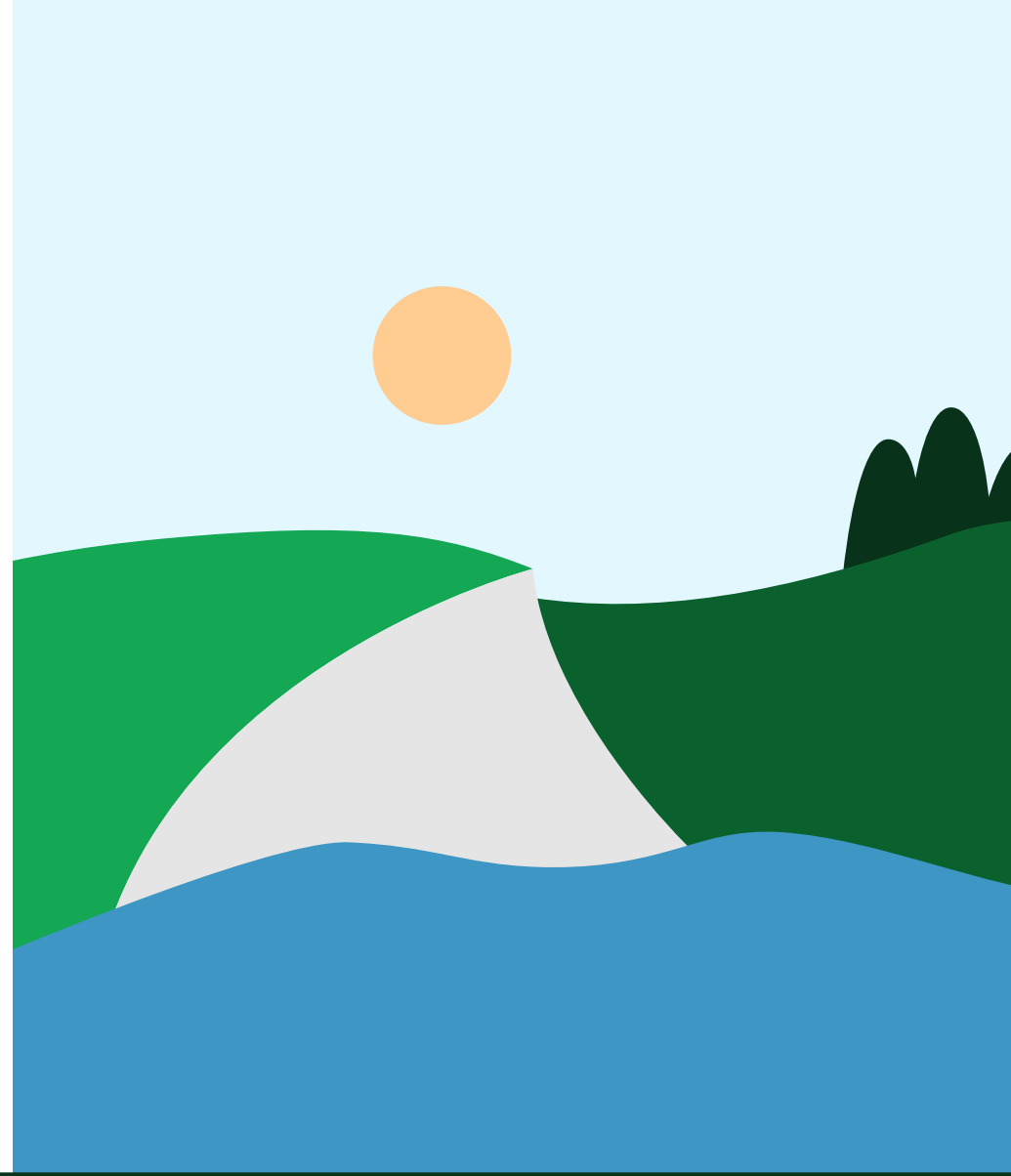


Kent Pension Fund
Q2 2025 Fund Performance



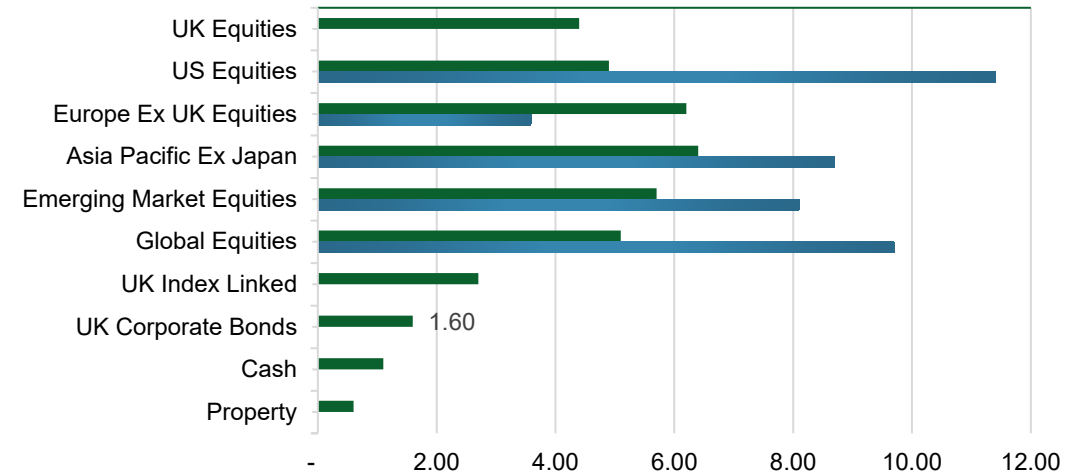
Market Commentary

- Financial markets were primarily driven by trade and geopolitics-led developments through the second quarter of 2025. Tariff uncertainty under US President Donald Trump fuelled concerns over not just the growth and inflation outlook, but also the potential impact on fiscal and monetary policy. While most developed market (“DM”) central banks continued cutting rates, policymakers expressed caution against headwinds emerging from tariff-induced disruptions. Although the US Federal Reserve (“Fed”) left rates unchanged in Q2, it revised growth and inflation forecasts for the year. Market sentiment continued to be influenced by a soft-landing narrative in the US. In Europe, Germany’s political landscape under new Chancellor Merz and spending plans under the draft budget for 2025 took centre-stage. Meanwhile, the geopolitical landscape became increasingly uncertain towards the end of the quarter amidst the Israel-Iran conflict, which was soon followed by a ceasefire deal. Overall, bond yields were lower across DM, while global equities ended the quarter on a positive note.
- US real GDP fell at an annual rate of 0.5% in Q1 2025, down from a 2.4% increase in Q4 2024. Headline US inflation increased to 2.4% in May 2025, consistent with the 2.4% recorded at the end of March. Core inflation remained steady at 2.8% in May, unchanged from 2.8% at the end of March. The Fed, at its June meeting, decided to maintain the target range for the federal funds rate at 4.25% to 4.50%. The 2025 median dot in the Summary of Economic Projections (“SEP”) still implied two cuts in 2025.
- China's GDP growth accelerated to 5.4% in Q1 2025, matching Q4 GDP growth, driven by robust industrial output and retail sales. China's inflation fell to 0.1% year-on-year in May 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%.
- Japan's economy contracted by 0.2% on an annualized basis in Q1 2025 due to a decline in net exports amid rising uncertainty over US trade tariffs. Additionally, government spending fell for the first time in five quarters. In the latest meeting in June, the Bank of Japan (“BoJ”) kept its key short-term interest rate at 0.5%, amidst rising growth risks.

- In Q1 2025, seasonally adjusted GDP increased by 0.6% in the euro area. The European Central Bank (“ECB”) reduced interest rates following their June meeting to 2.0%, citing increased uncertainty due to rising geopolitical tensions. Headline inflation in the eurozone slowed to 2.0% in June from 2.2% in March.
- The UK economy grew by 0.7% in Q1 2025 up from 0.1% recorded in Q4 2024. Headline inflation in the UK rose to 3.6% in June up from 2.6% in March, primarily due to higher prices of food, furniture, and household goods. In its June meeting, the Bank of England (“BoE”) maintained interest rates at 4.5% citing growing risks from a cooling labour market.

Source: Mercer LLC

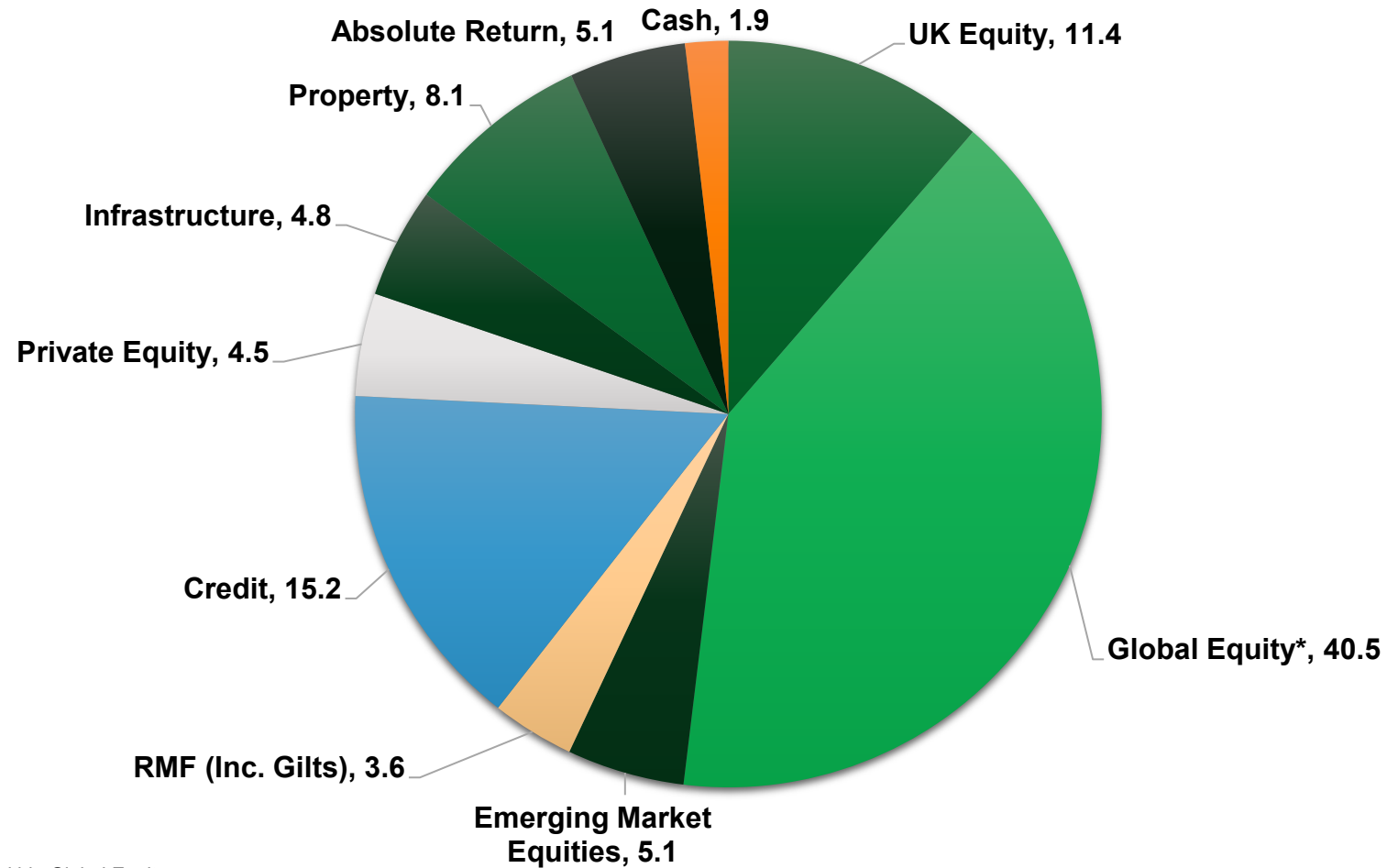
Market Returns (%)



Source: Mercer LLC, Refinitiv and Schroders



Asset Allocation – 30 June 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

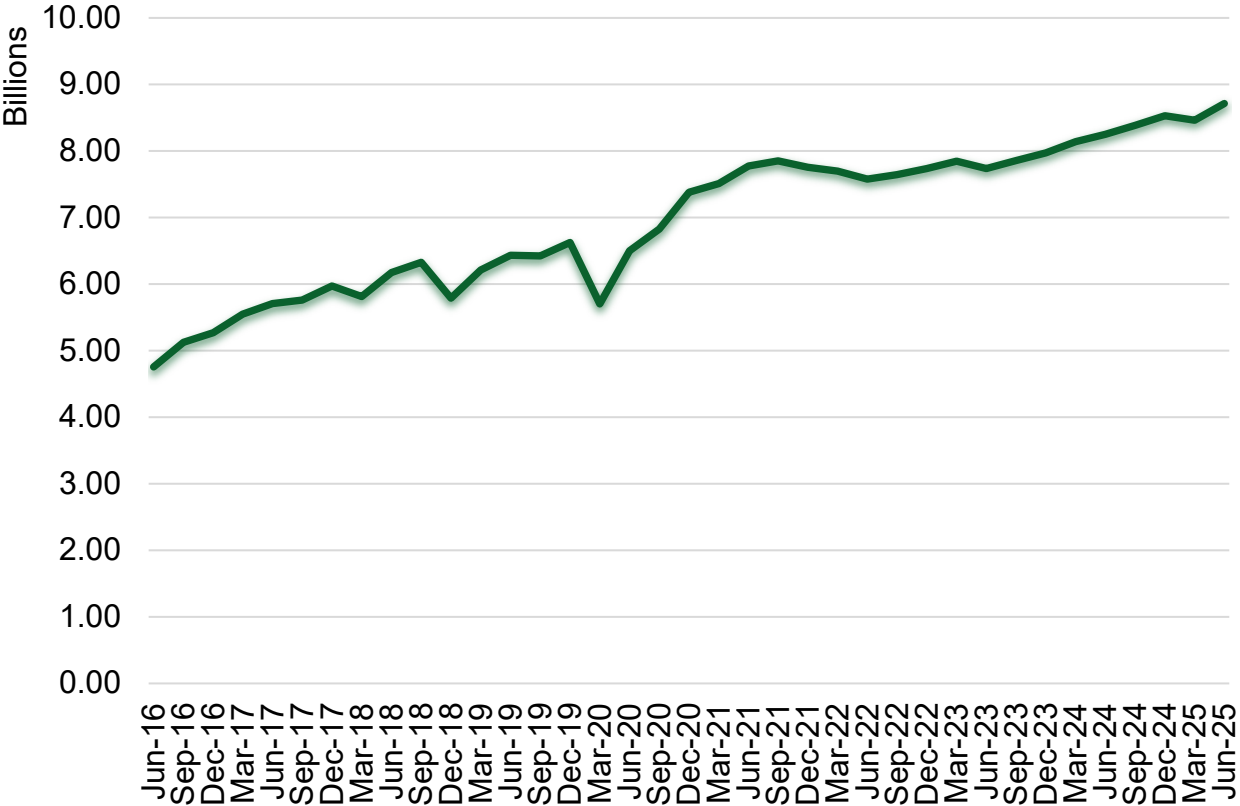
Asset Class	Fund Manager	Market Value as at 30 June	Market Value as at 31 March	Change in MV (£m)	% of Total
		2025 (£m)	2025 (£m)		
UK Equity	Schroders UK Equity	989	932	57	11.4
	Woodford Equity	2	2	0	0.0
Global Equity	Impax	69	65	3	0.8
	Baillie Gifford	1,087	986	101	12.5
	Robeco Global Stars	654	639	15	7.5
	Schroders Global Active Value	520	494	27	6.0
	M&G Global Dividend Fund	690	669	21	7.9
	Insight (Synthetic Equity Exposure)	516	481	35	5.9
Emerging Markets Equity	Columbia Threadneedle	223	208	16	2.6
	Robeco	220	201	19	2.5
Risk Management Framework (inc. Gilts)	Insight	312	376	-64	3.6
Credit	CQS	286	281	6	3.3
	Goldman Sachs	451	439	12	5.2
	Schroders Strategic Bond Fund	286	278	8	3.3
	M&G Alpha Opportunities	302	298	4	3.5
Absolute Return	Ruffer	192	187	5	2.2
	Pyrford	249	243	6	2.9
Property	DTZ	475	473	2	5.5
	DTZ Pooled Property	126	106	20	1.4
	DTZ (previously Aegon)	23	26	-3	0.3
	M&G Residential Property	34	34	0	0.4
	Fidelity	46	46	0	0.5
Infrastructure	Partners Group	417	422	-6	4.8
Private Equity	HarbourVest	313	318	-5	3.6
	YFM	75	74	1	0.9
Cash	Internal Cash	161	145	16	1.8
Total		8,717	8,424	293	100.0

Source: Northern Trust, RADAR Reporting

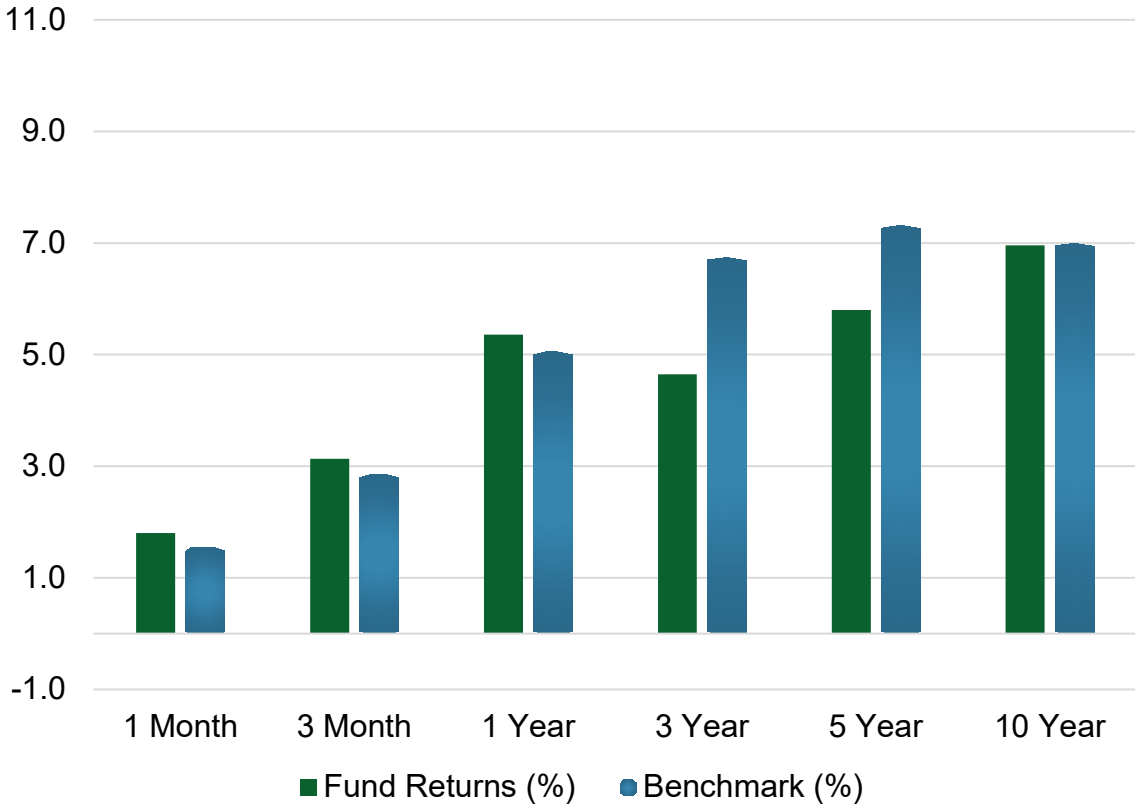


Historical Performance

Total Fund Value (£Bn)



Total Fund Performance vs Benchmark

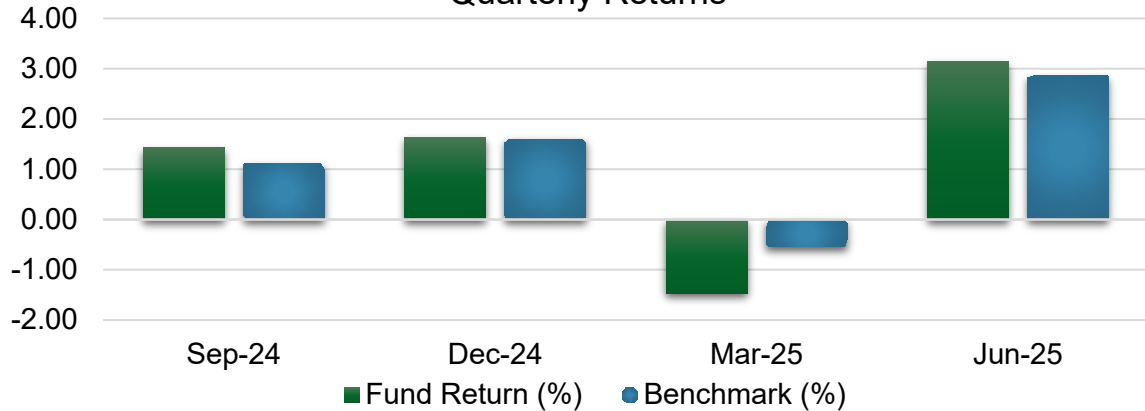


Source: Northern Trust, RADAR Reporting



Discrete Performance

Quarterly Returns



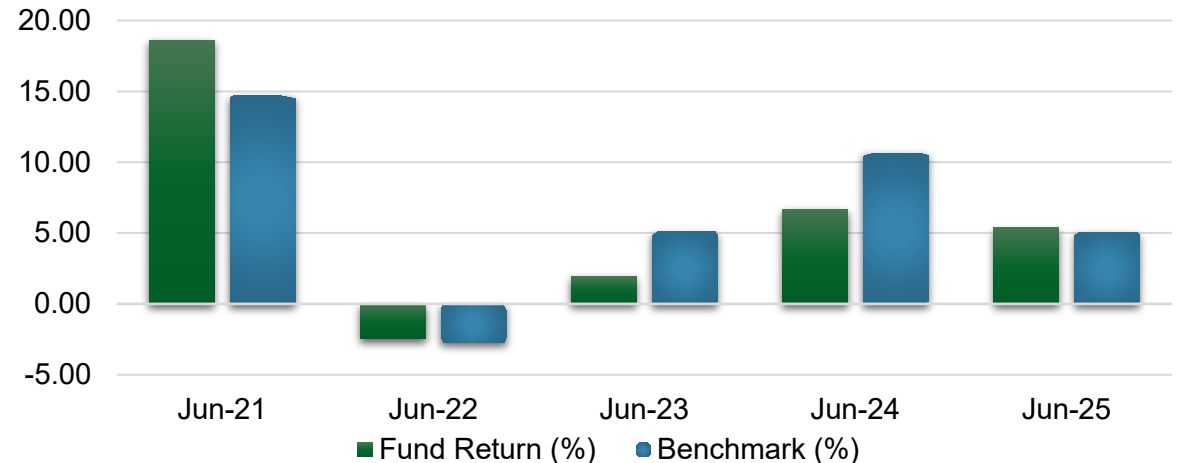
The Fund delivered a return of 3.1% in the quarter to 30 June 2025, outperforming the benchmark of 2.9%. This marked a strong rebound from the -1.5% recorded in Q1, when weakness across risk assets weighed on performance. The improvement in Q2 reflected a broad reversal in market sentiment, with the equity's mandates leading the gains on the back of resilient corporate earnings and moderating inflation, while credit, infrastructure and absolute return also provided steady contributions.

The most recent quarter has shown the strongest performance with performance generally being mixed across the rest of the year. Q4 2024 was broadly in line with benchmark, whilst Q3 2024 delivered a slight outperformance.

Over the year to 30 June 2025, the Fund achieved a return of 5.4%, modestly ahead of the benchmark of 5.1%. This positive outcome was supported by strong equity markets in the second half of this period and steady returns from most asset classes, excluding some of the alternative assets. This represents an improvement on the previous year which showed an underperformance against its relative benchmark, and the year prior which lagged it's benchmark by 3.0%.

Earlier years showed more mixed results, with a small relative gain being seen in 2022 and strong outperformance in the year to 30 June 2021 as a result of the strong rebound following Covid's impact in 2020.

Annual Returns (last 5 years)

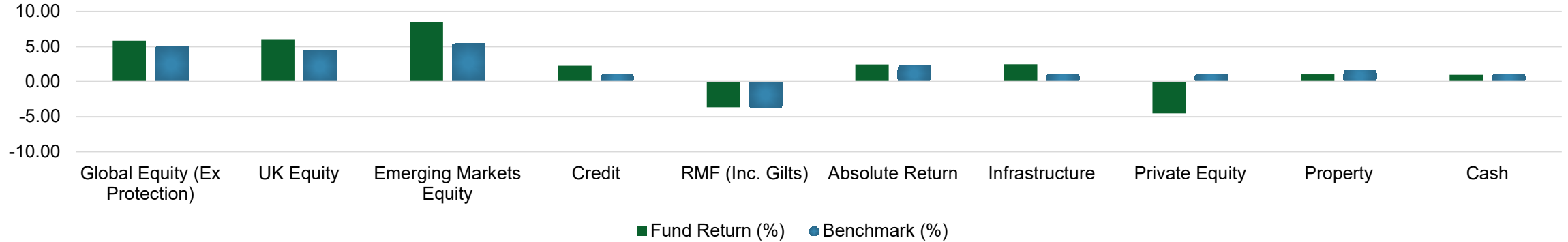


Source: Northern Trust, RADAR Reporting

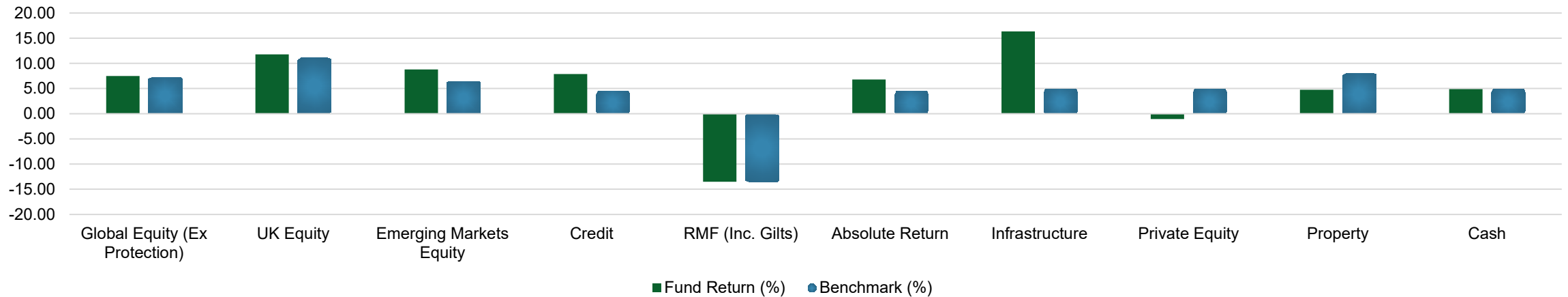


Asset Class Performance

Quarterly Performance



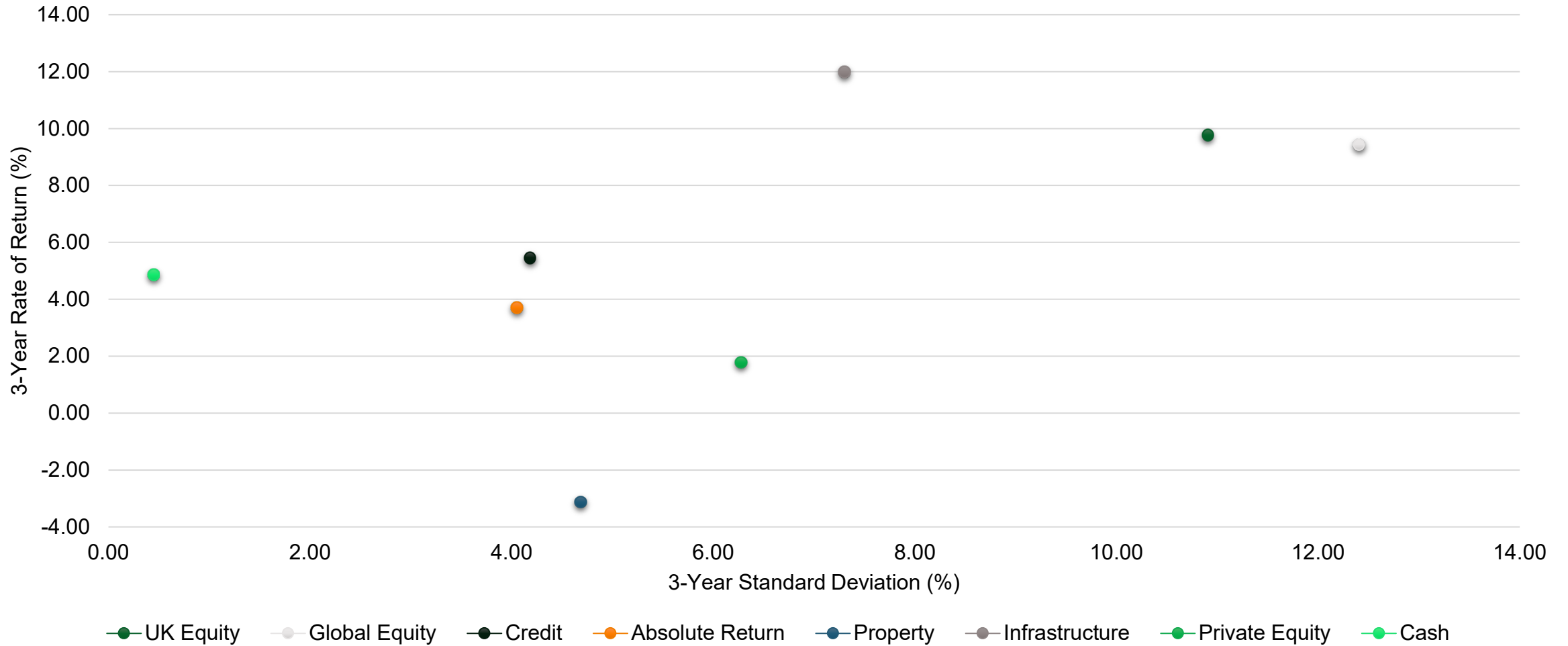
Annual Performance



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	3.1	2.9	5.4	5.1	4.7	6.7
UK Equity						
Schroders - WS ACCESS UK Equity Fund	6.1	4.4	11.9	11.2	9.6	10.7
Global Equity						
Baillie Gifford - WS ACCESS Global Equity Core Fund	10.3	5.4	9.6	8.3	11.6	12.0
Robeco GS	2.3	5.1	--	--	--	--
Schroders - WS ACCESS Global Active Value Fund	5.4	5.1	9.2	7.2	10.5	12.7
Impax	4.9	5.1	-3.7	7.2	0.3	12.7
M&G - WS ACCESS Global Dividend Fund	3.1	5.1	11.6	7.2	12.1	12.7
EM Equity						
Columbia Threadneedle – WS ACCESS EM Equity Fund	7.6	5.5	6.8	6.4	--	--
Robeco – WS ACCESS EM Equity Fund	9.4	5.5	10.9	6.4	--	--
Credit						
Goldman Sachs	2.7	0.9	7.1	3.5	6.3	3.5
Schroders Fixed Income	2.8	1.1	9.0	4.9	6.3	4.4
CQS	2.0	1.1	8.7	5.0	9.4	7.1
M&G Alpha Opportunities	1.3	1.1	7.3	5.0	9.5	7.1
Property						
DTZ	1.2	1.7	5.1	8.0	-2.8	-3.5
Fidelity	-0.0	1.5	15.5	6.8	-2.9	-4.1
DTZ (Kames)	-1.4	1.5	-0.5	6.8	-3.8	-4.1
M&G Property	-1.0	1.5	0.7	6.8	-0.5	-4.1
Private Equity						
HarbourVest	-5.6	1.1	-2.3	4.9	-1.2	4.5
YFM	0.8	1.1	4.6	4.9	13.9	4.5
Infrastructure						
Partners Group	2.5	1.1	16.3	4.9	11.9	4.5
Absolute Return						
Pyrford	2.4	2.3	7.0	4.4	4.9	6.8
Ruffer - WS ACCESS Absolute Return Fund	2.5	2.3	6.3	4.4	1.5	6.8



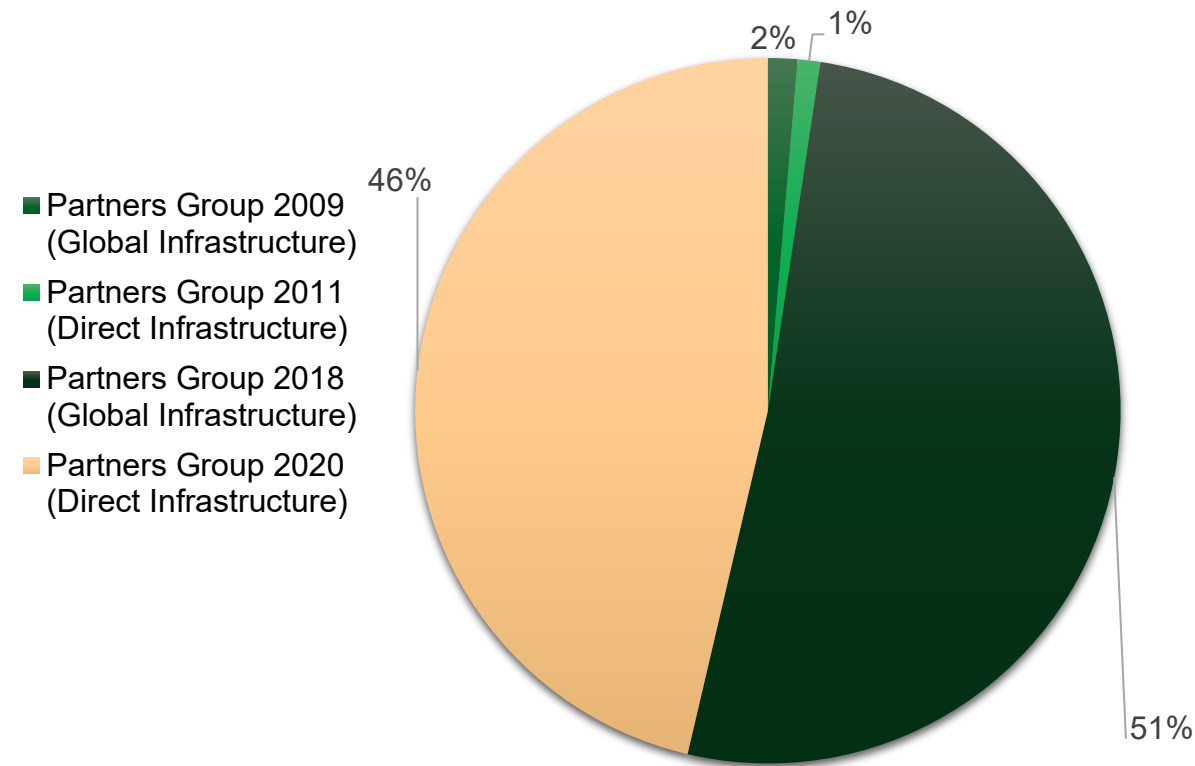
Alternatives Performance

AS AT 30 JUNE 2025							
Name of Fund	Value of commitment (£m)	Date of original commitment	Cumulative contributions made (£m)	Distributions received (£m)	Net Asset Value at 30/06/2025 (£m)	IRR	TVPI
HIPEP VI-Cayman Partnership Fund L.P.	31	Oct-10	28.8	54.5	9.3	13.5%	2.14
HarbourVest Partners IX L.P.	53	Oct-10	40.9	88.6	21.2	17.4%	2.44
HarbourVest 2018 Global Feeder AIF L.P.	57	Oct-18	47.6	25.4	55.4	16.6%	1.74
HarbourVest 2019 Global Feeder AIF SCSp	57	Mar-19	45.2	12.9	56.9	16.7%	1.62
HarbourVest 2020 Global Feeder AIF SCSp	57	Mar-20	50.3	5.4	56.8	10.0%	1.30
HarbourVest 2021 Global Feeder AIF SCSp	57	Mar-21	41.5	1.8	43.0	8.5%	1.19
HarbourVest 2022 Global Feeder AIF SCSp	57	Dec-21	27.4	0.7	33.4	25.3%	1.36
HarbourVest 2023 Global Feeder AIF SCSp	57	Dec-23	23.7	-	26.0		1.19
HarbourVest 2024 Global Feeder AIF SCSp	123	Jun-24	10.0	-	10.8		1.31
Partners Group Direct Infrastructure 2011 S.C.A., SICAR	19	Oct-10	16.5	20.5	4.4	7.9%	1.44
Partners Group Global Infrastructure 2009 S.C.A., SICAR	50	Oct-10	43.3	57.7	5.6	7.1%	1.45
Partners Group Global Infrastructure 2018 L.P. INC	222	Oct-18	180.5	42.2	213.6	11.3%	1.44
Partners Group Direct Infrastructure 2020 LP SICAV RAIF	222	Nov-19	152.9	11.3	193.0	15.6%	1.37
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	9.0		2.84
YFM Equity Partners Buyout Fund 1	20	Mar-16	18.3	32.6	18.5		2.83
YFM Equity Partners Growth Fund 2	10	Oct-18	10.4	0.4	12.5		1.26
YFM Equity Partners Buyout Fund 2	20	Oct-18	16.2	18.1	11.7		2.07
YFM Equity Partners Growth Fund 3	10	Jun-21	9.6	0.9	11.6		1.33
YFM Equity Partners Buyout Fund 3	20	Sep-23	13.2	-	12.1		1.03

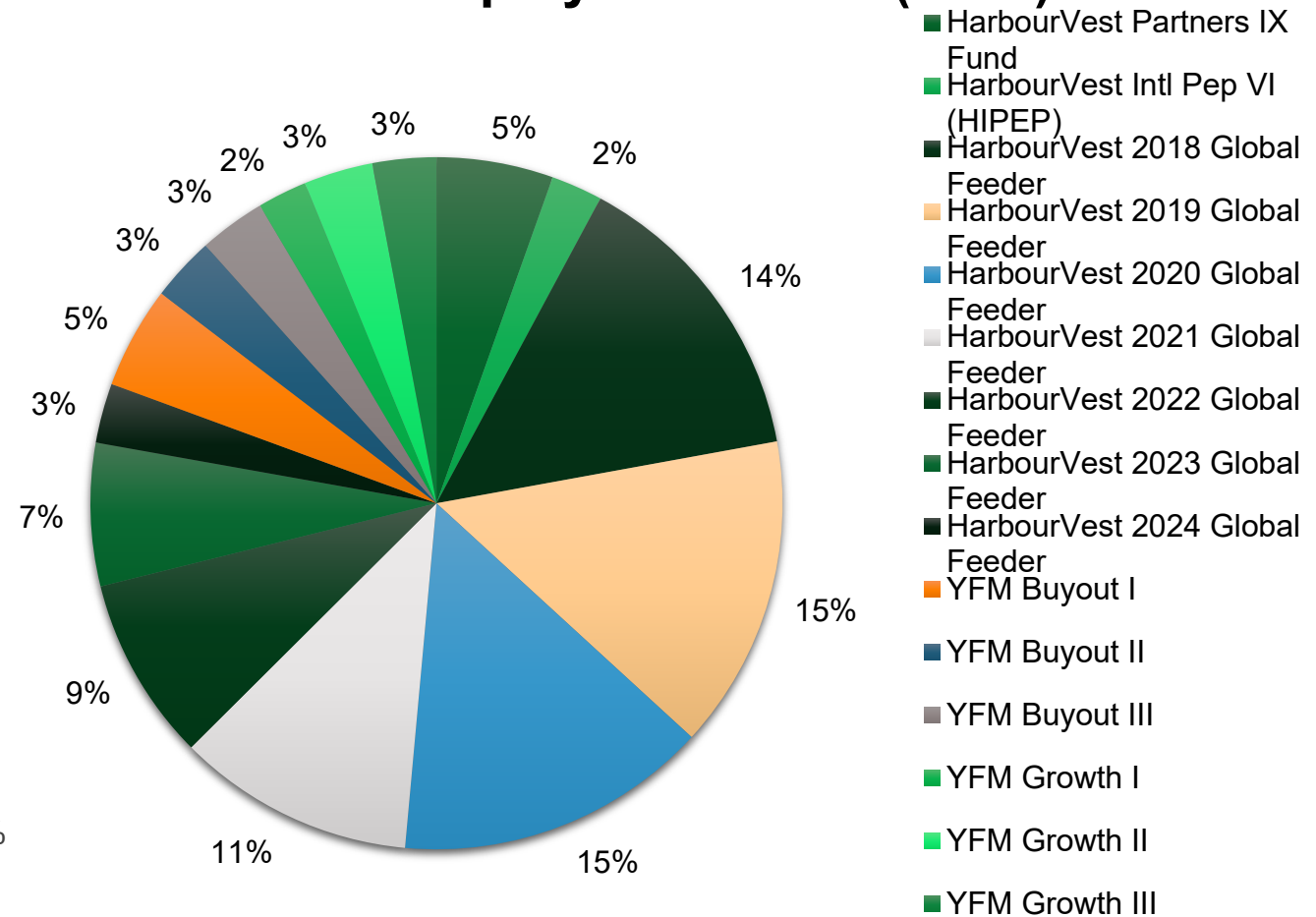


Alternatives Breakdown

Infrastructure Allocation (£417m)



Private Equity Allocation (£388)

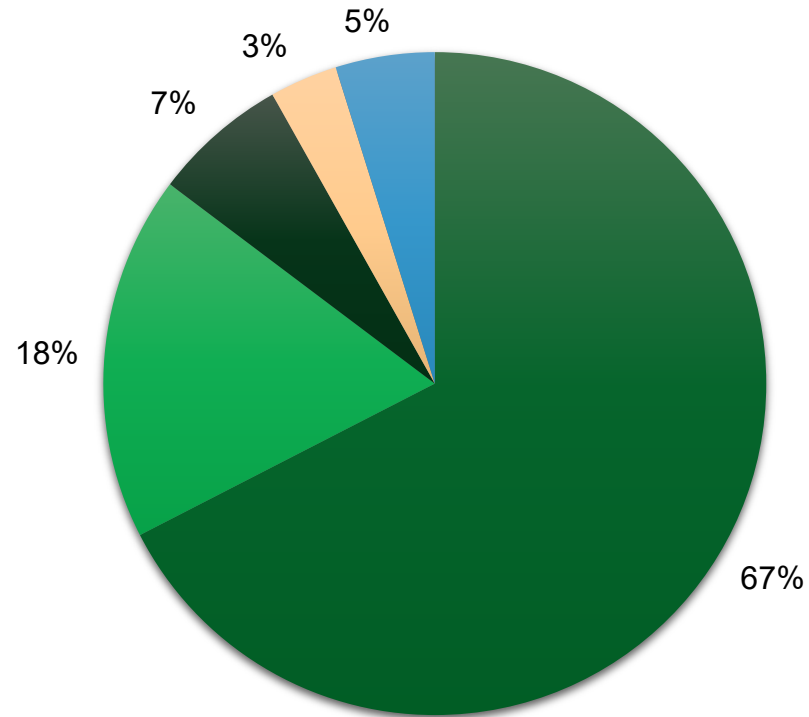


Note: The legend reads clockwise on the pie charts.



Property Breakdown

Property Allocation (£705m)



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

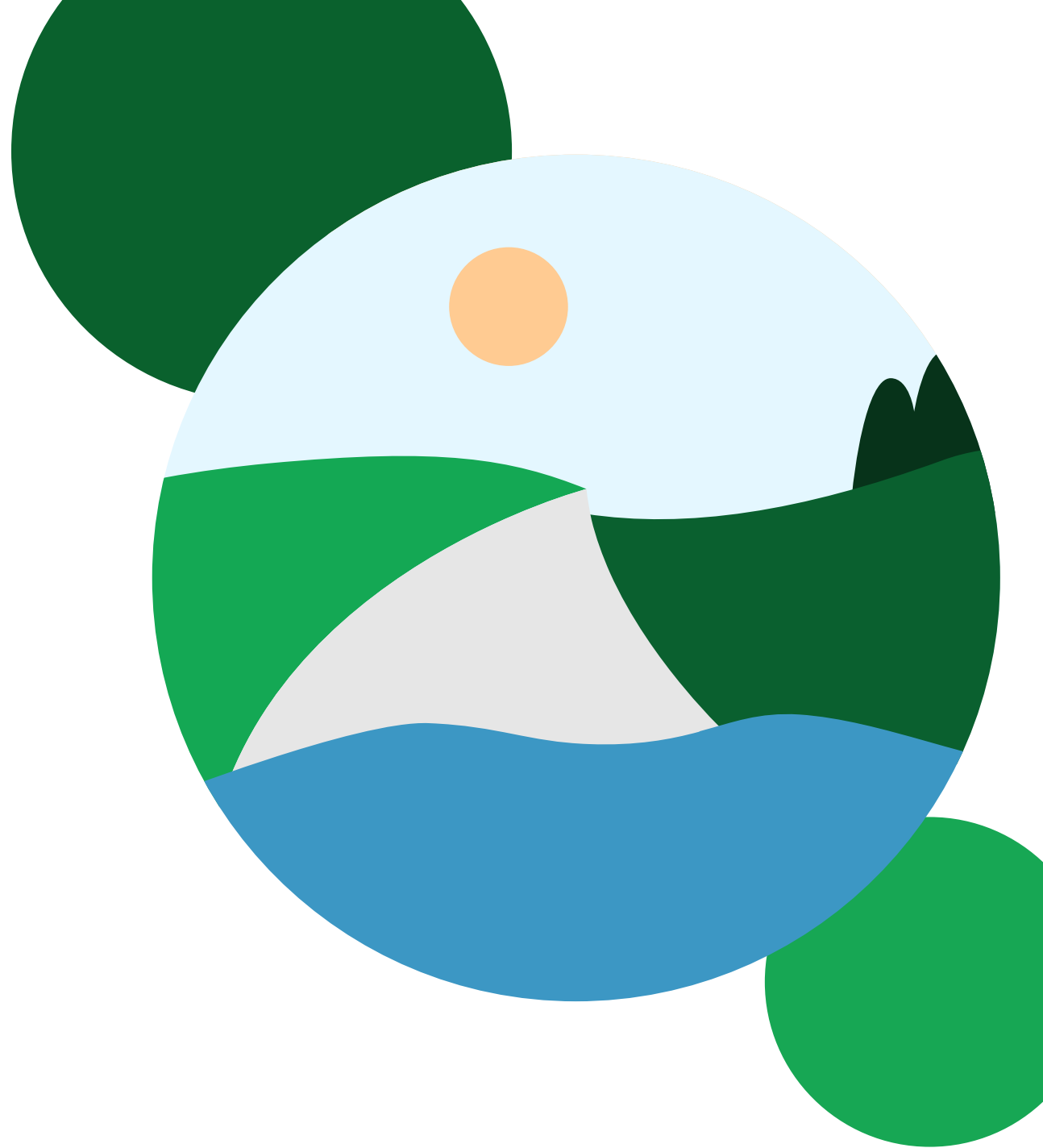
Note: The legend reads clockwise on the pie chart.



Appendix



Kent Pension Fund



Benchmarks and Targets

Appendix A

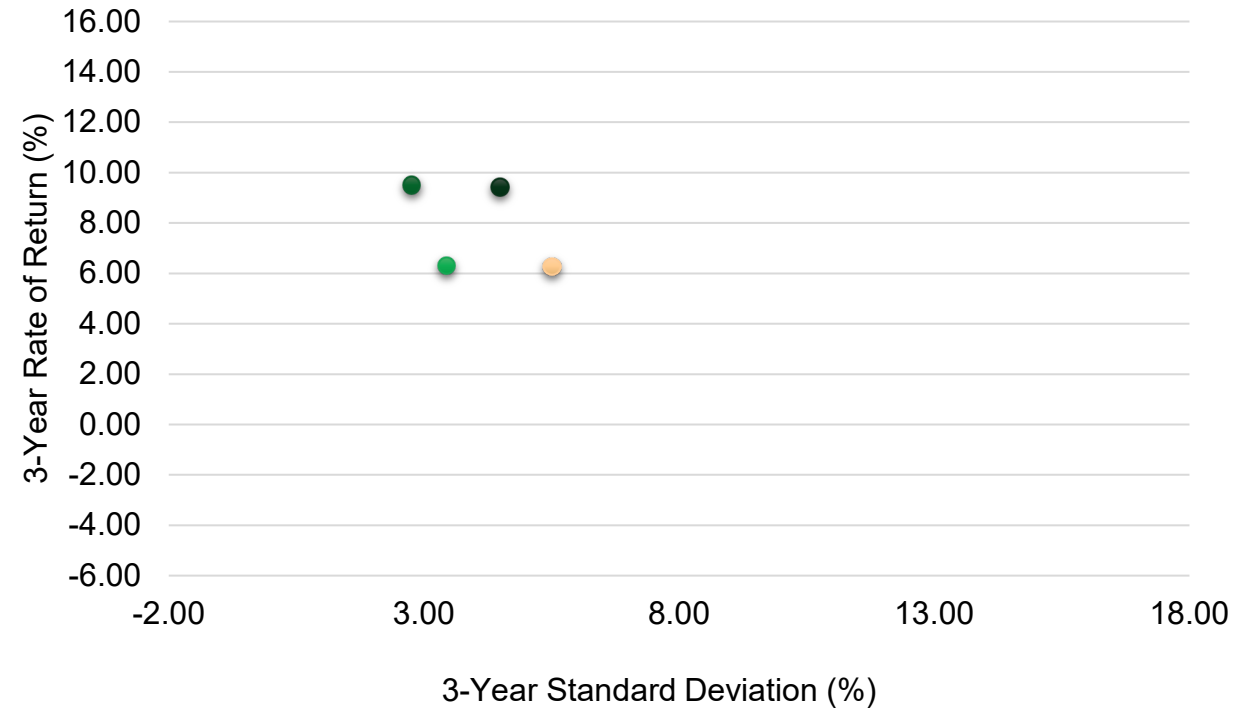
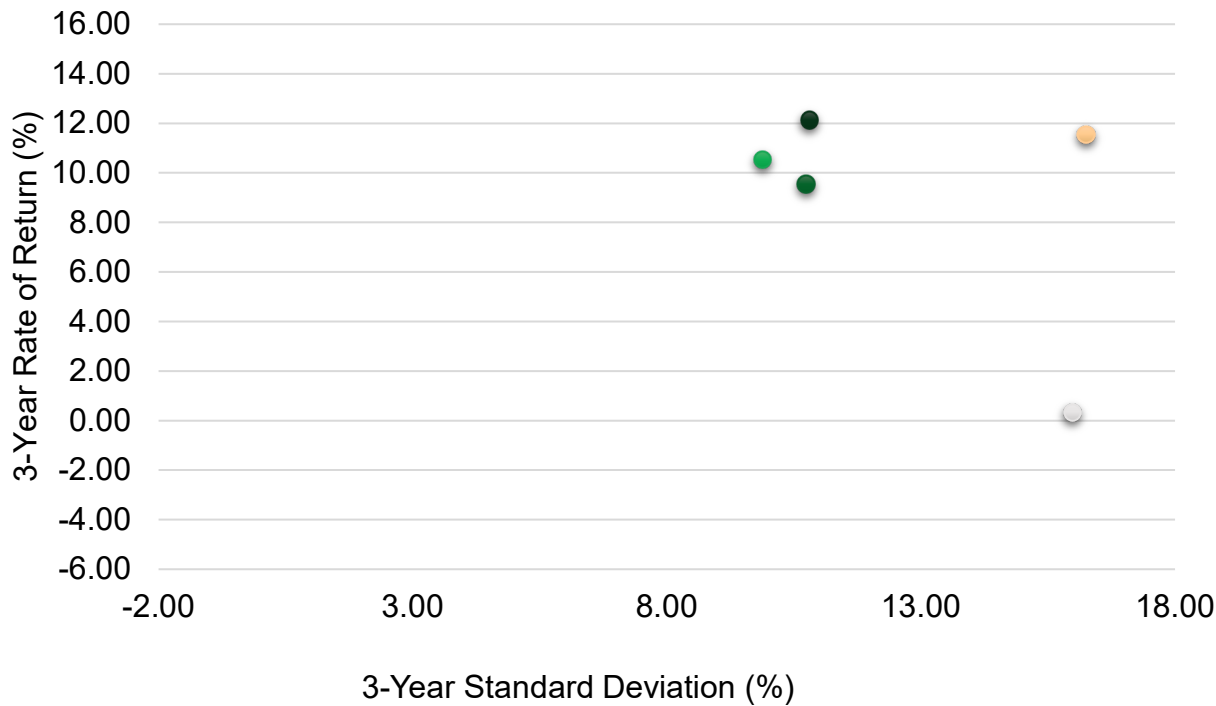
Asset Class / Manager	Performance Benchmark	Performance Target
UK Equities:		
Schroders - WS ACCESS UK Equity Fund	FTSE All Share	+1.5% pa over rolling 3 years
Woodford	FTSE All Share	Unconstrained
Global Equities:		
Baillie Gifford - WS ACCESS Global Equity Core Fund	Regional	+1.5% pa over rolling 3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



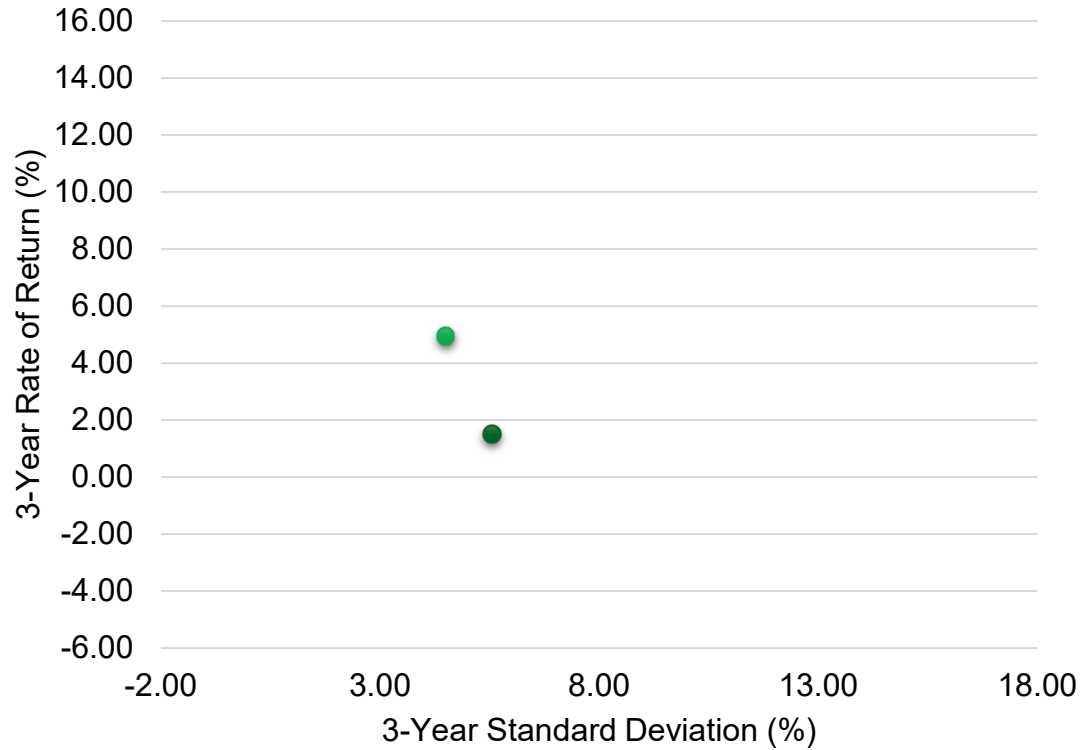
- Schroders UK Equity
- M&G Global Dividend Fund
- IMPAX Funds
- Schroders Global Active Value
- Baillie Gifford Global Equity Core
- M&G Alpha Opp Fund
- Schroders Fixed Income
- CQS Investment
- Goldman Sachs

Source: Northern Trust, RADAR Reporting

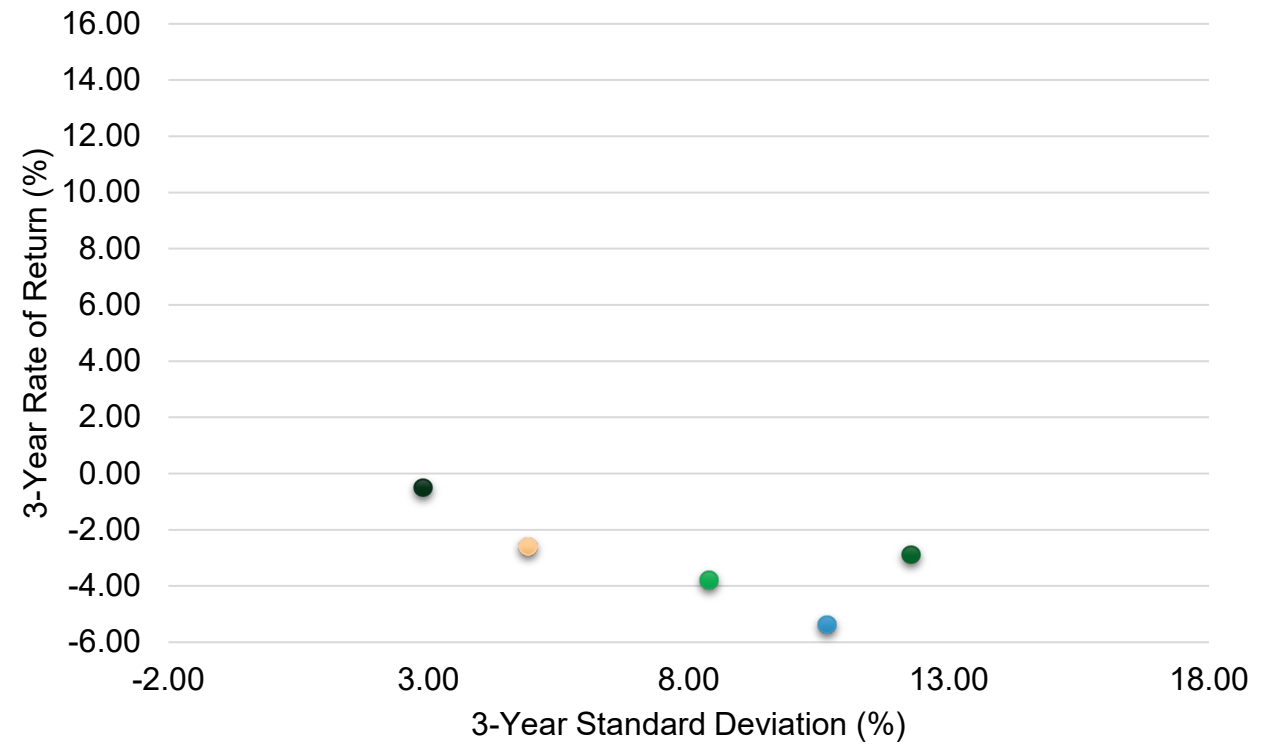


Risk vs Return – Absolute Return and Property

Appendix C



● Ruffer Absolute Return Fund ● Pyrford International



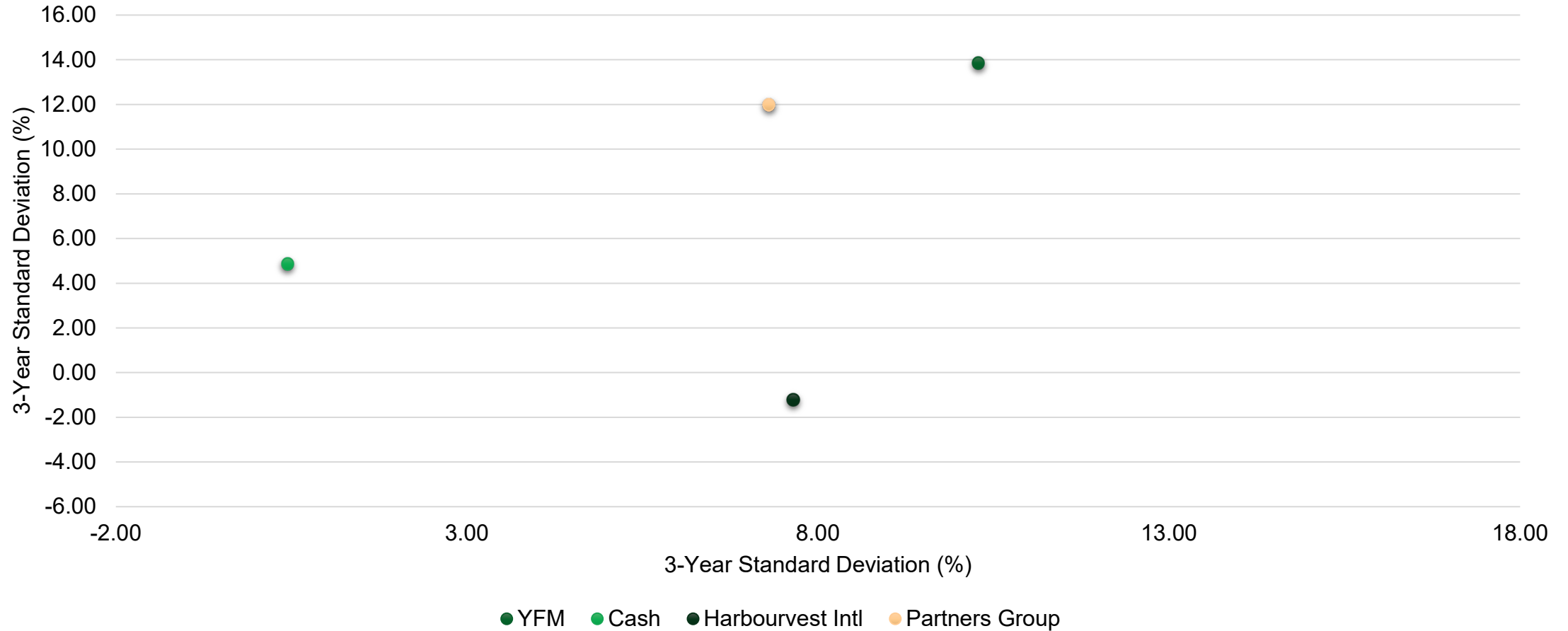
● Fidelity International ● Kames Capital ● M&G Property
● DTZ ● DTZ Pooled Property

Source: Northern Trust, RADAR Reporting



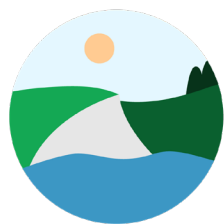
Risk vs Return - Alternatives

Appendix D



Source: Northern Trust, RADAR Reporting





Kent Pension Fund

For more information, please visit

www.kentpensionfund.co.uk