statements (ABS'). For **ABS'**, this included an email to all employers advising that statements had been published on MyPension Online, including information about ABS' (and Pensions Awareness Week) on Kent County Council's (KCC's) intranet site, including information about ABS' in KCC September and October payslips. For **Pensions Awareness Week** the team organised a webinar: 'Understanding your ABS' on 10 September, a 'Your pensions and financial wellbeing' webinar was hosted by Affinity on 15 September, 'Lunchtime with Pensions' was held face-to-face at Sessions House on 9 September and an 'Overview of the LGPS' webinar was held for Kent Police members on 18 September.

5.7 **MyPension Online (MPO)** – during the period 1 July to 30 September, the team responded to 3,086 registration queries and sent out 1,294 activation code letters. During this period, there were 56,311 visitors to the MPO page on the Kent Pension Fund website. In total over this period, 9,539 members registered for MPO.

As at 30 September:

	Unique member records	Employment records
Active	18,005	19,522
Deferred	8,721	9,805
Pensioner	8,378	9,698

5.8 **Kent Pension Fund website** – representatives across the administration team meet regularly to review the Fund's website. They look at maintaining and developing the member area of the website, focussing on member journeys and administration processes, looking to make improvements where possible. Some of the changes made to the Fund website include:

- An article in the [member news](#) section regarding Pensions Dashboard
- Updated information about the [overseas proof of life exercise](#)
- The Fund's [draft Annual report and Accounts](#) was published
- The Autumn issue of [Open Lines](#) was published
- The updated version of the [Communications Policy](#) was published
- An article in the [member news](#) section regarding the LGPS Access and Protections consultation
- Information regarding [2026 Pensions Increase](#)

5.9 All **Annual Benefit Statements** were published on MyPension Online for the first time. With paper copies being posted to those members who have opted out of digital communication.

	No. published to MPO	Date published	No. sent via post	Date sent
Active	51,232	19/08/2025	1,105	20/08/2025
Deferred	50,215	30/07/2025	289	28/07/2025

5.10 From 1 October, the team have restructured into two focussed sub-teams: an 'Engagement Team' – focussing on educating stakeholders and helping employers with day-to-day responsibilities, and a 'Systems Team' – focussing on iConnect, MyPension Online and Pensions Dashboard etc.

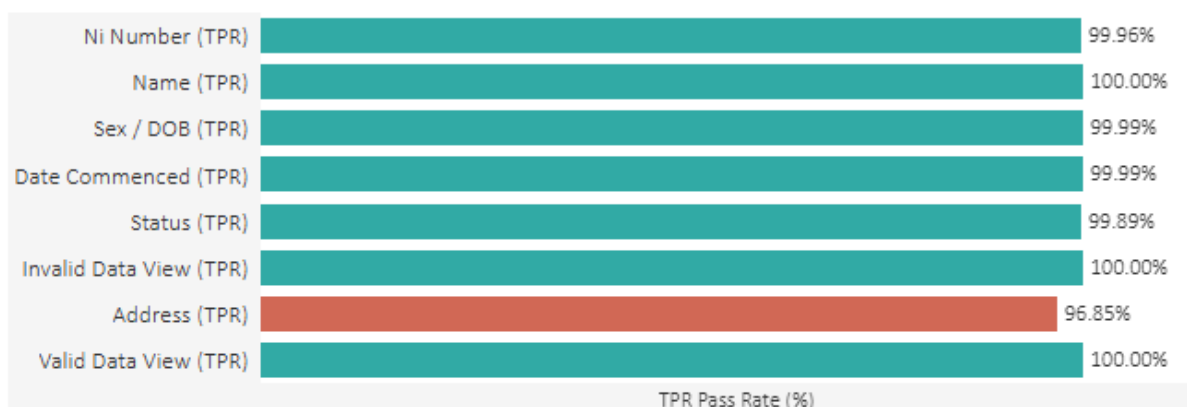
5.11 The team are developing a suite of **Data Quality** reports which will be run on a regular basis. This will improve the overall quality of the Fund data and will help to reduce queries at year and at Valuation. This will also support the success of the Pensions Dashboard. The Data Quality Policy will be updated to reflect the additional data cleansing work that is being scheduled. The team will also be writing a Data Improvement Plan using guidance from the Pensions Regulator.

Common and Scheme Specific Data Scores

Data Type	TPR Pass Rate %
Common	97.8
Scheme Specific	94.55

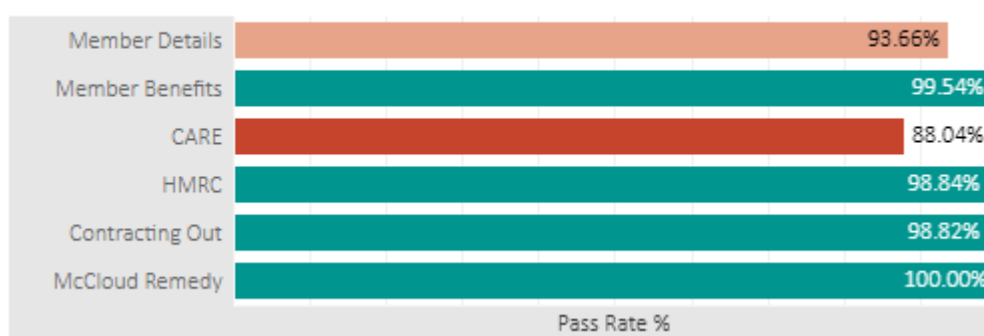
Common Data:

TPR Pass Rate % by Test Category



Scheme Specific Data:

Grand Total | TPR Pass Rate % by Test Category



5.12 For the period 1 July to 30 September, the following employers were successfully onboarded to **iConnect**:

- MHS Homes Limited
- Caterlink re Future Schools Trust
- Fusion Lifestyle
- Golding Homes Ltd
- Sutton at Hone & Hawley PC
- St Thomas More Academy
- St William of Perth Academy

- 5.13 The team are working with another 86 employers to onboard before April 2026, all of which require part year end returns processed manually before onboarding. Then around 150 employers will be onboarded on 1 April 2026.
- 5.14 The current aim is to then have the remaining circa 100 employers onboarded to iConnect by April 2027, dependent on engagement from employers.

6. *Technical and Training Team Update*

- 6.1 **Team news** – The team welcomed 3 new permanent members of staff, 2 x Technical and Compliance Consultants and a Technical and Training Support Officer. This extra resource will help to supplement the team with projects that have been delayed due to the introduction of McCloud. The Team still has a vacancy for a Training Officer. The plan is to re-focus this role to a specific Pensions Assistant Training Officer to ensure that new colleagues joining at entry level have an excellent foundation on which to build success for the future.

- 6.2 **McCloud** – The final interface file containing membership data to be uploaded to the administration system was received from Lumera on 19 September. The team are currently reviewing and trying to resolve the data and mismatch errors before reports can be run to identify those members impacted by McCloud that require benefit rectification. Work is ongoing with Lumera regarding some of these and also with further files required.

The Technical Team continue with software testing and are working on processes and procedure notes to assist the Operations Team once McCloud is implemented.

- 6.3 **Annual Allowance** – Pension Saving Statements were sent to 45 members regarding the Annual Allowance exercise for the 2024/25 tax year. These were despatched before the HMRC deadline date (6 October). The team are currently dealing with queries resulting from this exercise.
- 6.4 **Local Government Pension Scheme in England and Wales: Scheme improvements (access and protections) Consultation** – The government have published a new consultation document regarding further changes to the LGPS. This includes:
 - a) Normal Minimum Pension Age – proposals to amend the Normal Minimum Pension Age to age 57, following the Finance Act 2022, and to ensure that members with a Protected Pension Age can still take pension benefits at that age except for members that have transferred benefits into the LGPS.
 - b) Mayors and councillors – proposals to extend access to the scheme for councillors and mayors in England.
 - c) Academies and applications for directions – proposals to put criteria for applications for directions into legislation, and to remove SoS consent where all criteria are met.

d) New Fair Deal – proposals to implement Fair Deal protections in the LGPS, aligning across government in ensuring continued access to the LGPS for outsourced workers.

The team will review these changes along with other members of Kent Pension Fund in order to respond to the consultation by the deadline of 22 December.

Further information regarding the consultation can be found here: [Local Government Pension Scheme in England and Wales: Scheme improvements \(access and protections\) - GOV.UK](#)

6.5 Training figures for the period 1 July – 30 September 2025

In house training sessions	10
Sessions led by Training Officers	1
McCloud regulations whole section training	0
3-day residential LGPS Insights course	3

6.6 The training sessions have reduced during these months in response to the Training Team switching focus to prepare for the implementation of McCloud and ensuring adequate staffing on BAU during the summer period. This period enables the Training Officers to review notes, test and familiarise themselves with the new calculations and processes for the McCloud Remedy being actively implemented in the pension section.

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November 2025

Appendix 1 – Case Totals

Appendix 2 – KPI Performance

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Appendix 1 - Case Totals

Category	Outstanding at Period Start	Created in Period	Complete at End of Period	Outstanding at End of Period	Increased/D ecreased	Outstanding (Excluding External Reply Due)	Outstanding (External Reply Due)
Grand Total	6,483	12,371	11,934	6,920	Increased	5,771	1,149
A1: Deaths	62	376	363	75	Increased	48	27
A2: Survivors Pensions	72	139	157	54	Decreased	34	20
A3: Death Grant Payment	29	112	120	21	Decreased	13	8
A4: Payment of Retirement Benefits	393	981	947	427	Increased	251	176
A5: Estimate of Retirement Benefits	543	1,250	1,338	455	Decreased	323	132
A6: Refunds	564	988	906	646	Increased	482	164
A7: Deferred Benefits	720	750	761	709	Decreased	546	163
A8: LGPS Transfer In	60	27	50	37	Decreased	21	16
A9: LGPS Transfer Out	238	126	177	187	Decreased	171	16
A10: Aggregation	1,184	834	725	1,293	Increased	1,032	261
A11: Non LGPS Transfer In	43	59	69	33	Decreased	23	10
A12: Non LGPS Transfer Out	121	139	123	137	Increased	83	54
A13: Divorces	50	131	134	47	Decreased	39	8
A14: General Correspondence	119	2,108	2,108	119	Same	106	13
A15: Change of Details	9	1,055	1,051	13	Increased	5	8
A16: Lost Pension	27	173	170	30	Increased	15	15
A17: New Joiners	2,111	2,977	2,587	2,501	Increased	2,500	1
A18: Opt Outs	138	146	148	136	Decreased	79	57

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Appendix 2 - KPI Performance

Tolerance				
90%+	Green	80 - 90%	Amber	80%-
				Red

Category	Subcategory	Complete at End of Period	# Completed Within KPI Target	% Completed Within KPI Target	# Completed Within Legally Required Response Time	% Completed Within Legal Target
A1: Deaths	B1: Initial Death Notification	363	326	89.80%	349	96.10%
A2: Survivors Pensions	B2: Survivors Pensions Pensioner or Deferred Pensioner (Actual)	136	106	77.90%	131	96.30%
	B3: Survivors Pensions Death in Service (Actual)	8	6	75.00%	7	87.50%
	B4: Survivors Pensions (Estimate)	13	12	92.30%	13	100.00%
A3: Death Grant Payment	B5: Death Grant Payment (Pensioner, Deferred Pensioner, Death in Service)	120	110	91.70%	117	97.50%
A4: Payment of Retirement Benefits	B6: Payment of Retirement Benefits for Active members (Actual)	357	186	52.10%	352	98.60%
	B7: Payment of Retirement Benefits for Deferred Benefit members (Actual)	590	427	72.40%	580	98.30%
A5: Estimate of Retirement Benefits	B8: Estimate of Retirement Benefits for Active members	449	363	80.80%	438	97.60%
	B9: Estimate of Retirement Benefits for Deferred Benefit members	889	824	92.70%	870	97.90%
A6: Refunds	B10: Notification of Refund Entitlement	609	274	45.00%	274	45.00%
	B11: Payment of Refunds	297	280	94.30%	295	99.30%
A7: Deferred Benefits	B12: Provision of Deferred Benefit Statements	761	237	31.10%	237	31.10%
A8: LGPS Transfer In	B13: LGPS Transfer In Estimates	16	2	12.50%	6	37.50%
	B14: LGPS Transfer In Actuals	34	2	5.90%	4	11.80%
A9: LGPS Transfer Out	B15: LGPS Transfer Out Estimates	89	37	41.60%	74	83.10%
	B16: LGPS Transfer Out Actuals	88	6	6.80%	29	33.00%
A10: Aggregation	B17: Aggregation In Estimates	101	22	21.80%	27	26.70%
	B18: Aggregation In Actuals	609	237	38.90%	237	38.90%
	B19: Reversal of Auto Aggregation	15	6	40.00%	8	53.30%
A11: Non LGPS Transfer In	B20: Non LGPS Transfer In Estimate	43	20	46.50%	38	88.40%
	B21: Non LGPS Transfer In Actual	26	18	69.20%	23	88.50%
A12: Non LGPS Transfer Out	B22: Non LGPS Transfer Out Estimate	107	54	50.50%	104	97.20%
	B23: Non LGPS Transfer Out Actual	16	4	25.00%	13	81.30%
A13: Divorces	B24: Pension Sharing on Divorce Estimates	134	123	91.80%	133	99.30%
	B25: Pension Sharing on Divorce Implementations	0	0		0	
A14: General Correspondence	B26: General Correspondence with scheme members	2,108	1,976	93.70%	2,091	99.20%
A15: Change of Details	B27: Change of Scheme Member Details	1,051	1,047	99.60%	1,049	99.80%
A16: Lost Pension	B28: Lost Pension	170	151	88.80%	158	92.90%
A17: New Joiners	B29: New Starters to the Scheme	2,587	1,583	61.20%	1,583	61.20%
A18: Opt Outs	B30: Opt Outs under 3 months	148	74	50.00%	84	56.80%
Total		11,934	8,513	71.33%	9,324	78.13%

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From:	Chairman Kent Pension Board Interim Corporate Director - Finance
To:	Kent Pension Board – 25 November 2025
Subject:	Investment Update (30 September 2025)
Classification:	Unrestricted

Executive Summary:

This report provides a summary of the Fund's investment strategy, asset allocation, performance, and responsible investment activity.

Section 2 of the report provides an overview of the Fund's current asset allocation compared to the target range and notes that no rebalancing is required given all allocations are within range.

The Fund has outperformed its quarterly benchmark and a detailed commentary on the performance by asset class and manager for the quarter as well as longer term is included in sections 3 and 4 of the report.

Finally, the report also includes an update on the Fund's responsible investment activity, namely the work officers are undertaking with the Fund's new pooling partner, Border to Coast Pensions Partnership (BCPP).

Recommendation:

The Board is asked to note the report.

FOR INFORMATION

1. Introduction

- 1.1 This report provides the Board with an update on the Fund's investment activity and performance, as well as on responsible investment developments that have taken place since the Board's last meeting.

2 Fund value and asset allocation

- 2.1 As of 30 September 2025 (the latest available data), the Fund's value was £9.1bn compared to £8.7bn as at 30 June 2025, the position previously reported to the Board. The table below sets out the current asset allocation versus the Fund's strategic asset allocation and its rebalancing policy.

Asset Class	Strategic Asset Allocation (%)	Tolerance Band (%)	Current Asset Allocation (%)	Variance	Status
Equities	53	+/- 10	58.4	5.4	In range
UK Equities	10	+/- 2.5	11.4	1.4	In range
Global Equities	38	+/- 5	41.4	3.4	In range
Emerging Market Equities	5	+/- 2.5	5.6	0.6	In range
Fixed Income	22	+/- 5	17.8	-4.2	In range
Credit	15	+/- 5	14.8	-0.2	In range
RMF (Index Linked Gilts)	7	-	3.0	-4.0	N/A
Alternatives	25	+/- 10	22.5	-2.5	In range
Absolute Return	5	-	4.9	-0.1	N/A
Infrastructure	5	-	4.6	-0.4	N/A
Private Equity	5	-	4.6	-0.4	N/A
Property	10	-	8.4	-1.6	N/A
Cash	0	5	1.3	1.3	In range
Total	100		100		

- 2.2 The current asset allocation is broadly aligned with the new strategic asset allocation, allowing for approved tolerance bands. Global, UK and emerging market equities are overweight and conversely private equity, infrastructure, property and the risk management framework are underweight. Some excess cash is being held to meet liquidity requirements for the Fund's alternatives portfolio including private equity and infrastructure drawdowns. On the basis that the current asset allocation remains within tolerance, no rebalancing is required at this stage.

3 Investment performance: quarter to 30 September 2025

- 3.1 The Fund's investments returned 4.7% in the three months to 30 September 2025, compared to the benchmark return of 4.4%.
- 3.2 **UK equities** delivered strong gains over the quarter, with the FTSE All Share Index rising 6.9%. The market showed an increased focus on fiscal and political risks this quarter, and with cautious trading updates from several UK corporates, domestically oriented small and mid-caps underperformed. However, large cap stocks with significant overseas earnings benefitted from a weaker sterling early in the quarter. The Fund's UK equity manager, Schroders, returned 5.5% over the quarter, underperforming the 6.9% benchmark due to the increased allocation to small and mid-caps.
- 3.3 **Global equities** rose strongly over the quarter as investor optimism was supported by resilient economic data and expectations of interest rate cuts in early 2026. However, geopolitical tensions and mixed corporate earnings limited gains in some regions. The MSCI ACWI returned 9.5% in sterling terms and 7.6% in local currency during the three months to 30 September 2025. The

Fund's global equity mandates collectively returned 6.9%, underperforming the benchmark.

- 3.4 Amongst the Fund's global equity managers, all except the Schroders Global Active Value portfolio underperformed their respective benchmarks. Baillie Gifford returned 4.4% against its fixed weight regional benchmark of 8.1%, while M&G, Impax and Robeco delivered returns of 6.7%, 6.8% and 8.0% respectively, compared with the MSCI ACWI benchmark of 9.5%. The Schroders Global Active Value Fund outperformed, returning 10.8% over the quarter due to strong positioning and stock selection.
- 3.5 After taking into account the impact of the Risk Management Framework, overall global equities performance increased slightly to 7.1%, though this was still below the 80% MSCI ACWI benchmark of 7.6%.
- 3.6 **Emerging market equities** delivered strong gains over the quarter, supported by improving economic data, easing inflation pressures, and renewed investor confidence following the extension of the US-China trade truce and strong optimism in AI and technology. The MSCI Emerging Markets Index rose 12.6% in sterling terms for the three months to 30 September 2025.
- 3.7 The Fund's emerging market equity portfolio outperformed the benchmark with an overall return of 15.1%. Both of the Fund's managers added value of this period, with Robeco returning 16.7% and Columbia Threadneedle returning 13.4%. Outperformance was driven by strong stock selection in Asian markets and an overweight to technology and consumer sectors.
- 3.8 **Fixed income** markets delivered modest positive returns over the quarter due to a supported environment for credit. High yield outperformed investment grade credit in the quarter, reflecting the ongoing investor demand for yield. US investment grade credit spreads declined, helped by resilient consumer sector and lower interest rates following the weakening in the US labour market. Corporate bonds also outperformed government debt, supported by improving risk sentiment. The Fund's credit mandates returned 1.9% in the three months to 30 September 2025, outperforming the composite benchmark return of 1.0%. All of the Fund's fixed income managers outperformed their respective benchmarks. CQS and M&G delivered returns of 2.4% and 1.5%, respectively, against their cash benchmarks of 1.0%. The Schroders Strategic Bond Portfolio returned 2.7% vs a benchmark of 1.1%, while Goldman Sachs achieved 1.4% against a 0.9% benchmark.
- 3.9 The Index Linked Gilts portfolio, which is a buy and hold portfolio and is part of the Risk Management Framework (RMF) managed by Insight, returned -3.5% in the quarter as real yields rose sharply and affected our buy and hold portfolio.
- 3.10 **Property** total returns were 1.4% in the quarter, below the MSCI UK All Property index return of 1.7%. In the wider market, all major sectors delivered positive total returns, supported by stabilising valuations and renewed investor interest, particularly within the industrial and residential sectors. The office sector continued to face structural challenges but showed signs of improvement as rental growth remained resilient in prime locations. Within the Fund's property portfolio, the direct property portfolio returned 1.2% against the benchmark. Fidelity outperformed with a return of 1.6% compared to the Balanced Property Index return of 1.2%. The M&G Residential Property Fund also performed strongly, posting a return of 1.4% in the quarter. The UK Active

Value Property Fund (formerly Kames) underperformed with a return of -1.2% against the same benchmark.

- 3.11 Amongst the two **absolute return** mandates, Pyrford and Ruffer achieved absolute returns of 1.9% and 3.4%, respectively - outperforming the RPI benchmark of 0.4%.
- 3.12 All three of the **private equity** and **infrastructure** managers outperformed their cash benchmark of 1.0% in the quarter. HarbourVest showed the greatest outperformance with a return of 5.2%, whilst YFM had a strong return of 3.6%, followed by Partners Group who returned 2.8%.

4 Longer term performance

- 4.1 For the year ended 30 September 2025, the Fund achieved an overall return of 8.8%, outperforming the benchmark return of 8.5%. All asset classes excluding property, UK and global equities outperformed their respective benchmarks during the year.
- 4.2 Fixed income delivered strong results, supported by stable yields and tightening credit spreads. All of the Fund's credit managers outperformed their benchmarks, with CQS posting the highest return of 8.1% against a 4.4% benchmark. Collectively, the Fund's credit mandates returned 6.7%, outperforming the composite benchmark return of 4.1%.
- 4.3 Equities produced robust absolute returns but underperformed their benchmarks. Global equities returned 12.7% overall against the MSCI ACWI benchmark of 16.7%, while UK equities returned 13.7% against the FTSE benchmark of 16.2%. Within global equities, Schroders Global Active Value was the only manager to outperform, delivering 19.9% for the year. Emerging market equities were the strongest performer during the year, returning 24.6% against a benchmark of 16.9%, with both managers producing strong results.
- 4.4 Absolute return strategies also contributed positively during the year, with both Ruffer and Pyrford outperforming the cash benchmark of 4.5%. Ruffer returned 6.6% and Pyrford 5.7% over the year.
- 4.5 Within alternatives, Partners Group was the best performer, achieving 19.1% against the SONIA benchmark of 4.6%, while private equity also generated a positive return of 7.5% against the same benchmark.
- 4.6 For the three-year period, the Fund returned 6.0%, below the benchmark of 8.5%. The main detractors from performance over this period were global and UK equities, as well as some underperformance from absolute return and private equity managers.
- 4.7 Global equities returned 12.9% against the 15.7% MSCI ACWI benchmark, with the M&G Global Dividend Fund being the only mandate to perform in line with the benchmark. Impax remained the largest detractor from performance within the global equity portfolio. The Fund's fixed income portfolios continued to provide consistent outperformance, however, with the credit mandates returning 8.9% collectively against a benchmark of 5.3%.
- 4.8 Alternatives produced mixed results during this period, with Partners Group again recording strong outperformance within the infrastructure asset class,

returning 11.9% compared to the benchmark of 4.7%, while pooled property and private equity underperformed over the same period.

5 Responsible Investment Update

- 5.1 In preparation of our transition to Border to Coast from the ACCESS Pool, we will be working closely with the new pool to implement and discharge the Fund's stewardship responsibilities. We are currently in the process of familiarising and integrating our policies and procedures with BCPP in preparation for formal onboarding.
- 5.2 Officers were invited to a meeting with a representative from Border to Coast to discuss the Fund's Responsible Investment views and policy. This information is being gathered from all of the Border to Coast partner funds to infer their new Responsible Investment Strategy that is in the process of being reviewed.
- 5.3 Officers have been provided with dates for upcoming Responsible Investment Officer Operations Group (RI OOG) meetings and further updates will be provided in due course.

Appendices

Appendix 1 – Quarterly Performance Report (30 September 2025)

Sangeeta Surana (Pension Fund and Treasury Investments Manager)
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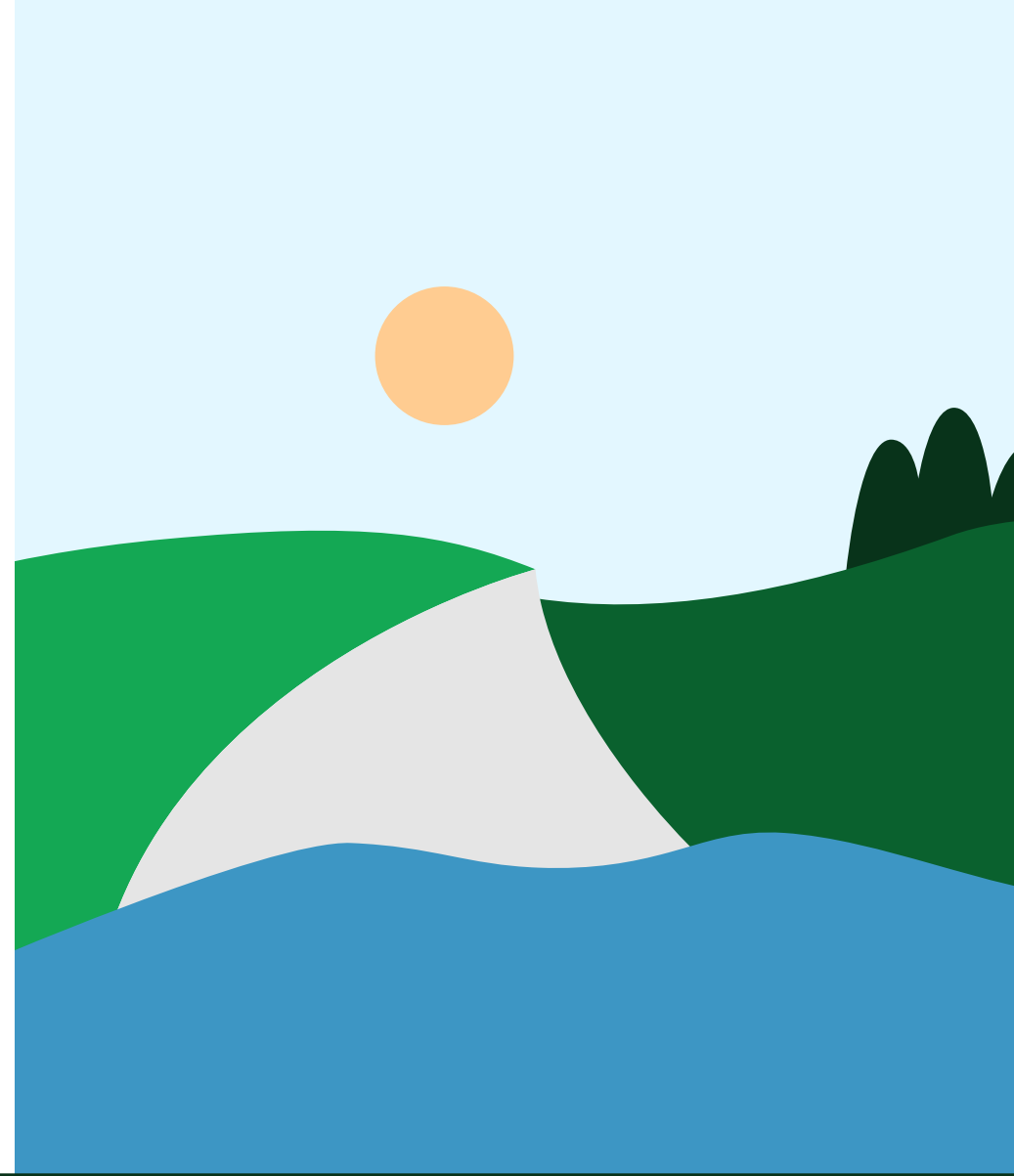
10 November 2025

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Kent Pension Fund

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Q3 2025 Fund Performance

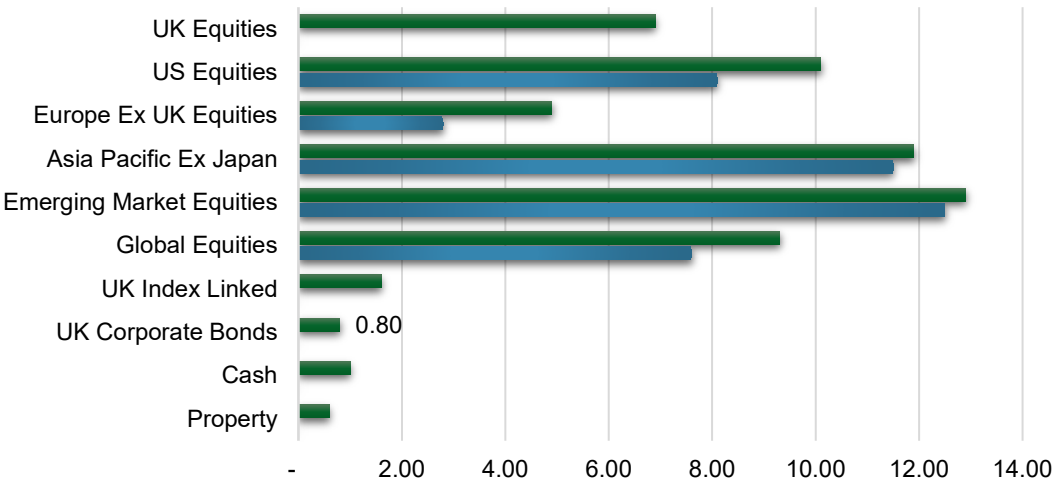


Market Commentary

- Page 4
- In the third quarter, financial markets were driven by the resilience of economic growth with equities continuing to rally and bond returns mixed. While some developed market (“DM”) central banks continued cutting rates, policymakers warned that the outlook warranted a cautious approach on the back of potential risks emerging from tariff and trade. In the third quarter, the US Federal Reserve (“Fed”) reduced its policy rate by 25 basis points (bps), amid tensions between President Donald Trump and members of the central bank, including Chair Jerome Powell. Interestingly, economic resilience shone through with growth surpassing expectations, even as the labour market softened. In Europe, the ECB (“European Central Bank”) left rates unchanged, with Germany’s fiscal stimulus supporting the growth story. Notably, the change in leadership in France stirred some volatility in regional markets. Overall, bond yields were mostly higher across DMs, while global equities ended the quarter on a positive note.
 - US real GDP rose at an annual rate of 3.8% in Q2 2025, up from a 0.6% fall in Q1 2025. Headline US inflation increased to 2.9% in August 2025 from 2.7% in June 2025. Core inflation was at 3.1% in August, up from 2.9% at the end of June. The Fed, at its September meeting, decided to cut interest rates by 25 bps lowering the Fed funds rate to 4%-4.25%. In the Summary of Economic Projections, the median projection showed three fed funds rate cuts in 2025.
 - In Q2 2025, seasonally adjusted GDP increased by 0.1% in the euro area. The ECB decided to keep interest rates unchanged amid ongoing economic uncertainty caused by US President Trump’s aggressive tariff policies. Headline inflation in the eurozone increased to 2.2% in September, up from 2.0% in June.
 - The UK economy grew by 0.3% in Q2 2025 down from 0.7% recorded in Q1 2025. Headline inflation in the UK rose to 3.8% in August up from 3.6% in June, primarily due to higher food prices. In its September meeting, the Bank of England (“BoE”) maintained interest rates at 4.5% amidst sticky UK inflation with an uncertain growth outlook and jobs market.
 - Japan’s GDP expanded at an annualized rate of 2.2% in the second quarter, supported by robust private consumption, increased inventories, and greater corporate investment. In its most recent September meeting, the Bank of Japan (BoJ) maintained its key short-term interest rate at 0.5%, despite growing political uncertainty.
 - China's GDP growth accelerated to 5.2% in Q2 2025 down from 5.4% in Q1 2025. China's inflation fell to 0.4% year-on-year in August 2025. The People’s Bank of China (“PBoC”) kept its one-year policy loan rate, known as the medium-term lending facility (“MLF”), unchanged at 2.0%.

Source: Mercer LLC

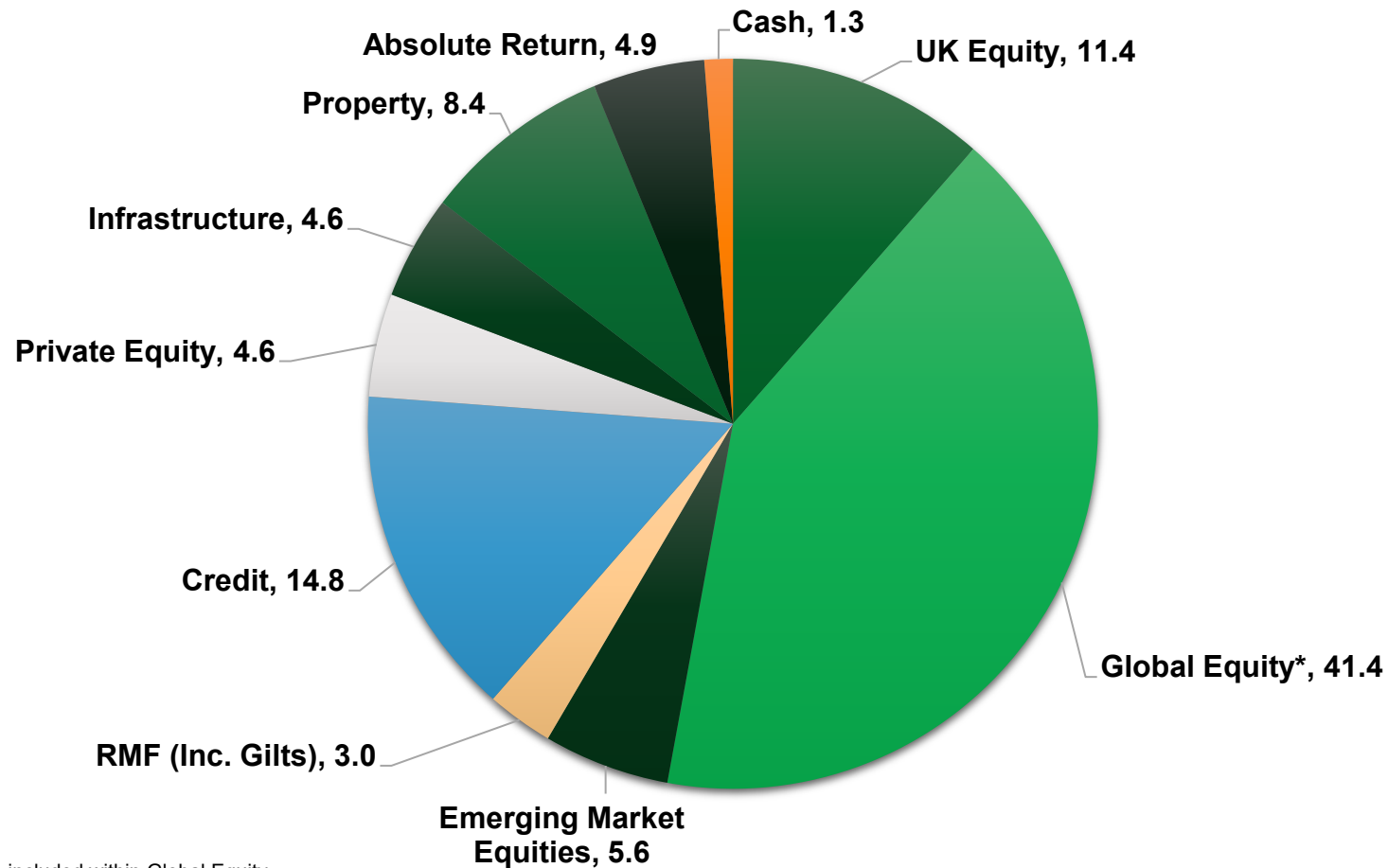
Market Returns (%)



Source: Mercer LLC, Refinitiv and Schroders



Asset Allocation – 30 September 2025



*Synthetic Equity exposure with Insight is included within Global Equity.

**Risk Management Framework is made up of Gilts, as well as Insight IWS contribution and Equity Protection collateral.

Source: Northern Trust, RADAR Reporting



Kent Pension Fund

Fund Manager Summary

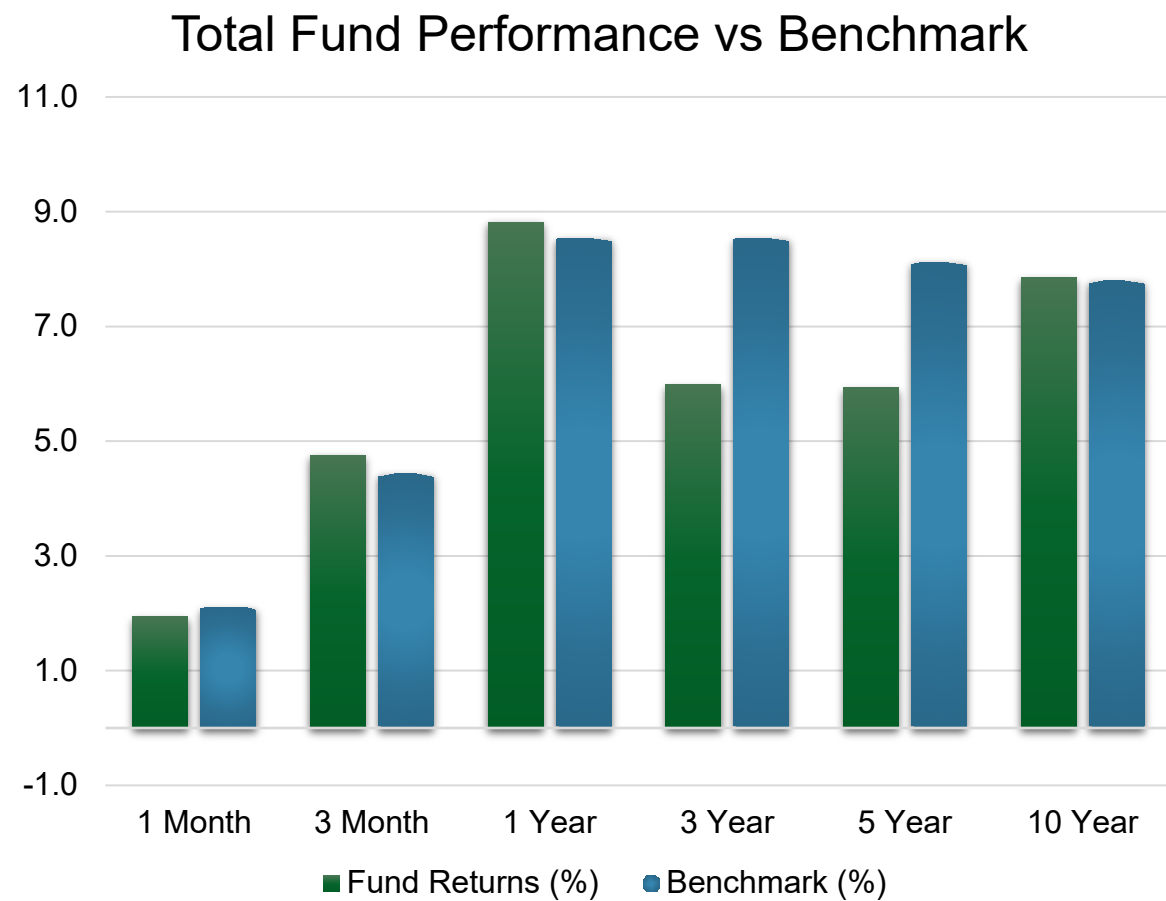
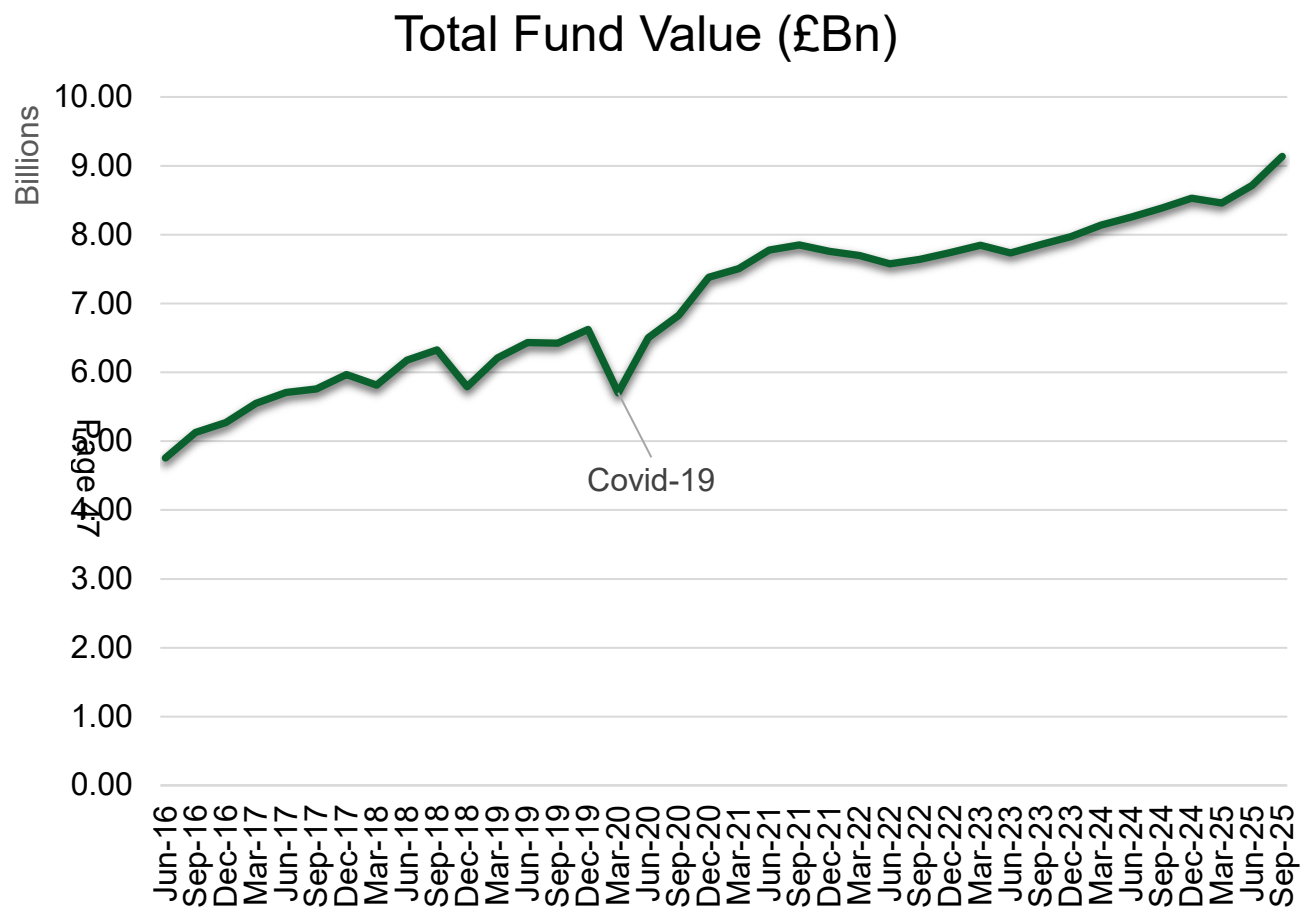
Asset Class	Fund Manager	Market Value as at 30 September 2025 (£m)	Market Value as at 30 June 2025 (£m)	Change in MV (£m)	% of Total
UK Equity	Schroders UK Equity	1,043	989	54	11.4
	Woodford Equity	2	2	0	0.0
Global Equity	Impax	73	69	5	0.8
	Baillie Gifford	1,134	1,087	47	12.4
	Robeco Global Stars	706	654	52	7.7
	Schroders Global Active Value	577	520	56	6.3
	M&G Global Dividend Fund	736	690	46	8.1
	Insight (Synthetic Equity Exposure)	559	516	44	6.1
	Columbia Threadneedle	253	223	30	2.8
Emerging Markets Equity	Robeco	257	220	37	2.8
Risk Management Framework (inc. Gilts)	Insight	270	312	-42	3.0
Credit	CQS	293	286	7	3.2
Absolute Return	Goldman Sachs	457	451	7	5.0
	Schroders Strategic Bond Fund	293	286	8	3.2
	M&G Alpha Opportunities	307	302	5	3.4
	Ruffer	198	192	6	2.2
Property	Pyrford	254	249	5	2.8
	DTZ	535	475	60	5.9
	DTZ Pooled Property	126	126	0	1.4
	DTZ (previously Aegon)	27	23	4	0.3
	M&G Residential Property	34	34	0	0.4
	Fidelity	47	46	1	0.5
	Partners Group	420	417	4	4.6
Private Equity	HarbourVest	338	313	25	3.7
Cash	YFM	79	75	4	0.9
	Internal Cash	115	161	46	1.3
Total		9,135	8,717	418	100.0

Source: Northern Trust, RADAR Reporting



Kent Pension Fund

Historical Performance

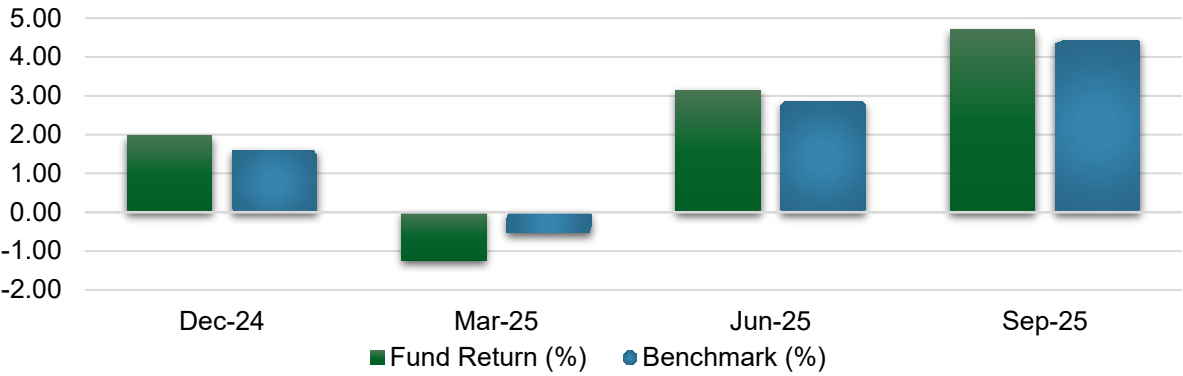


Source: Northern Trust, RADAR Reporting



Discrete Performance

Quarterly Returns



Over the past five years, the Fund's performance has reflected changing market dynamics and economic conditions. In the most recent period, the Fund delivered 8.8% against a benchmark of 8.5%, supported by strong performance within emerging markets and improved sentiment following signs of monetary easing.

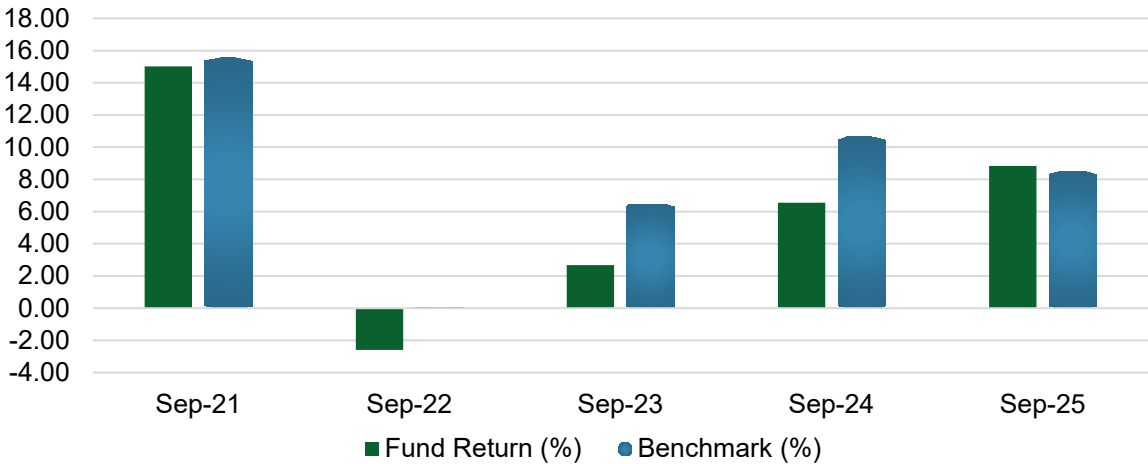
In the earlier years, the Fund's annual performance lagged its benchmarks. Equity markets rebounded well after Covid with strong absolute performance in the year to 30 September 2021, although still slightly underperforming the benchmark. The following year proved more difficult for the Fund, as inflationary pressures and aggressive monetary tightening drove widespread weakness.

The past few years have proved to be a challenging environment for active management as market leadership has remained narrow and concentrated in a few large-cap growth stocks.

Over the past four quarters, the Fund has generally performed in line with or above its benchmark. In the most recent quarter to 30 September 2025, the Fund returned 4.7%, slightly outperforming the benchmark of 4.4%. Equity markets rallied over the period as interest rate cuts and resilient economic data supported investor sentiment. Similarly, in the previous quarter, the Fund delivered a return of 3.1% versus a benchmark of 2.8%.

Performance was more challenging earlier in the year, with the Fund returning -1.2% during the quarter to 31 March 2025. Market volatility increased during this period as uncertainty around the timing of central bank policy shifts weighed on risk assets, as well as uncertainty in the market following concerns around US technology and AI stocks.

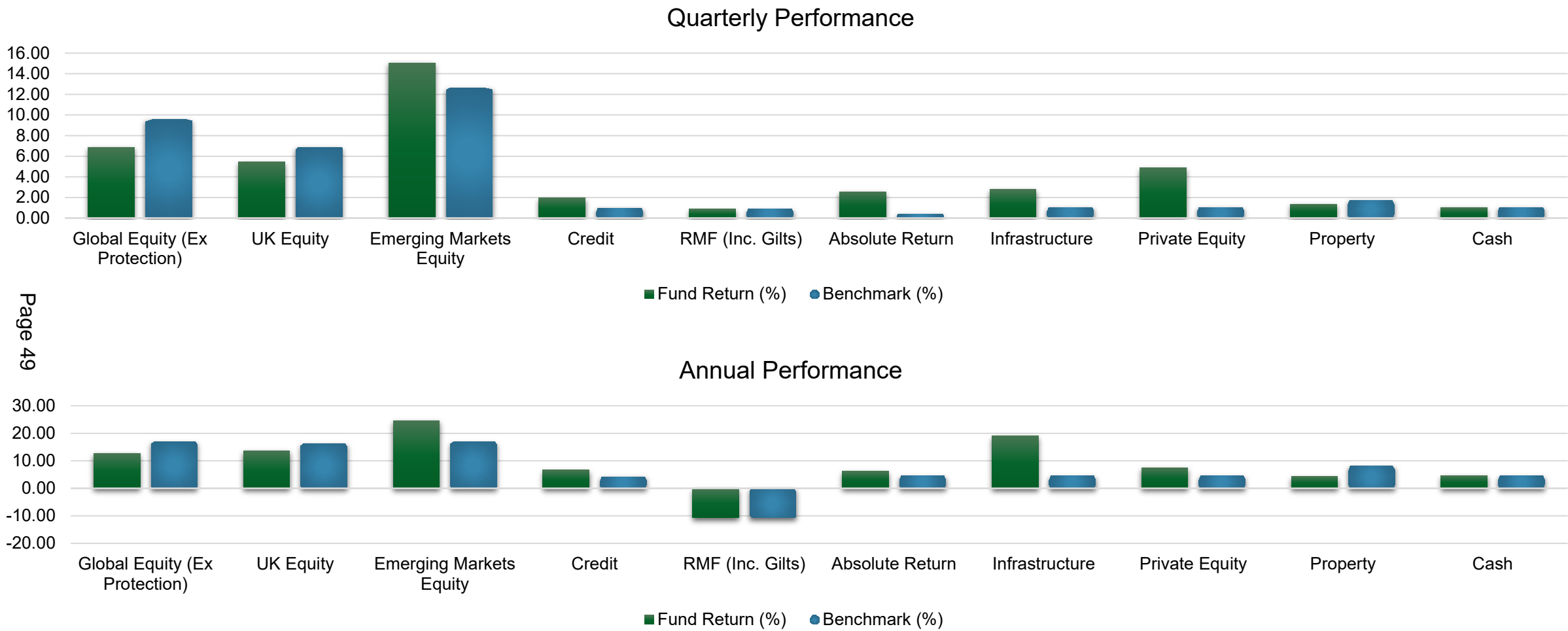
Annual Returns (last 5 years)



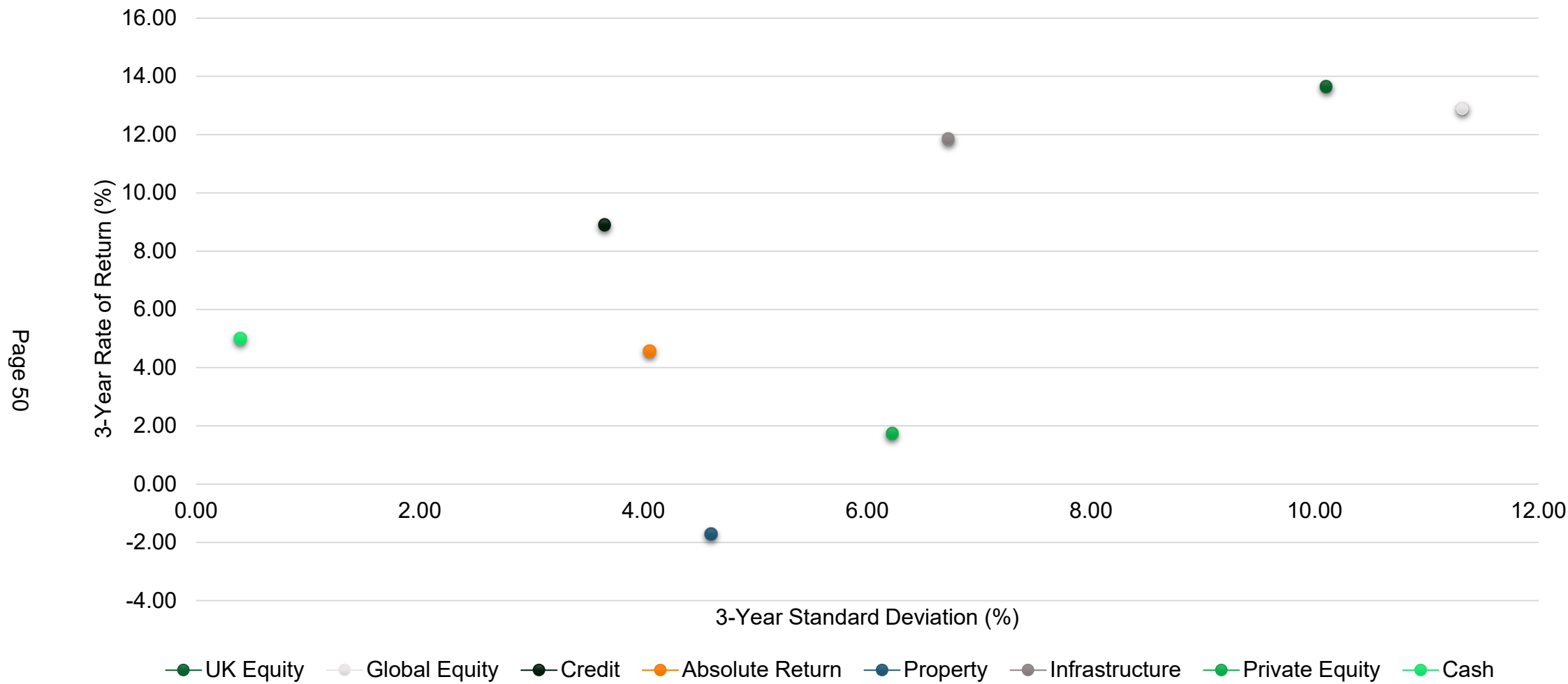
Source: Northern Trust, RADAR Reporting



Asset Class Performance



Risk vs Return – Asset Class Level



Source: Northern Trust, RADAR Reporting



Detailed Performance by Manager

	Quarter		1 Year		3 Year (p.a.)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Total Fund	4.7	4.4	8.8	8.5	6.0	8.5
UK Equity						
Schroders - WS ACCESS UK Equity Fund	5.5	6.9	13.8	16.2	13.4	14.5
Global Equity						
Baillie Gifford - WS ACCESS Global Equity Core Fund	4.4	8.1	12.1	16.0	12.4	15.1
Robeco GS	8.0	9.5	--	--	--	--
Schroders - WS ACCESS Global Active Value Fund	10.8	9.5	19.9	16.8	14.6	15.7
Impax	6.8	9.5	-1.6	16.8	2.5	15.7
M&G - WS ACCESS Global Dividend Fund	6.7	9.5	14.4	16.8	15.7	15.7
EM Equity						
Columbia Threadneedle – WS ACCESS EM Equity Fund	13.4	12.6	26.7	16.9	--	--
Robeco – WS ACCESS EM Equity Fund	16.7	12.6	26.7	16.9	--	--
Credit						
Goldman Sachs	1.4	0.9	5.2	3.5	8.1	3.5
Schroders Fixed Income	2.7	1.1	7.6	4.6	7.3	4.7
CQS	2.4	1.0	8.1	4.4	10.8	7.0
M&G Alpha Opportunities	1.5	1.0	6.6	4.4	9.9	7.0
Property						
DTZ	1.2	1.7	4.8	8.1	-1.2	-1.5
Fidelity	1.6	1.2	12.0	6.8	-1.8	-2.4
DTZ (Kames)	-1.2	1.2	9.1	6.8	-0.9	-2.4
M&G Property	1.4	1.2	0.9	6.8	-0.6	-2.4
Private Equity						
HarbourVest	5.2	1.0	7.8	4.6	-0.9	4.7
YFM	3.6	1.0	6.8	4.6	11.9	4.7
Infrastructure						
Partners Group	2.8	1.0	19.1	4.6	11.9	4.7
Absolute Return						
Pyrford	1.9	0.4	5.7	4.5	6.4	6.5
Ruffer - WS ACCESS Absolute Return Fund	3.4	0.4	6.6	4.5	1.1	6.5



Alternatives Performance

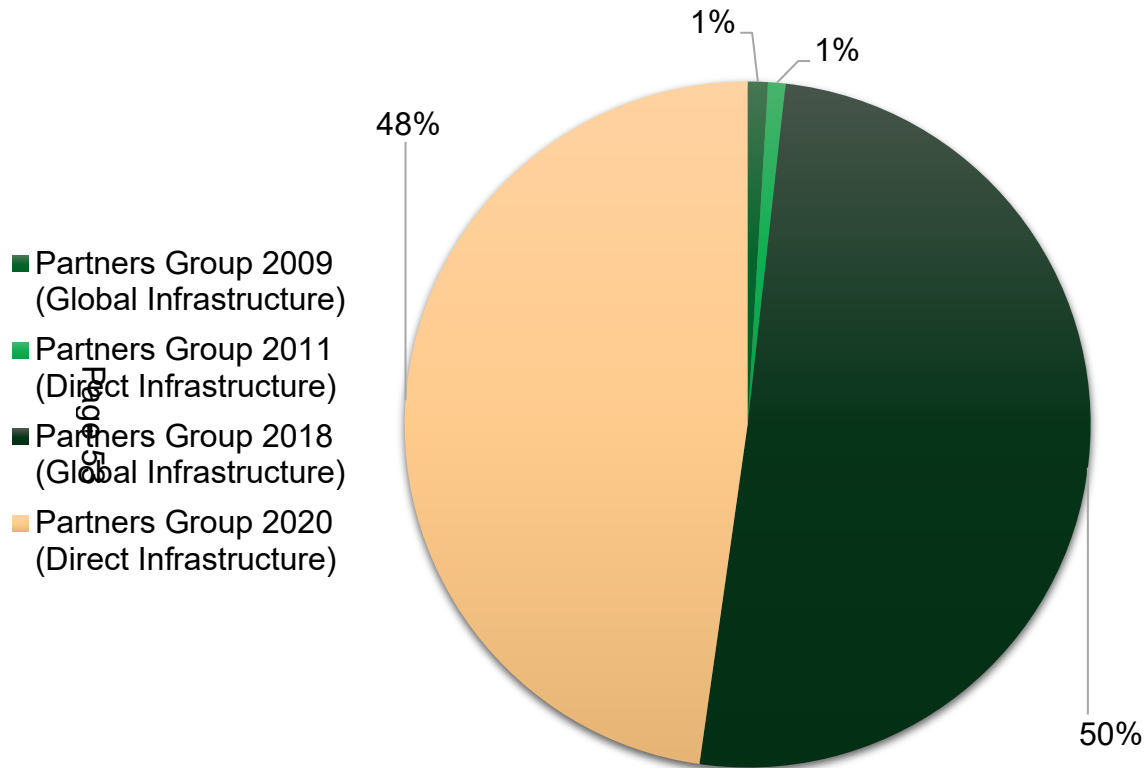
Name of Fund	AS AT 30 SEPTEMBER 2025						
	Value of commitment (£m)	Date of original commitment	Cumulative contributions made (£m)	Distributions received (£m)	Net Asset Value at 30/09/2025 (£m)	IRR	TVPI
HIPEP VI-Cayman Partnership Fund L.P.	31	Oct-10	28.8	55.0	8.4	13.3%	2.12
HarbourVest Partners IX L.P.	53	Oct-10	40.9	90.2	21.1	17.3%	2.45
HarbourVest 2018 Global Feeder AIF L.P.	57	Oct-18	49.0	29.9	55.2	16.5%	1.77
HarbourVest 2019 Global Feeder AIF SCSp	57	Mar-19	46.4	15.5	58.5	16.9%	1.67
HarbourVest 2020 Global Feeder AIF SCSp	57	Mar-20	50.3	6.3	56.5	10.5%	1.34
HarbourVest 2021 Global Feeder AIF SCSp	57	Mar-21	41.5	1.8	45.6	9.4%	1.22
HarbourVest 2022 Global Feeder AIF SCSp	57	Dec-21	29.3	0.7	38.1	25.7%	1.45
HarbourVest 2023 Global Feeder AIF SCSp	57	Dec-23	23.7	-	28.0		1.24
HarbourVest 2024 Global Feeder AIF SCSp	123	Jun-24	24.2	-	26.6		1.29
Partners Group Direct Infrastructure 2011 S.C.A., SICAR	19	Oct-10	16.5	21.0	3.5	6.5%	1.41
Partners Group Global Infrastructure 2009 S.C.A., SICAR	50	Oct-10	43.3	59.3	4.0	7.0%	1.45
Partners Group Global Infrastructure 2018 L.P. INC	222	Oct-18	180.5	47.6	212.1	10.8%	1.45
Partners Group Direct Infrastructure 2020 LP SICAV RAIF	222	Nov-19	152.9	11.3	200.7	15.0%	1.39
Chandos	6	Oct-07	6.0	6.7	0.0		1.13
YFM Equity Partners Growth Fund 1	10	Oct-14	10.0	19.3	8.5		2.79
YFM Equity Partners Buyout Fund 1	20	Mar-16	18.3	32.9	20.6		2.96
YFM Equity Partners Growth Fund 2	10	Oct-18	10.4	0.4	12.6		1.26
YFM Equity Partners Buyout Fund 2	20	Oct-18	16.2	18.4	11.7		2.08
YFM Equity Partners Growth Fund 3	10	Jun-21	9.1	0.9	11.9		1.33
YFM Equity Partners Buyout Fund 3	20	Sep-23	13.2	-	13.9		1.06

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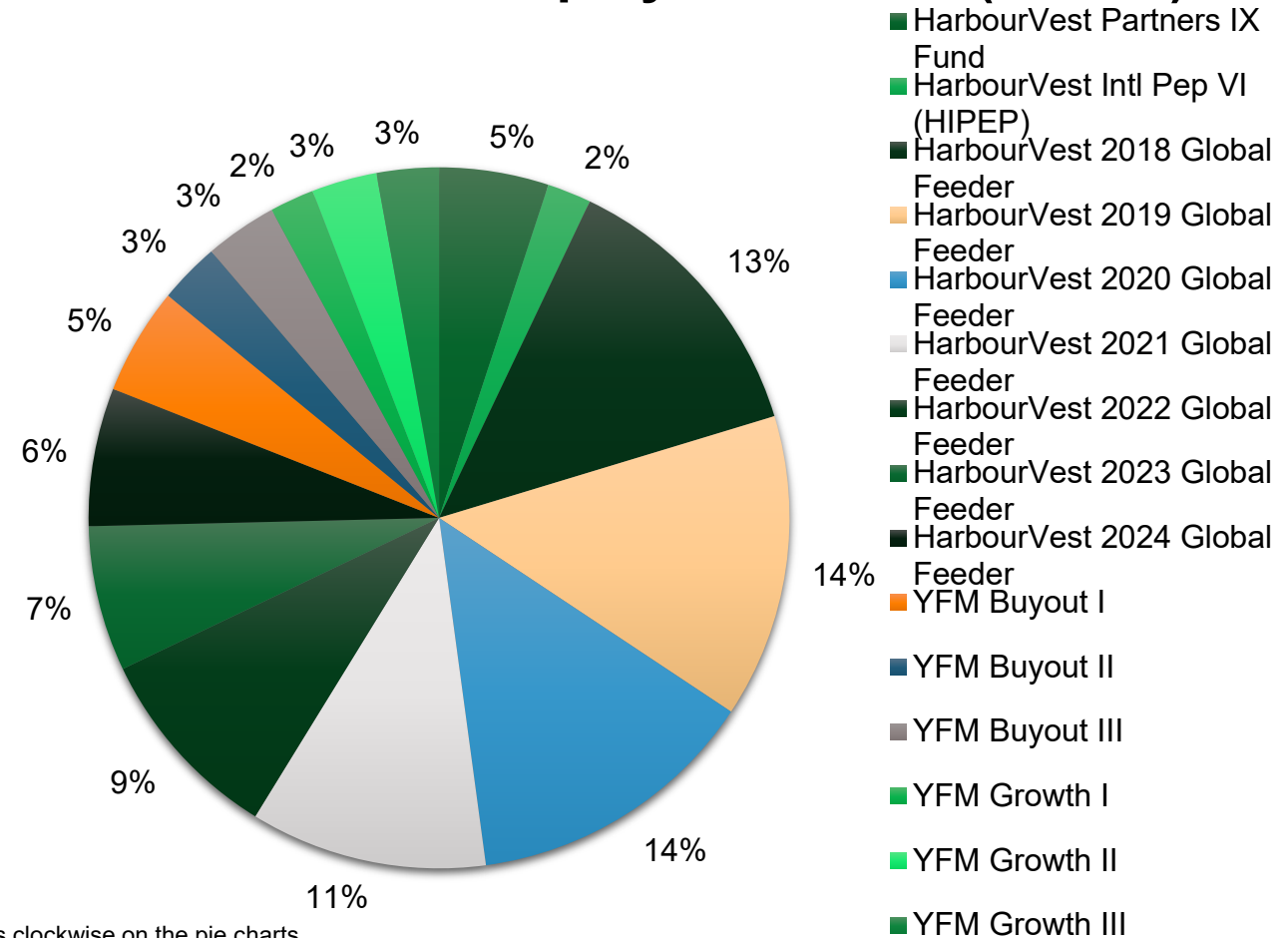


Alternatives Breakdown

Infrastructure Allocation (£420m)



Private Equity Allocation (£417m)

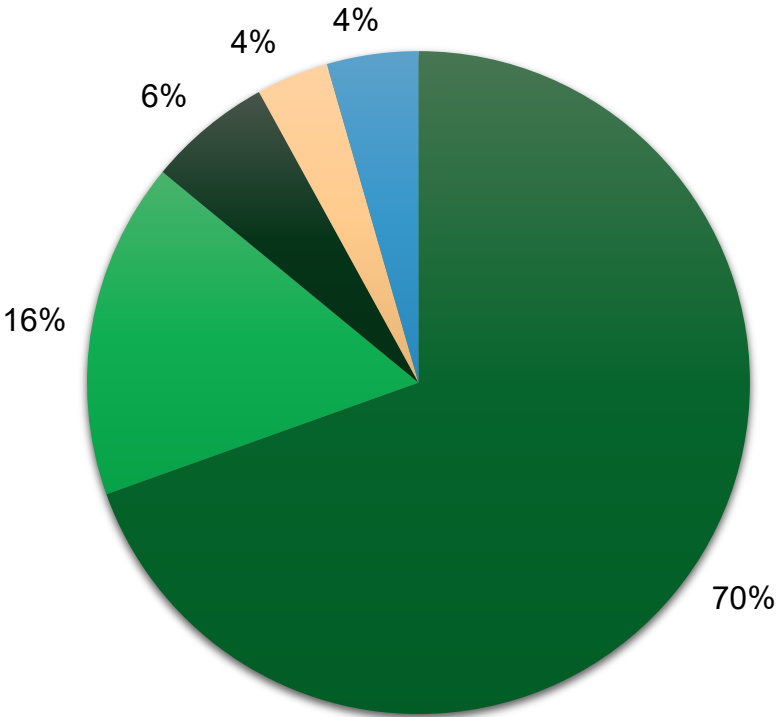


Note: The legend reads clockwise on the pie charts.



Property Breakdown

Property Allocation (£770m)

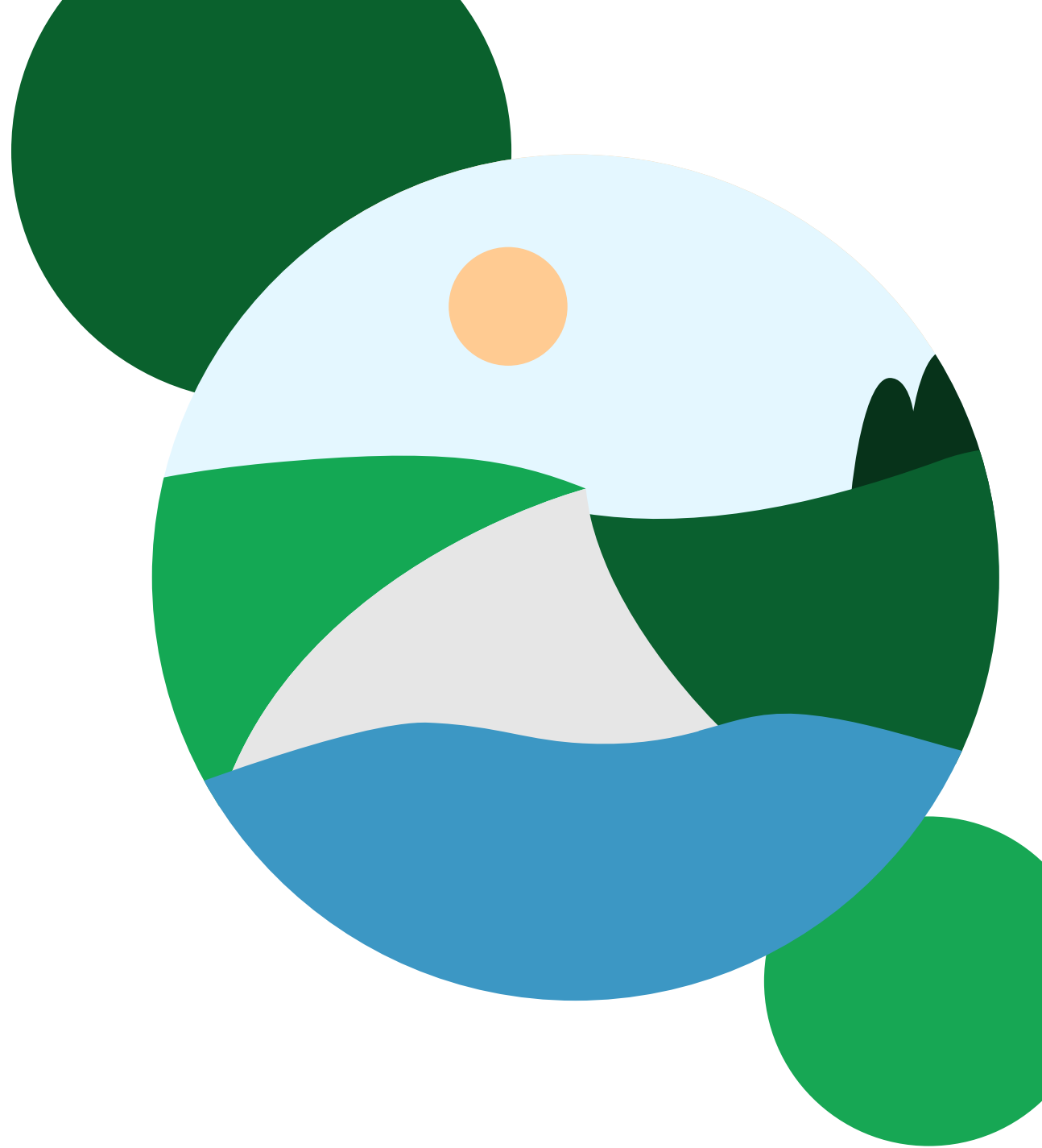


■ DTZ Direct Property ■ DTZ Pooled Property ■ Fidelity PUT ■ DTZ UKAV PUT (formerly Kames) ■ M&G Residential PUT

Note: The legend reads clockwise on the pie chart.



Appendix



Benchmarks and Targets

Appendix A

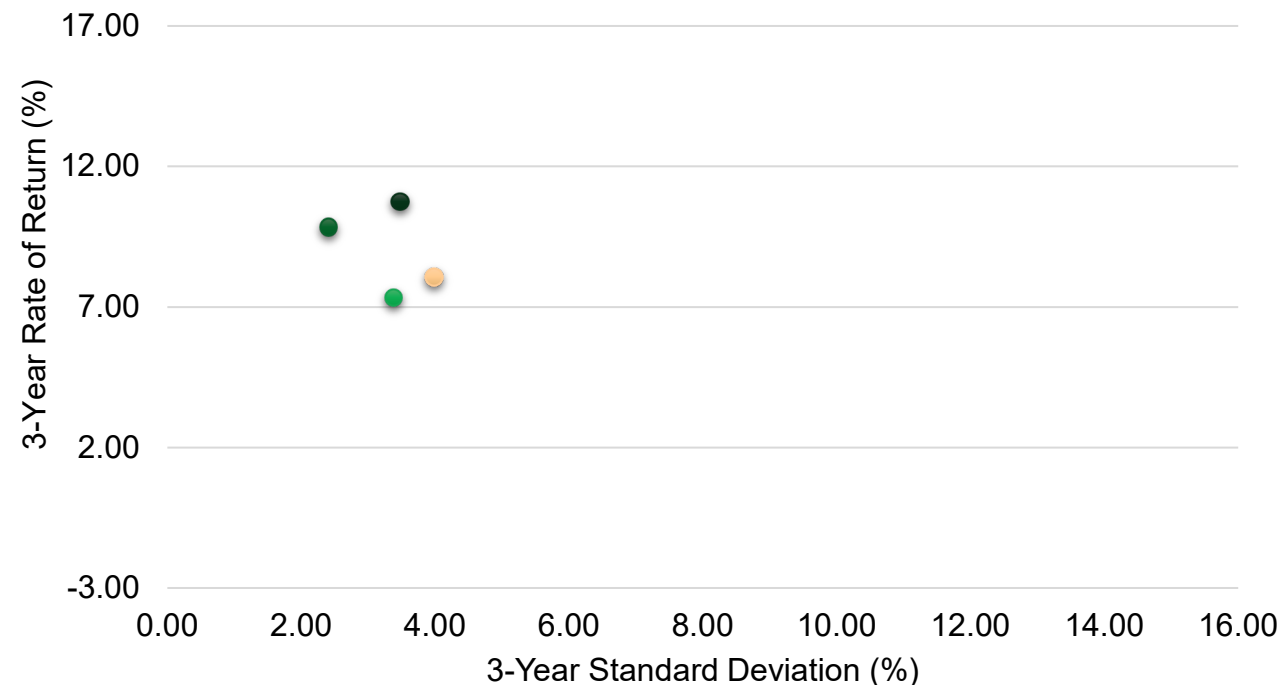
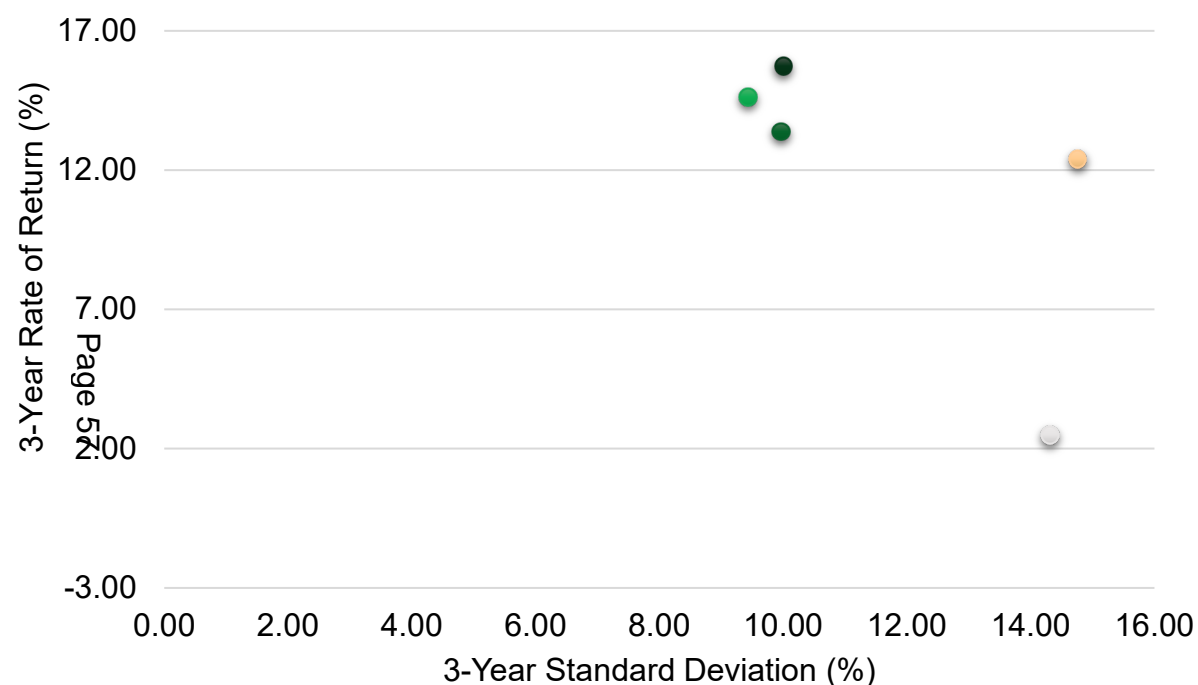
Asset Class / Manager	Performance Benchmark	Performance Target
UK Equities:		
Schroders - WS ACCESS UK Equity Fund	FTSE All Share	+1.5% pa over rolling 3 years
Woodford	FTSE All Share	Unconstrained
Global Equities:		
Baillie Gifford - WS ACCESS Global Equity Core Fund	Regional	+1.5% pa over rolling 3 years
Robeco GS	MSCI AC World Index NDR	
M&G - WS ACCESS Global Dividend Fund	MSCI AC World Index GDR	+3% pa
Schroders - WS ACCESS Global Active Value Fund	MSCI AC World Index NDR	+3% - 4% pa over rolling 3 years
Impax	MSCI AC World Index NDR	+2% pa over rolling 3 years
Emerging Market Equities:		
Robeco – WS ACCESS Emerging Market Equities Fund	MSCI Emerging Markets ND	
Columbia Threadneedle – WS ACCESS Emerging Market Equities Fund	MSCI Emerging Markets ND	
Fixed Income:		
Schroders Fixed Income	ICE BofA Sterling 3-month Gov Bill Index	+4% pa over a full market cycle
Goldman Sachs	+3.5% Absolute	+6% Absolute
CQS	SONIA	SONIA
M&G Alpha Opprtunities	SONIA	SONIA
Property:		
DTZ	MSCI UK All Property Index	≥ 3 year rolling average of benchmark returns
Fidelity	MSCI UK All Balanced Property	
DTZ (Kames)	MSCI UK All Balanced Property	
M&G Property	MSCI UK All Balanced Property	
Alternatives: (Cash / Other Assets)		
Private Equity – YFM	SONIA	
Private Equity – HarbourVest	SONIA	
Infrastructure – Partners Group	SONIA	
Absolute Return – Pyrford	Retail Price Index (RPI)	RPI + 5%
Ruffer - WS ACCESS Absolute Return Fund	Retail Price Index (RPI)	
Internally managed cash – KCC Treasury and Investments team	SONIA	

Source: Northern Trust, RADAR Reporting; Manager reports



Risk vs Return – *Equities and Fixed Income*

Appendix B



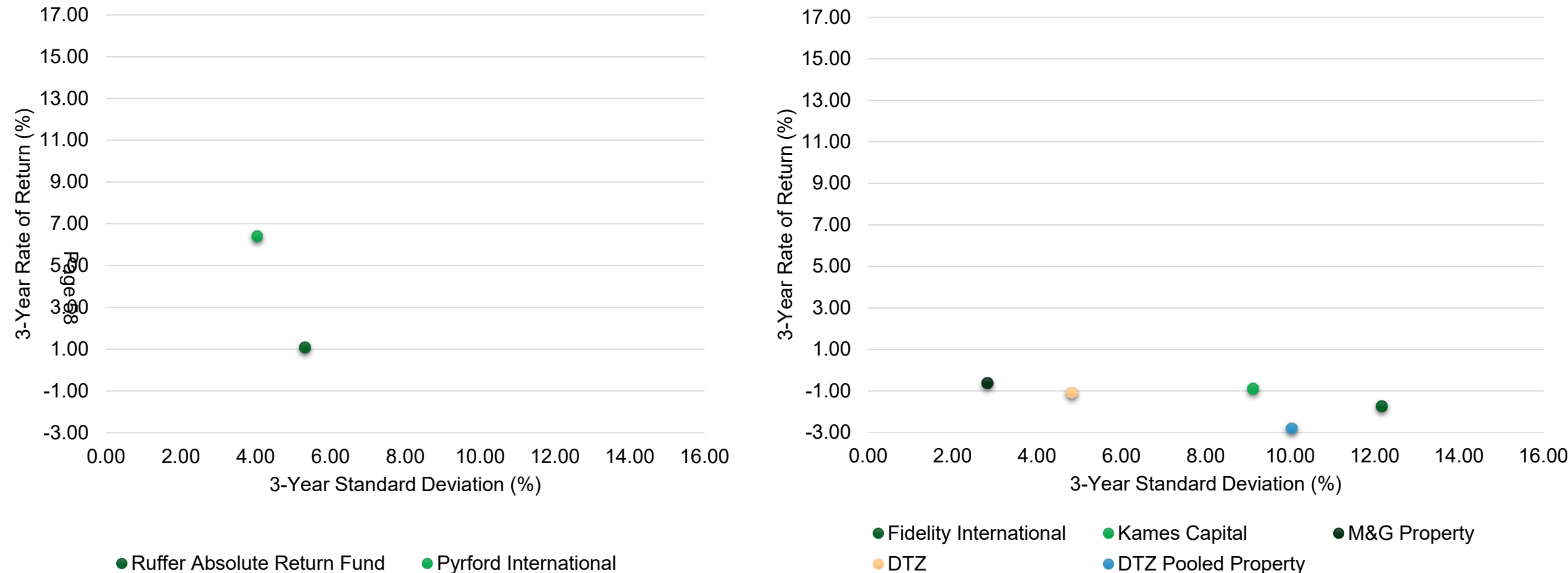
- Schrodgers UK Equity
- M&G Global Dividend Fund
- IMPAX Funds
- Schrodgers Global Active Value
- Baillie Gifford Global Equity Core
- M&G Alpha Opp Fund
- Schrodgers Fixed Income
- CQS Investment
- Goldman Sachs

Source: Northern Trust, RADAR Reporting



Risk vs Return – *Absolute Return and Property*

Appendix C

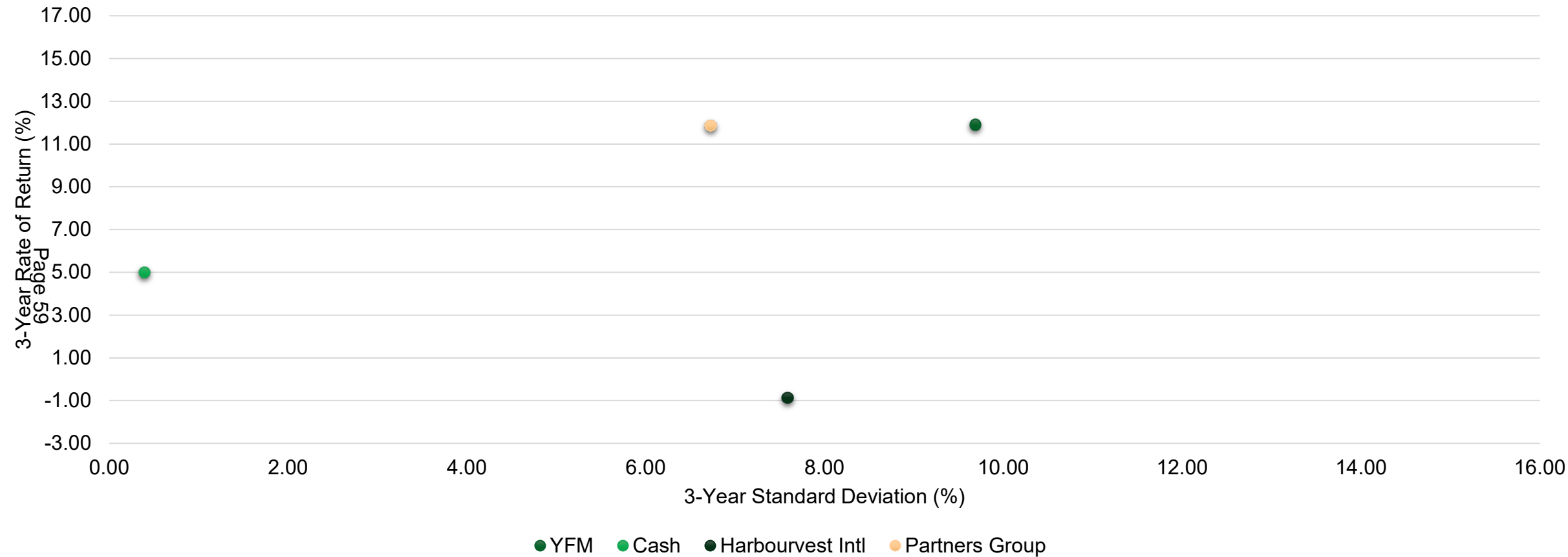


Source: Northern Trust, RADAR Reporting



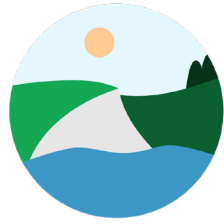
Risk vs Return - *Alternatives*

Appendix D



Source: Northern Trust, RADAR Reporting





Kent Pension Fund

For more information, please visit
www.kentpensionfund.co.uk

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Agenda Item 14

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