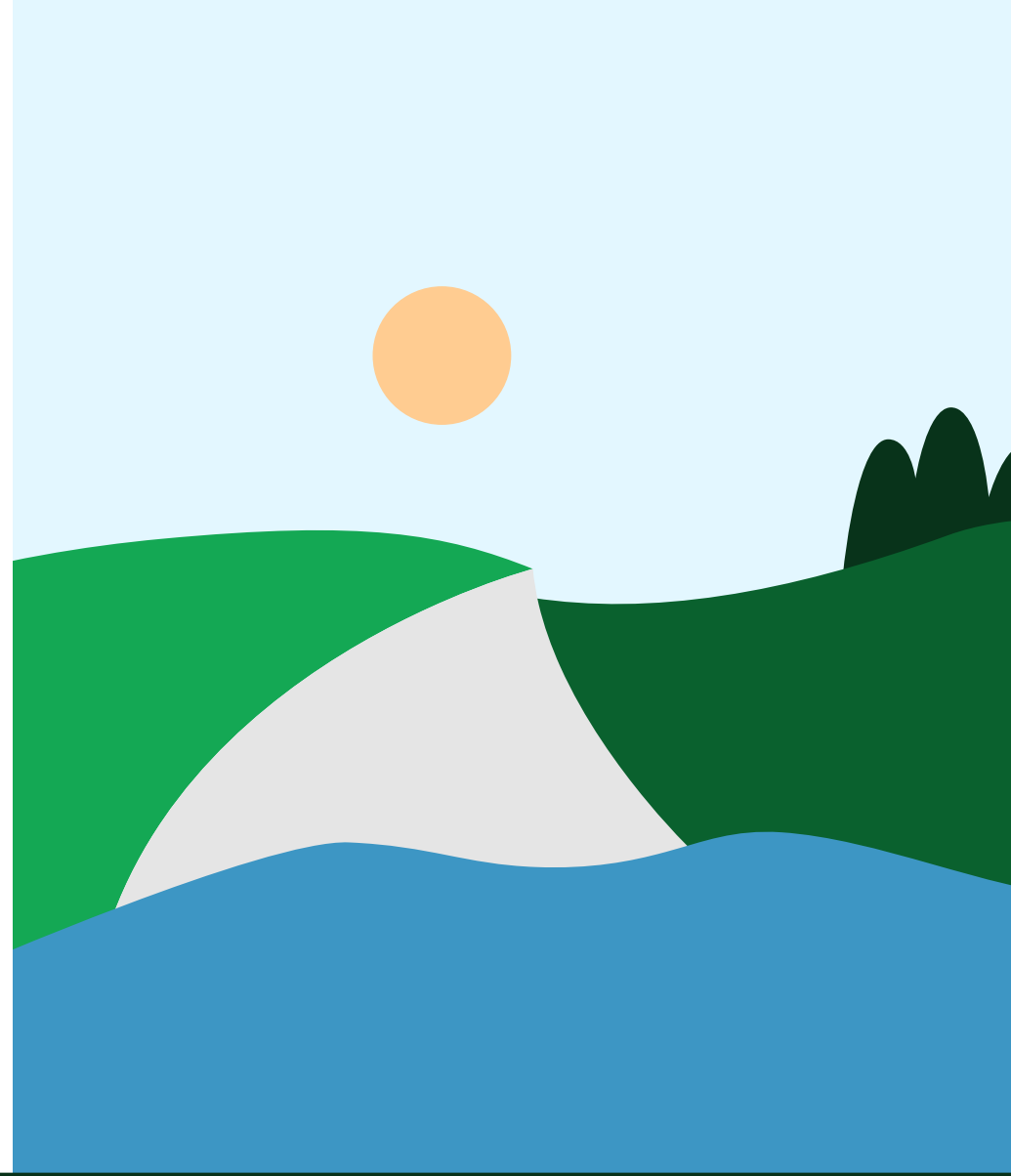


Kent Pension Fund
Q2 2024 Fund Performance



Market Commentary

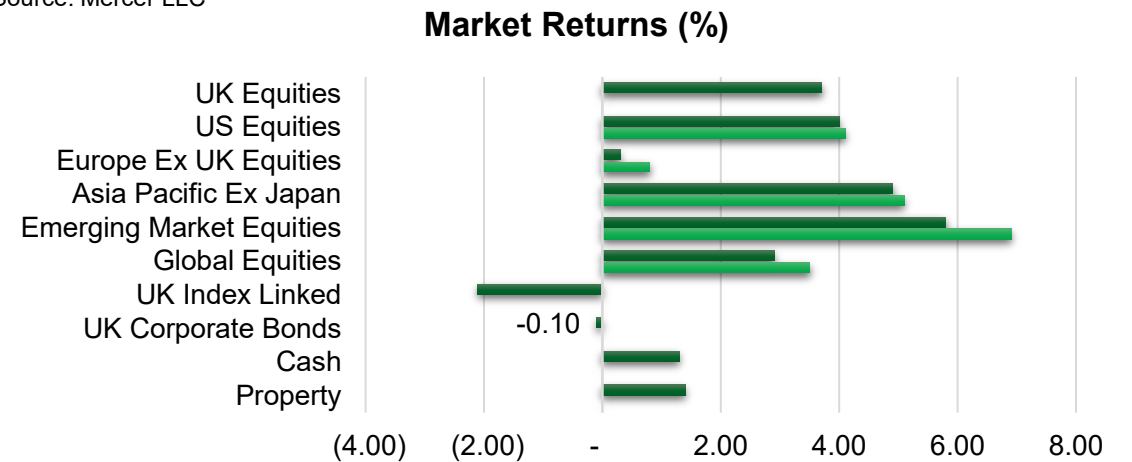
- The second quarter of 2024 saw inflation rates largely soften towards central banks' targets for most developed market ("DM") economies. This set the stage for a shift towards monetary policy easing. The European Central Bank ("ECB") cut interest rates in June. Cooling inflation and a gradual loosening of the labor markets in the US prompted markets to price in two cuts by the US Federal Reserve ("Fed") by the end of 2024. The timing of potential rate cuts by the Bank of England ("BoE") was pushed to August despite waning price pressures, as service inflation remains elevated. Despite this, bond yields rose over the quarter as inflation data had initially surprised higher in the quarter, especially in the US. Equity markets, barring Japanese equities, continued to rally, with emerging market equities outperforming developed markets. Political volatility remained high with a snap election called in the UK & France while the first TV debate of the US election campaign took place in June.
- The final estimate of US GDP for Q1 2024 has been revised higher to 1.4% (quarter-on-quarter annualized), however, lower than the growth of 3.4% seen in Q4 2023. The increase in Q1 primarily reflected increases in consumer spending, housing investment and business investment. These were partly offset by a decrease in inventory investment. Headline US inflation fell over Q2 2024, decreasing to 3.3% in May from 3.5% at the end of March. Core US inflation has been declining in recent months. The Federal Reserve, at its June meeting, decided to maintain policy rates at 5.50% but revised their outlook for rate cuts to just one in 2024.
- Chinese GDP grew 5.3% (year-on-year) in Q1 2024, higher than 5.2% in Q4 2023, boosted by strong growth in high-tech manufacturing. The economy continues to be challenged by a property crisis and subdued business and consumer activity. Policymakers are providing more support for the property sector and recent business surveys are beginning to point towards a broadening out of stronger economic activity. The People's Bank of China (PBoC) kept the one-year rates unchanged at 3.45%.

Q1 GDP in Japan declined 2.9% (quarter-on-quarter annualized), down from an earlier estimate of a 1.8% contraction. This contraction was largely due to a safety scandal at a large automaker which led to a factory shut down.

In the first quarter of 2024, seasonally adjusted GDP increased by 0.3% (quarter-on-quarter) in the eurozone. Spain showed the strongest growth with 0.7% (quarter-on-quarter), while Germany, France, and Italy were around the eurozone average. The ECB reduced interest rates by 0.25% following their June meeting to 4.25% for main refinancing operations, 4.50% for the marginal lending facility, and 3.75% for the deposit facility. Headline inflation in the eurozone rose to 2.5% in June from 2.4% in March.

UK GDP grew by 0.7% in Q1 (quarter-on-quarter), recovering from a decline of 0.3% and 0.1% in the previous two quarters. Headline inflation in the UK fell to 2.0% in May from 3.2% in March. This was led by a slowdown in the cost of food. However, core inflation remains elevated at 3.5%. The Bank of England maintained interest rates at 5.25%.

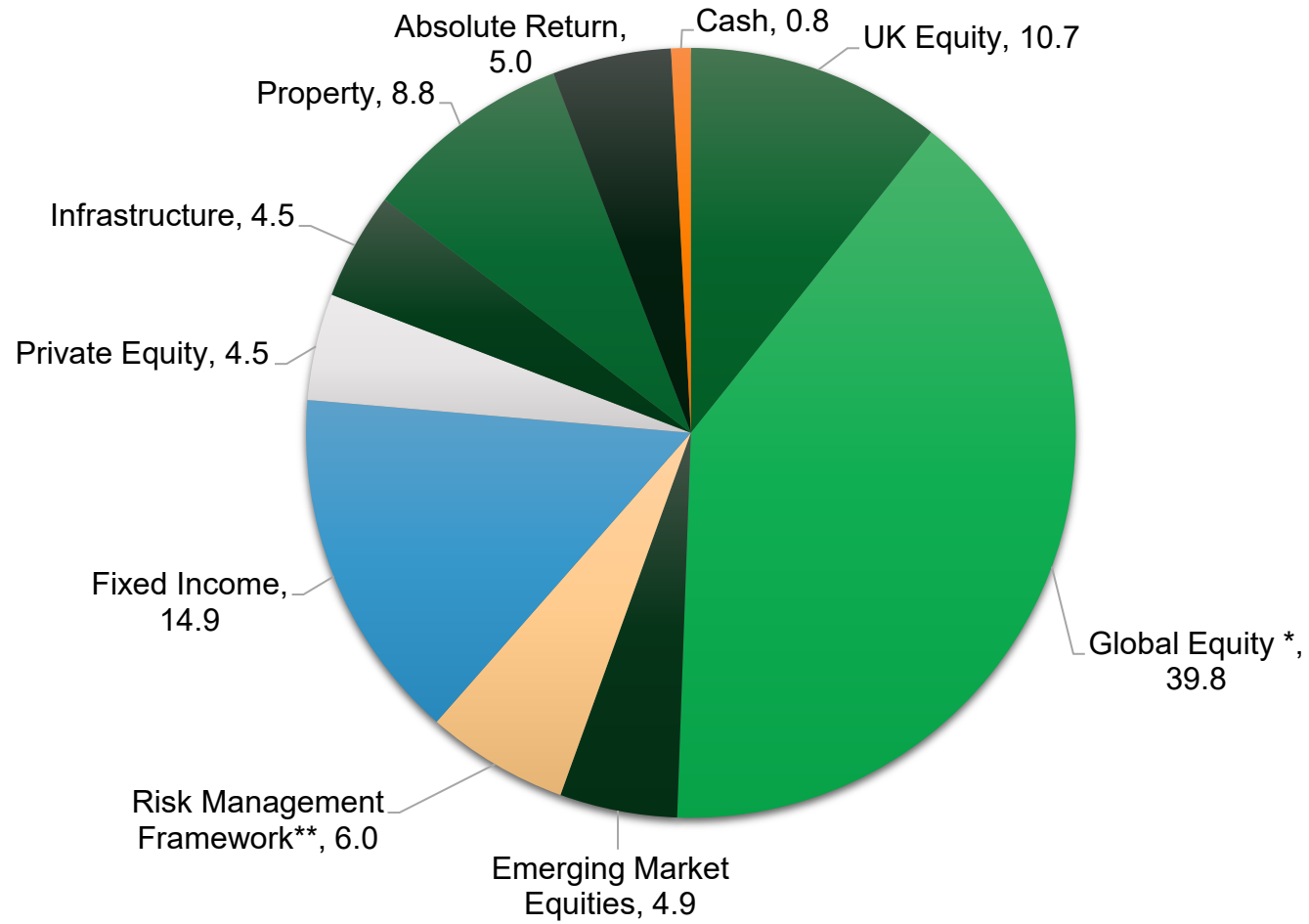
Source: Mercer LLC



Source: Mercer LLC, Refinitiv and Schroders



Asset Allocation – 30 June 2024



*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



Fund Manager Summary

Asset Class	Fund Manager	Market Value as at 30 June 2024 (£m)	Market Value as at 31 March 2024 (£m)	Change in MV (£m)	% of Total
UK Equity	Schroders UK Equity	884	1,246	-362	10.7
	Woodford Equity	2	2	-0	0.0
Global Equity	Impax	71	75	-3	0.9
	Sarasin	439	426	13	5.3
	Baillie Gifford	1,205	1,204	1	14.6
	Schroders Global Active Value	476	476	0	5.8
	M&G Global Dividend Fund	618	594	24	7.5
	Emerging Markets Equity	Columbia Threadneedle	198	-	198
Robeco		209	-	209	2.5
Equity Protection	Insight	971	963	8	11.8
Fixed Income	CQS	264	257	6	3.2
	Goldman Sachs	421	418	2	5.1
	Schroders Strategic Bond Fund	262	260	2	3.2
	M&G Alpha Opportunities	282	276	6	3.4
Absolute Return	Ruffer	180	180	0	2.2
	Pyrford	232	231	1	2.8
Property	DTZ	466	462	4	5.6
	DTZ Pooled Property	53	60	-7	0.6
	DTZ (previously Aegon)	27	28	-0	0.3
	M&G Residential Property	43	43	0	0.5
	Fidelity	138	137	0	1.7
Infrastructure	Partners Group	373	376	-3	4.5
Private Equity	HarbourVest	305	308	-3	3.7
	YFM	65	79	-14	0.8
Cash	Internal Cash	68	47	21	0.8
Total		8,253	8,147	106	100.0

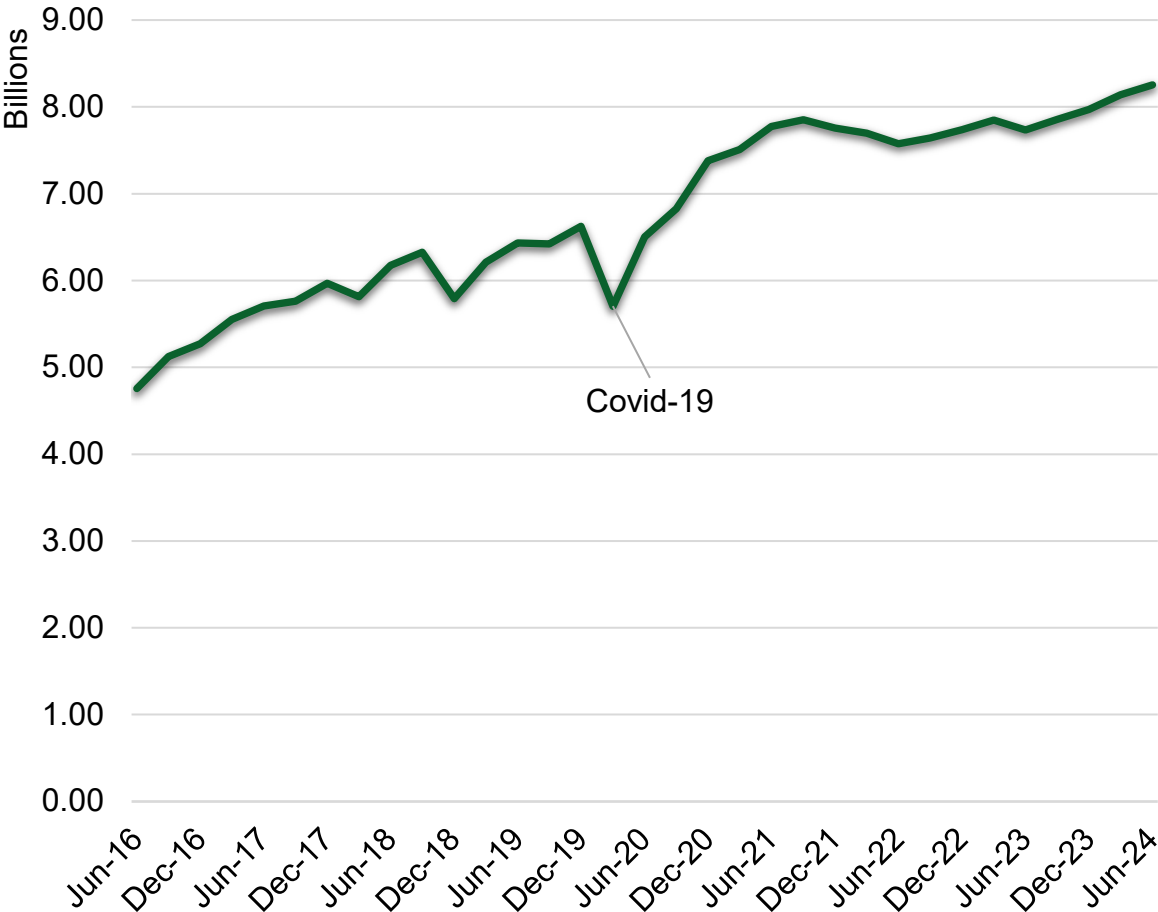
Please note, as a result of the Fund's Investment Strategy, £400m was transferred out of Schroders UK Equity, during the quarter, in order to bring the UK Equity allocation down to 10%. This was equally distributed between the Fund's new Emerging Market Equity funds, Robeco and Columbia Threadneedle.

Source: Northern Trust, RADAR Reporting

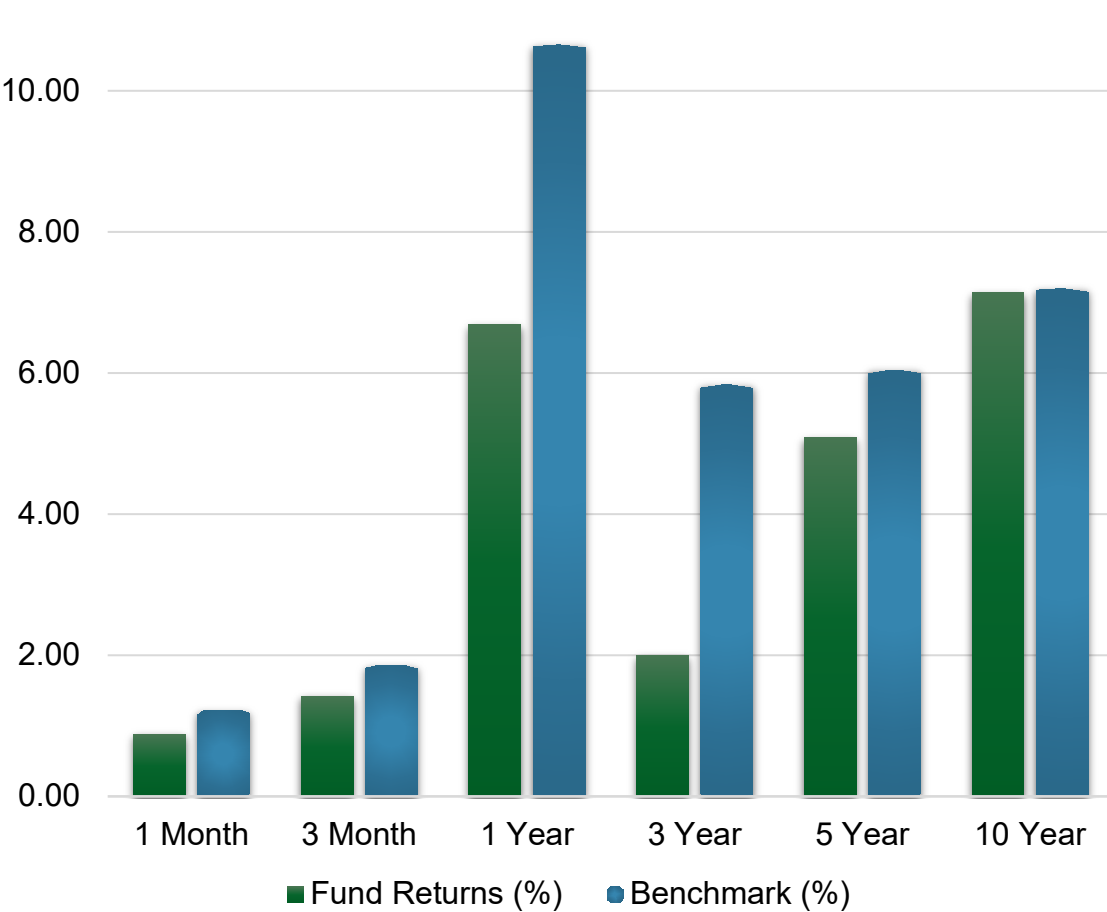


Historical Performance

Total Fund Value (£Bn)



Total Fund Performance vs Benchmark

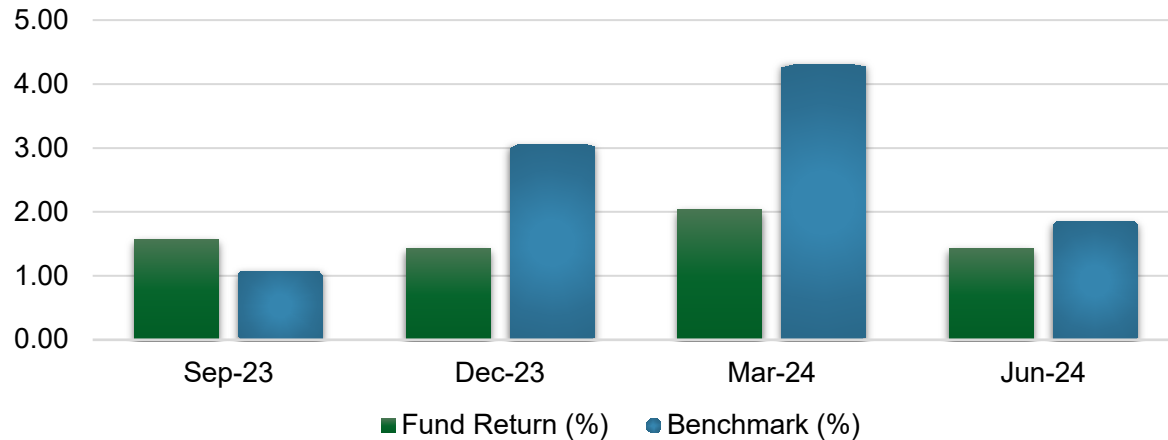


Source: Northern Trust, RADAR Reporting



Discrete Performance

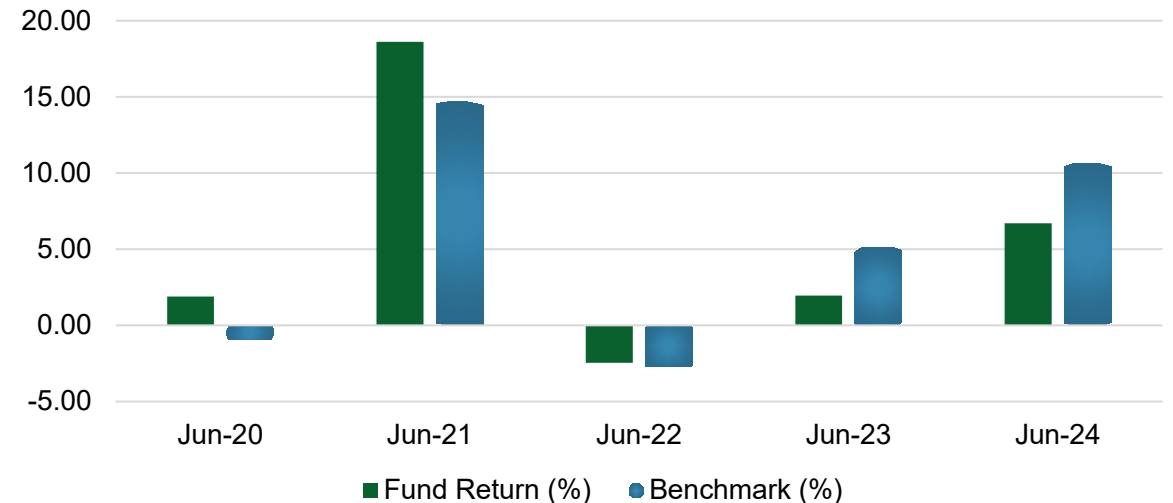
Quarterly Returns



- The Fund demonstrated positive performance in three of the past five years, outperforming the benchmark in June 2020, 2021, and 2022, driven by strategic allocations in high-growth assets.
- The past two years has seen the Fund underperform the benchmarks, with persistent inflation and rising interest rates causing increased volatility, particularly in equities and fixed income markets.

- The Fund slightly underperformed the benchmark in Q2 2024. Global equities were lagging due to increased volatility, recently, due to persistent inflation concerns and central banks' tightening policies.
- Fixed income mandates also struggled slightly with bond yields remaining high. Total Fund value up overall due to increases in UK Equity and EM Equity performance.

Annual Returns (last 5 years)

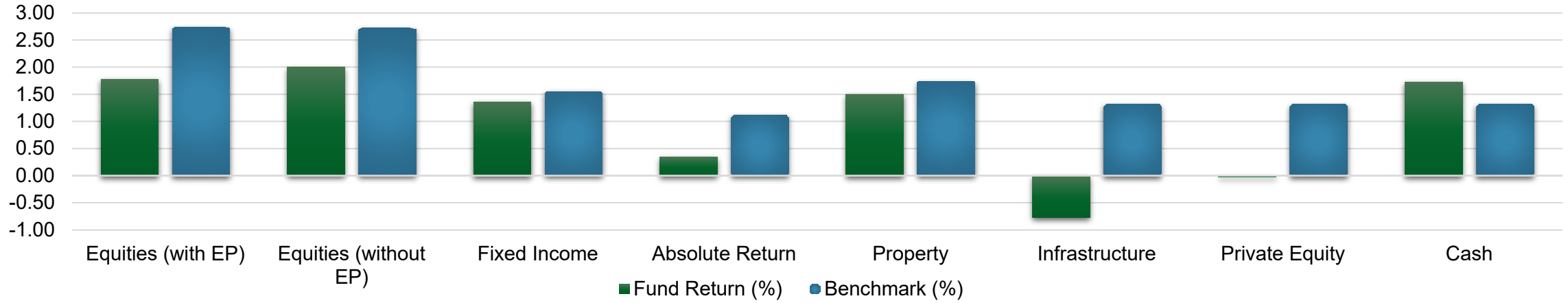


Source: Northern Trust, RADAR Reporting

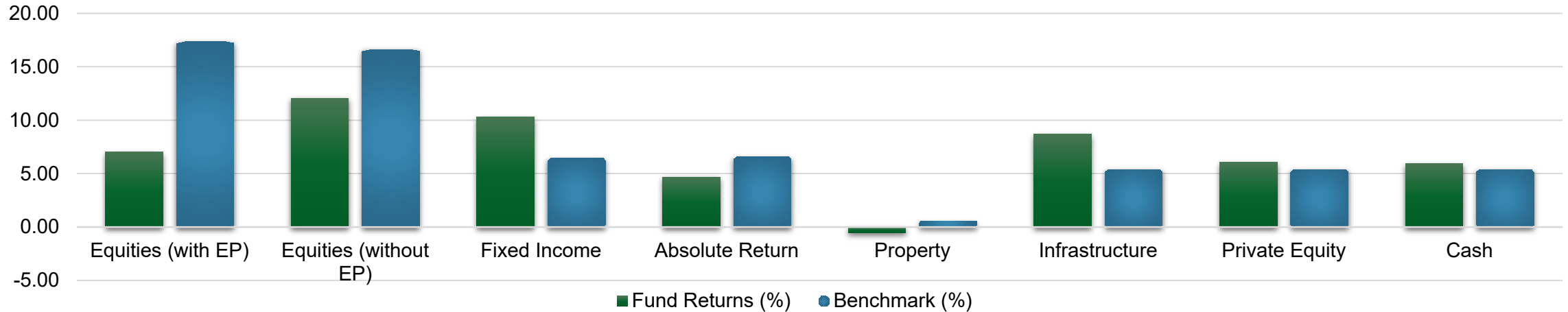


Asset Class Performance

Quarterly Performance



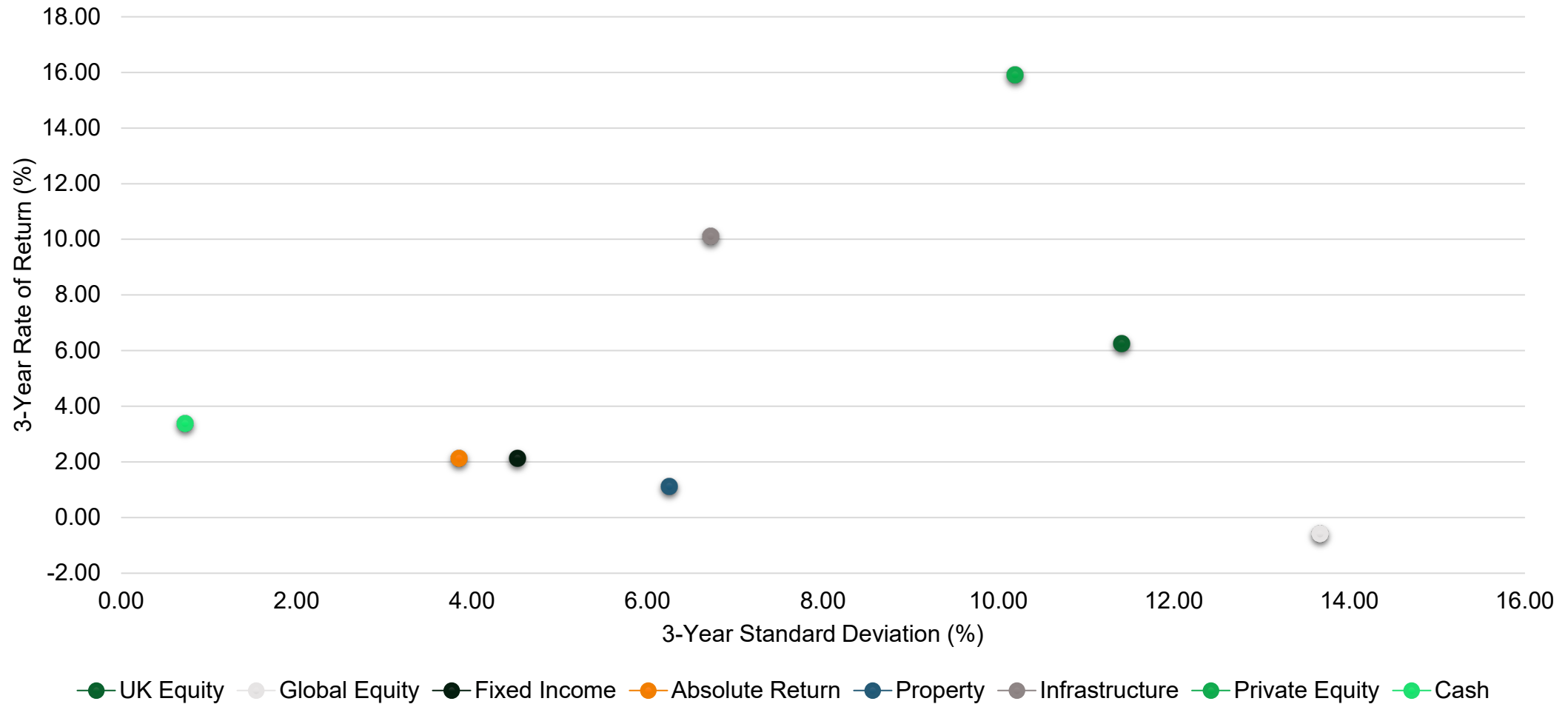
Annual Performance



Source: Northern Trust, RADAR Reporting



Risk vs Return – Asset Class Level



Source: Northern Trust, RADAR Reporting



Detailed Performance by Manager

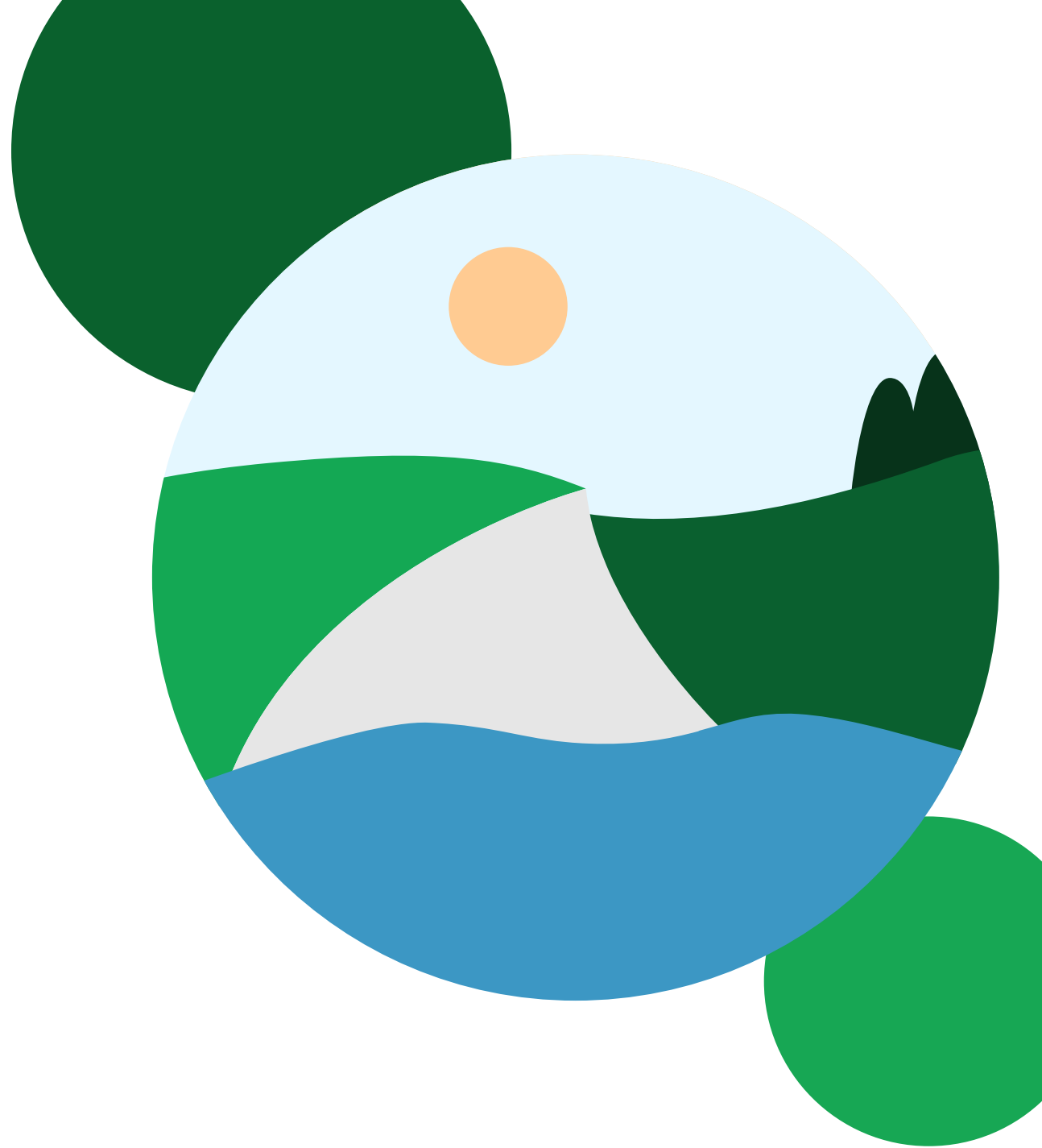
	Quarter		1 Year		3 Year (p.a.)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Total Fund	1.42	1.85	6.69	10.65	1.99	5.83
UK Equity						
Schroders - WS ACCESS UK Equity Fund	3.42	3.37	9.44	13.25	6.09	7.89
Global Equity						
Baillie Gifford - WS ACCESS Global Equity Core Fund	0.07	1.50	10.42	16.02	-8.15	7.05
Sarasin	3.13	2.80	14.36	20.06	5.90	8.60
Schroders - WS ACCESS Global Active Value Fund	0.08	2.80	16.10	20.06	8.14	8.60
Impax	-4.55	2.80	-0.62	20.06	-2.26	8.60
M&G - WS ACCESS Global Dividend Fund	4.04	2.80	15.25	20.06	9.87	8.60
EM Equity						
Columbia Threadneedle – WS ACCESS EM Equity Fund	N/A	N/A	N/A	N/A	N/A	N/A
Robeco – WS ACCESS EM Equity Fund	N/A	N/A	N/A	N/A	N/A	N/A
Fixed Income						
Goldman Sachs	0.55	0.86	8.33	3.50	-0.08	3.50
Schroders Fixed Income	0.81	1.27	9.18	5.40	1.10	2.86
CQS	2.52	2.23	13.14	9.41	3.52	6.88
M&G Alpha Opportunities	2.04	2.23	11.82	9.41	5.43	6.88
Property						
DTZ	2.02	1.74	0.32	0.55	1.73	0.92
Fidelity	0.27	1.15	-2.95	0.06	-1.43	0.63
DTZ (Kames)	-0.30	1.15	-0.38	0.06	1.91	0.63
M&G Property	0.40	1.15	-2.77	0.06	1.03	0.63
Private Equity						
HarbourVest	0.04	1.32	5.14	5.39	13.22	2.93
YFM	-0.44	1.32	8.45	5.39	26.03	2.93
Infrastructure						
Partners Group	-0.77	1.32	8.69	5.39	10.12	2.93
Absolute Return						
Pyrford	0.56	1.12	7.29	6.58	3.42	12.96
Ruffer - WS ACCESS Absolute Return Fund	0.08	1.12	0.45	6.58	-0.21	12.96



Appendix



Kent Pension Fund



Benchmarks and Targets

Appendix A

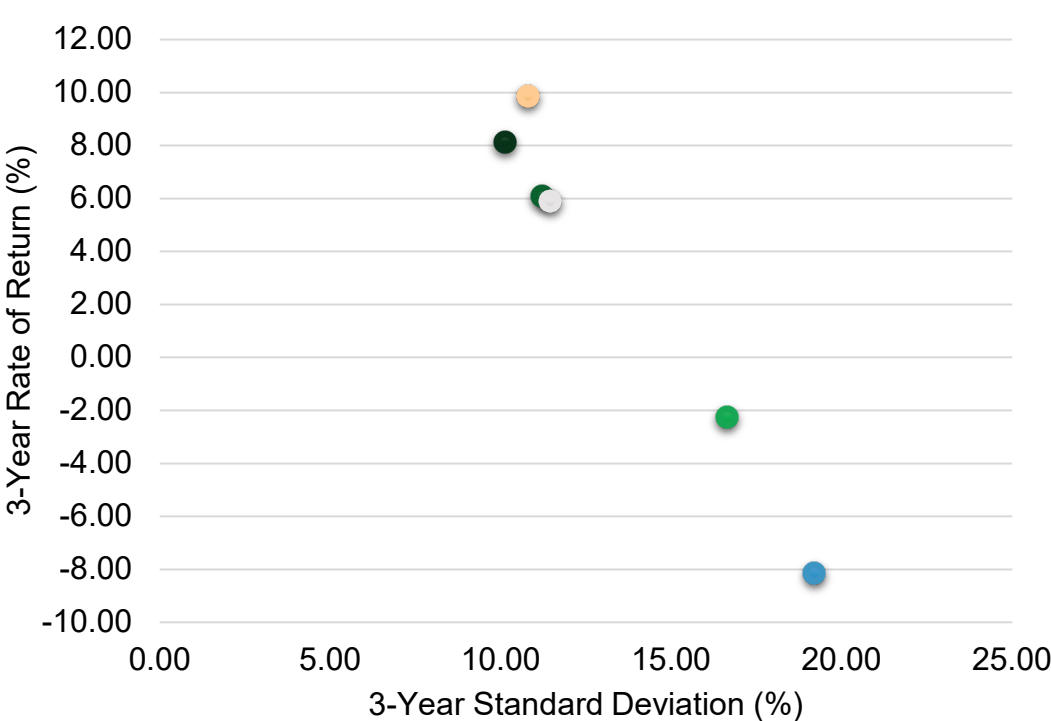
Asset Class / Manager	Performance Benchmark	Performance Target
UK Equities:		
Schroders - WS ACCESS UK Equity Fund	MSCI UK IMI	+1.5% pa over rolling 3 years
Woodford	FTSE All Share	Unconstrained
Global Equities:		
Baillie Gifford - WS ACCESS Global Equity Core Fund	Customised	+1.5% pa over rolling 3 years
Sarasin	MSCI AC World Index NDR	+2.5% over rolling 3 - 5 years
M&G - 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
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 + 4%	ICE BofA Sterling 3-month Gov Bill Index + 4%
M&G Alpha Opprtunities	ICE BofA Sterling 3-month Gov Bill Index + 4%	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 – 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

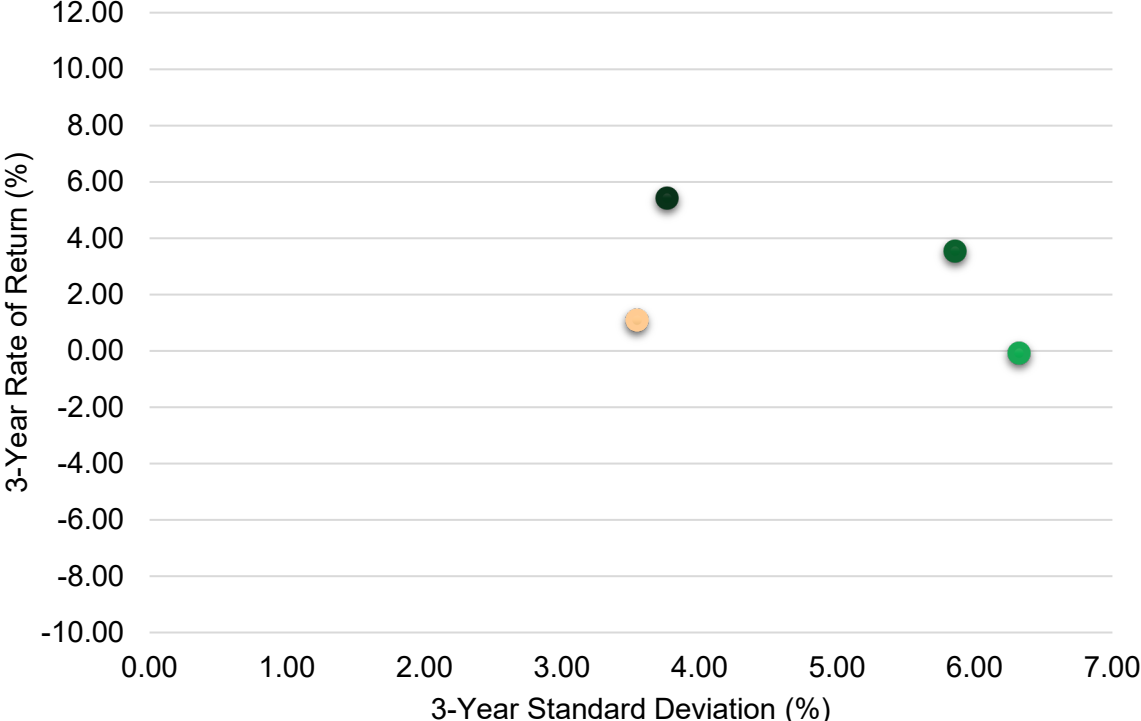


Risk vs Return – Equities and Fixed Income

Appendix B



- Schrodgers UK Equity
- Schrodgers Global Active Value
- Baillie Gifford Global Equity Core
- IMPAX Funds
- M&G Global Dividend Fund
- Sarasin



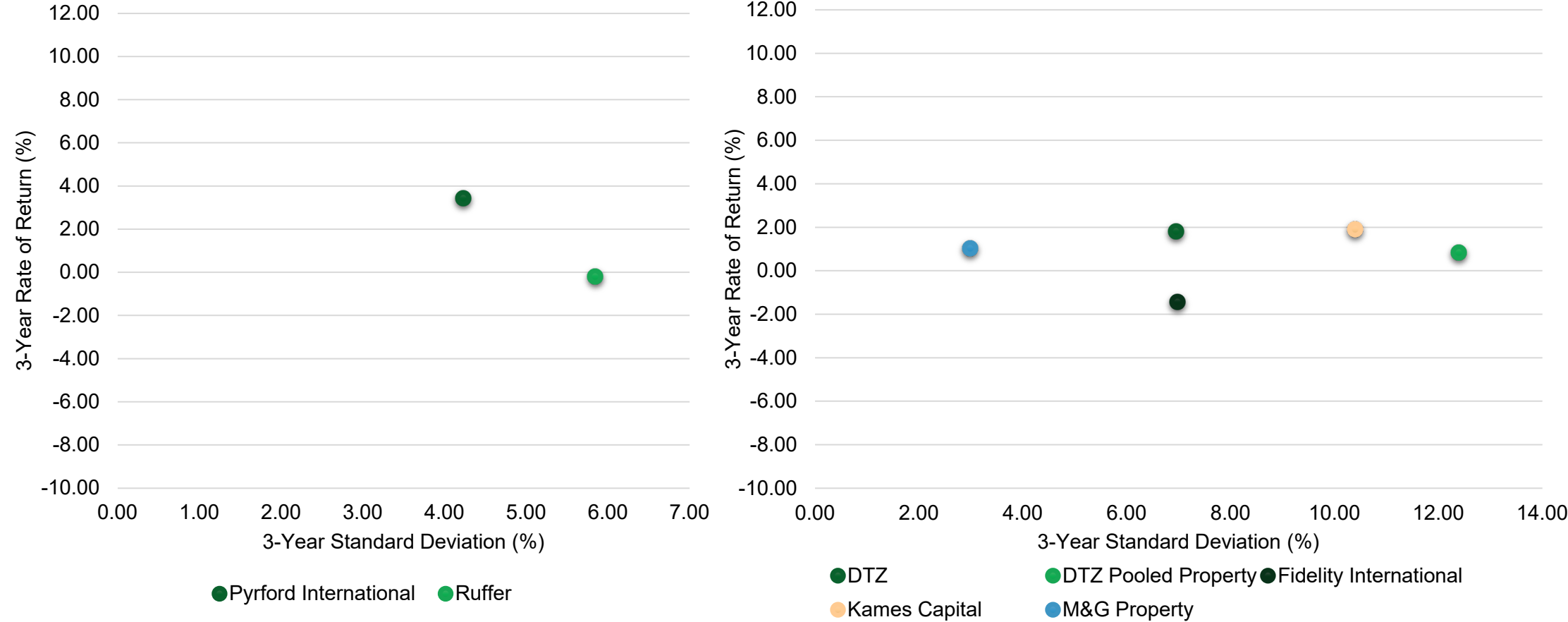
- CQS Investment
- M&G Alpha Opp Fund
- Goldman Sachs
- Schrodgers Fixed Income

Source: Northern Trust, RADAR Reporting



Risk vs Return – Absolute Return and Property

Appendix C

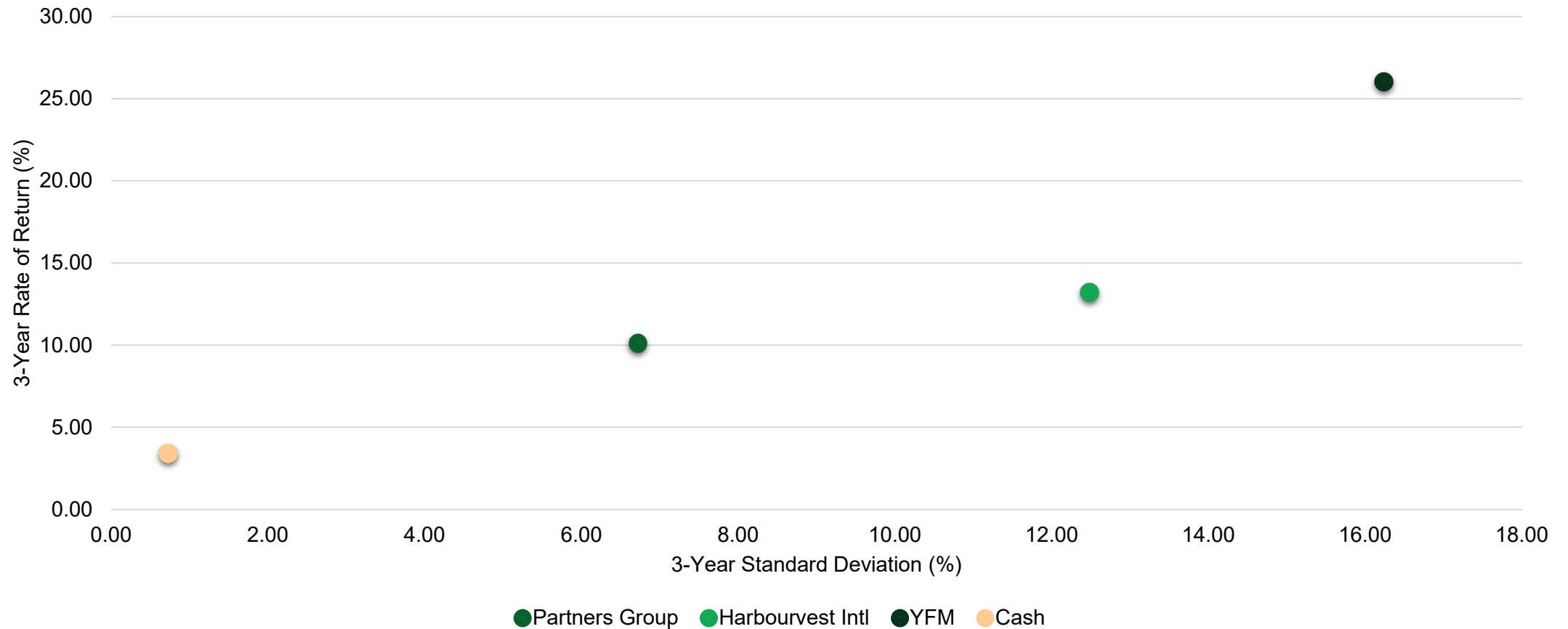


Source: Northern Trust, RADAR Reporting



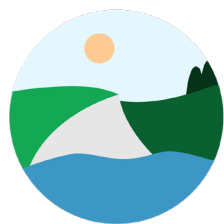
Risk vs Return - *Alternatives*

Appendix D



Source: Northern Trust, RADAR Reporting





Kent Pension Fund

For more information, please visit

www.kentpensionfund.co.uk