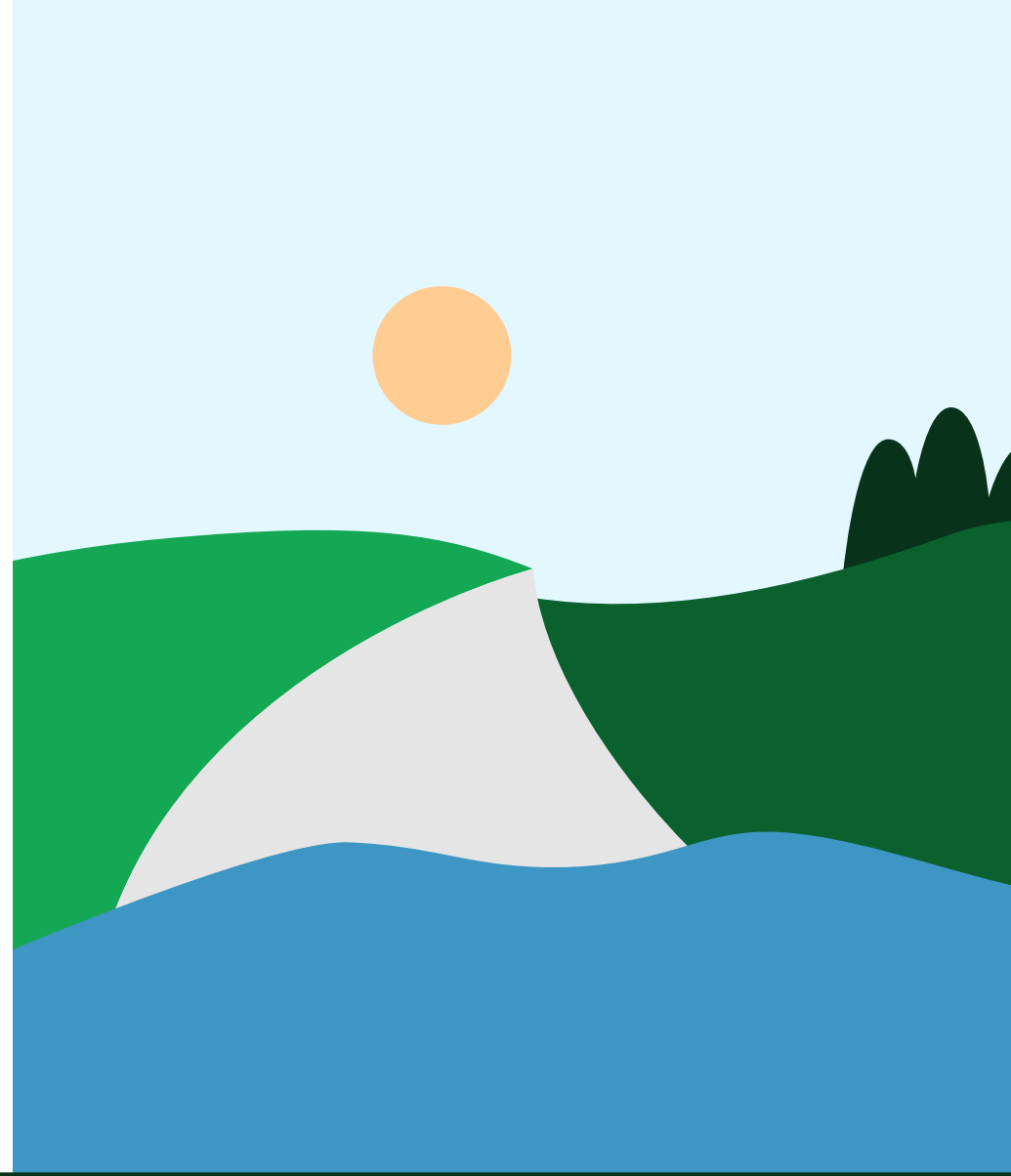


Kent Pension Fund
Q4 2024 Fund Performance



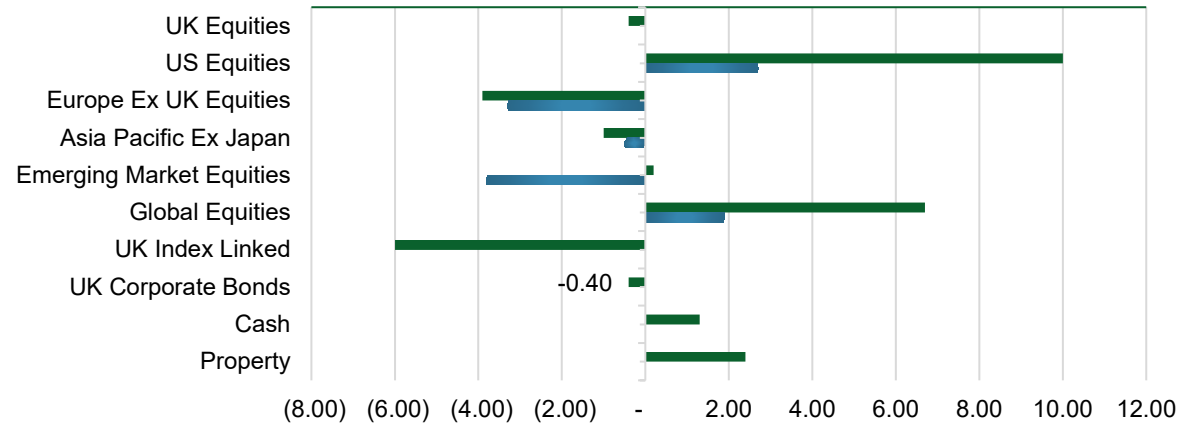
Market Commentary

- In the fourth quarter of 2024, developed market (“DM”) central banks continued to cut interest rates. In the US, although the US Federal Reserve (“Fed”) cut rates, a still-resilient macro backdrop prompted the FOMC to project fewer cuts in 2025 and 2026. Meanwhile, the European Central Bank (“ECB”) and Bank of England (“BOE”) maintained a cautious tone in their rate cutting approach. Surprisingly, the Bank of Japan (“BOJ”) kept interest rates unchanged through the quarter on uncertainty over future wage negotiations and the US economy. Market sentiment continued to be driven by the soft-landing narrative in the US, despite uncertainty around policies under a Donald Trump-led presidency. Overall, bond yields rose across DM economies, while equities outperformed in response to rate cuts.
- US real GDP increased at an annual rate of 3.1% in Q3 2024 against an increase of 3.0% in Q2 2024. The upward trends in consumer spending were partly offset by a downturn in private inventory investment. Headline US inflation rose slightly over Q4 2024, increasing to 2.7% in November from 2.4% at the end of September. Core US inflation remained unchanged since September at 3.3%. The Federal Reserve, at its December meeting, decided to cut interest rates by 0.25%, lowering the target range of the fed funds to 4.25%-4.50% down from its previous target range of 4.5%-4.75%. The median dot in the Summary of Economic Projections (SEP) anticipates two rate cuts in 2025. The central bank projects that the federal funds rate may sit at median level of 3.9% by the end of 2025.
- Chinese GDP grew 4.6% (year-on-year) in Q3 2024, slightly lower than 4.7% in Q2 2024 but has been better than consensus forecasts, partly due to a stronger than expected rebound in September data. The impact of a slowing manufacturing sector was offset by an uptick in the services sector. China’s central bank announced a major package of measures aimed at supporting economy’s recovery. 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%.

- Japan's GDP expanded by an annualized 1.2% in the third quarter from the previous three months due stronger than expected pickup in private consumption. The Bank of Japan in December kept its key interest rate unchanged at 0.25%. In Q3 2024, seasonally adjusted GDP increased by 0.4% in the euro area. Ireland (+3.5%) recorded the highest increase of GDP compared to the previous quarter. The ECB reduced interest rates following their December meeting to 3.0% for the deposit facility. Headline inflation in the eurozone rose to 2.2% in November from 1.7% in September.
- UK GDP saw no growth in Q3 (quarter-on-quarter) and lower than the 0.4% growth in Q2. Headline inflation in the UK rose to 2.6% in November from 1.7% in September – the highest in eight months. Higher prices for motor fuels and clothing pushed inflation up. In its November meeting, the BoE cut interest rates to 4.75% from 5%.

Source: Mercer LLC

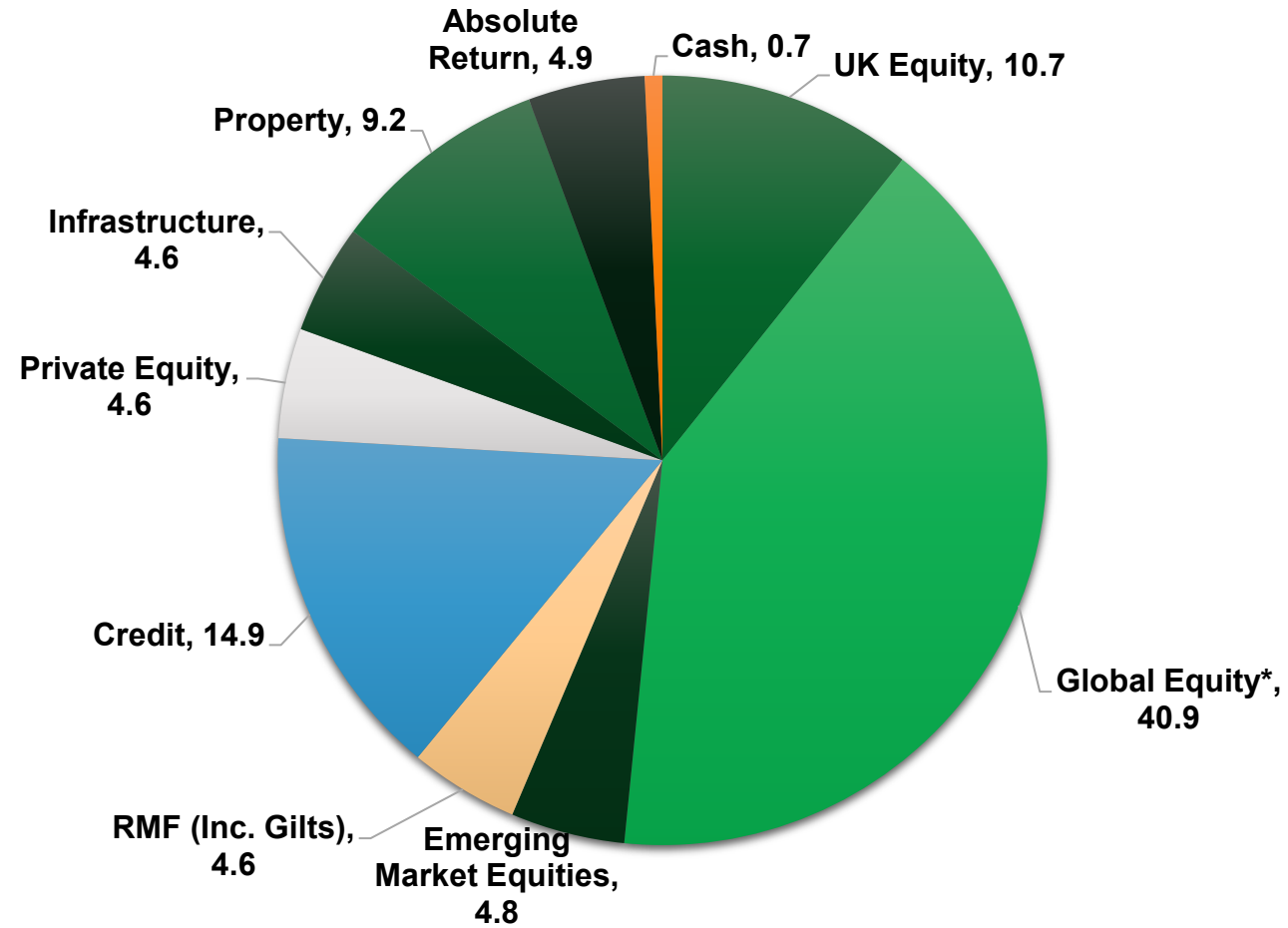
Market Returns (%)



Source: Mercer LLC, Refinitiv and Schroders



Asset Allocation – 31 December 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

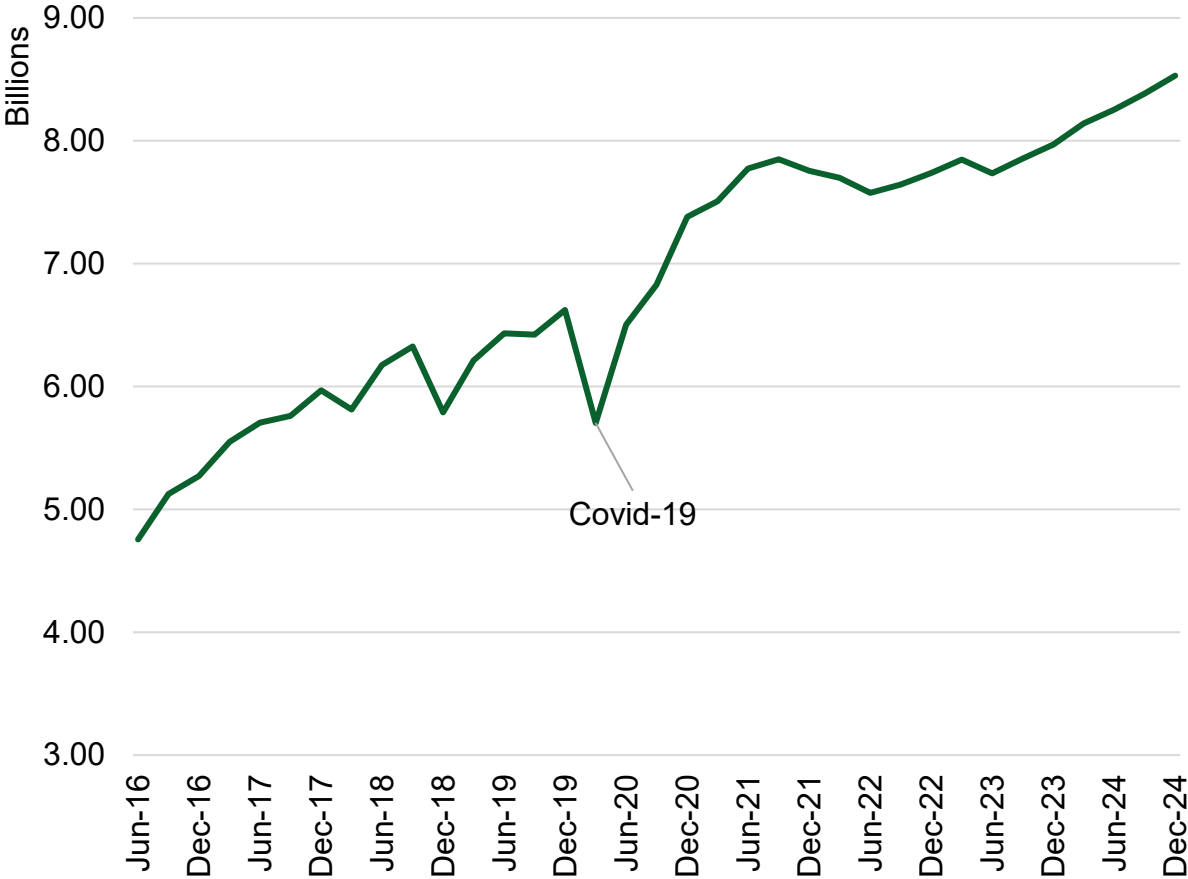
Asset Class	Fund Manager	Market Value as at 31 December	Market Value as at 30 September	Change in MV (£m)	% of Total
		2024 (£m)	2024 (£m)		
UK Equity	Schroders UK Equity	913	917	-4	10.7
	Woodford Equity	2	2	-	0.0
Global Equity	Impax	71	75	-4	0.8
	Sarasin	457	434	23	5.4
	Baillie Gifford	1,156	1,230	-74	13.5
	Robeco Global Stars	115	-	115	1.4
	Schroders Global Active Value	493	481	13	5.8
	M&G Global Dividend Fund	685	643	41	8.0
	Insight (Synthetic Equity Exposure)	510	472	37	6.0
	Emerging Markets Equity	Columbia Threadneedle	214	207	7
	Robeco	195	203	-7	2.3
Risk Management Framework (inc. Gilts)	Insight	391	478	-86	4.6
Credit	CQS	277	271	6	3.2
	Goldman Sachs	433	435	-1	5.1
	Schroders Strategic Bond Fund	271	273	-2	3.2
	M&G Alpha Opportunities	294	288	6	3.4
Absolute Return	Ruffer	180	186	-5	2.1
	Pyrford	238	240	-2	2.8
Property	DTZ	472	467	5	5.5
	DTZ Pooled Property	108	106	2	1.3
	DTZ (previously Aegon)	26	27	-0	0.3
	M&G Residential Property	35	35	0	0.4
	Fidelity	147	143	4	1.7
Infrastructure	Partners Group	392	384	8	4.6
Private Equity	HarbourVest	320	290	29	3.7
	YFM	74	74	1	0.9
Cash	Internal Cash	63	27	36	0.7
Total		8,533	8,385	148	100.0

Source: Northern Trust, RADAR Reporting

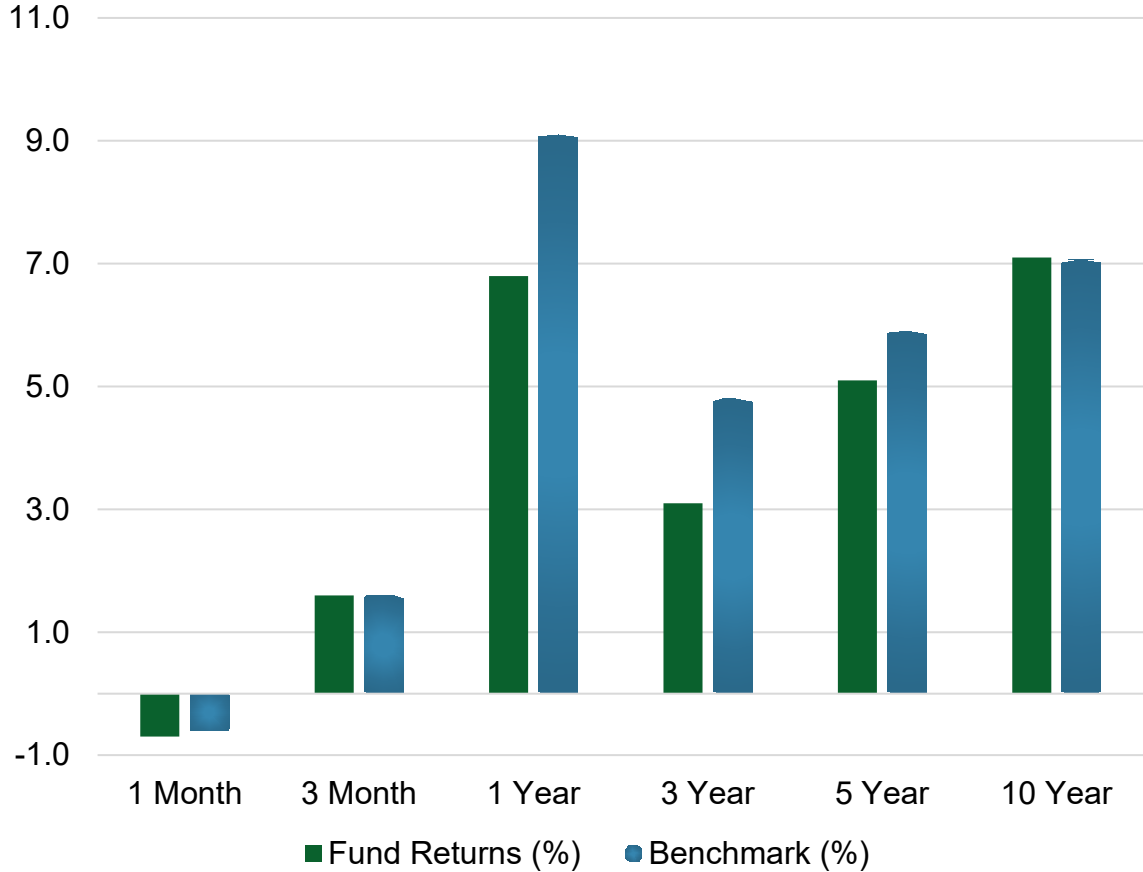


Historical Performance

Total Fund Value (£Bn)



Total Fund Performance vs Benchmark

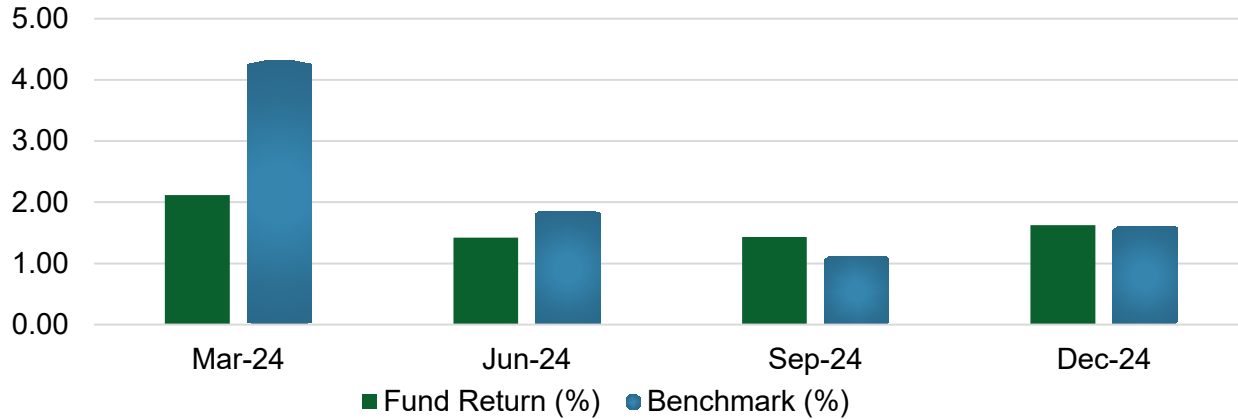


Source: Northern Trust, RADAR Reporting



Discrete Performance

Quarterly Returns



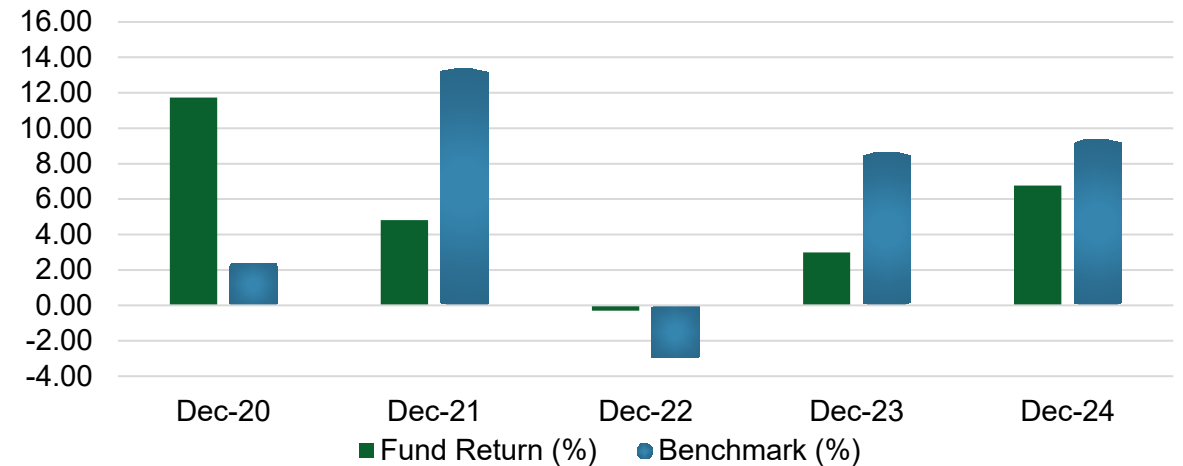
In the quarter ending 31 December 2024, the Fund achieved a return in line with the benchmark. This performance was highly influenced by strong results in the alternative assets. Private equity delivered an impressive return of 7.1%, significantly outperforming its benchmark of 1.2% with infrastructure investments also contributing positively, exceeding the benchmark by 1.5%.

However, the Fund's global equities allocation under-performed, returning 4.0% vs a benchmark of 6.0%. This under-performance can be attributed to the Fund's underweight exposure to AI and technology. Absolute return and property also lagged the benchmark.

In the year ending 31 December 2024, the Fund delivered an annual return of 6.8%, trailing the benchmark of 9.1%. This under-performance was, in large part, due to significant under-performance of the Fund's global equities allocation. Largely, this was due to an underweight allocation to technology stocks and those with exposure to AI, with value focused investors missing out on these gains and over two-thirds of the US equity stocks under-performing. The Fund's property portfolio also faced challenges as a result of persistently high-interest rate environment.

On the other hand, UK equities performed well during 2024, largely driven by positive sentiment toward major UK-listed companies with US exposure.

Annual Returns (last 5 years)

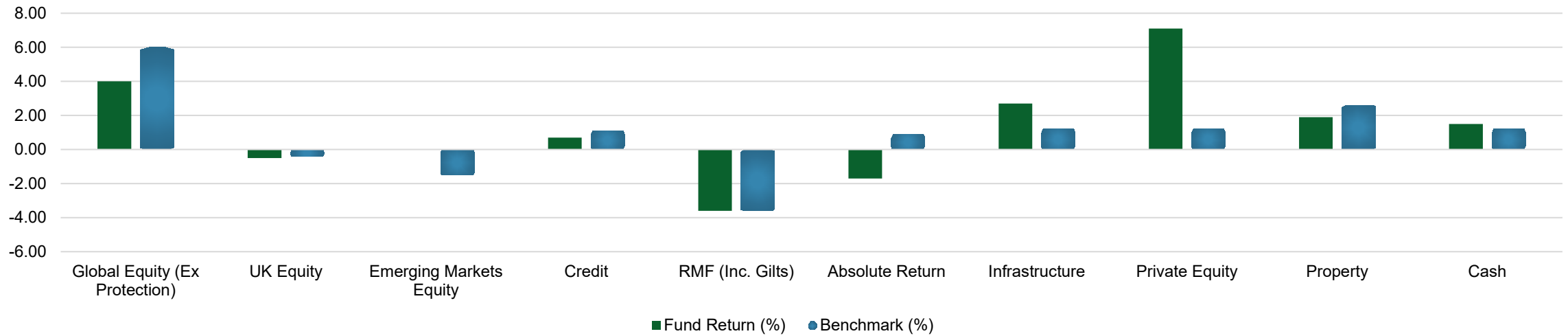


Source: Northern Trust, RADAR Reporting

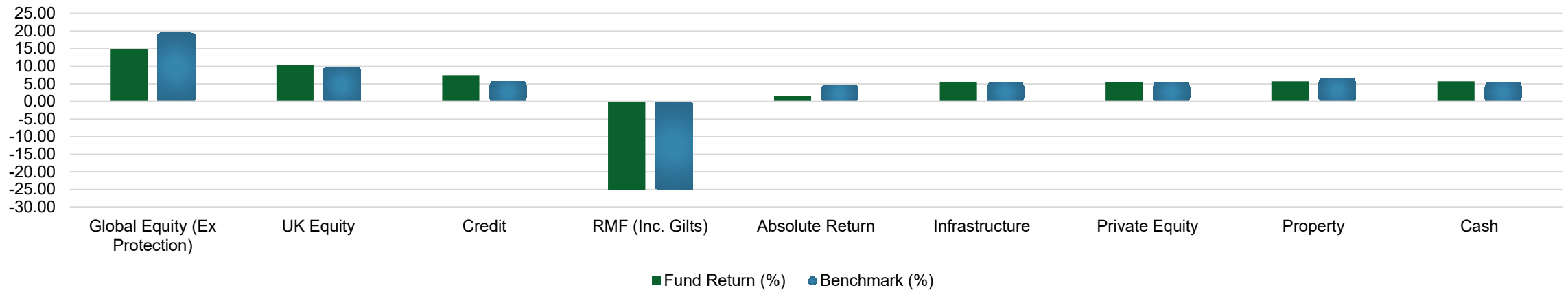


Asset Class Performance

Quarterly Performance



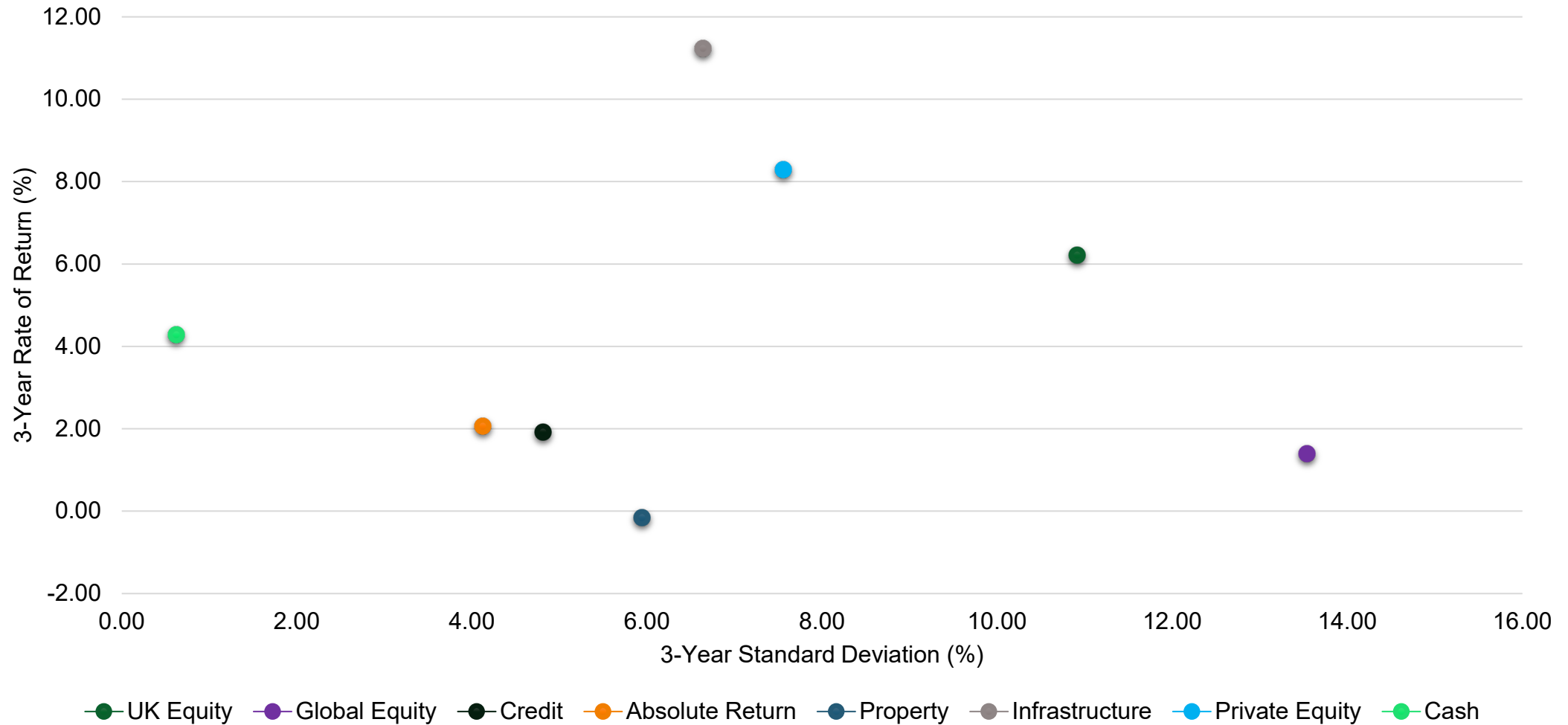
Annual Performance



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	1.6	1.6	6.8	9.1	3.1	4.8
UK Equity						
Schroders - WS ACCESS UK Equity Fund	-0.4	-0.4	9.5	9.5	6.1	5.8
Global Equity						
Baillie Gifford - WS ACCESS Global Equity Core Fund	3.3	1.8	12.3	12.2	-4.9	6.1
Sarasin	5.4	6.0	16.9	19.6	5.0	8.2
Schroders - WS ACCESS Global Active Value Fund	2.7	6.0	13.5	19.6	7.8	8.2
Impax	-5.0	6.0	-1.9	19.6	-4.5	8.2
M&G - WS ACCESS Global Dividend Fund	6.4	6.0	21.9	19.6	11.5	8.2
EM Equity						
Columbia Threadneedle – WS ACCESS EM Equity Fund	3.4	-1.5	--	--	--	--
Robeco – WS ACCESS EM Equity Fund	-3.6	-1.5	--	--	--	--
Credit						
Goldman Sachs	-0.3	0.9	4.5	3.5	0.8	3.5
Schroders Fixed Income	-0.6	1.2	6.0	5.2	2.8	3.7
CQS	2.2	1.2	11.4	7.5	4.9	7.1
M&G Alpha Opportunities	2.2	1.2	10.2	7.5	6.8	7.1
Property						
DTZ	1.8	2.6	6.0	6.5	0.0	-1.7
Fidelity	2.8	2.4	7.1	5.4	-2.6	-2.0
DTZ (Kames)	0.8	2.4	0.3	5.4	1.7	-2.0
M&G Property	1.3	2.4	2.2	5.4	1.4	-2.0
Private Equity						
HarbourVest	8.6	1.2	7.5	5.3	6.9	3.8
YFM	1.2	1.2	-1.6	5.3	13.1	3.8
Infrastructure						
Partners Group	2.7	1.2	5.6	5.3	11.2	3.8
Absolute Return						
Pyrford	-0.9	0.9	3.4	4.7	3.6	6.5
Ruffer - WS ACCESS Absolute Return Fund	-2.9	0.9	-0.5	4.7	-0.7	6.5



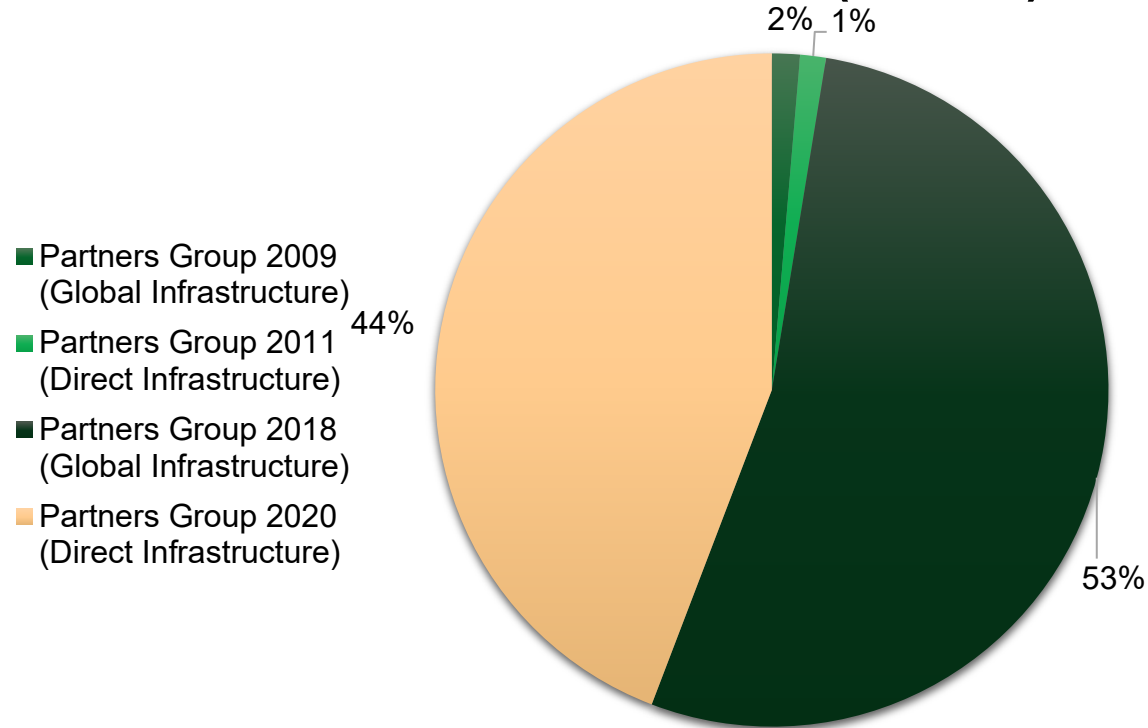
Alternatives Performance

AS AT 31 DECEMBER 2024							
Name of Fund	Value of commitment (£m)	Date of original commitment	Cumulative contributions made (£m)	Distributions received (£m)	Net Asset Value at 31/12/2024 (£m)	IRR	TVPI
HIPEP VI-Cayman Partnership Fund L.P.	31	Oct-10	28.8	53.6	9.7	13.5%	2.19
HarbourVest Partners IX L.P.	53	Oct-10	40.9	85.2	26.3	17.5%	2.72
HarbourVest 2018 Global Feeder AIF L.P.	57	Oct-18	47.1	28.4	62.7	18.5%	1.93
HarbourVest 2019 Global Feeder AIF SCSp	57	Mar-19	43.0	10.6	62.1	19.4%	1.69
HarbourVest 2020 Global Feeder AIF SCSp	57	Mar-20	48.8	5.4	57.7	11.1%	1.29
HarbourVest 2021 Global Feeder AIF SCSp	57	Mar-21	39.6	1.8	44.4	10.3%	1.17
HarbourVest 2022 Global Feeder AIF SCSp	57	Dec-21	25.6	0.7	32.9	32.4%	1.31
HarbourVest 2023 Global Feeder AIF SCSp	57	Dec-23	16.2	-	19.0		1.17
HarbourVest 2024 Global Feeder AIF SCSp	123	Jun-24	5.1	-	5.1		1.00
Partners Group Direct Infrastructure 2011 S.C.A., SICAR	19	Oct-10	16.5	20.5	4.9	7.3%	1.53
Partners Group Global Infrastructure 2009 S.C.A., SICAR	50	Oct-10	43.3	57.7	5.3	7.1%	1.46
Partners Group Global Infrastructure 2018 L.P. INC	222	Oct-18	180.5	18.1	208.8	9.7%	1.26
Partners Group Direct Infrastructure 2020 LP SICAV RAIF	222	Nov-19	152.9	11.3	173.4	13.6%	1.21
Chandos	6	Oct-07	6.0	6.7	0.0		1.12
YFM Equity Partners Growth Fund 1	10	Oct-14	10.0	16.1	11.2		2.73
YFM Equity Partners Buyout Fund 1	20	Mar-16	18.3	32.6	18.8		2.81
YFM Equity Partners Growth Fund 2	10	Oct-18	10.4	0.4	12.9		1.28
YFM Equity Partners Buyout Fund 2	20	Oct-18	16.0	18.1	11.7		1.87
YFM Equity Partners Growth Fund 3	10	Jun-21	8.5	0.9	9.5		1.23
YFM Equity Partners Buyout Fund 3	20	Sep-23	10.2	-	10.3		1.01

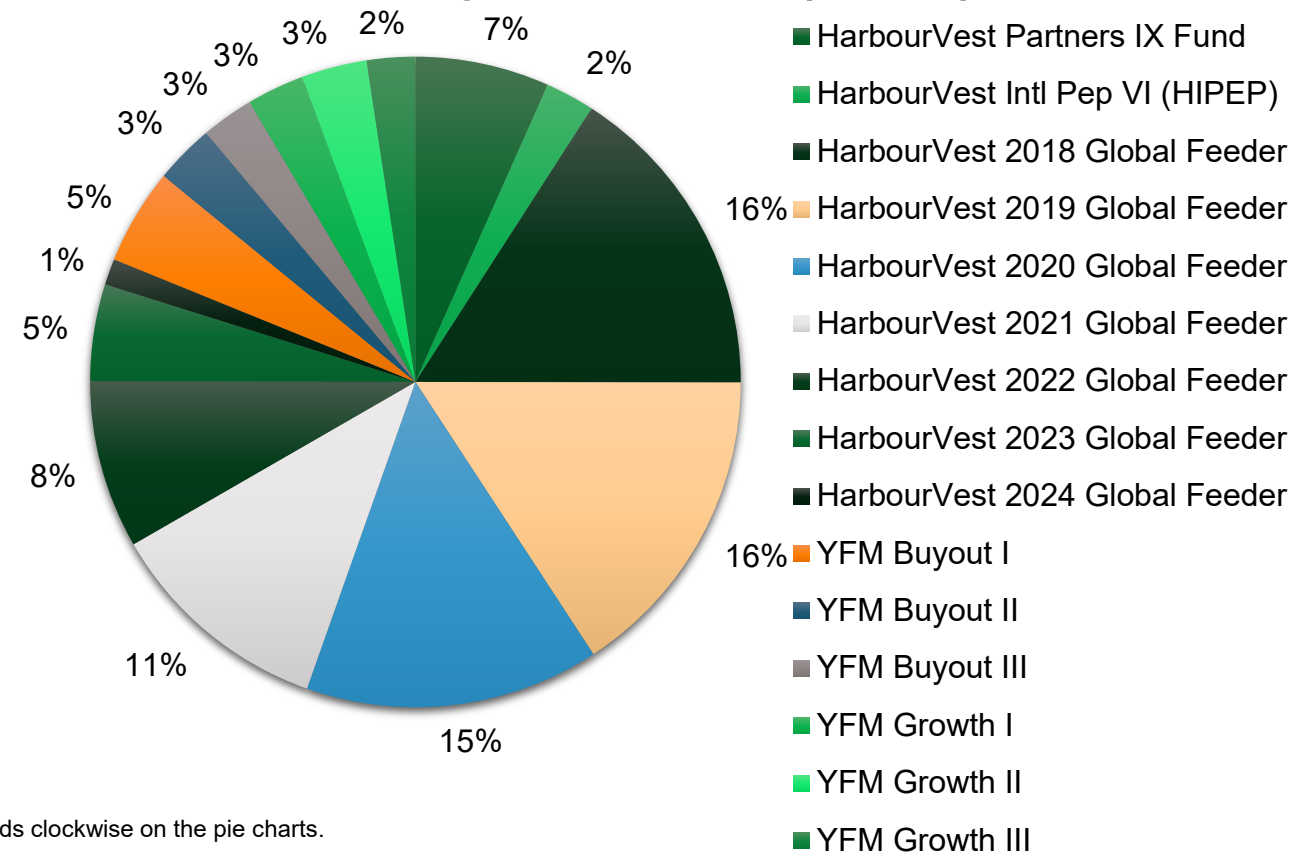


Alternatives Breakdown

Infrastructure Allocation (£392m)



Private Equity Allocation (394m)

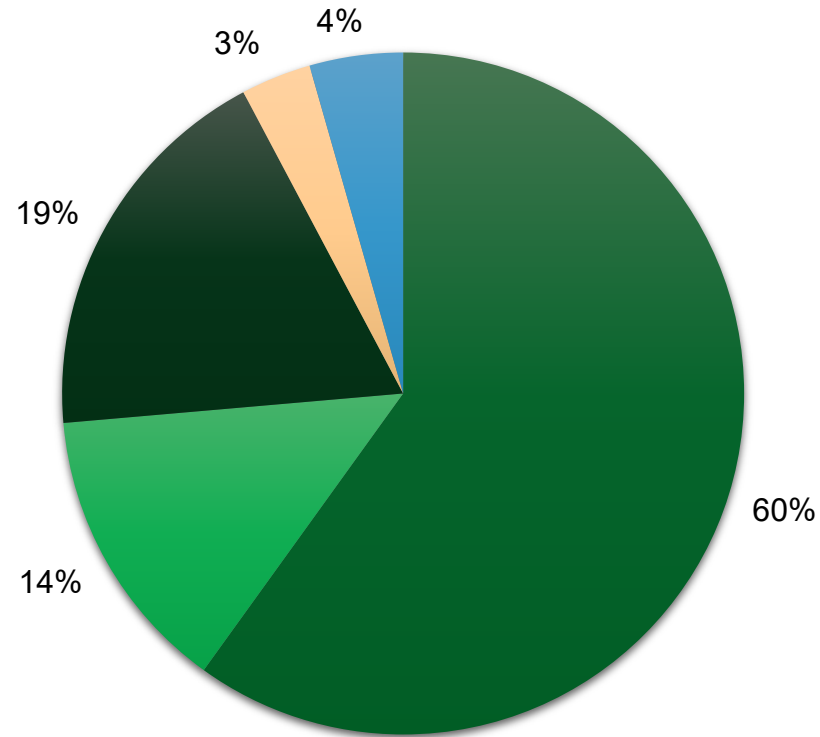


Note: The legend reads clockwise on the pie charts.



Property Breakdown

Property Allocation (£788m)



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

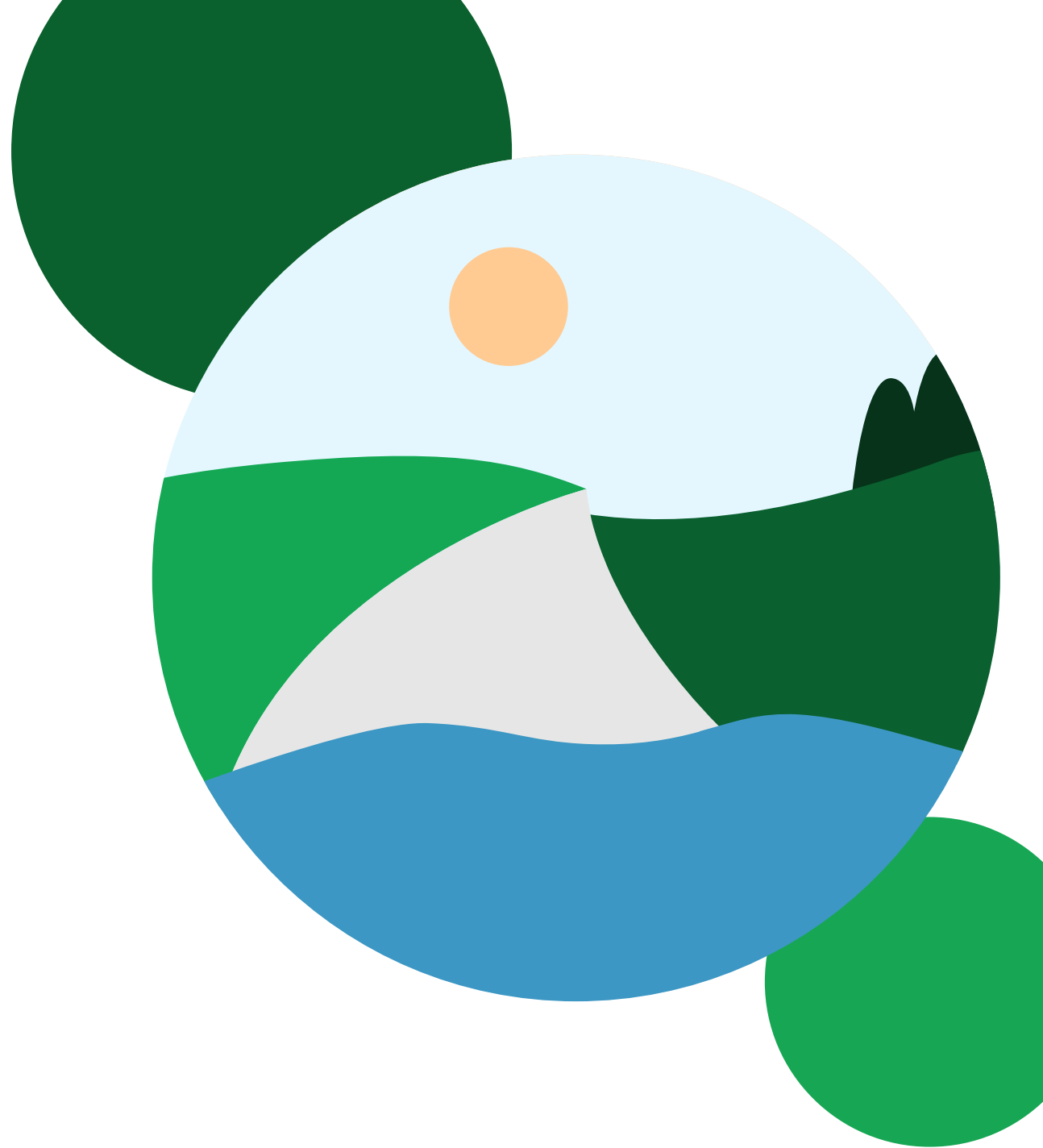
Note: The legend reads clockwise on the pie chart.



Appendix



Kent Pension Fund



Benchmarks and Targets

Appendix A

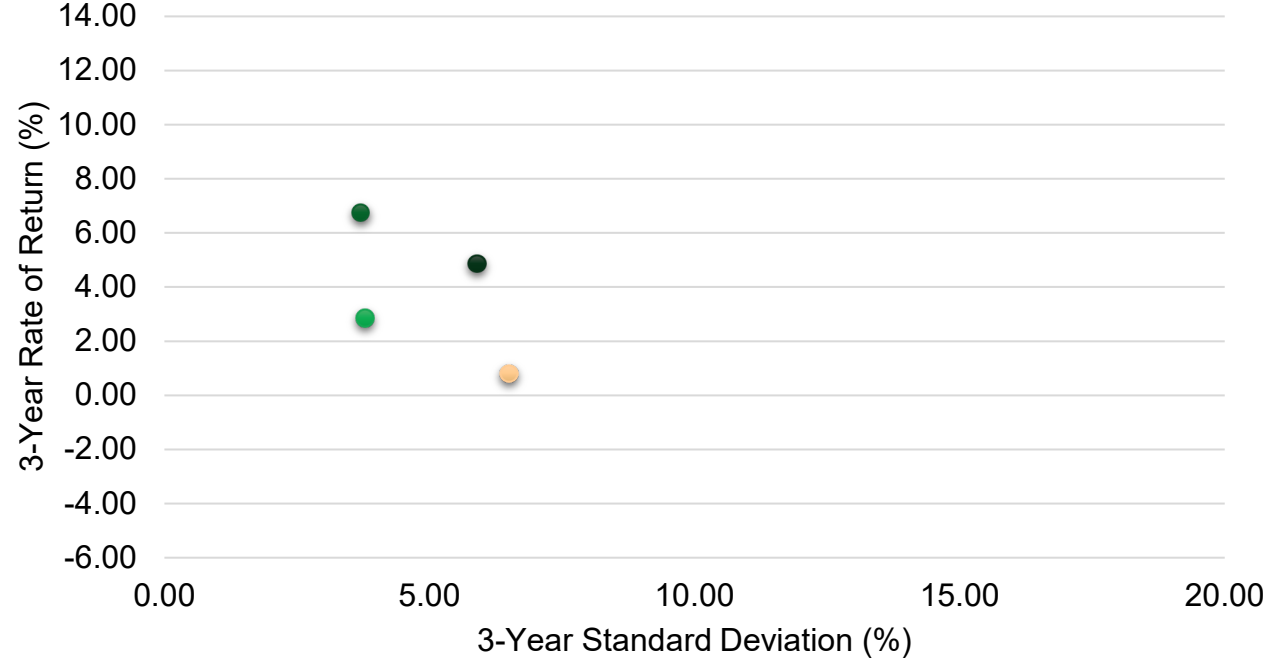
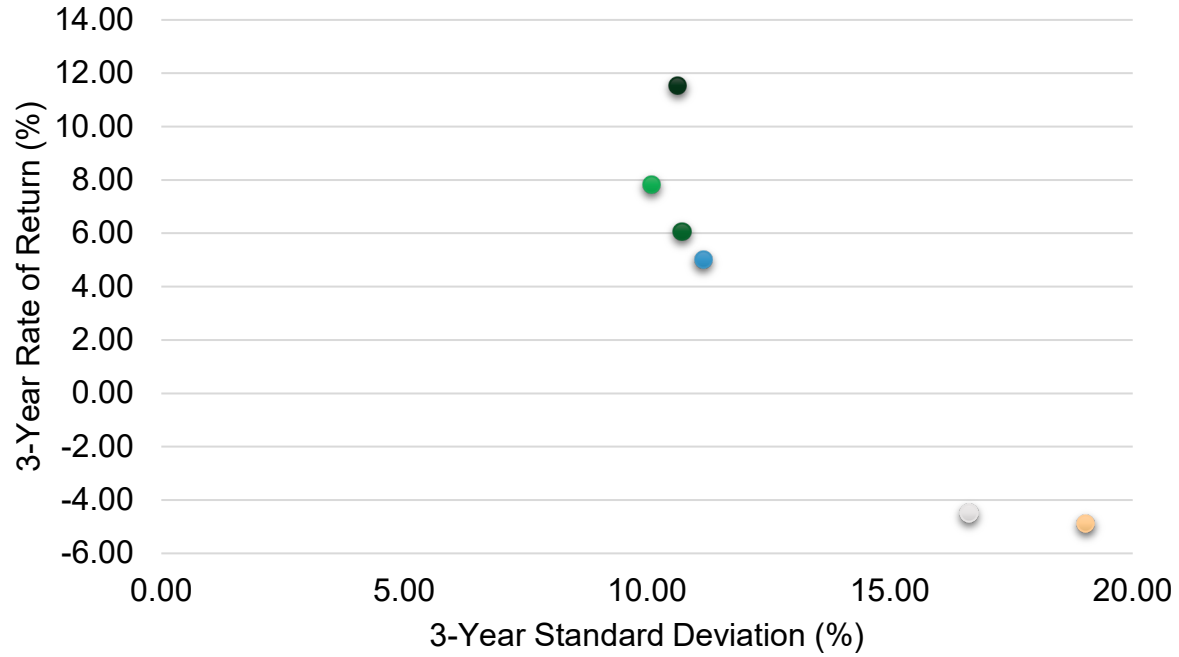
Asset Class / Manager	Performance Benchmark	Performance Target
UK Equities:		
Schroders - WS ACCESS UK Equity Fund	FTSE All Share	+1.5% pa over rolling 3 years
Woodford	FTSE All Share	Unconstrained
Global Equities:		
Baillie Gifford - WS ACCESS Global Equity Core Fund	Regional	+1.5% pa over rolling 3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



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

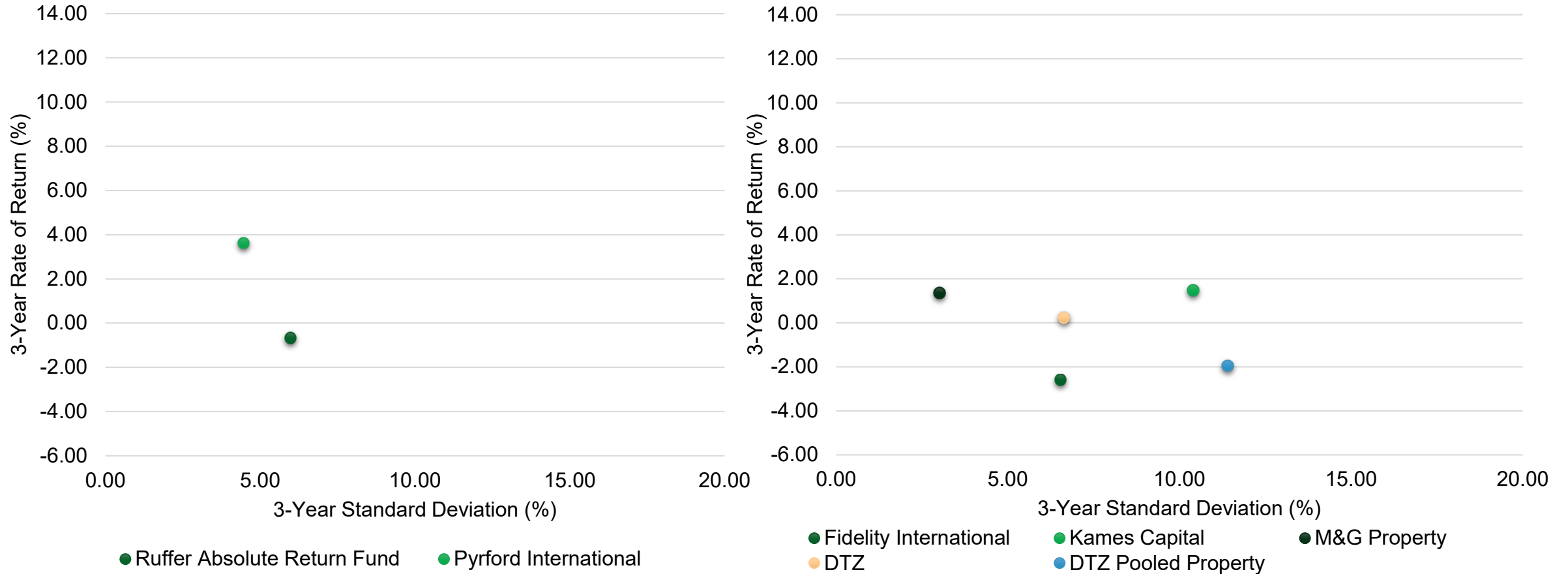
- M&G Alpha Opp Fund
- CQS Investment
- Schroders Fixed Income
- Goldman Sachs

Source: Northern Trust, RADAR Reporting



Risk vs Return – Absolute Return and Property

Appendix C

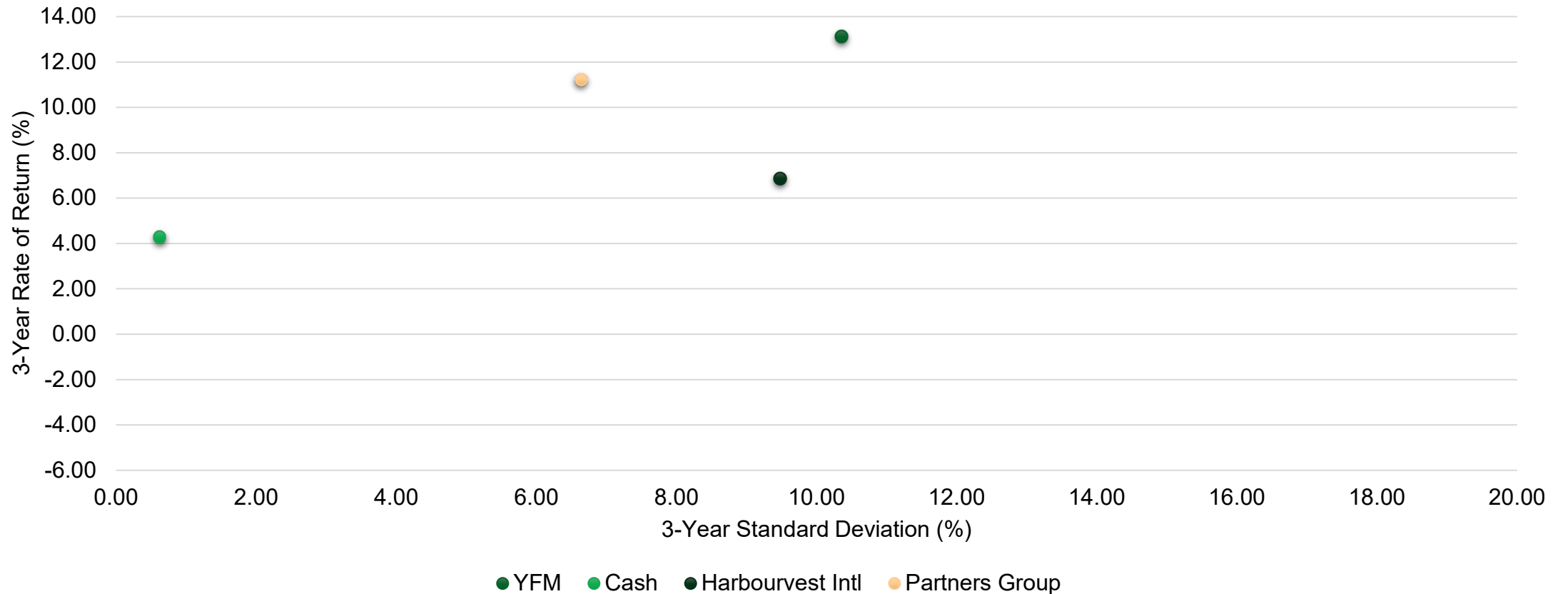


Source: Northern Trust, RADAR Reporting



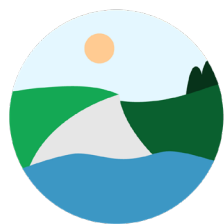
Risk vs Return - *Alternatives*

Appendix D



Source: Northern Trust, RADAR Reporting





Kent Pension Fund

For more information, please visit

www.kentpensionfund.co.uk