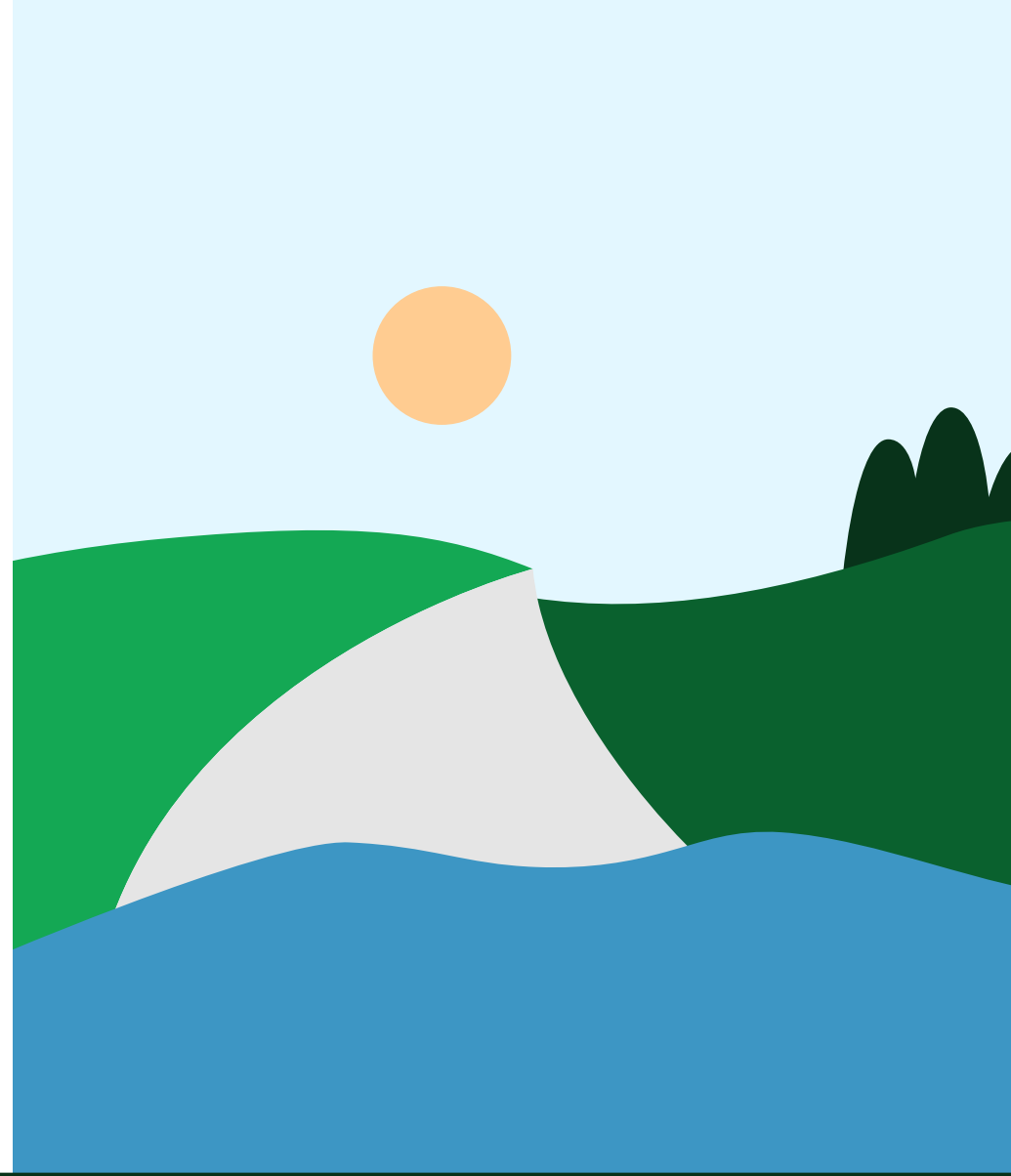


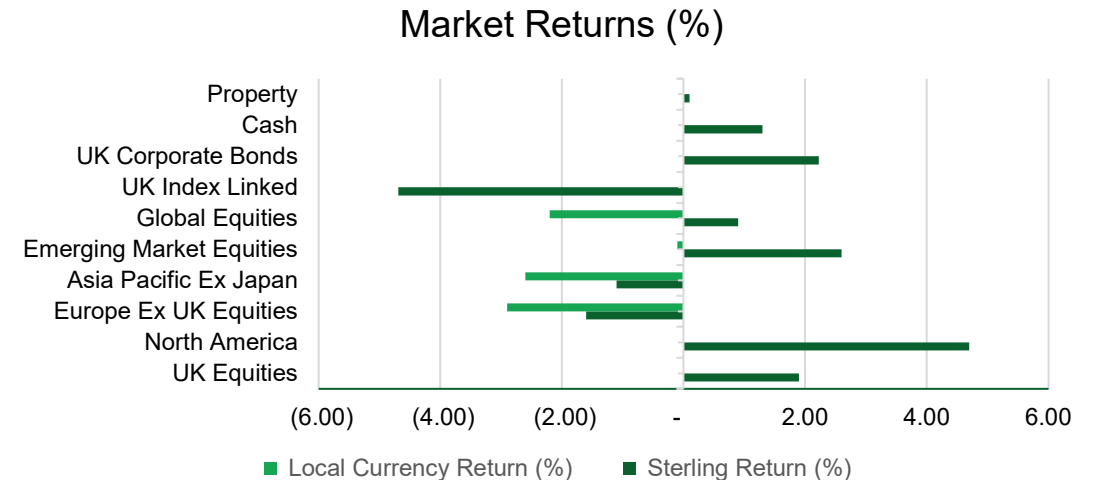
Kent Pension Fund
Q3 2023 Fund Performance



Market Commentary

- Developed market central bank actions were mixed over the quarter, with some deciding to pause hiking interest rates, and others continuing to increase policy rates. Headline inflation continued to slow and core inflation fell in most regions. Inflation expectations also continued to decline over the quarter. During the quarter, equities were broadly negative and came under pressure amid some hawkish central bank announcements especially by the US Federal Reserve.
- US GDP growth estimates appear to have accelerated in the second quarter of 2023, with the economy growing at an annualised rate of 2.1%, primarily driven by upward revisions in business investment growth. Consumer spending, however, grew at its weakest pace since the first quarter of 2022 but still remained relatively resilient. Headline US CPI rose over the quarter increasing to 3.7% in August from 3.0% at the end of June. Core US inflation has been declining in recent months. The Federal Reserve at its September meeting decided to maintain policy rates at 5.25% to 5.50%. As at quarter end, the Fed economic forecasts show short term rates peaking at 5.625% in 2023, which implies at least one more 25bps increase this year.
- China's economy grew at 6.3% on an annual basis in Q2, largely due to favourable base effects but overall, the momentum has been weak, indicating subdued demand. Purchasing Managers' Index (PMI) surveys indicate some signs of stabilisation after policy efforts, but the property sector, employment and exports growth decline continue to weigh on demand. China's central bank reduced the key interest rate from 3.55% to 3.45% amid concerns about the post-pandemic recovery.
- The Japanese economy grew at an annualised rate of 6% in Q2 2023, the strongest growth since the last quarter of 2020, on the back of strong exports growth.
- GDP growth has been modest for the Eurozone in Q2 2023 expanding by 0.3% q/q. The economies of both France and Ireland have been relatively resilient. Spain also performed well. Germany and Italy, however, have been weaker during the quarter. Despite, an increase in GDP growth, the situation remains relatively weak. Higher interest rates to curb inflation are reducing both household and business capacity to borrow and spend. The European Central Bank raised its key interest rate to a record high of 4%, signaling that its interest rate hikes could come to an end.
- UK GDP is estimated to have increased to 0.2% in the second quarter of 2023. Headline inflation in the UK fell to 6.7% in August from 7.9% in June. The Bank of England maintained interest rates at 5.25%.

Source: Mercer LLC

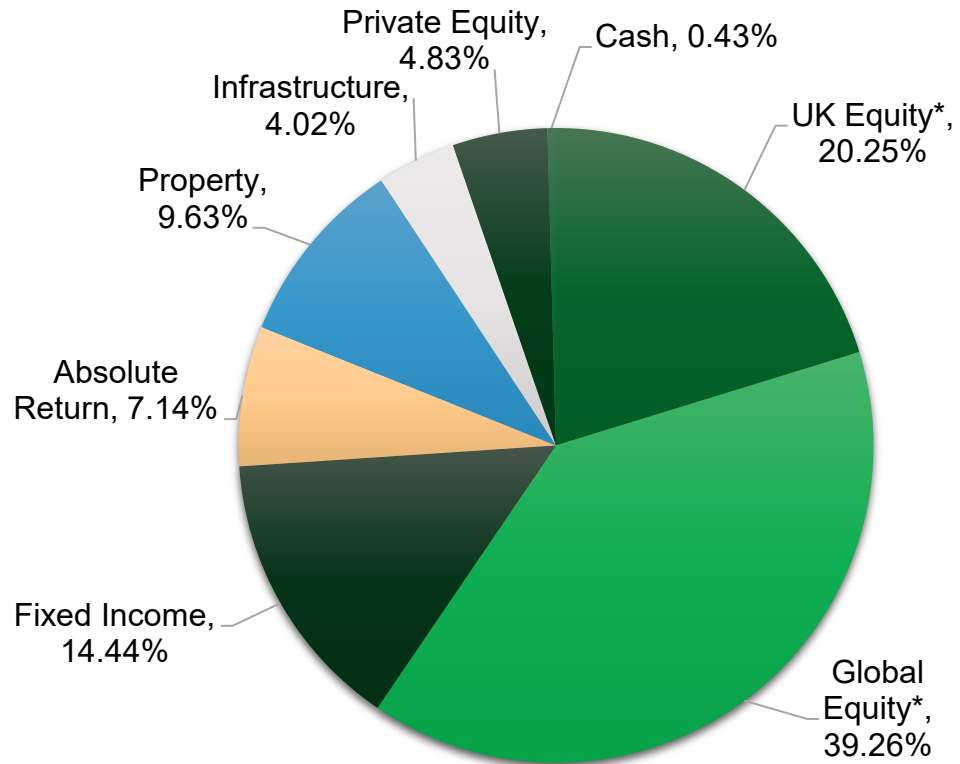


Source: Mercer LLC and Refinitiv



Asset Allocation

Current Asset Allocation (%)



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

Source: Northern Trust, RADAR Reporting



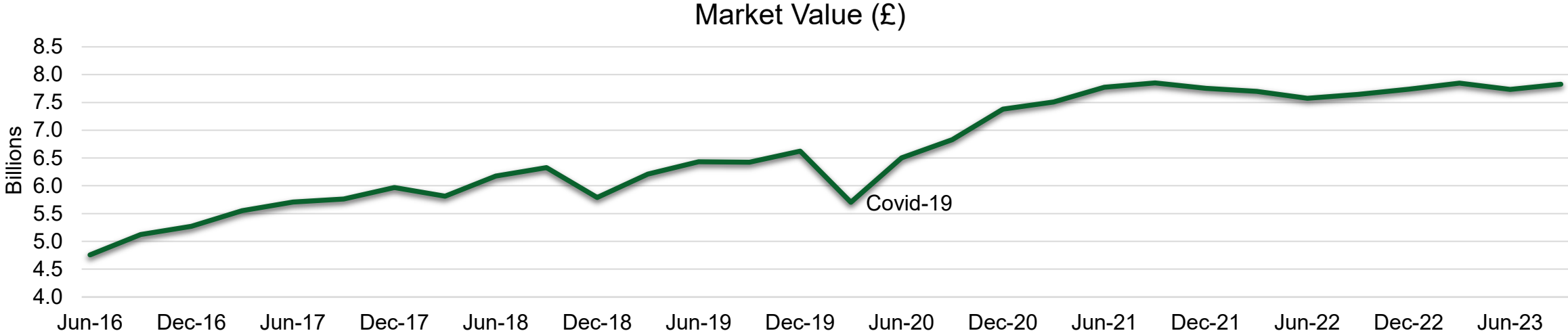
Fund Manager Summary

Asset Class	Fund Manager	Market Value as at 30 September 2023 (£m)	Market Value as at 30 June 2023 (£m)	Change in MV (£m)	% of Total
UK Equity	Schroders UK Equity	1,189	1,178	11	15.19
	Woodford Equity	2	2	0	0.03
Global Equity	Impax	67	72	-5	0.86
	Sarasin	372	384	-12	4.75
	Baillie Gifford	1,042	1,091	-50	13.31
	Schroders Global Active Value	422	410	12	5.40
	M&G Global Dividend Fund	523	536	-13	6.68
	Insight	1,039	914	126	13.28
Equity Protection	CQS	239	233	6	3.05
	Goldman Sachs	391	388	3	5.00
	Schroders Strategic Bond Fund	241	240	1	3.08
	M&G Alpha Opportunities	259	252	7	3.31
Fixed Income	Ruffer	177	179	-2	2.27
	Pyrford	381	376	6	4.87
Absolute Return	DTZ	474	501	-27	6.06
	DTZ Pooled Property	39	39	-0	0.50
	DTZ (previously Aegon)	29	32	-3	0.37
	M&G Residential Property	69	69	0	0.89
	Fidelity	142	142	-0	1.81
	Partners Group	315	287	27	4.02
	HarbourVest	286	266	20	3.65
Property	YFM	92	86	6	1.17
	Internal Cash	34	55	-21	0.43
Cash					
Total		7,825.71	7,733.47	92.24	100.00

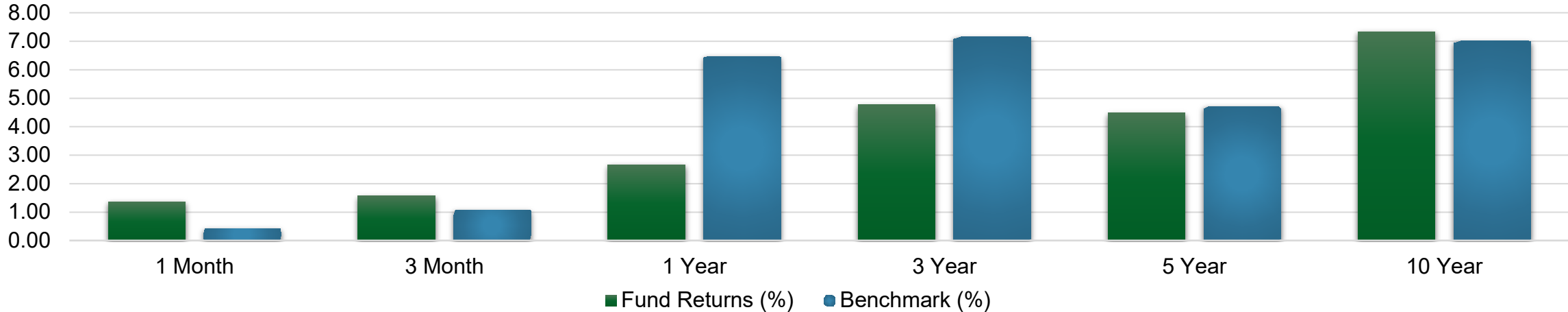
Source: Northern Trust, RADAR Reporting



Historical Performance



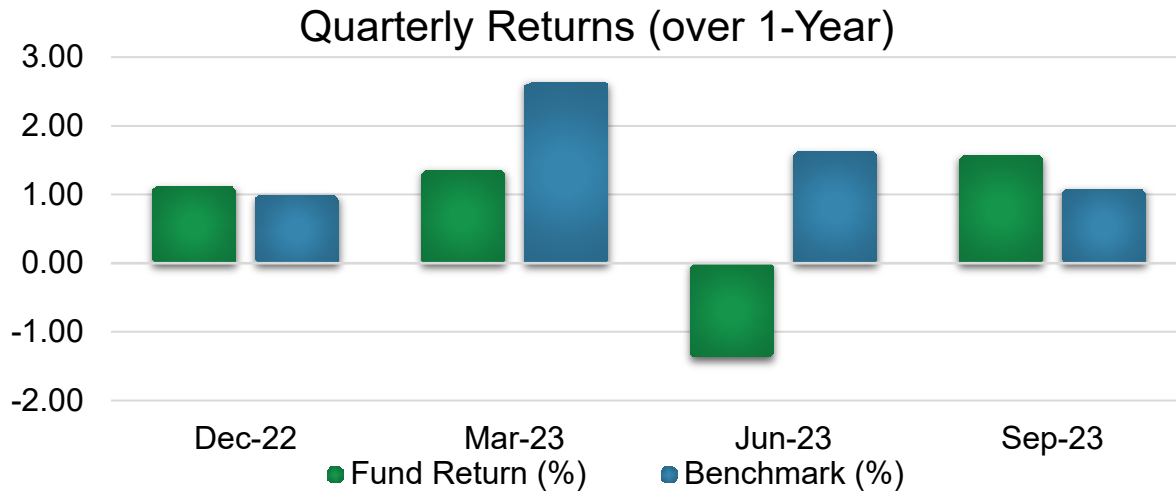
Total Fund Performance vs Benchmark



Source: Northern Trust, RADAR Reporting

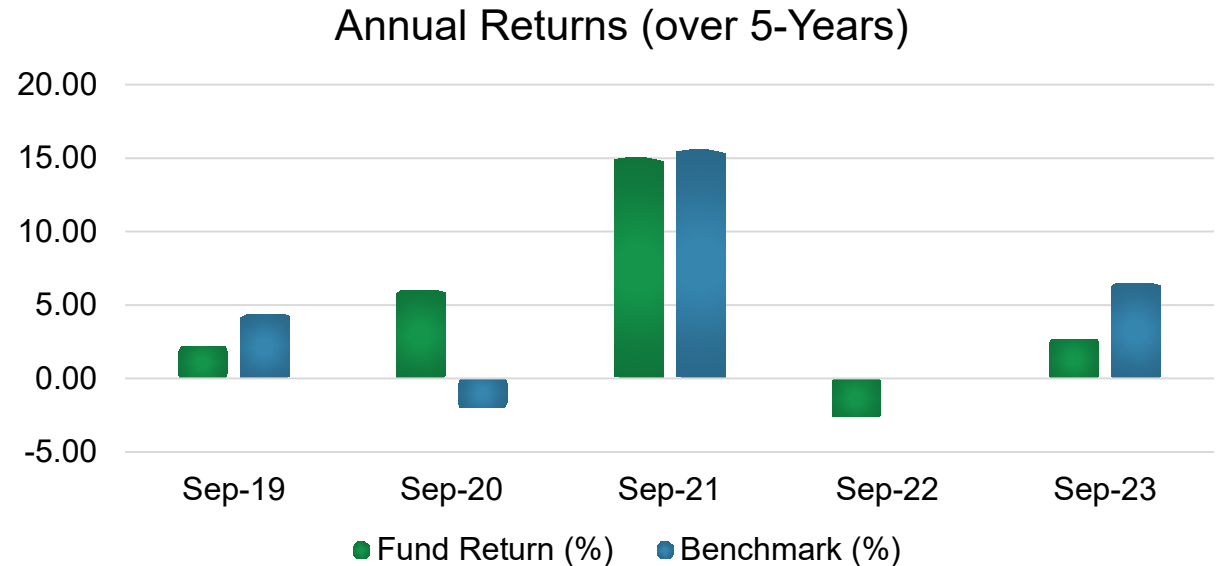


Discrete Performance



- Despite a positive end to 2022, the Fund has showed varying performance in the year to date, with underperformance caused by several factors, including an underweight holding to the “Magnificent 7”.
- The Fund has performed well in the quarter to September 2023, outperforming the benchmark by 0.48%.

- Over the past 5 years, the Fund has not performed well against the benchmark, only outperforming in the year to September 2020.
- A bounce back in global markets led to a strong performance of the Fund in the year to September 2020, resulting in an outperformance against the benchmark of 7.96%.

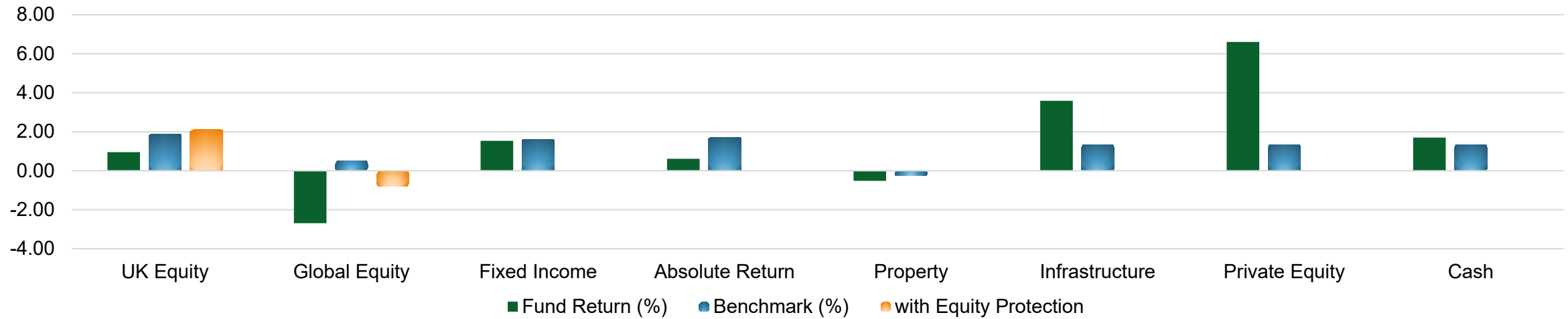


Source: Northern Trust, RADAR Reporting

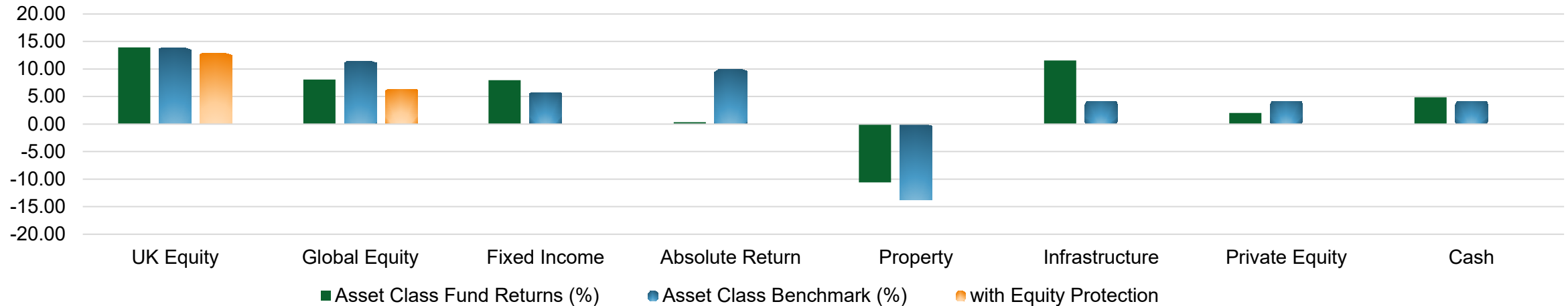


Asset Class Performance

Quarterly Performance



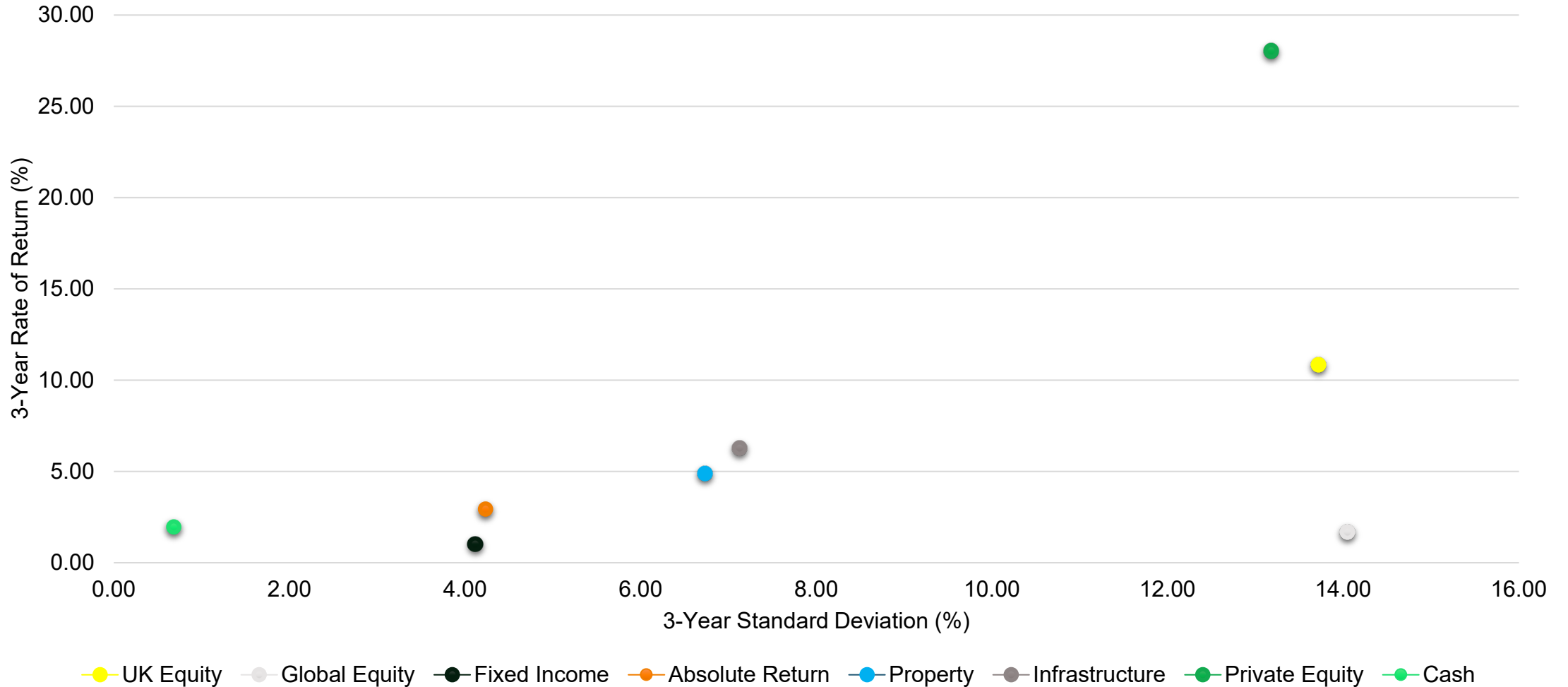
Annual Performance



Source: Northern Trust, RADAR Reporting



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	1.56	1.08	2.67	6.47	4.78	7.16
UK Equity						
Schroders - LF ACCESS UK Equity Fund	0.94	2.35	14.13	13.89	10.90	12.28
Woodford	7.45	1.88	-38.13	13.84	-36.30	11.81
Global Equity						
Baillie Gifford - LF ACCESS Global Equity Core Fund	-4.56	0.33	7.22	12.72	-6.32	8.29
Sarasin	-3.14	0.62	7.11	10.48	6.72	8.96
Schroders - LF ACCESS Global Active Value Fund	3.00	0.62	10.33	10.48	0.00	8.96
Impax	-6.39	0.62	-1.40	10.48	5.10	8.96
M&G - LF ACCESS Global Dividend Fund	-2.47	0.62	10.17	10.48	12.41	8.96
Fixed Income						
Goldman Sachs	0.72	0.86	7.97	3.50	-1.41	3.50
Schroders Fixed Income	0.54	1.37	1.70	4.15	-0.43	1.56
CQS	2.56	1.37	10.70	4.15	3.36	1.56
M&G Alpha Opportunities	2.76	1.37	11.87	4.15	4.88	1.56
Property						
DTZ	-0.76	-0.25	-10.37	-13.78	5.76	3.46
Fidelity	-0.10	-0.25	-15.77	-13.78	3.40	3.46
DTZ (Kames)	0.24	-0.25	-9.58	-13.78	3.49	3.46
M&G Property	0.07	-0.25	-0.97	-13.78	2.22	3.46
Private Equity						
HarbourVest	6.12	1.31	-4.36	4.12	25.10	1.56
YFM	7.95	1.31	28.67	4.12	38.58	1.56
Infrastructure						
Partners Group	3.59	1.31	11.56	4.12	6.28	1.56
Absolute Return						
Pyrford	1.48	1.70	4.48	13.82	3.25	13.76
Ruffer - LF ACCESS Absolute Return Fund	-1.21	1.70	-7.54	13.82	4.16	13.76

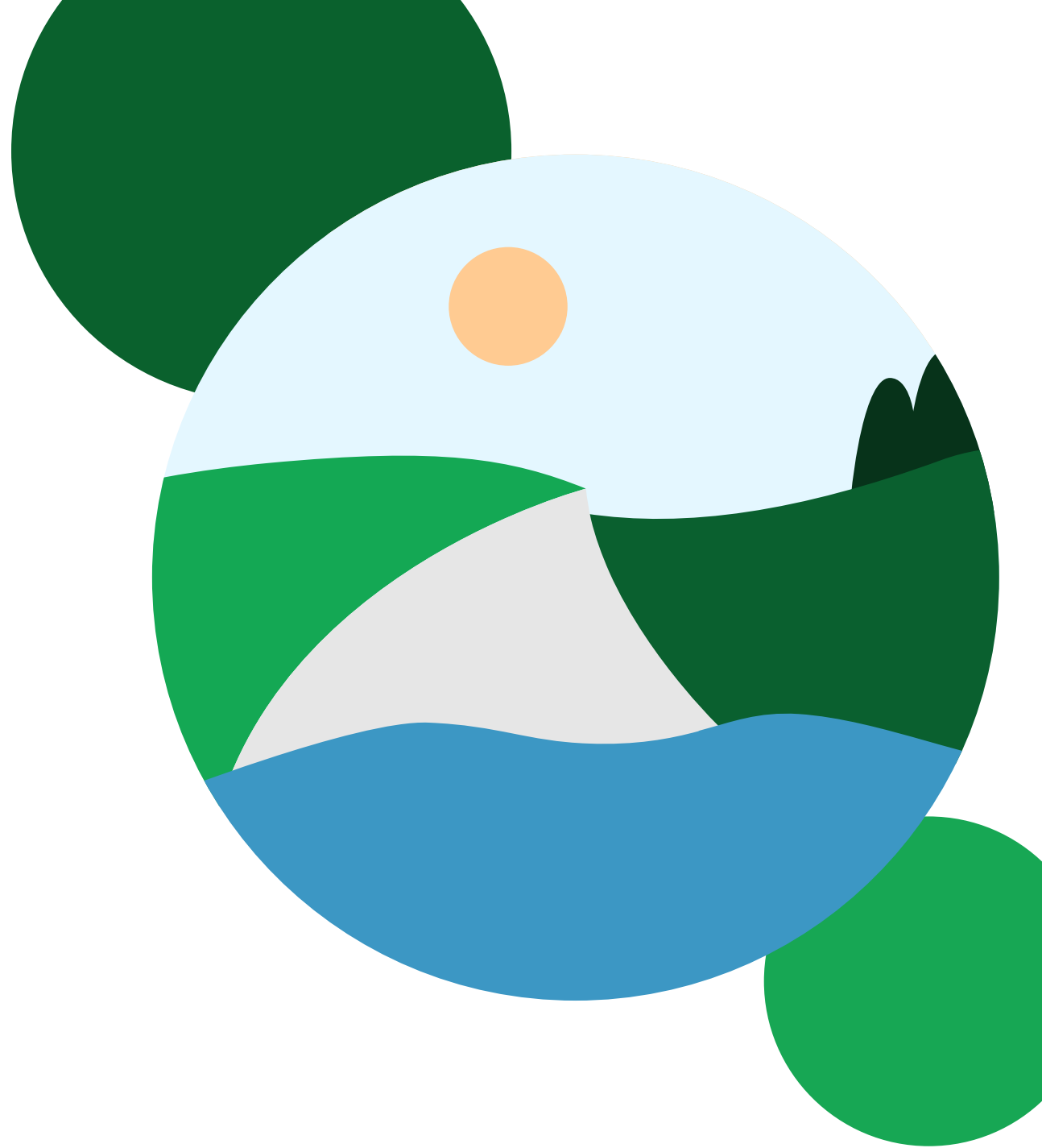
Source: Northern Trust, RADAR Reporting



Appendix



Kent Pension Fund



Benchmarks and Targets

Appendix A

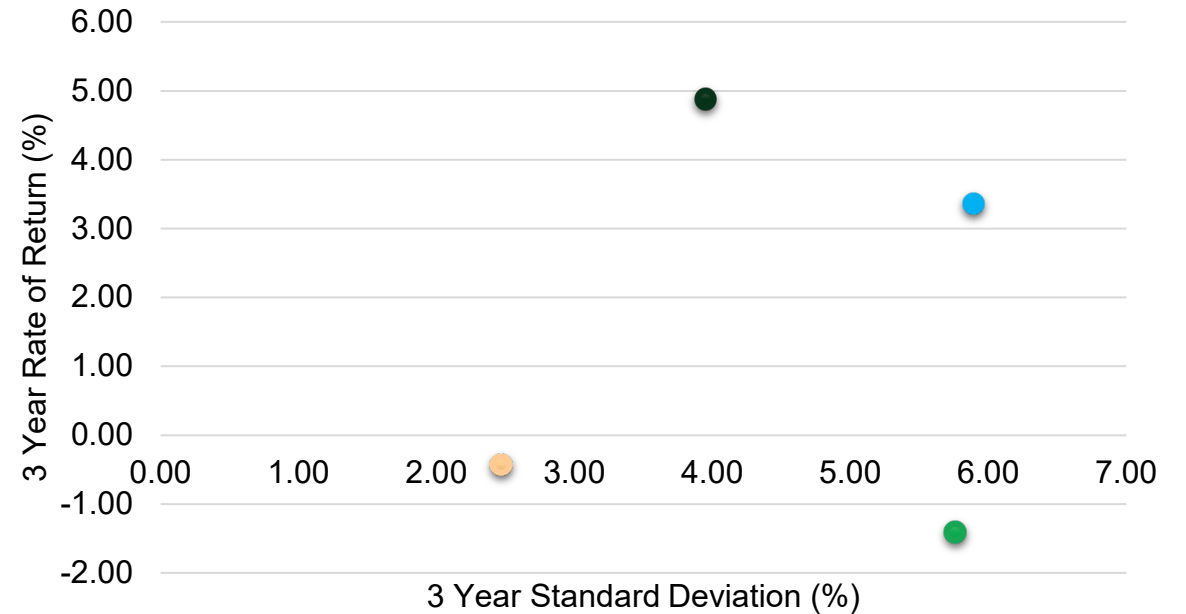
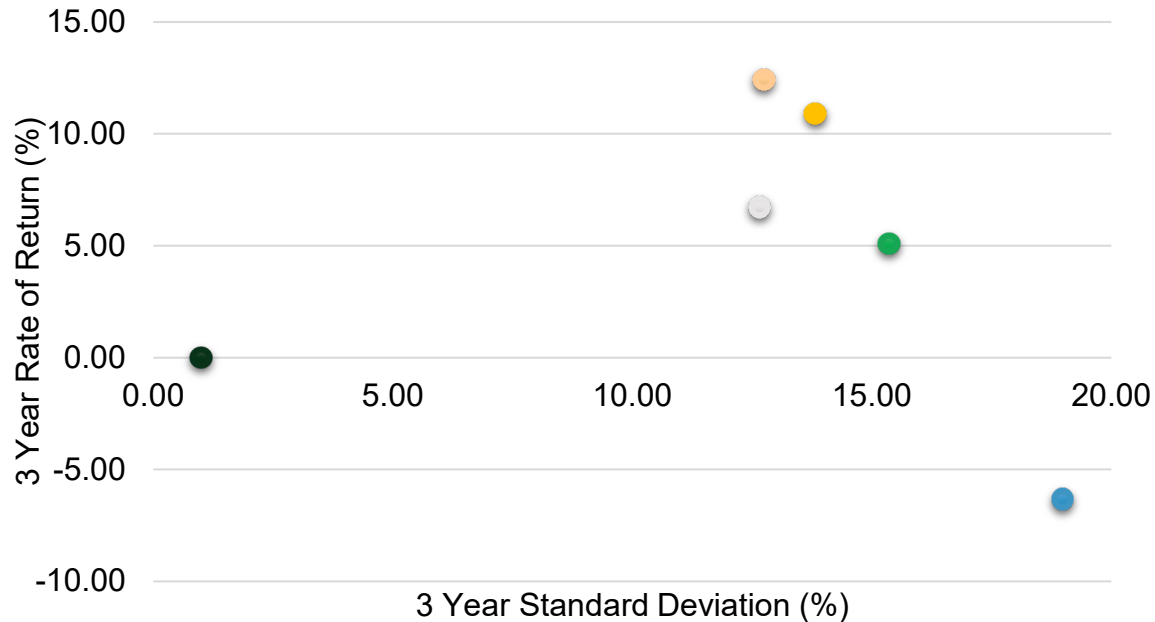
Asset Class / Manager	Performance Benchmark	Performance Target
UK Equities:		
Schroders - LF ACCESS UK Equity Fund	Customised	+1.5% pa over rolling 3 years
Woodford	FTSE All Share	Unconstrained
Global Equities:		
Baillie Gifford - LF ACCESS Global Equity Core Fund	Customised	+1.5% pa over rolling 3 years
Sarasin	MSCI AC World Index NDR	+2.5% over rolling 3 - 5 years
M&G - LF ACCESS Global Dividend Fund	MSCI AC World Index GDR	+3% pa
Schroders - LF 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
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	ICE BofA Sterling 3-month Gov Bill Index	ICE BofA Sterling 3-month Gov Bill Index + 4%
M&G Alpha Opportunities	ICE BofA Sterling 3-month Gov Bill Index	ICE BofA Sterling 3-month Gov Bill Index + 4%
Property:		
DTZ	IPD Pension Fund Index	≥ 3 year rolling average of benchmark returns
Fidelity	IPD UK PF Property Fund Index	
DTZ (Kames)	IPD UK PF Property Fund Index	
M&G Property	IPD UK PF Property Fund Index	
Alternatives: (Cash / Other Assets)		
Private Equity – YFM	SONIA	
Private Equity – HarbourVest	SONIA	
Infrastructure – Partners Group	SONIA	
Absolute Return – Pырford	Retail Price Index (RPI)	RPI + 5%
Ruffer - LF 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
- IMPAX Funds
- Schrodgers Global Active Value
- M&G Global Dividend Fund
- Baillie Gifford Global Equity Core
- Sarasin

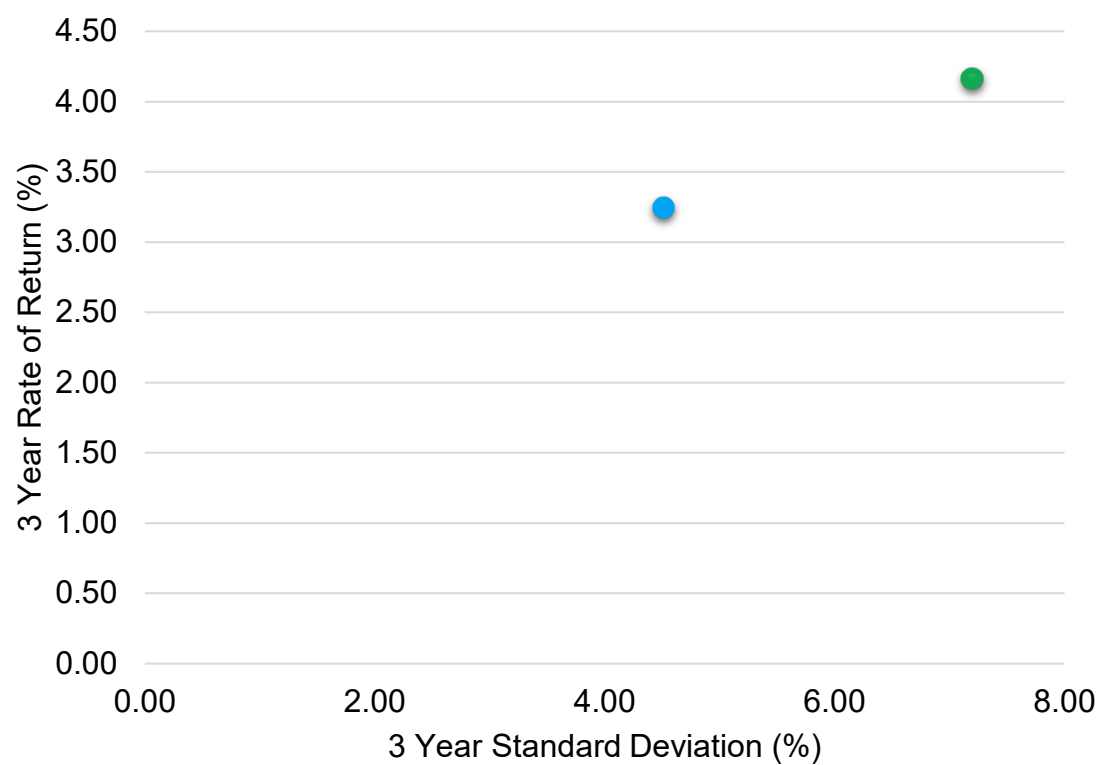
- CQS Investment
- Goldman Sachs
- M&G Alpha Opp Fund

Source: Northern Trust, RADAR Reporting

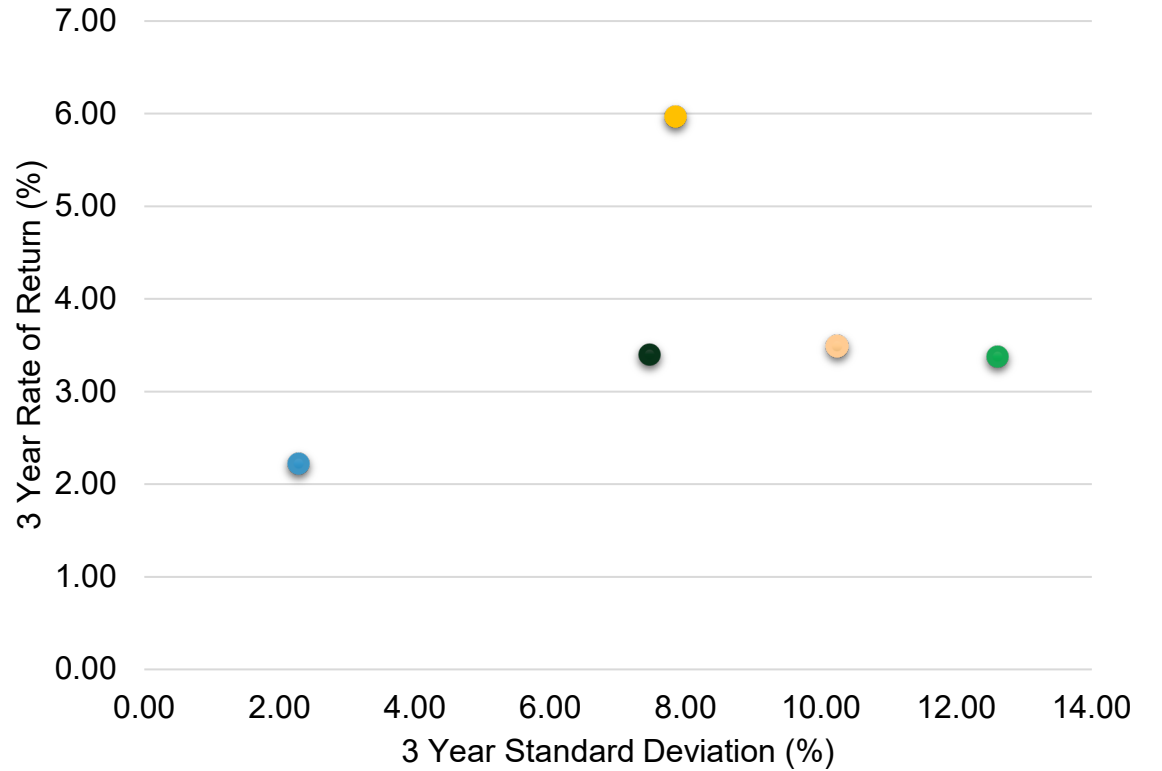


Risk vs Return – Absolute Return and Property

Appendix C



● Pyrford International ● Ruffer Absolute Return



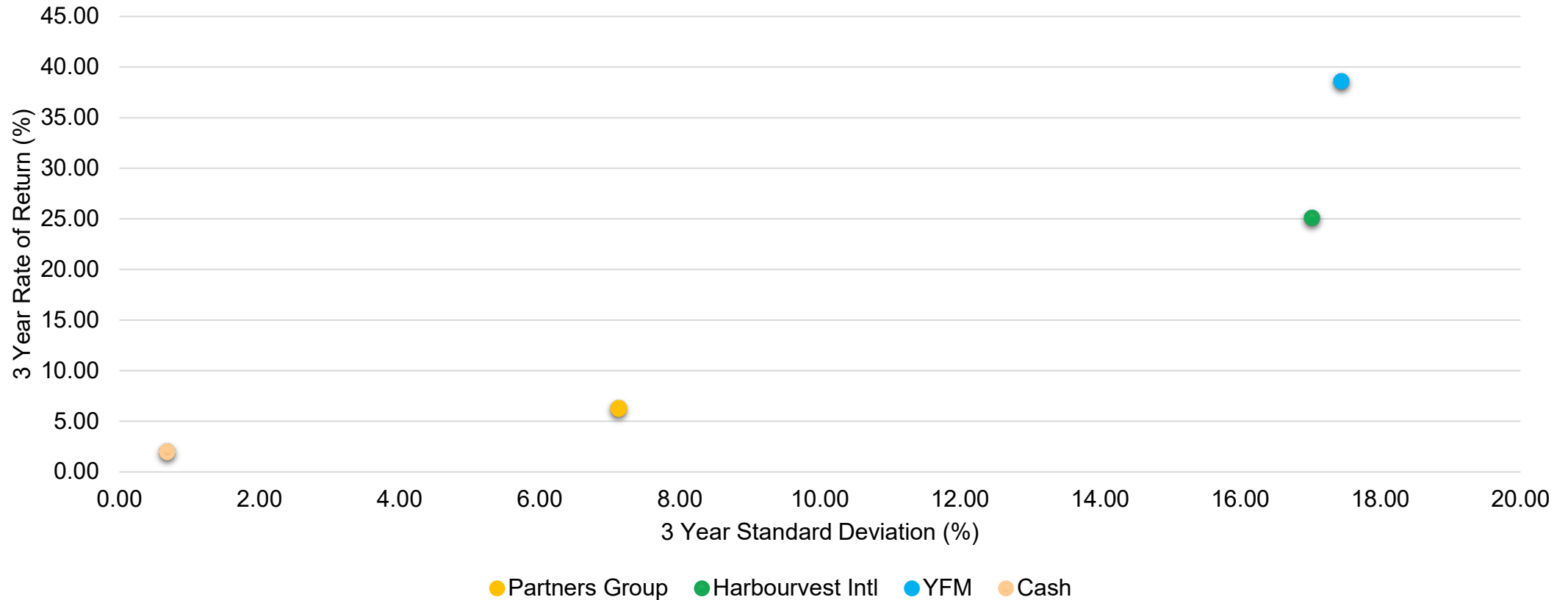
● DTZ ● DTZ Pooled Property ● Fidelity International
● Kames Capital ● M&G Property

Source: Northern Trust, RADAR Reporting



Risk vs Return - *Alternatives*

Appendix D



Source: Northern Trust, RADAR Reporting





Kent Pension Fund

Thank you.

For more information, please visit

www.kentpensionfund.co.uk