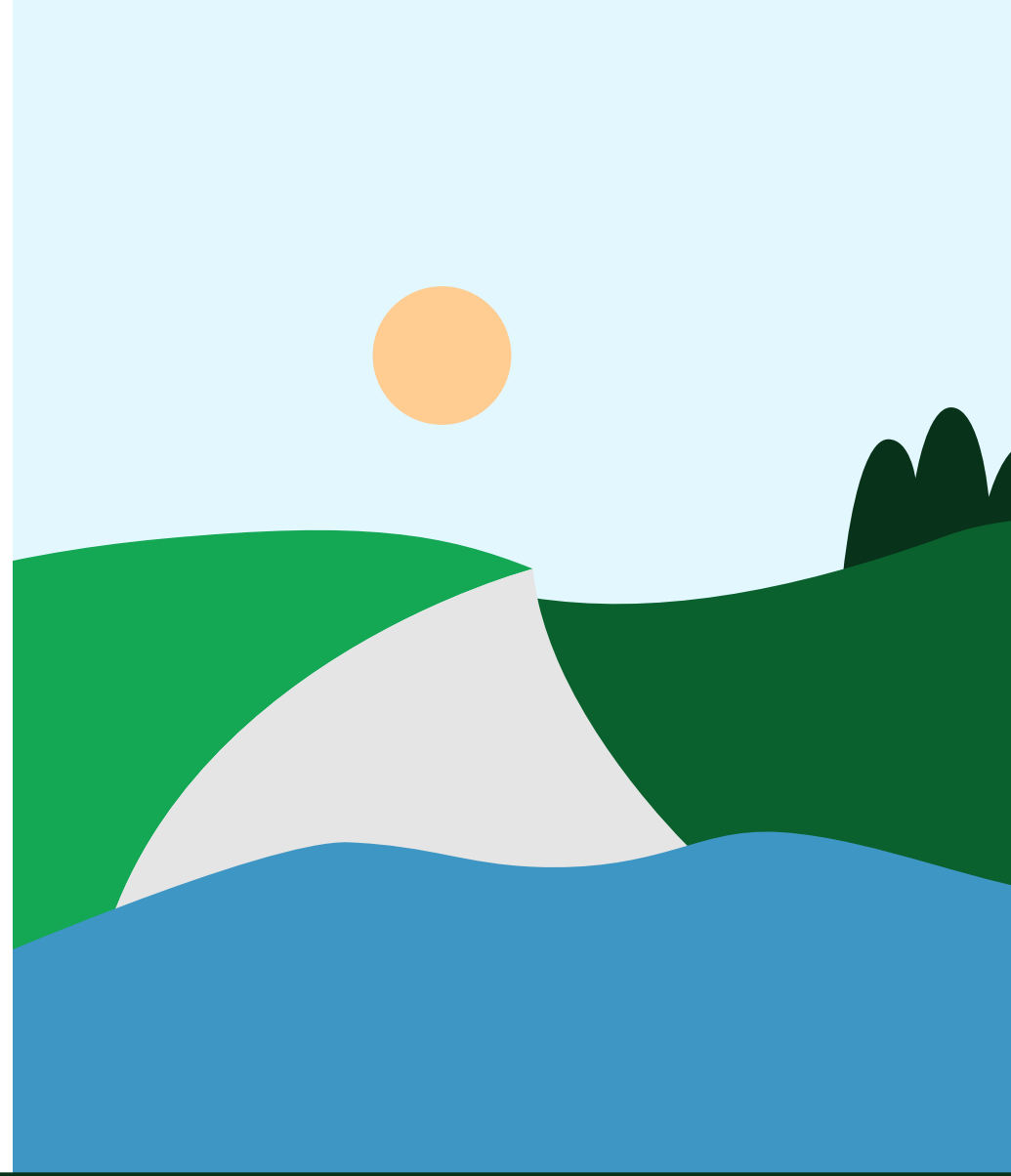


Kent Pension Fund
Q3 2024 Fund Performance



Market Commentary

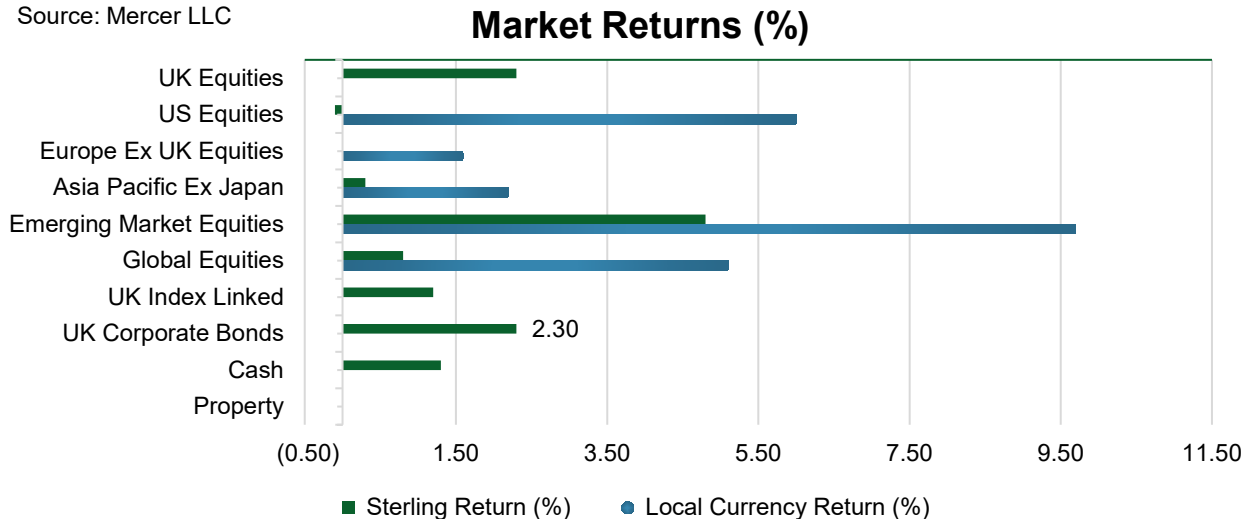
- In the third quarter of 2024, developed market (“DM”) central banks including the US Federal Reserve (“Fed”) cut interest rates. DM central banks were prompted to loosen monetary policy amidst the macroeconomic backdrop of cooling inflation, labour markets and slowing wage growth. Notably, the Bank of Japan (“BoJ”) diverged from other DM central banks and hiked rates by 0.15% in July given the impact of robust wage negotiations on inflation. Market sentiment over the quarter tilted back towards a soft-landing as fears of a US recession – which gripped markets in early August – quickly subsided. Overall, bond yields declined across DM economies, while equities outperformed in response to rate cuts. That said, uncertainty around the US election and tensions in the Middle East sparked temporary volatility in financial markets.
- US real GDP increased at an annual rate of 3% in Q2 2024 against an increase of 1.6% in Q1 2024. The increase reflects upward revisions to private inventory investment and federal government spending that were offset by downward revisions to non-residential fixed investment and exports. Headline US inflation fell over Q3 2024, decreasing to 2.5% in August from 3% at the end of June. Core US inflation has been declining in recent months. The Federal Reserve, at its September meeting, decided to cut interest rates, lowering the target range of the fed funds to 4.75%-5.0% from 5.25%-5.5%. The median dot in the Summary of Economic Projections (SEP) showed 50bp more cuts in 2024.
- Chinese GDP grew 4.7% (year-on-year) in Q2 2024, lower than 5.3% in Q1 2024, and the weakest yearly advance since Q1 2023, amid a persistent weak property market, subdued domestic demand and falling yuan. China’s central bank announced a major package of measures aimed at supporting economy’s recovery. The People’s Bank of China (PBoC) lowered its one-year policy loan rate, known as the medium-term lending facility (MLF), by 30bps to 2.0% from 2.3%.

Q2 Japan's GDP expanded by an annualized 2.9% in the second quarter from the previous three months. largely due to downward revisions in corporate and personal spending. The Bank of Japan in July raised its key interest rate to 0.25% from 0-0.1%,

In Q2 2024, seasonally adjusted GDP increased by 0.6% in the euro area. Spain (+2.9%) recorded the highest increase, followed by Portugal (+1.5%) and Lithuania (+1.4%). The ECB reduced interest rates following their September meeting to 3.50% for the deposit facility. Headline inflation in the eurozone fell to 1.8% in September from 2.5% in June.

UK GDP grew by 0.5% in Q2 (quarter-on-quarter), slightly lower than 0.7% in Q1. Headline inflation in the UK rose to 2.2% in August from 2.0% in June. This was led by a jump in air fares. However, the rise in air flights was offset by lower fuel prices and prices in restaurants increasing more slowly.

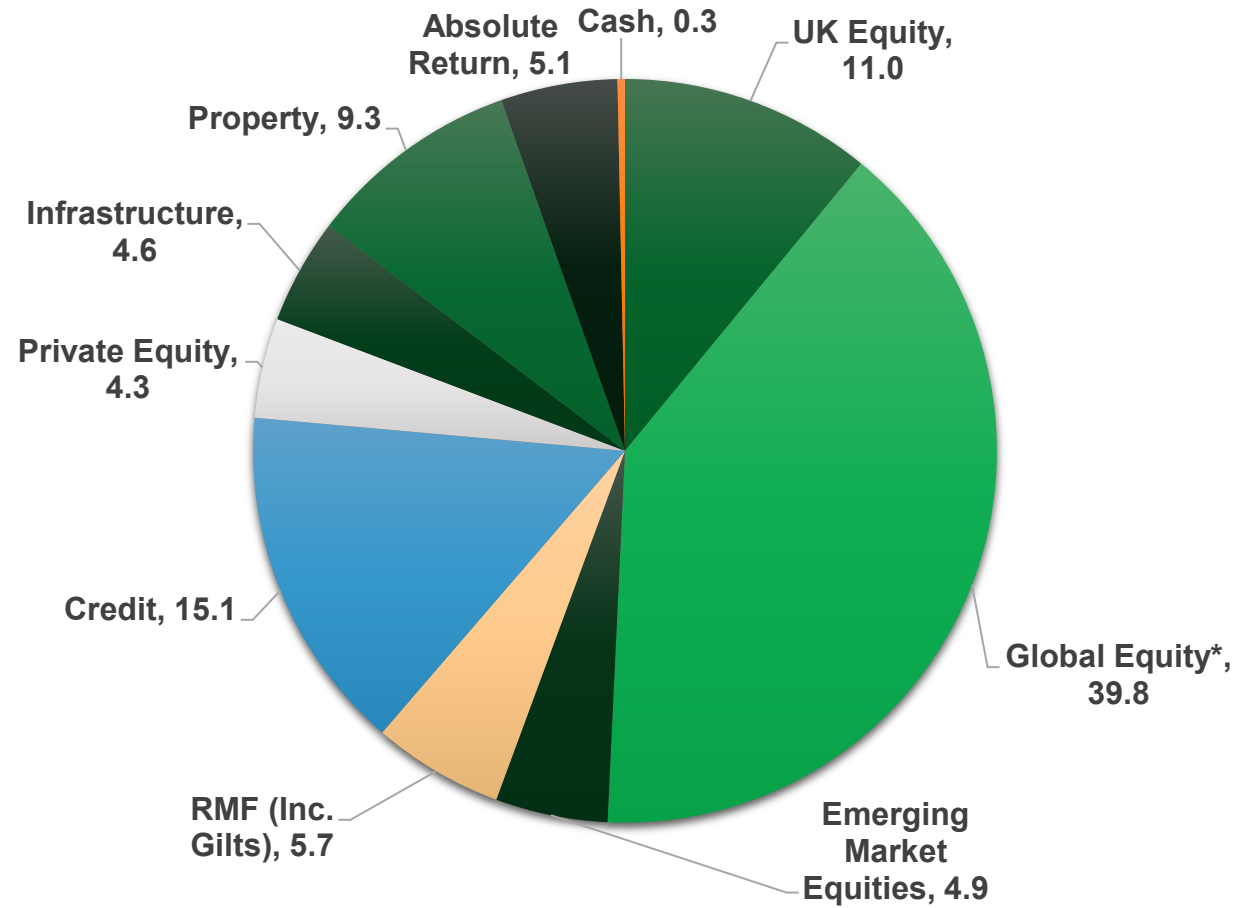
Source: Mercer LLC



Source: Mercer LLC, Refinitiv and Schroders



Asset Allocation – 30 September 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

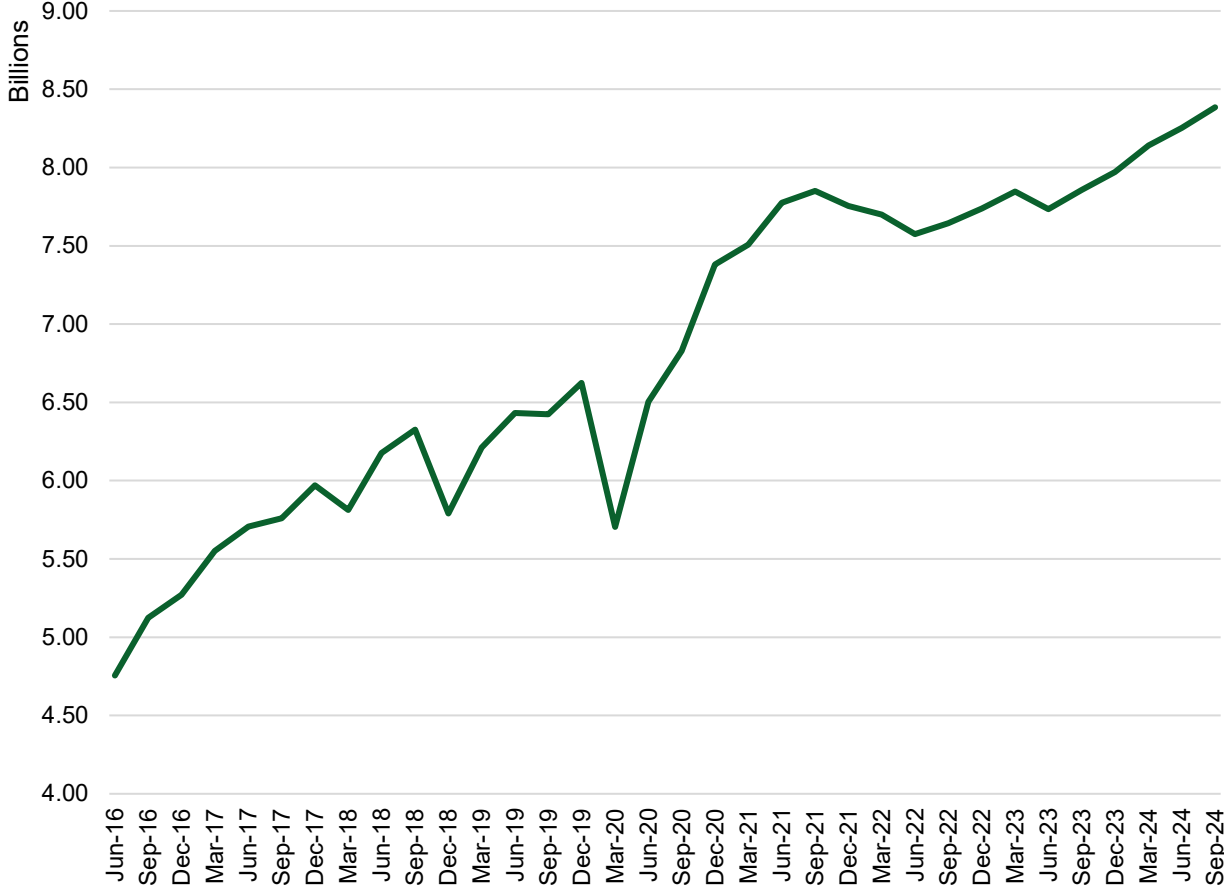
Asset Class	Fund Manager	Market Value as at 30 September 2024 (£m)	Market Value as at 30 June 2024 (£m)	Change in MV (£m)	% of Total
UK Equity	Schroders UK Equity	917	884	33	10.9
	Woodford Equity	2	2	0	0.0
Global Equity	Impax	75	71	3	0.9
	Sarasin	434	439	-5	5.2
	Baillie Gifford	1,230	1,205	25	14.7
	Schroders Global Active Value	481	476	4	5.7
	M&G Global Dividend Fund	643	618	25	7.7
	Insight (Synthetic Equity Exposure)	472	478	-5	5.6
	Emerging Markets Equity	Columbia Threadneedle	207	209	-2
	Robeco	203	198	4	2.4
Risk Management Framework (inc. Gilts)	Insight	478	494	-16	5.7
Credit	CQS	271	264	8	3.2
	Goldman Sachs	435	421	14	5.2
	Schroders Strategic Bond Fund	273	262	11	3.3
	M&G Alpha Opportunities	288	282	6	3.4
Absolute Return	Ruffer	186	180	6	2.2
	Pyrford	240	232	7	2.9
Property	DTZ	467	466	1	5.6
	DTZ Pooled Property	106	53	53	1.3
	DTZ (previously Aegon)	27	27	-1	0.3
	M&G Residential Property	35	43	-8	0.4
	Fidelity	143	138	5	1.7
Infrastructure	Partners Group	384	373	11	4.6
Private Equity	HarbourVest	290	305	-15	3.5
	YFM	74	65	9	0.9
Cash	Internal Cash	27	68	-41	0.3
Total		8,385	8,253	132	100.0

Source: Northern Trust, RADAR Reporting

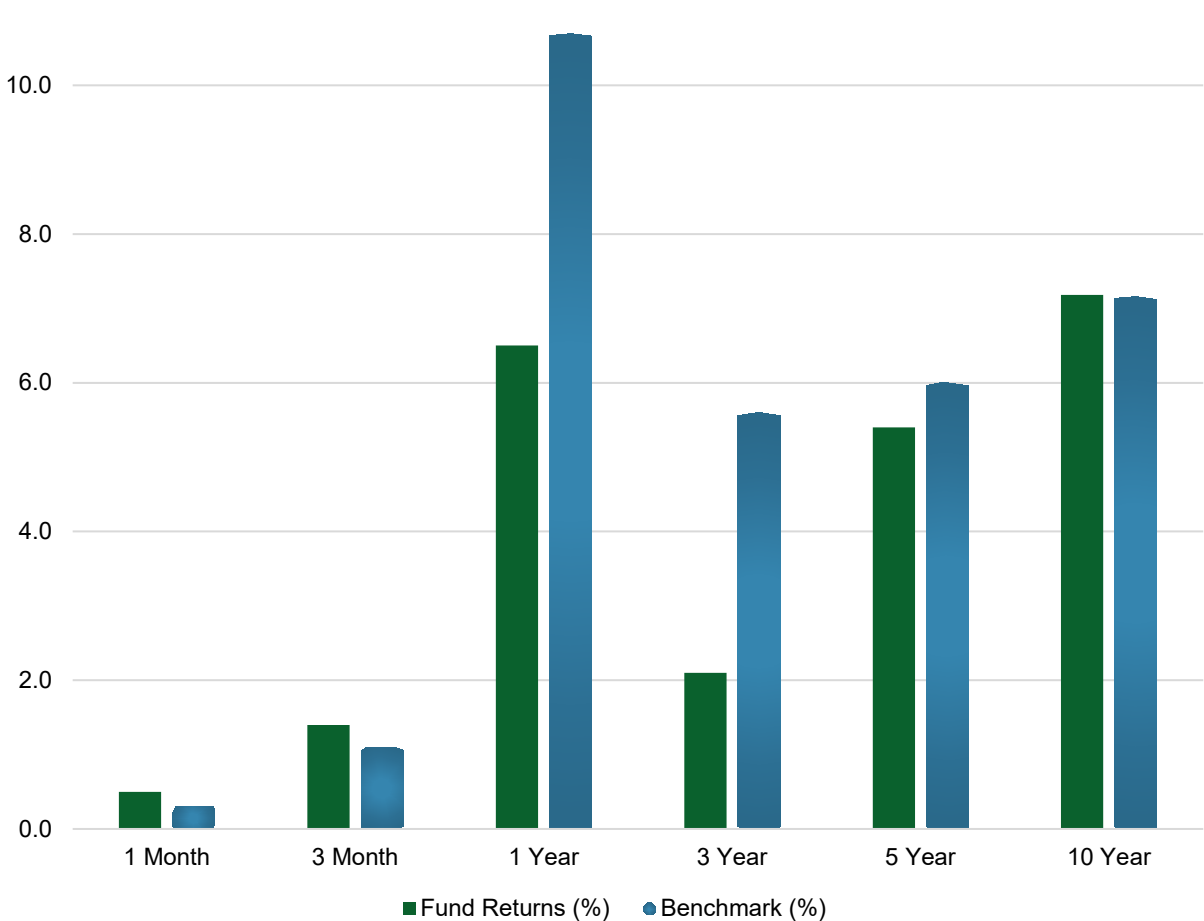


Historical Performance

Total Fund Value (£Bn)



Total Fund Performance vs Benchmark

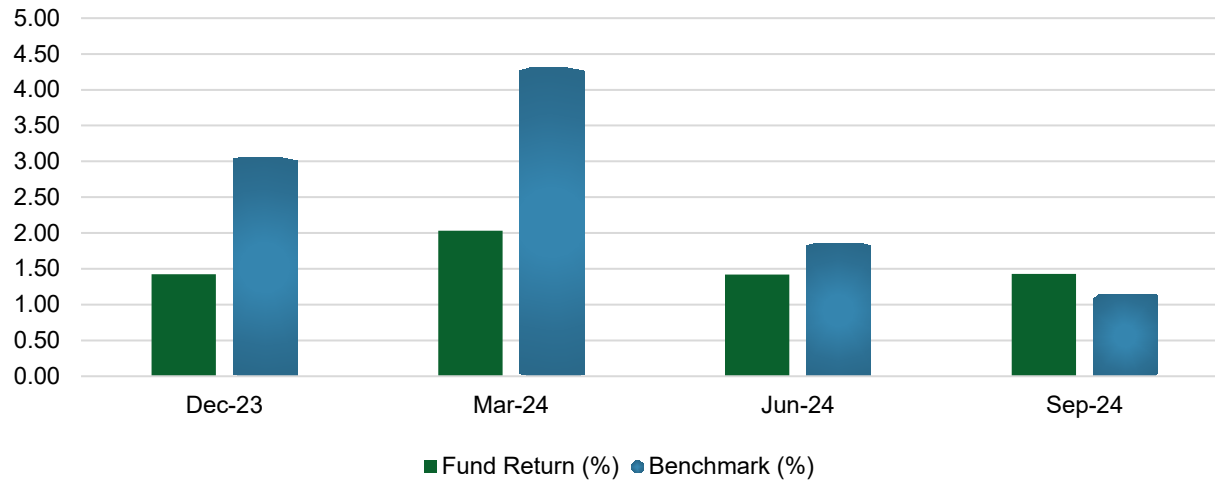


Source: Northern Trust, RADAR Reporting



Discrete Performance

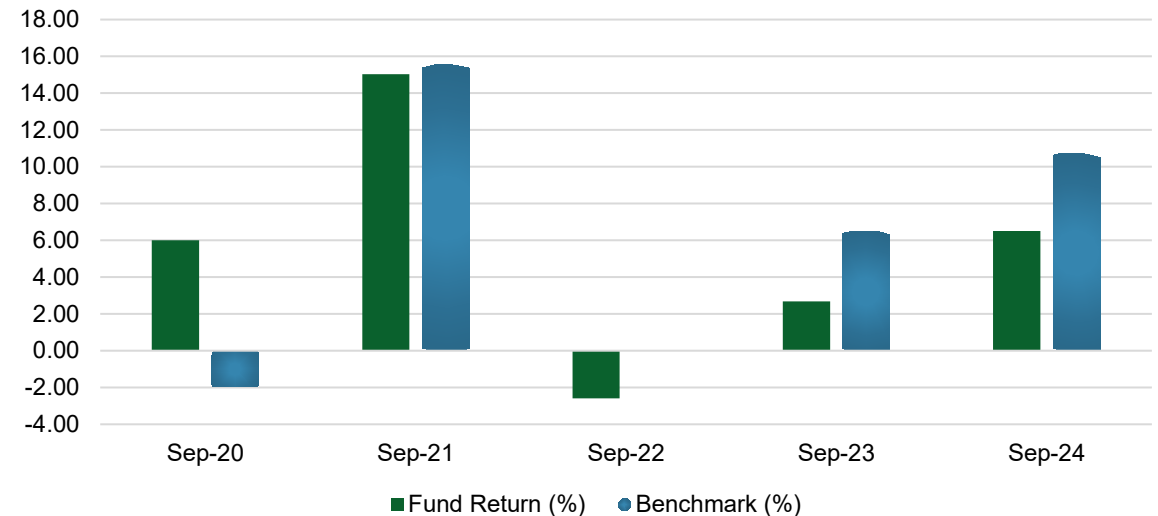
Quarterly Returns



- The Fund has experienced mixed performance relative to the benchmark over the past five years. Outperformance was achieved in 2020 as the Fund’s allocation to high-growth equities generated strong returns. However, the last four years have been marked by underperformance as a result of elevated inflation, interest rate hikes, and the Ukraine invasion.
- The most recent annual performance as at September 2024 reflects challenges seen by the Fund’s UK and global equities mandates with volatility persisting. Private equity was also a large detractor to annual performance with valuations being impacted by the changing interest rates.

- The Fund underperformed the benchmark in Q4 2023 and the first two quarters of 2024, largely due to challenges in global equity markets. Persistent inflationary pressure and rising interest rates led to continued volatility, leading to decreased returns.
- Most recently, however, in Q3 2024, the Fund achieved a positive return outperforming the benchmark with strong returns from the Fund’s global and UK equities and also strong performance from credit managers as rates start to decrease and inflation eases.

Annual Returns (last 5 years)

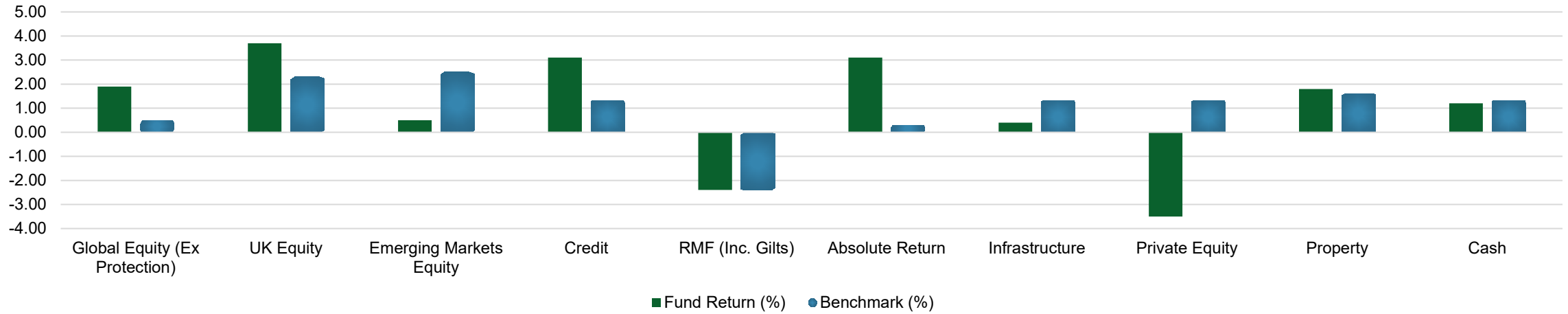


Source: Northern Trust, RADAR Reporting

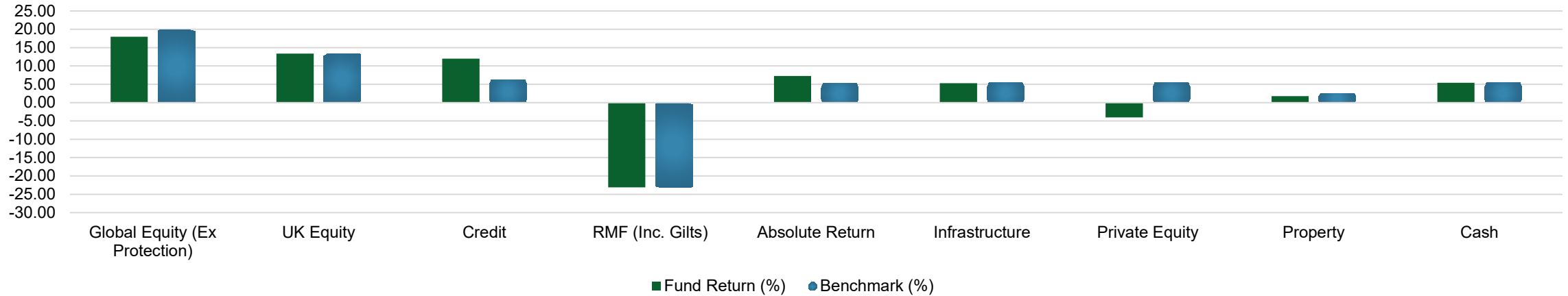


Asset Class Performance

Quarterly Performance



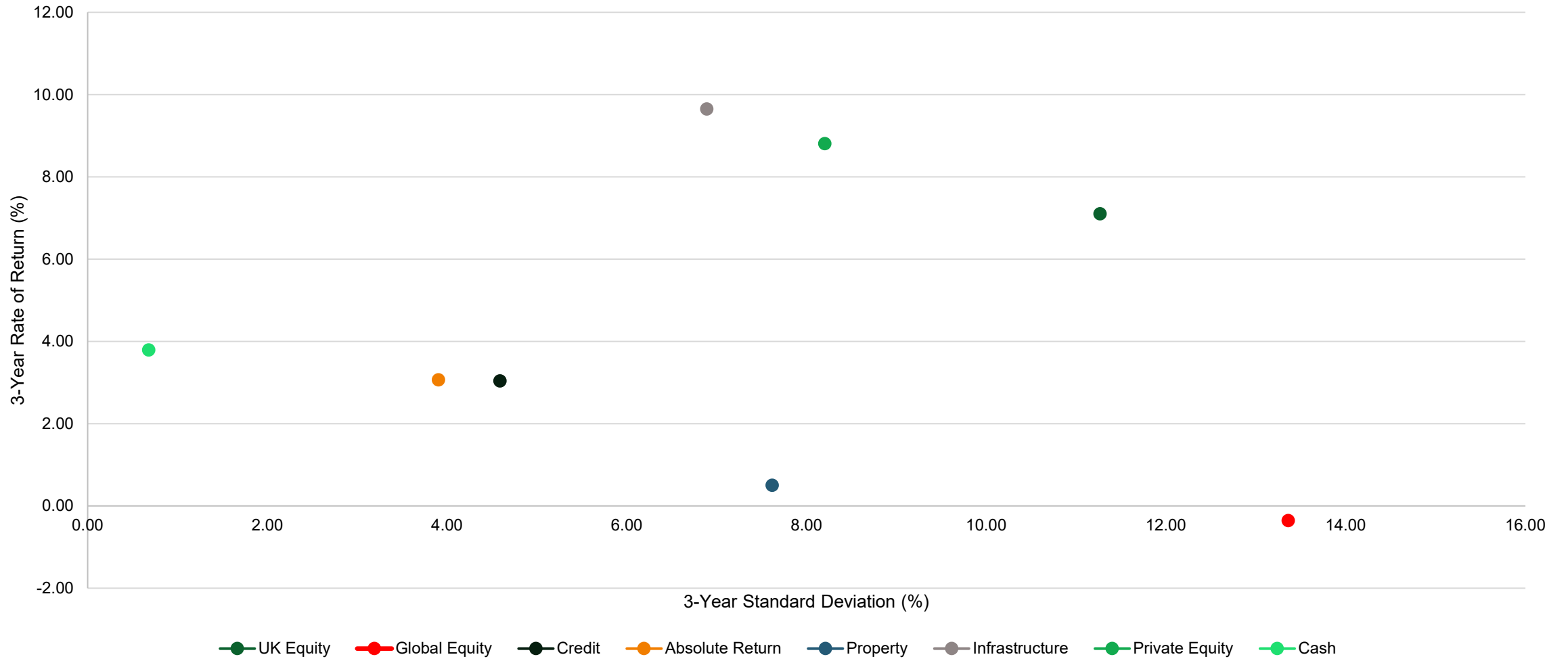
Annual Performance



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	1.4	1.1	6.5	10.7	2.1	5.6
UK Equity						
Schroders - WS ACCESS UK Equity Fund	3.7	2.3	12.3	13.4	6.9	7.4
Global Equity						
Baillie Gifford - WS ACCESS Global Equity Core Fund	2.1	1.0	18.1	16.8	-7.1	6.9
Sarasin	-1.2	0.5	16.7	19.9	4.6	8.3
Schroders - WS ACCESS Global Active Value Fund	0.9	0.5	13.8	19.9	8.5	8.3
Impax	4.5	0.5	11.0	19.9	-2.1	8.3
M&G - WS ACCESS Global Dividend Fund	4.1	0.5	23.0	19.9	10.2	8.3
EM Equity						
Columbia Threadneedle – WS ACCESS EM Equity Fund	-1.1	2.5	--	--	--	--
Robeco – WS ACCESS EM Equity Fund	2.1	2.5	--	--	--	--
Credit						
Goldman Sachs	3.3	0.9	11.1	3.5	0.9	3.5
Schroders Fixed Income	4.1	1.3	13.0	5.3	2.6	3.3
CQS	2.9	1.6	13.6	8.6	4.1	7.1
M&G Alpha Opportunities	2.1	1.6	11.1	8.6	6.0	7.1
Property						
DTZ	1.5	1.6	2.6	2.4	0.8	-0.1
Fidelity	2.8	1.2	-0.1	1.7	-1.8	-0.4
DTZ (Kames)	-0.7	1.2	-1.4	1.7	0.8	-0.4
M&G Property	1.1	1.2	-1.8	1.7	1.2	-0.4
Private Equity						
HarbourVest	-4.6	1.3	-5.5	5.4	6.3	3.4
YFM	1.5	1.3	1.9	5.4	18.3	3.4
Infrastructure						
Partners Group	0.4	1.3	5.3	5.4	9.7	2.9
Absolute Return						
Pyrford	3.2	0.3	9.1	5.2	4.4	12.1
Ruffer - WS ACCESS Absolute Return Fund	3.1	0.3	4.8	5.2	0.7	12.1



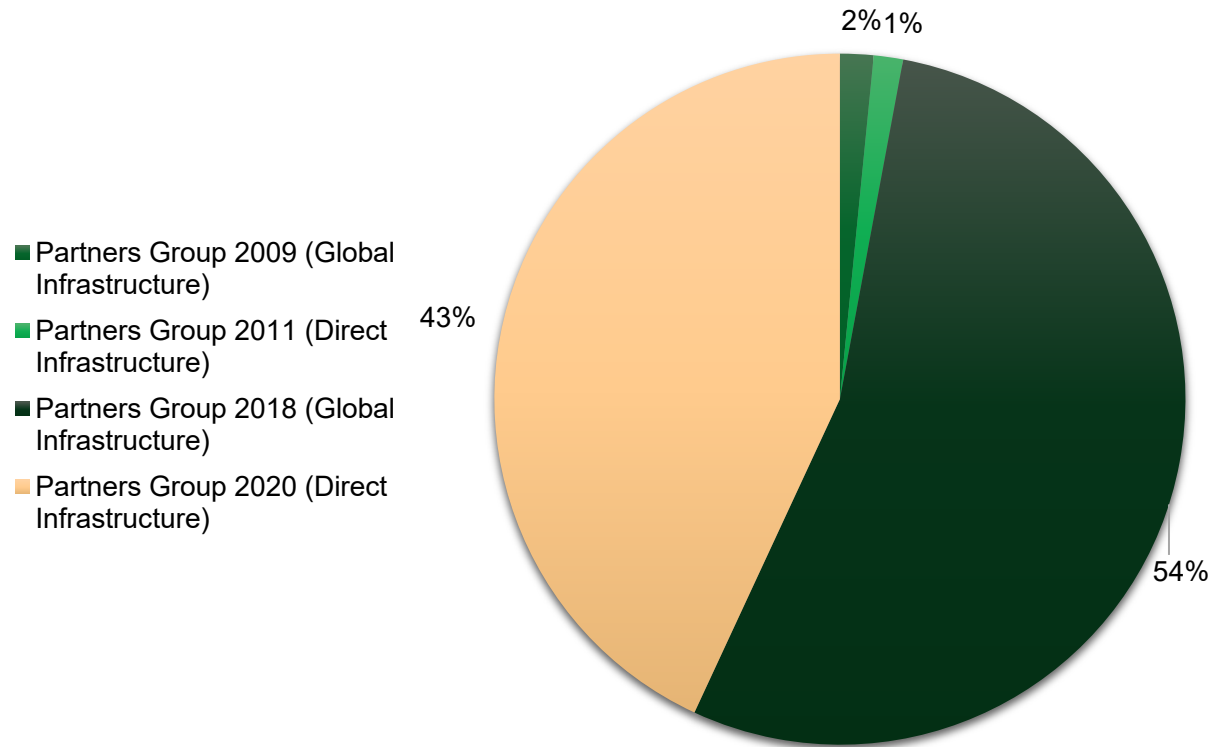
Alternatives Performance

AS AT 30 SEPTEMBER 2024							
Name of Fund	Value of commitment (£m)	Date of original commitment	Cumulative contributions made (£m)	Distributions received (£m)	Net Asset Value at 30/09/2024 (£m)	IRR	TVPI
HIPEP VI-Cayman Partnership Fund L.P.	31	Oct-10	28.8	50.8	12.9	13.7%	2.21
HarbourVest Partners IX L.P.	53	Oct-10	40.9	77.9	32.0	17.7%	2.69
HarbourVest 2018 Global Feeder AIF L.P.	57	Oct-18	44.7	23.3	60.2	19.0%	1.87
HarbourVest 2019 Global Feeder AIF SCSp	57	Mar-19	43.0	10.6	56.4	19.8%	1.56
HarbourVest 2020 Global Feeder AIF SCSp	57	Mar-20	47.4	4.9	52.9	10.8%	1.22
HarbourVest 2021 Global Feeder AIF SCSp	57	Mar-21	37.2	1.8	37.9	9.7%	1.07
HarbourVest 2022 Global Feeder AIF SCSp	57	Dec-21	23.8	0.7	27.7	35.6%	1.19
HarbourVest 2023 Global Feeder AIF SCSp	57	Dec-23	9.5	-	10.5		1.10
Partners Group Direct Infrastructure 2011 S.C.A., SICAR	19	Oct-10	16.5	20.5	5.3	7.9%	1.56
Partners Group Global Infrastructure 2009 S.C.A., SICAR	50	Oct-10	43.3	57.2	6.0	7.3%	1.46
Partners Group Global Infrastructure 2018 L.P. INC	222	Oct-18	180.5	16.0	207.5	9.6%	1.24
Partners Group Direct Infrastructure 2020 LP SICAV RAIF	222	Nov-19	144.6	3.0	165.6	14.7%	1.17
Chandos	6	Oct-07	6.0	6.7	0.0		1.11
YFM Equity Partners Growth Fund 1	10	Oct-14	10.0	13.5	14.2		2.77
YFM Equity Partners Buyout Fund 1	20	Mar-16	18.3	32.6	17.7		2.75
YFM Equity Partners Growth Fund 2	10	Oct-18	10.4	0.4	13.0		1.29
YFM Equity Partners Buyout Fund 2	20	Oct-18	16.0	18.1	11.6		1.87
YFM Equity Partners Growth Fund 3	10	Jun-21	8.2	0.9	9.0		1.21
YFM Equity Partners Buyout Fund 3	20	Sep-23	8.1	-	8.2		1.00

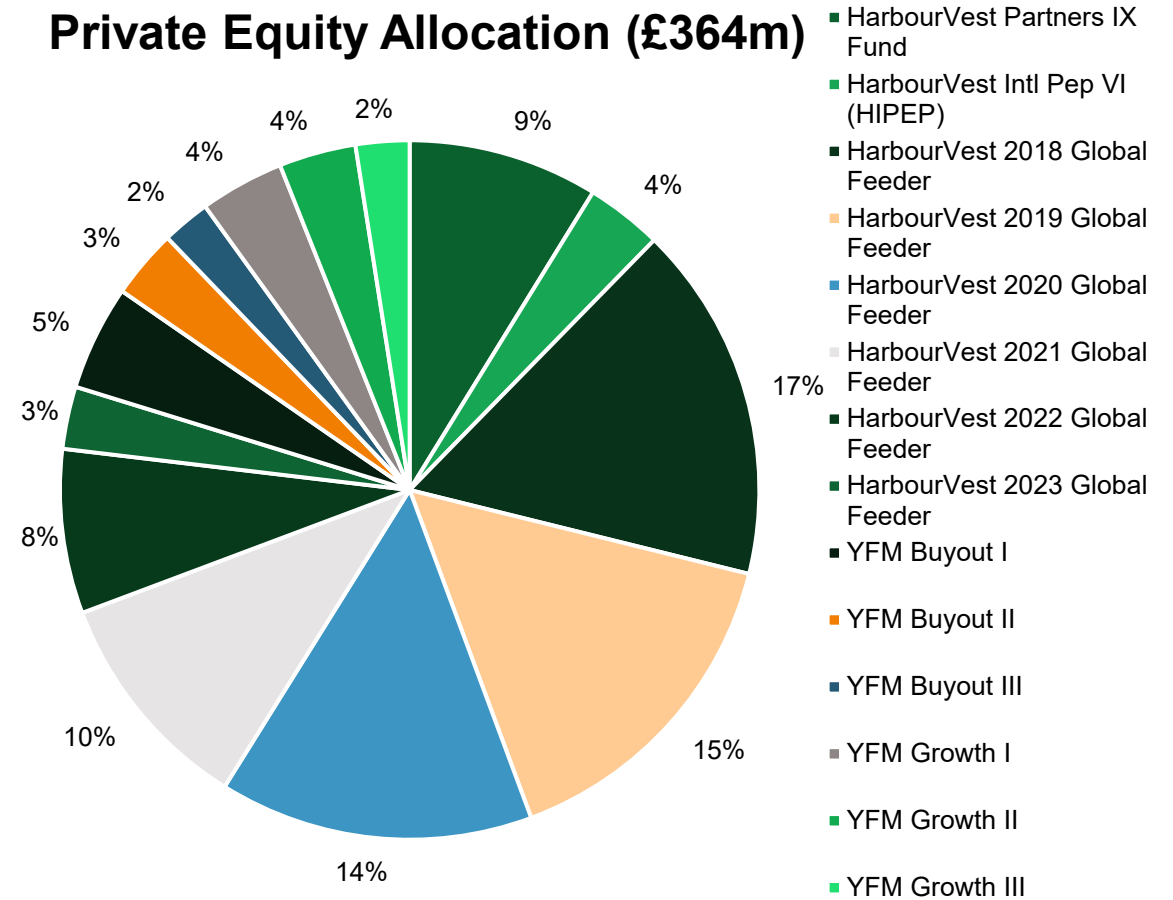


Alternatives Breakdown

Infrastructure Allocation (£384m)



Private Equity Allocation (£364m)

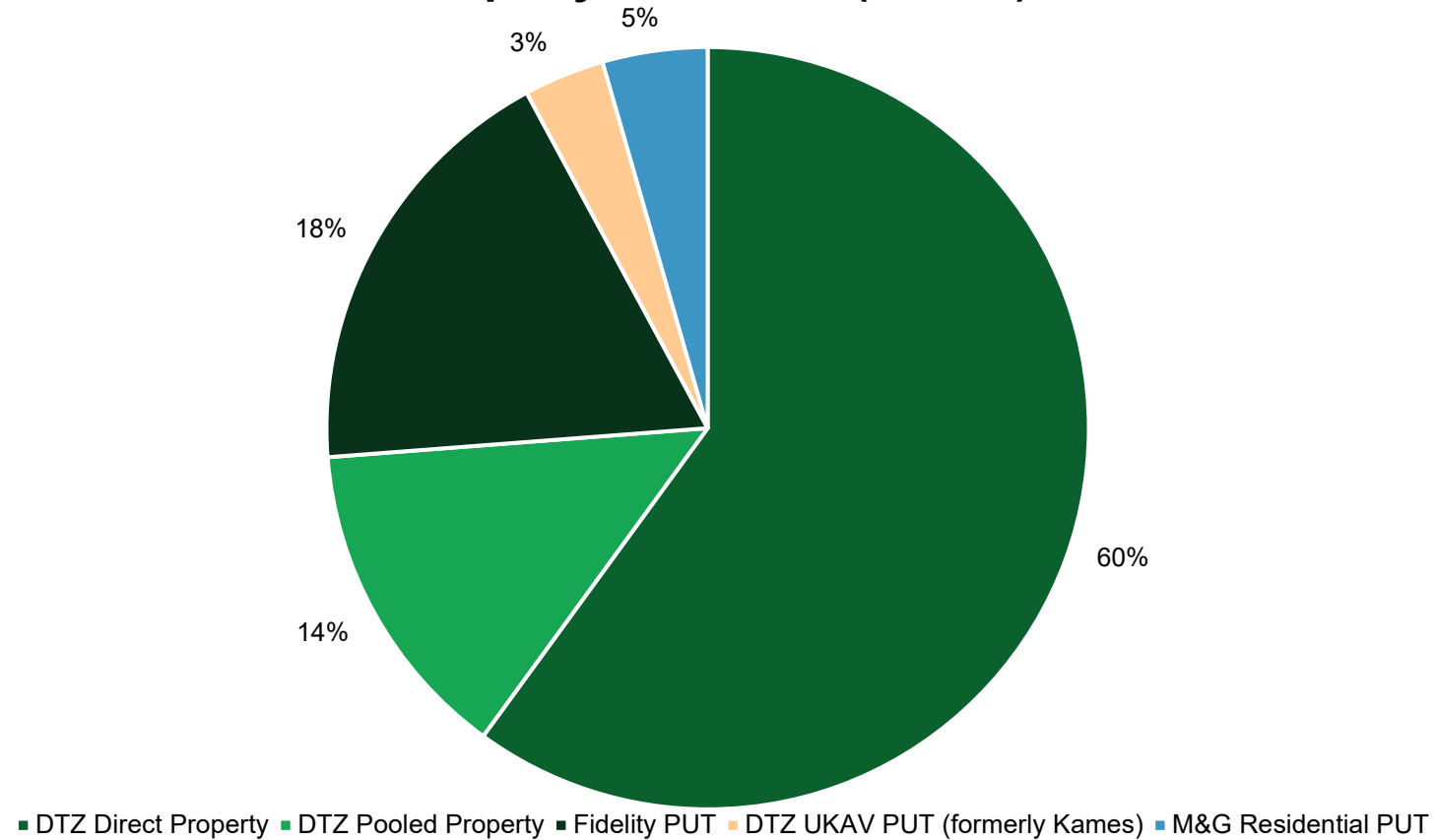


Note: The legend reads clockwise on the pie charts.



Property Breakdown

Property Allocation (£778m)



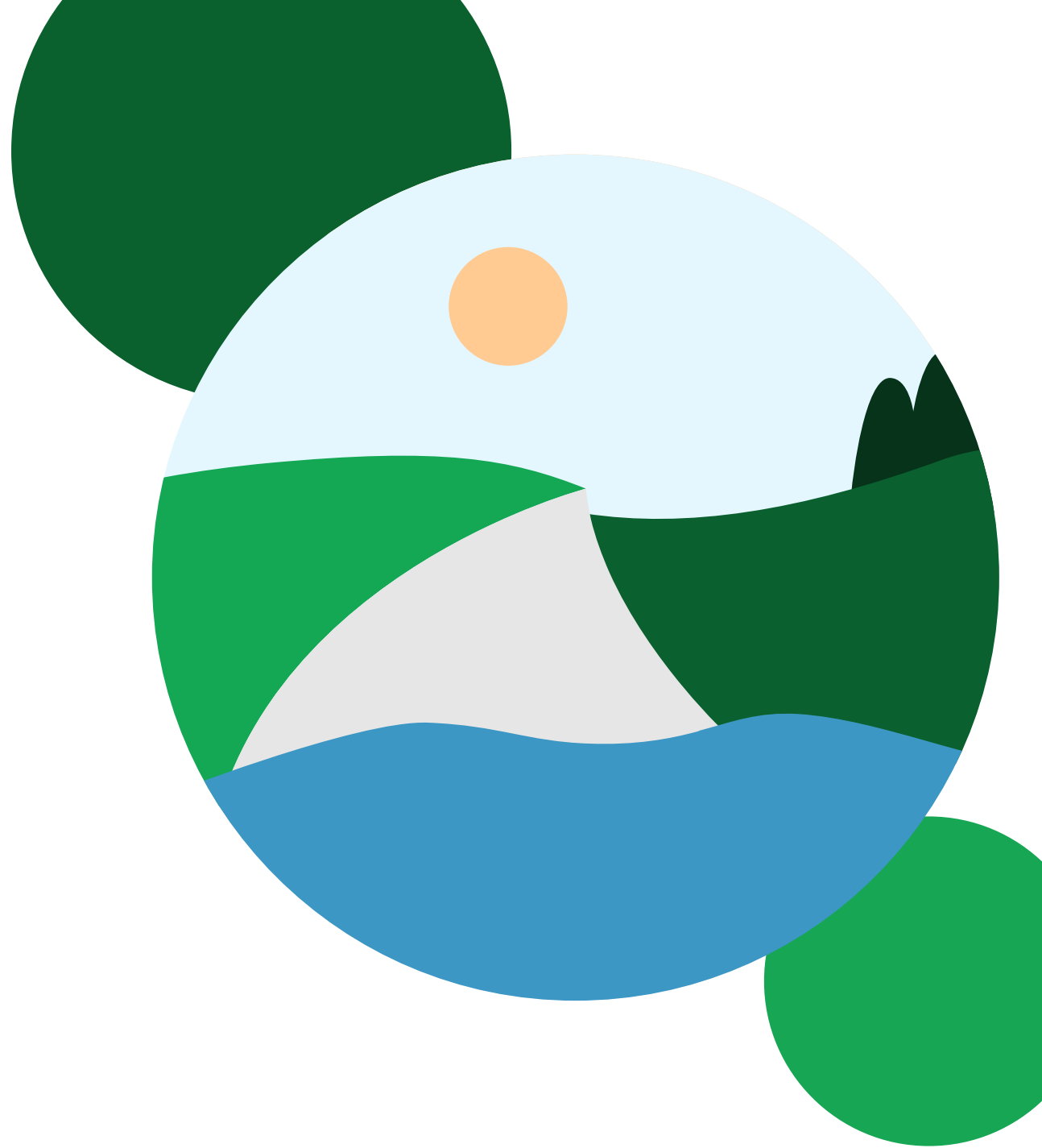
Note: The legend reads clockwise on the pie chart.



Appendix



Kent Pension Fund



Benchmarks and Targets

Appendix A

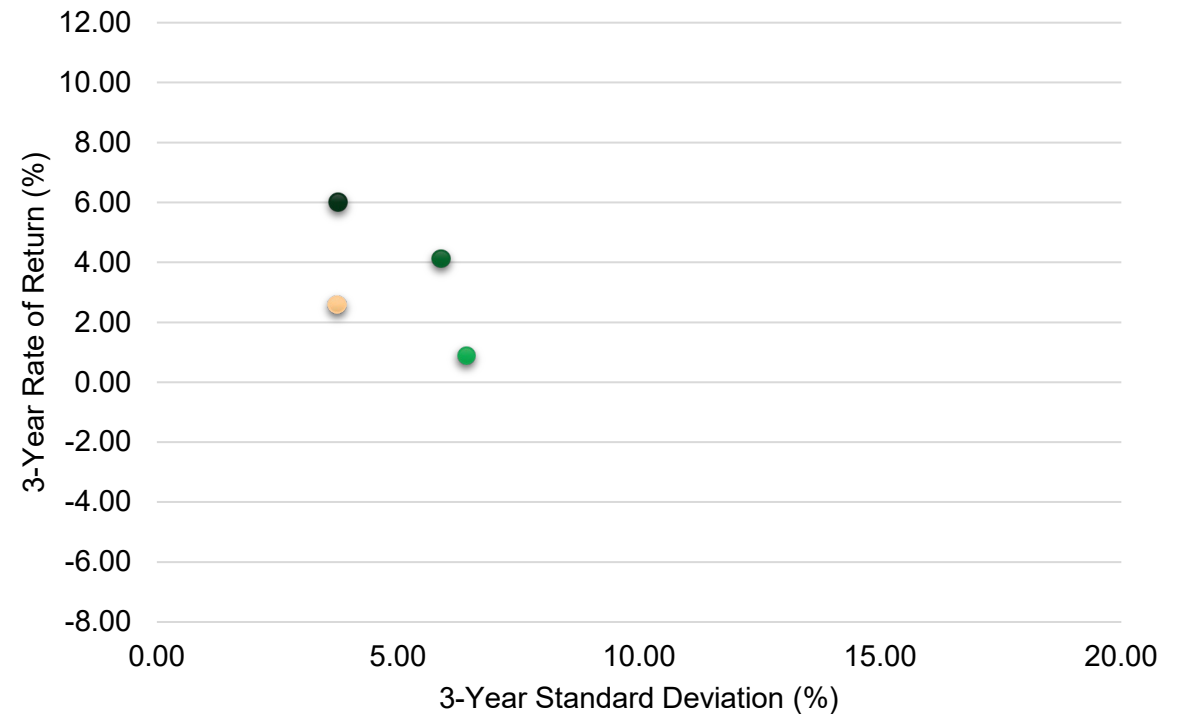
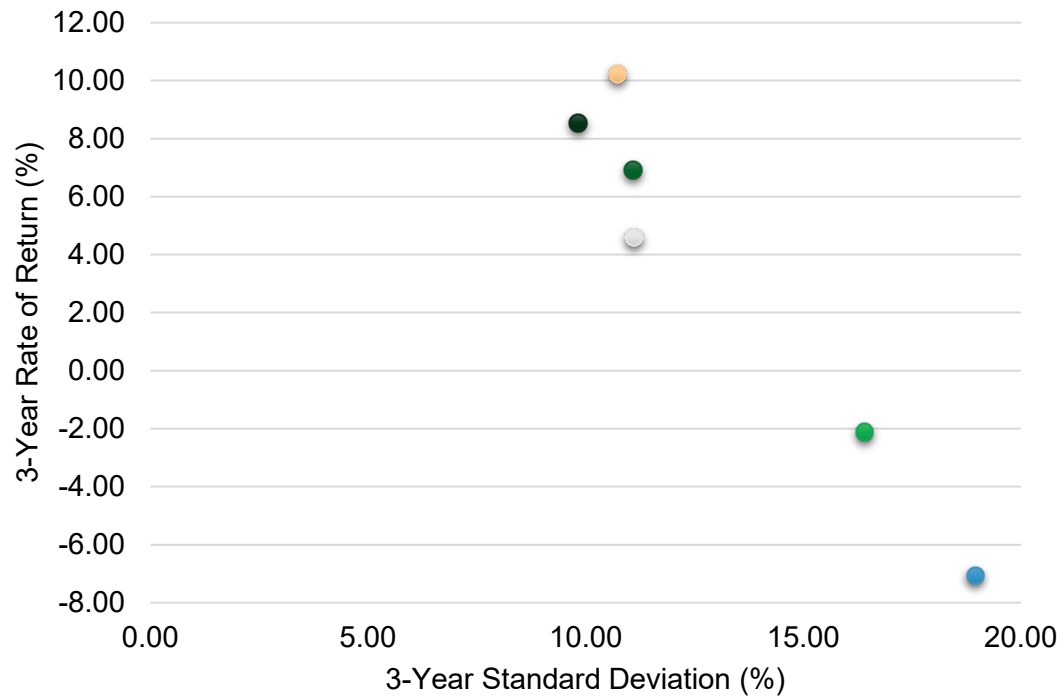
Asset Class / Manager	Performance Benchmark	Performance Target
UK Equities:		
Schroders - WS ACCESS UK Equity Fund	FTSE All Share	+1.5% pa over rolling 3 years
Woodford	FTSE All Share	Unconstrained
Global Equities:		
Baillie Gifford - WS ACCESS Global Equity Core Fund	Regional	+1.5% pa over rolling 3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



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

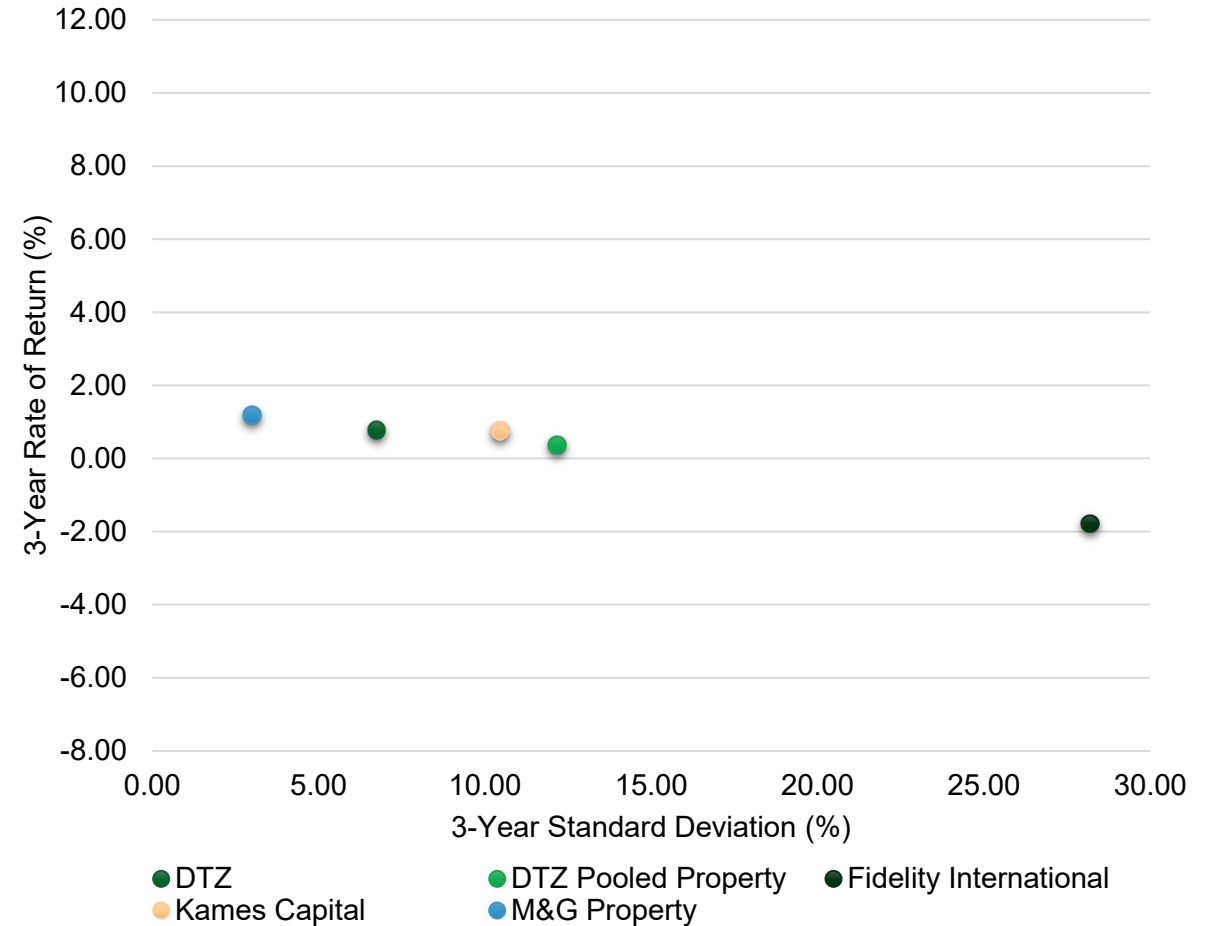
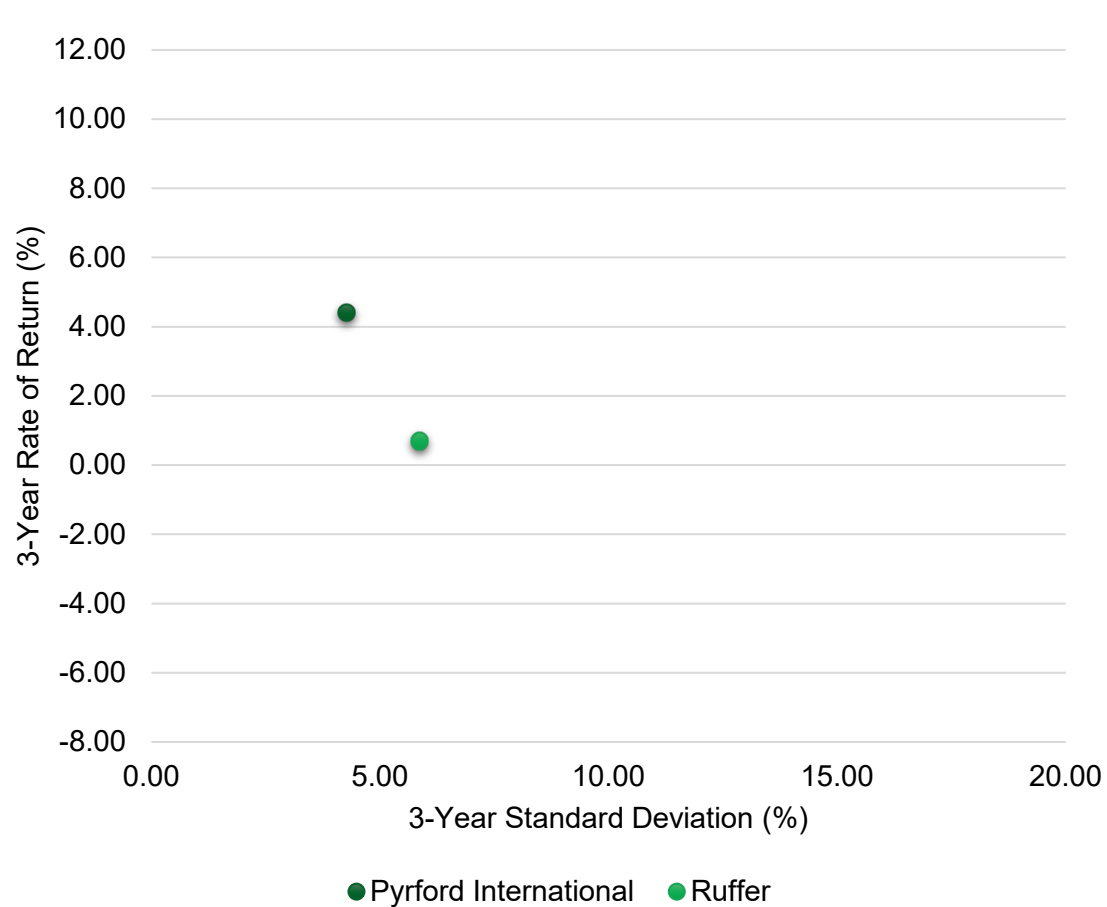
- CQS Investment
- Goldman Sachs
- M&G Alpha Opp Fund
- Schrodgers Fixed Income

Source: Northern Trust, RADAR Reporting



Risk vs Return – Absolute Return and Property

Appendix C

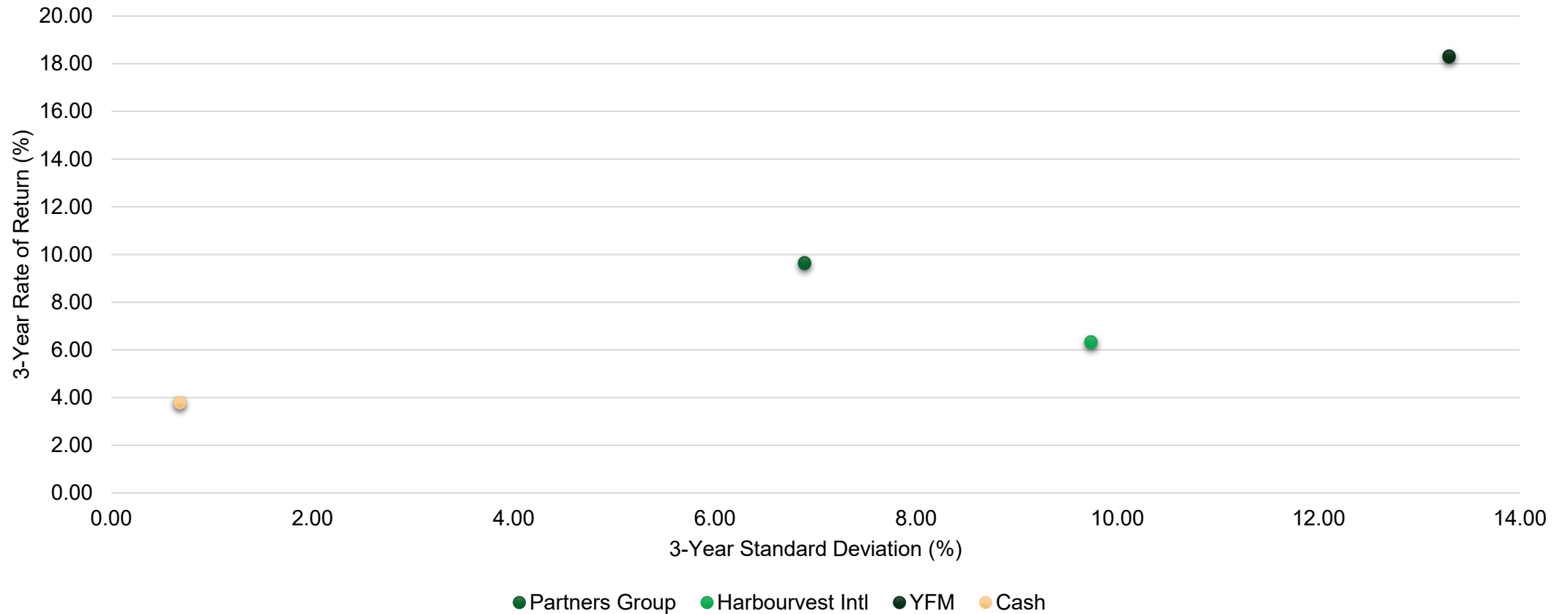


Source: Northern Trust, RADAR Reporting



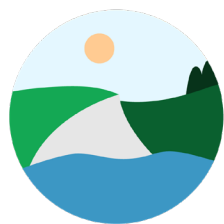
Risk vs Return - *Alternatives*

Appendix D



Source: Northern Trust, RADAR Reporting





Kent Pension Fund

For more information, please visit

www.kentpensionfund.co.uk