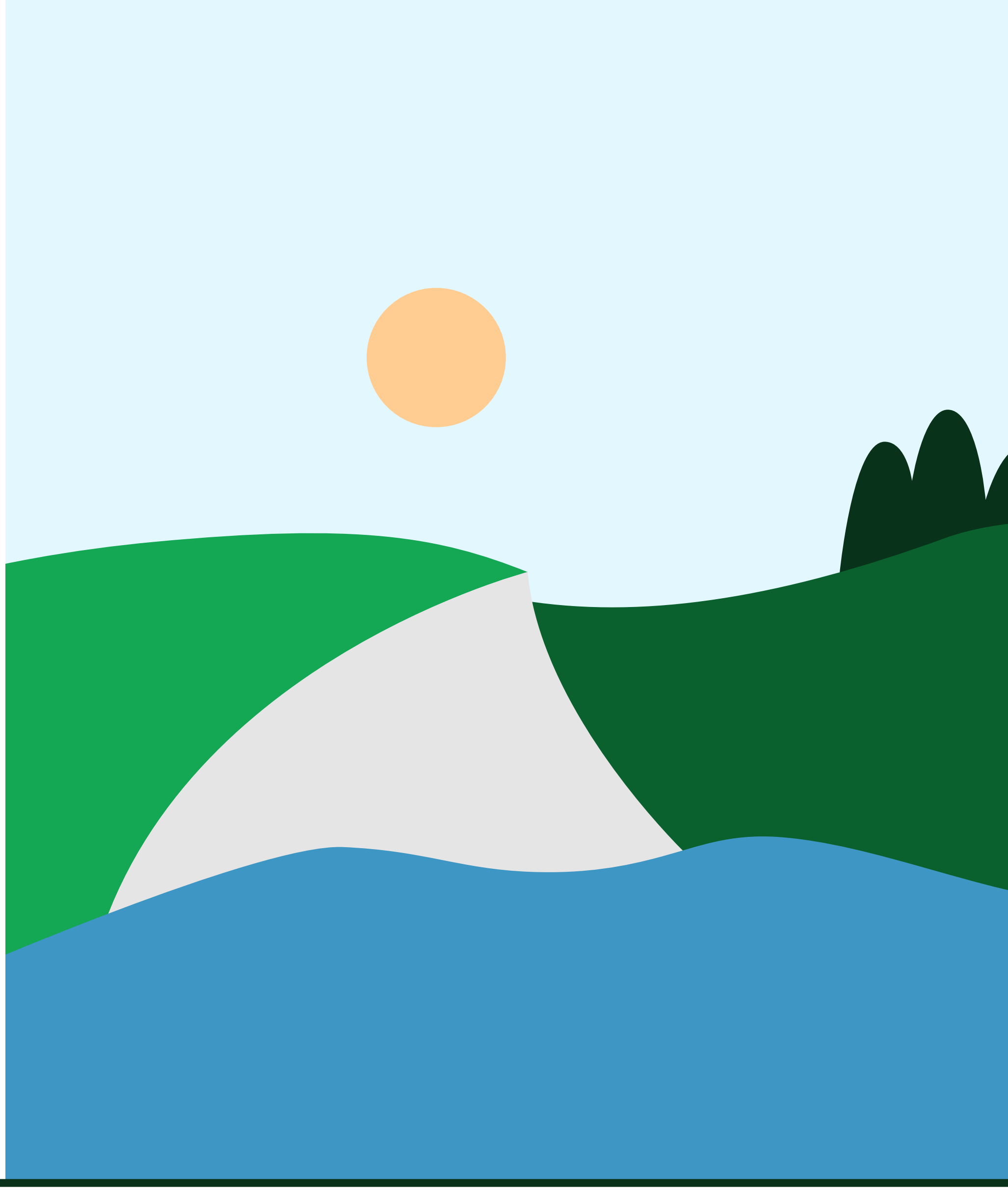
Kent Pension Fund

Q3 2025 Fund Performance



Market Commentary

- 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.

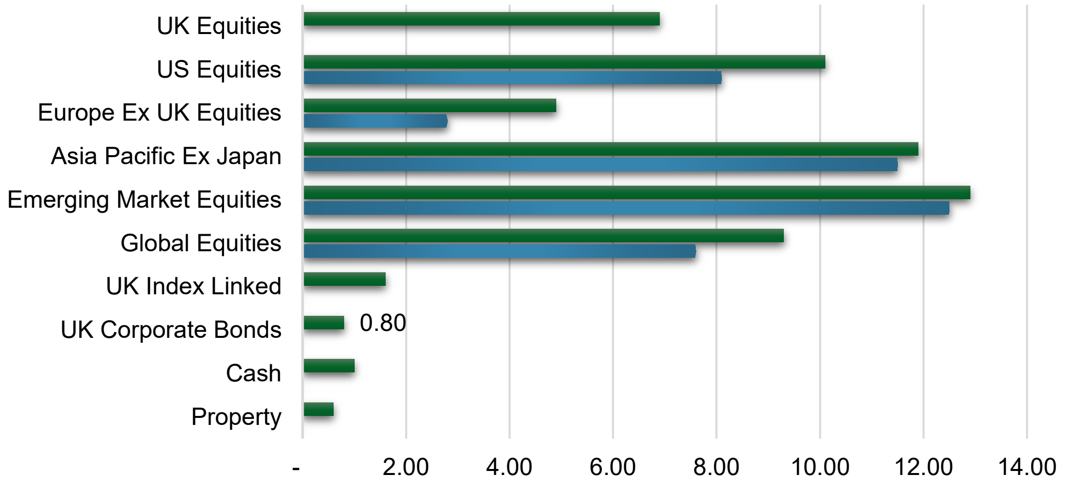
- The UK economy grew by 0.3% in Q2 2025 down from 0.7% recorded in Q1 2025. Headline inflation in the UK rose to 3.8% in August up from 3.6% in June, primarily due to higher food prices. In its September meeting, the Bank of England ("BoE") maintained interest rates at 4.5% amidst sticky UK inflation 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%.

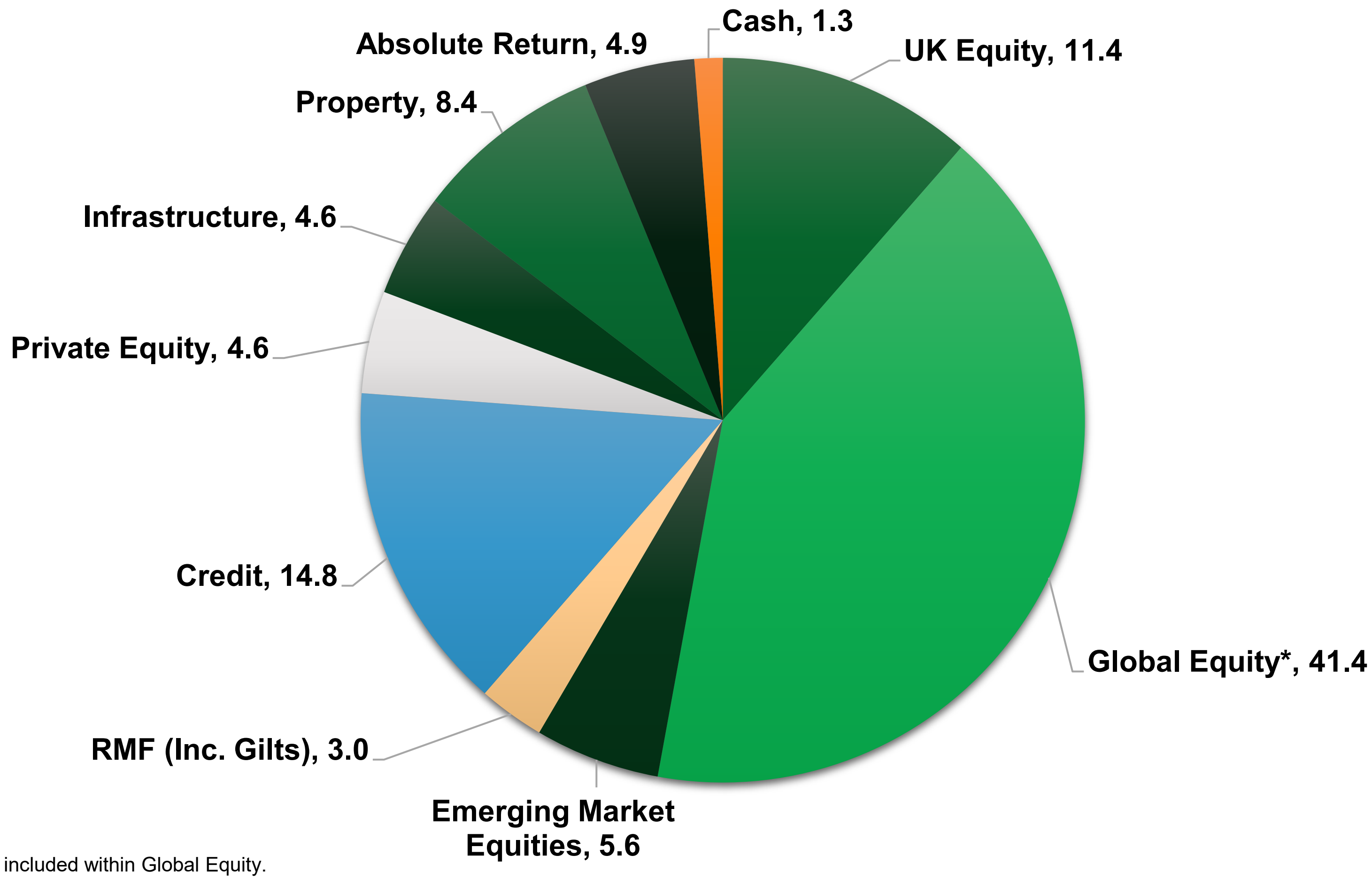
Source: Mercer LLC

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.

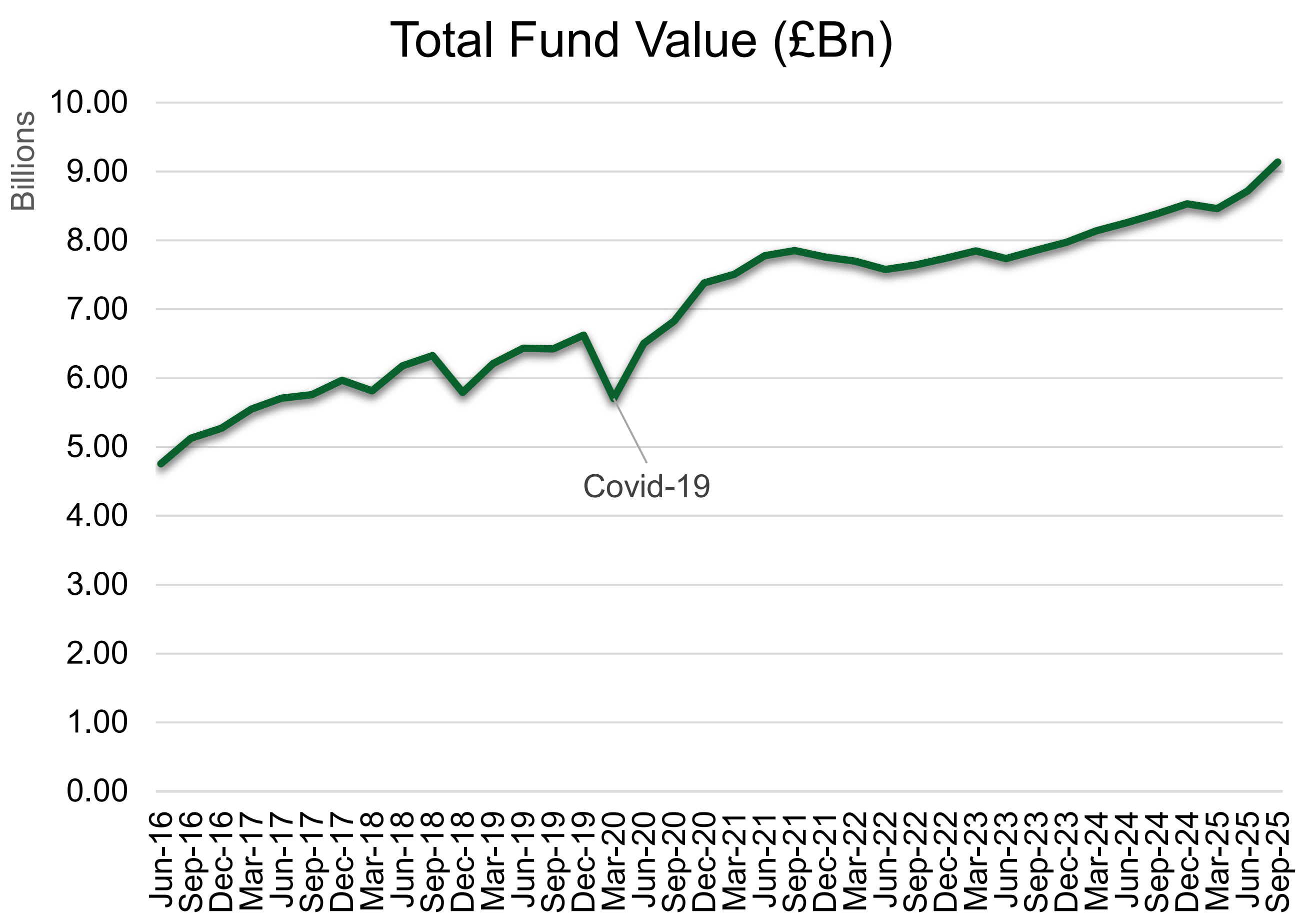
Source: Northern Trust, RADAR Reporting

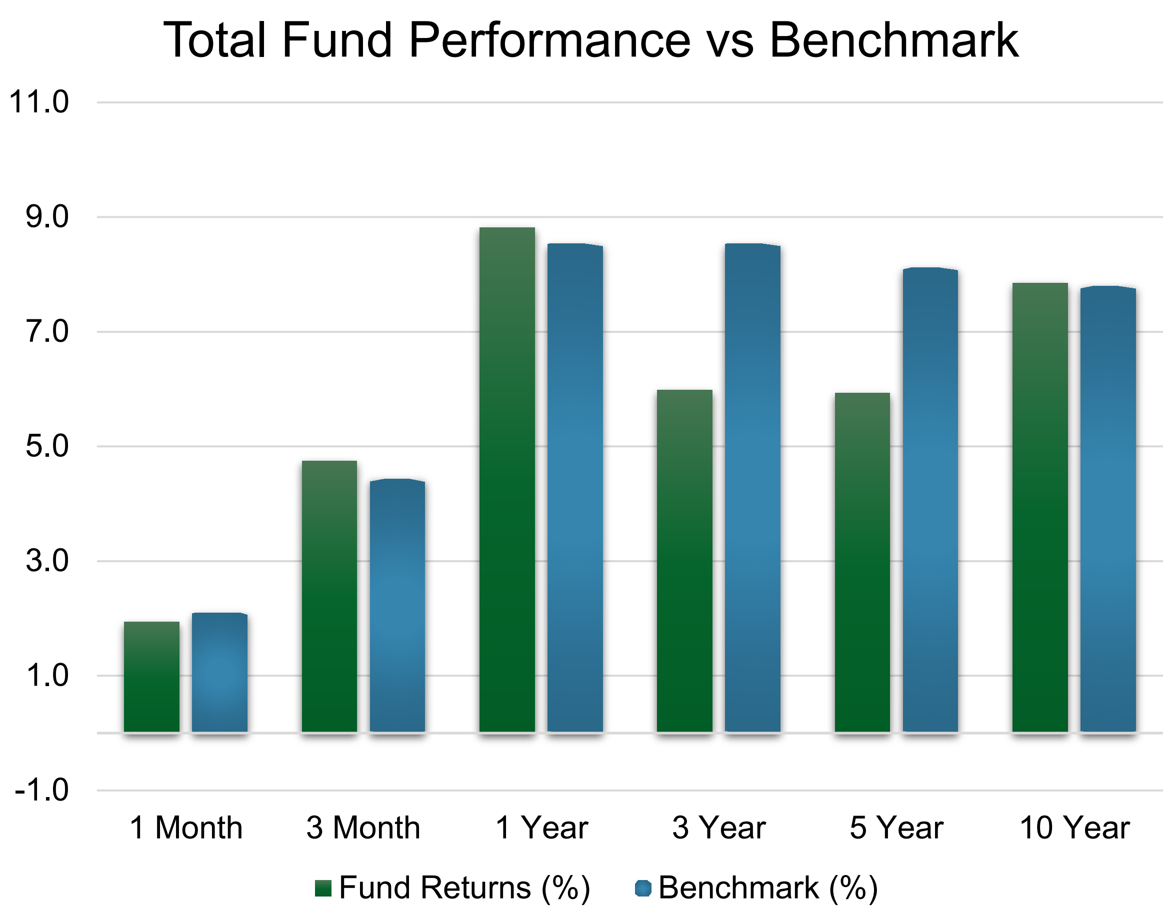
Fund Manager Summary

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
Emerging Markets Equity	Columbia Threadneedle	253	223	30	2.8
	Robeco	257	220	37	2.8
Risk Management Framework (inc. Gilts)	Insight	270	312	-42	3.0
Credit	CQS	293	286	7	3.2
	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
Absolute Return	Ruffer	198	192	6	2.2
	Pyrford	254	249	5	2.8
Property	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
Infrastructure	Partners Group	420	417	4	4.6
Private Equity	HarbourVest	338	313	25	3.7
	YFM	79	75	4	0.9
Cash	Internal Cash	115	161	46	1.3
Total		**9,135**	**8,717**	**418**	**100.0**

Source: Northern Trust, RADAR Reporting

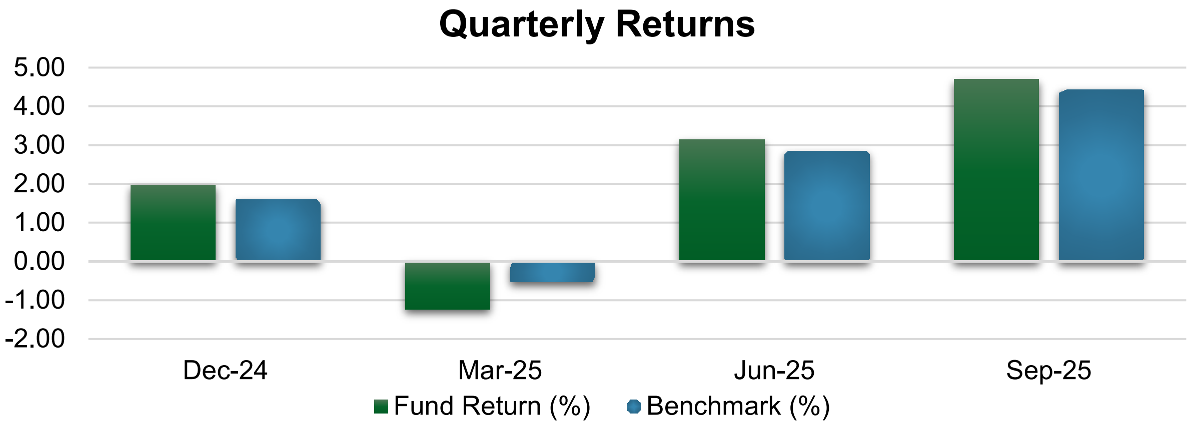
Historical Performance





Source: Northern Trust, RADAR Reporting

Discrete Performance



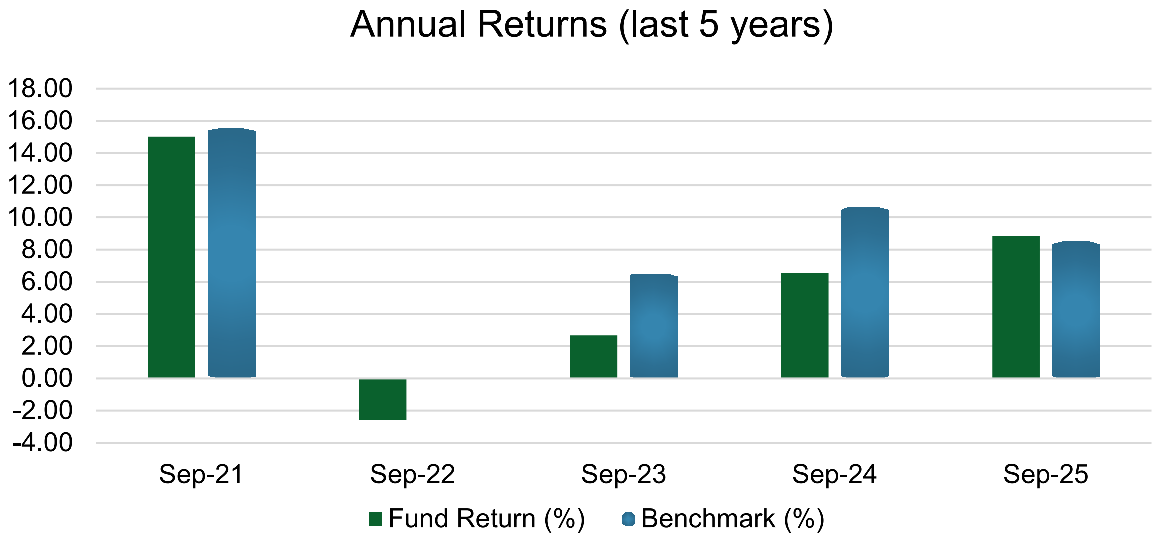
Over the past four quarters, the Fund has generally performed in line with or above its benchmark. In the most recent quarter to 30 September 2025, the Fund returned 4.7%, slightly outperforming the benchmark of 4.4%. Equity markets rallied over the period as interest rate cuts and resilient economic data supported investor sentiment. Similarly, in the previous quarter, the Fund delivered a return of 3.1% versus a benchmark of 2.85%.

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.

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.

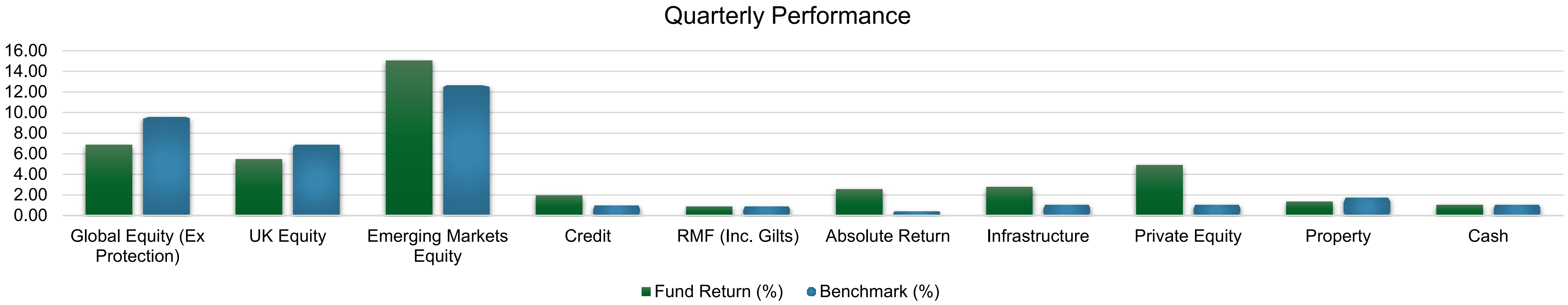
In the earlier years, the Fund's annual performance lagged its benchmarks. Equity markets rebounded well after Covid with strong absolute performance in the year to 30 September 2021, although still slightly underperforming the benchmark. The following year proved more difficult for the Fund, as inflationary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

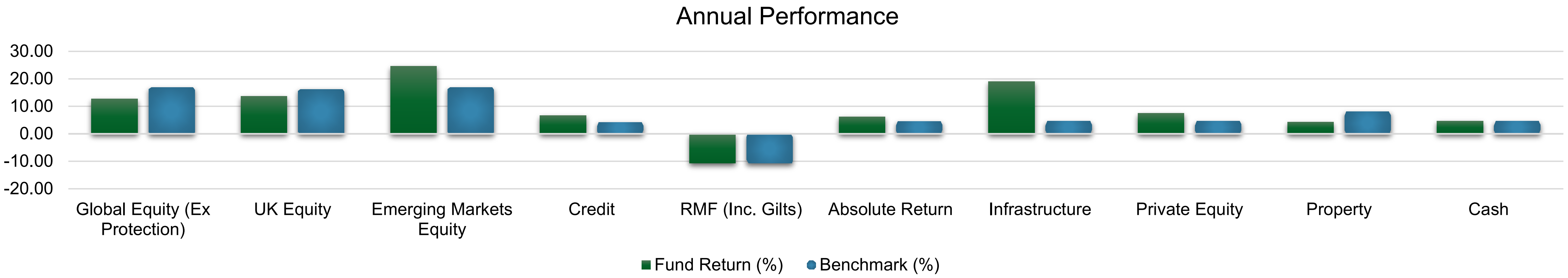
The past few years have proved to be a challenging environment for active management as market leadership has remained narrow and concentrated in a few large-cap growth stocks.



Source: Northern Trust, RADAR Reporting

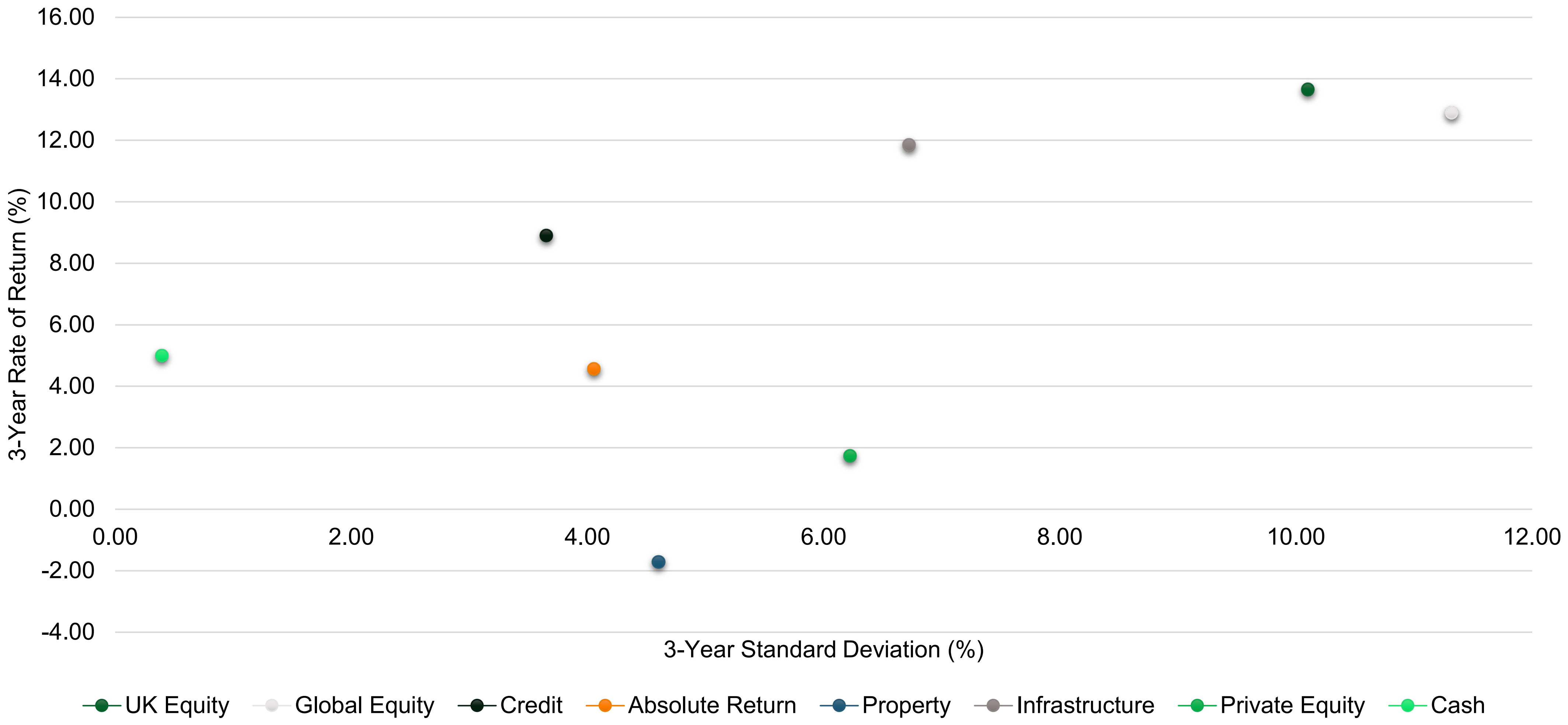
Asset Class Performance





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	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

Source: Northern Trust, RADAR Reporting

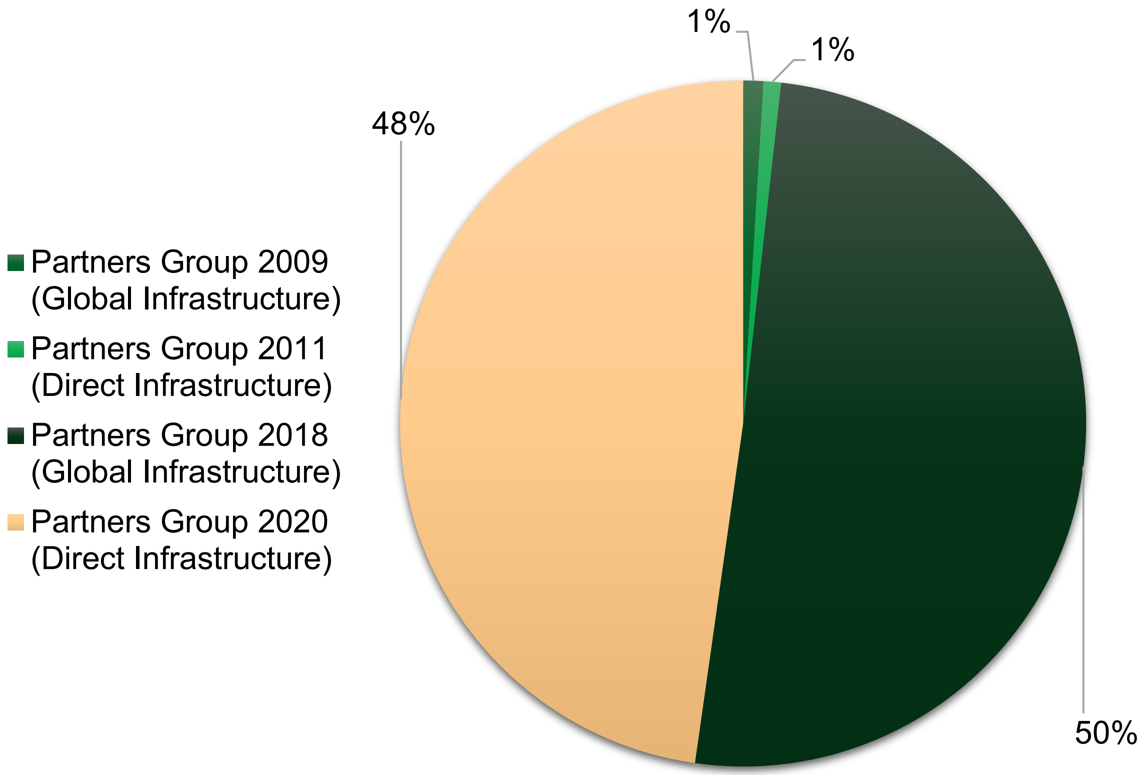
Alternatives Performance

	AS AT 30 SEPTEMBER 2025						
Name of Fund	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

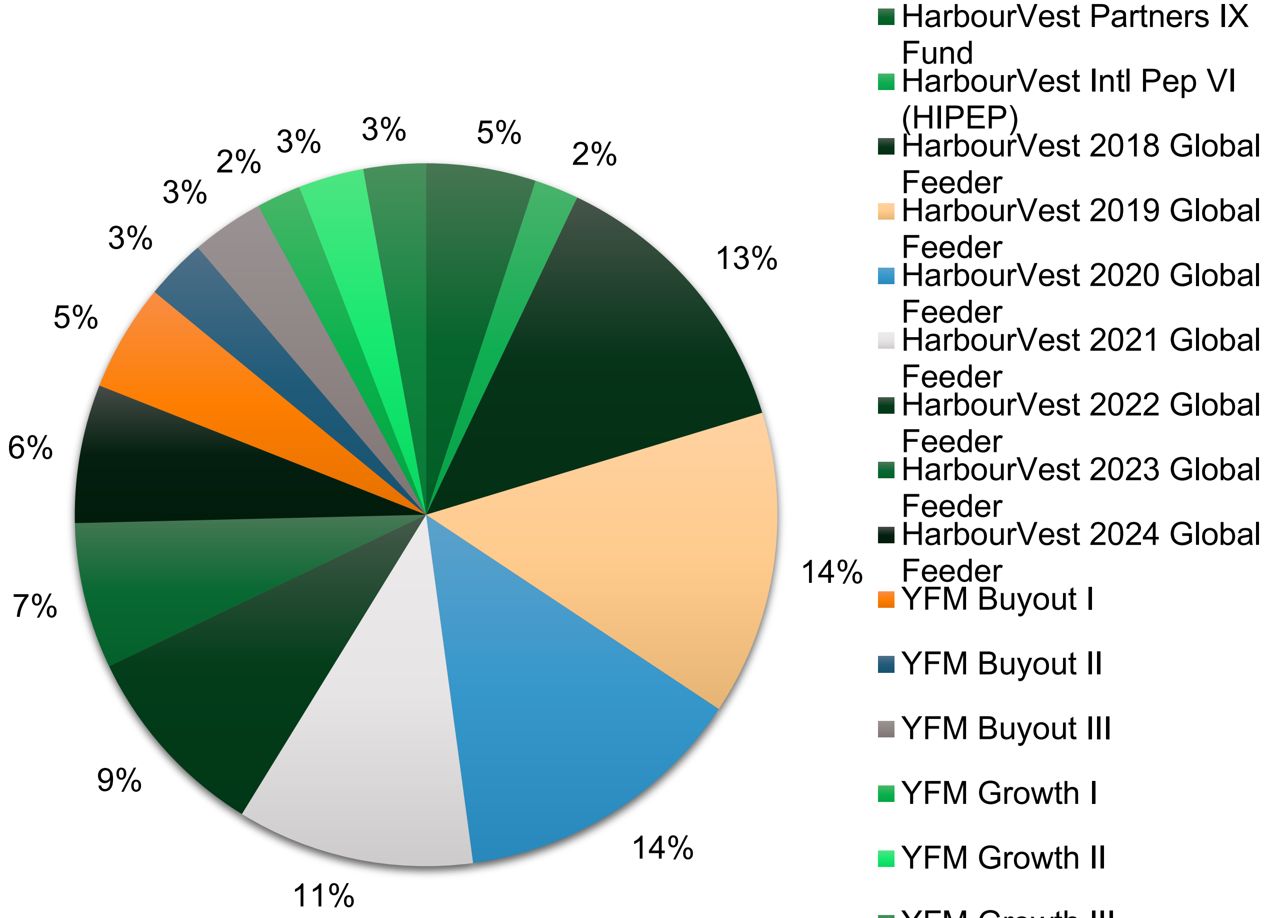
Source: Northern Trust, RADAR Reporting

Alternatives Breakdown

Infrastructure Allocation (£420m)



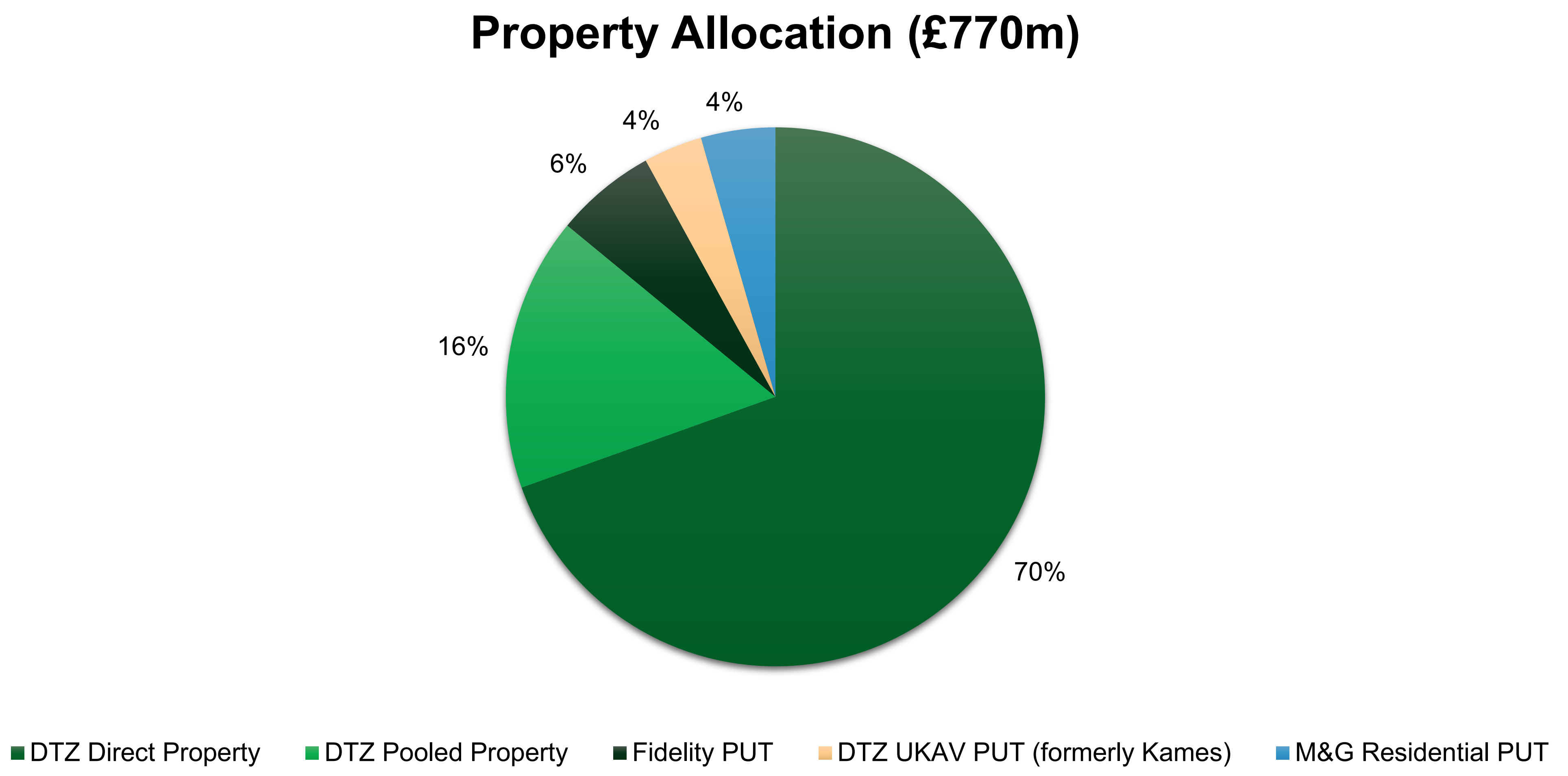
Private Equity Allocation (£417m)



Note: The legend reads clockwise on the pie charts.

Source: Northern Trust, RADAR Reporting

Property Breakdown



Note: The legend reads clockwise on the pie chart.

Appendix

Benchmarks and Targets

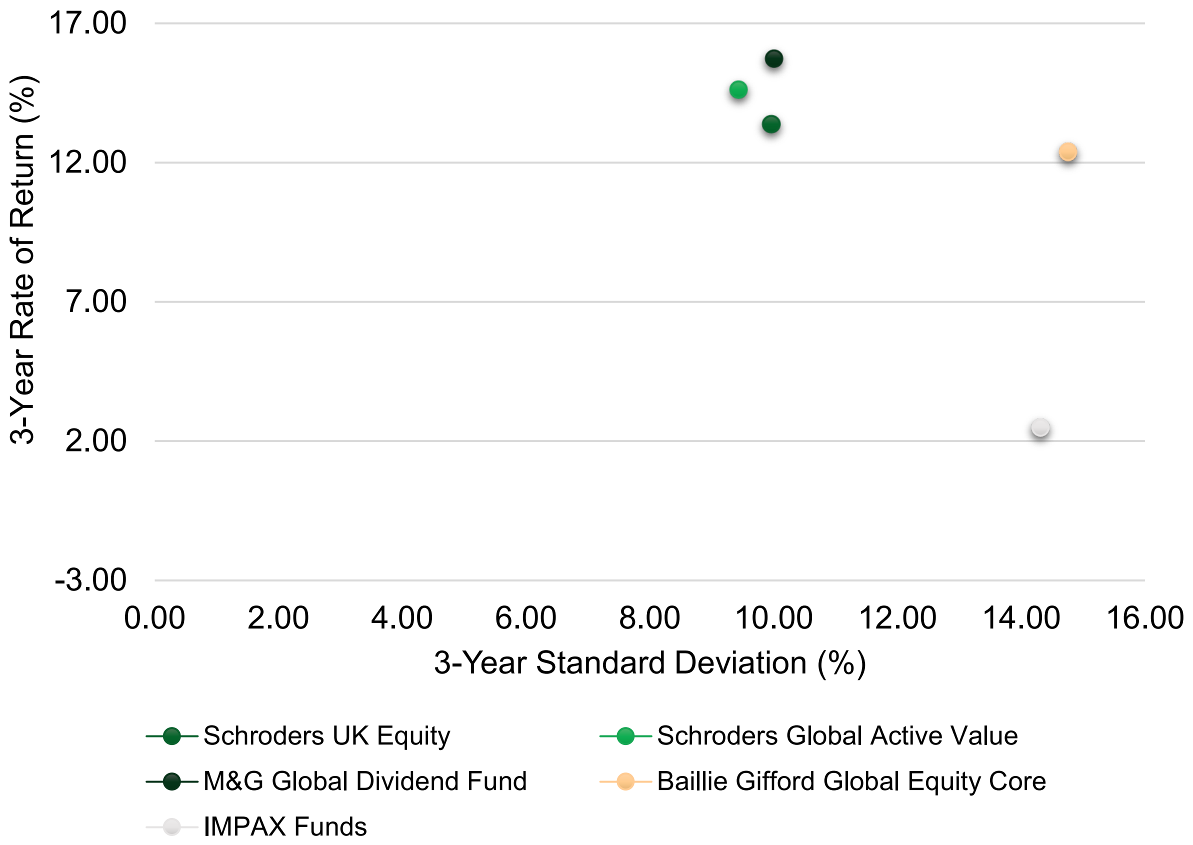
Appendix A

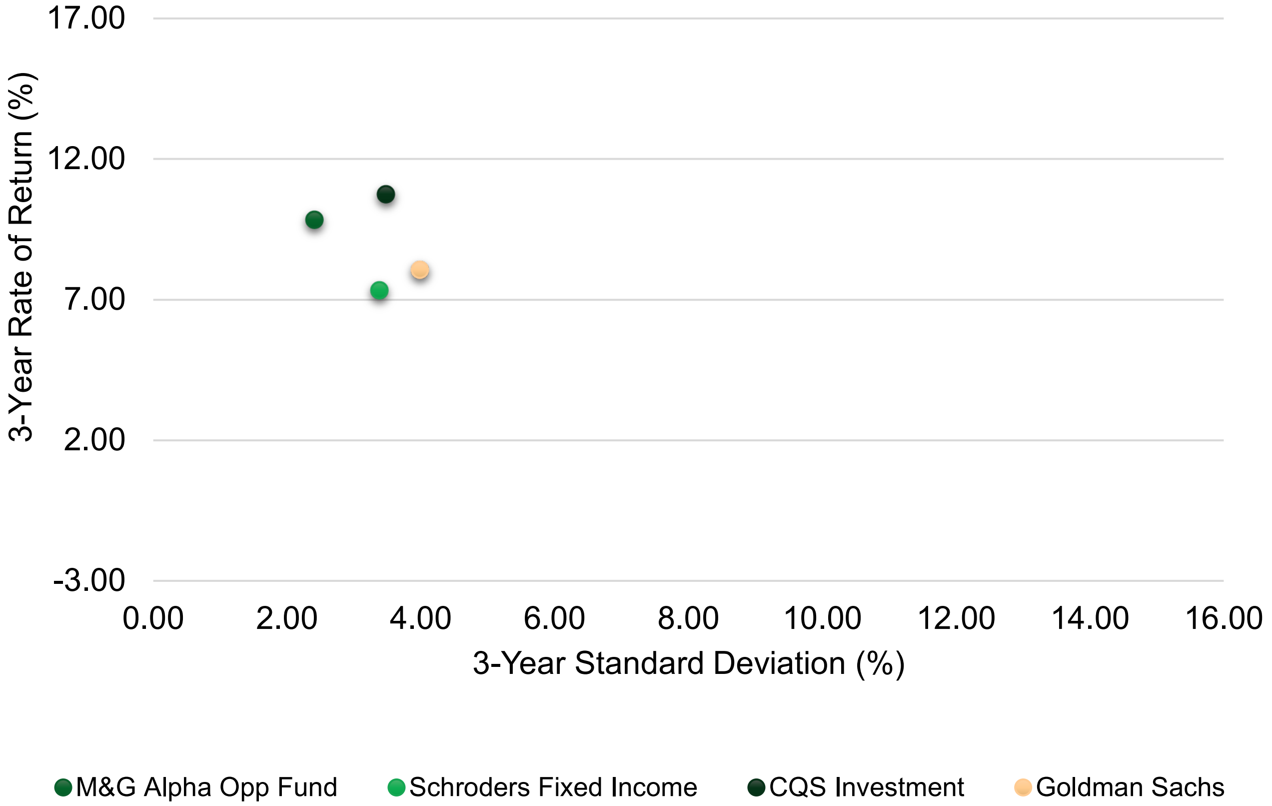
Asset Class / Manager	Performance Benchmark	Performance Target
UK Equities:		
Schroders - WS ACCESS UK Equity Fund	FTSE All Share	+1.5% pa over rolling 3 years
Woodford	FTSE All Share	Unconstrained
Global Equities:		
Baillie Gifford - WS ACCESS Global Equity Core Fund	Regional	+1.5% pa over rolling 3 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

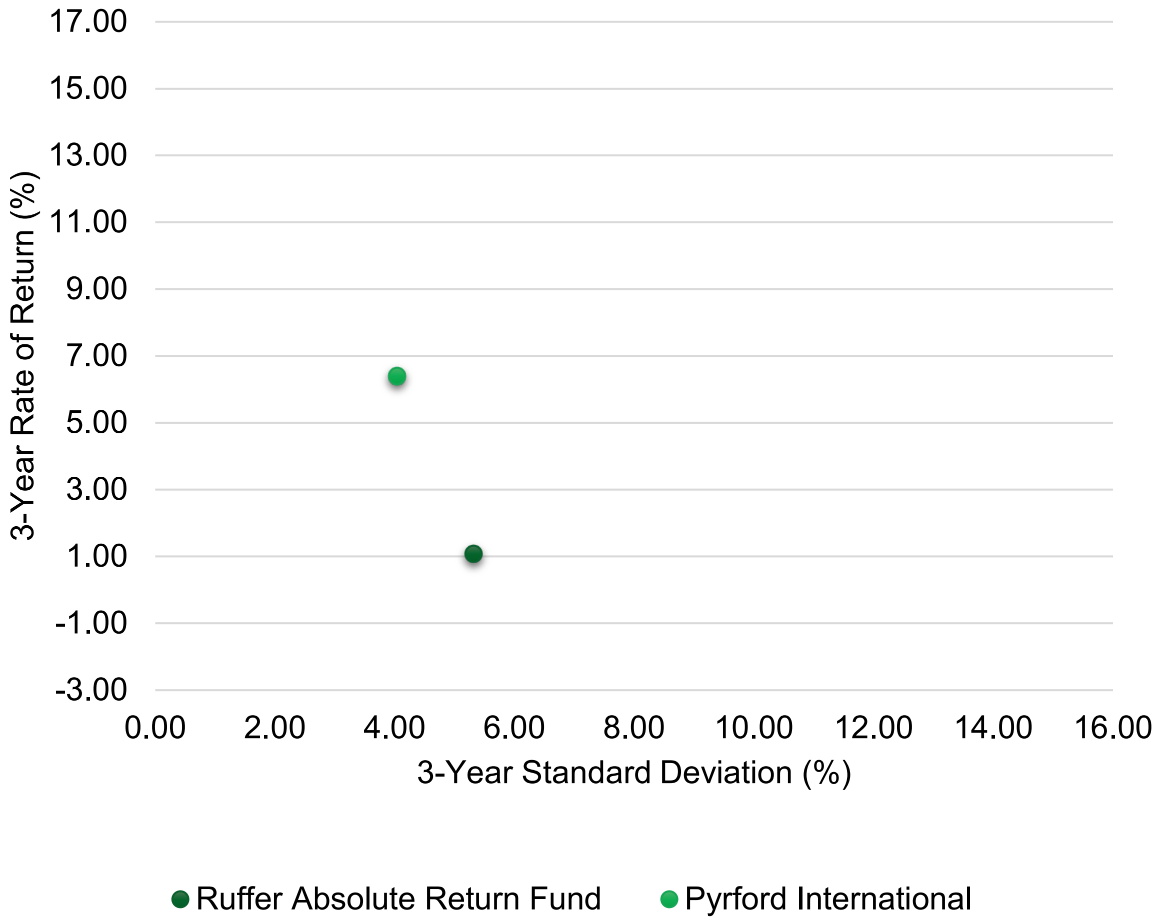


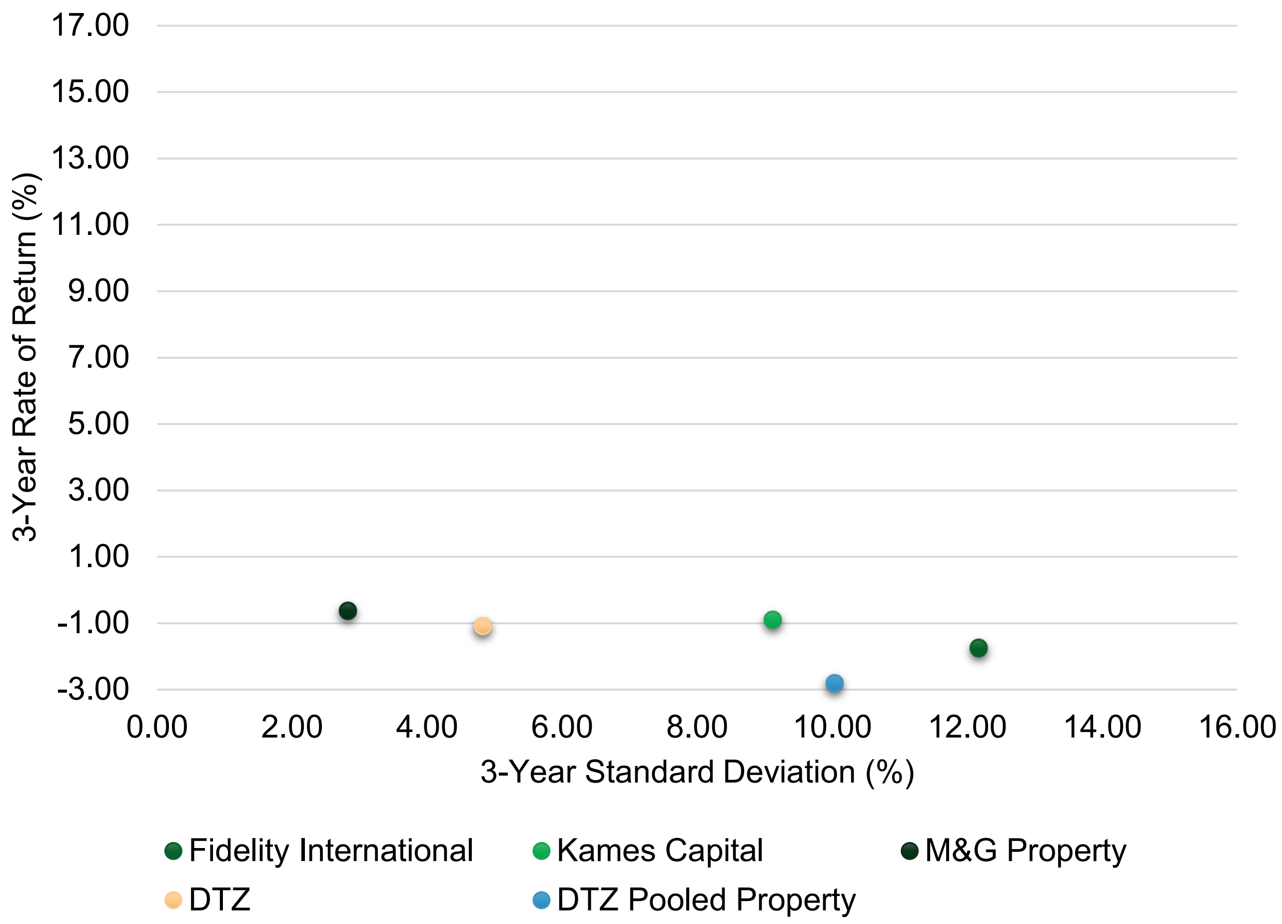


Source: Northern Trust, RADAR Reporting

Risk vs Return – *Absolute Return and Property*

Appendix C

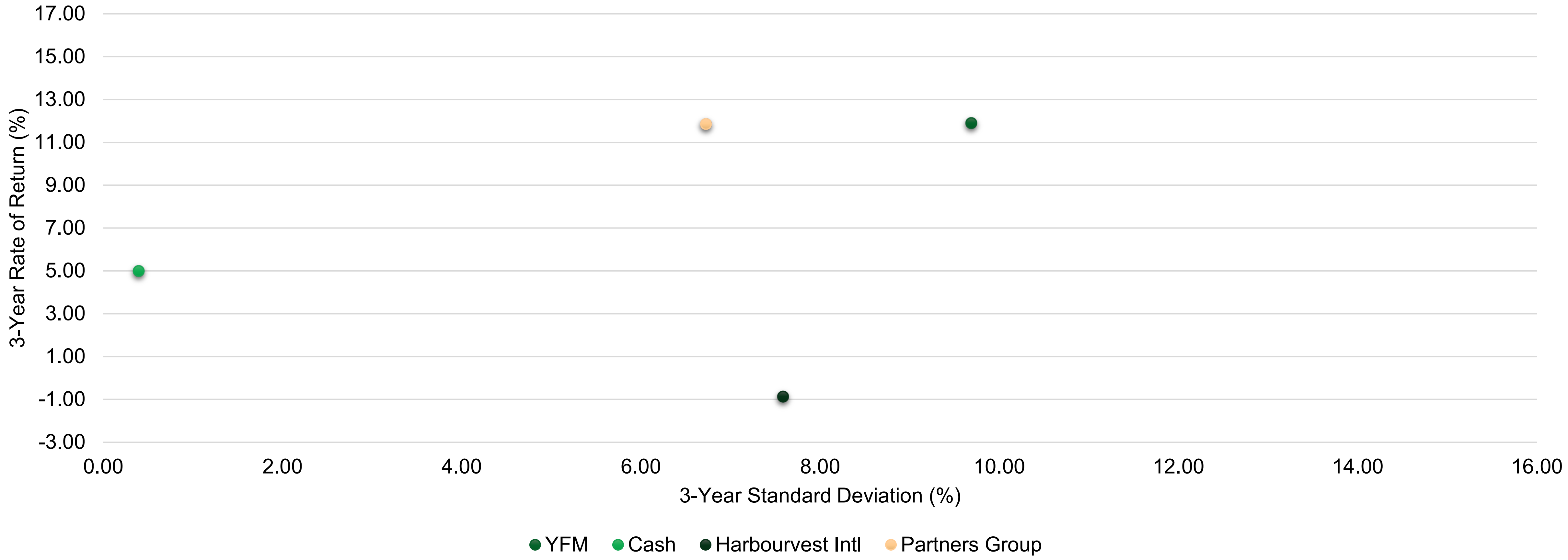




Source: Northern Trust, RADAR Reporting

Risk vs Return - *Alternatives*

Appendix D



Source: Northern Trust, RADAR Reporting

Kent Pension Fund

For more information, please visit

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