LGPS Central Limited

Private Markets Update

Leicestershire Local Pension Committee

20 March 2026

For Professional Investors Only

Agenda

AGENDA ITEM

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Private Markets Overview

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Investment Summary

Private Markets (30 September 2025)	Total PF Commitments (£m)	Leicestershire Commitment (£m)	Closing Value 30/09/2025 (£m)	Drawn	IRR	B'mark	Target
LGPS Central UK Direct Property Fund	181	121	79	49.7%	8.9%	6.3%	6.8%
LGPS Central Core/Core Plus Infrastructure Partnership LP	1,608.5	335	151.7	49.5%	4.7%	5.4%	8.9%
LGPS Central Value Add/Opportunistic Infrastructure Partnership LP	446.5	60	6.4	24.2%	2.1%	5.5%	10.5%
LGPS Central PE Primary Partnership 2018 LP	150	10	9.1	95.3%	10.8%	12.5%	16.5%
LGPS Central PE Primary Partnership 2021 LP	365	30	14.9	47.0%	8.9%	13.9%	17.9%
LGPS Central PE Primary Partnership 2023 LP	315	80	13.7	15.8%	13.6%	12.0%	16.0%
LGPS Central PE Co-investments Partnership 2025 LP	162.5	15	n/a	n/a	Not meaningful		
LGPS Central PE Primary Partnership 2025 LP	355	65	n/a	n/a	Not meaningful		
Private Credit I Higher Return	305	60	32.7	87.8%	7.2%	12% - 14%	
Private Credit II Lower Return	1,165	240	161.9	85.6%	8.2%	6% -8%	
Private Credit IV Real Assets	587	117	79.9	85.2%	2.4%	4.5% - 6%	
LGPS Central Private Credit Direct Lending Partnership 2024 LP	460	180	9.3	5.0%	NM	6% - 8%	
LGPS Central Private Credit Real Asset Partnership 2024 LP	197.5	100	-	-	n/a	4.5% - 6%	
Total Private Markets	6,298	1,413	558.6	-	-	-	-

Source: LGPS Central. Subsequent commitments have been made from Leicestershire Pension Fund which are not included in the above.
Note: 1. Denotes Direct Property Standing Investment (DPSI) total return from inception to 30 September 2025.
Past performance is not a reliable indicator of future returns.

Infrastructure

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LGPS Central Infrastructure Funds

FUNDS OVERVIEW

Fund	Partner Fund Commitments	Sub-Commitments	% of Fund	Drawn[1]	Underlying Managers	Target	Benchmark	Performance
Core/Core Plus	£1608.5m	£1,190.2m	75%	49.5%	9 managers	8.9%	5.4%	4.7%
Value Add/Opportunistic	£446.5m	£257.1m	58%	24.2%	6 managers	10.5%	5.5%	2.1%
	£2,055.0m	**£1,447.3m**	**70%**		**15 managers**			

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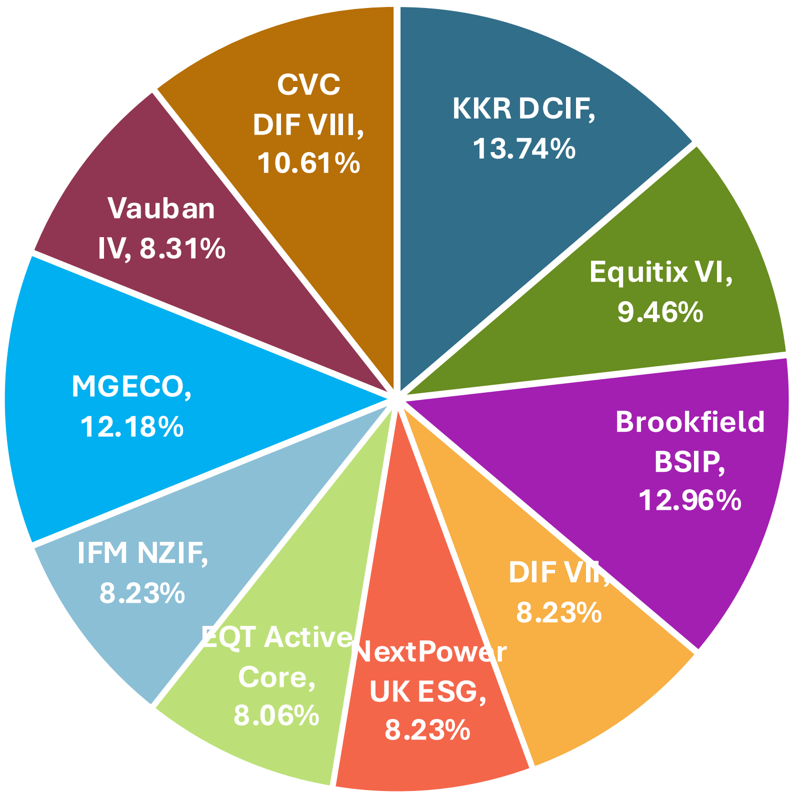
Source: LGPS Central, as of 30th September 2025. Notes: 1. Drawn refers to the percentage of sub-committed funds which have been called by the underlying managers.
Past performance is not a reliable indicator of future returns.

- **Additional Commitments:** A further £385m in additional commitments were received in Q3 2025; £195m into Core/Core Plus, £95m into Value Add/Opportunistic, £25m into Single Asset and £70m into the Co-Investment Fund.
- **Core / Core Plus:** During Q3 additional commitments of £130m were made to CVC DIF VIII.

LGPS Central Infrastructure Core/Core Plus Portfolio

Infrastructure Core/Core Plus Portfolio



As of 30 September 2025

- Performance is broadly in line with expectations and at this stage is driven by differences in fund maturity and lifecycle stage.
- Open ended funds have been quicker at deploying capital
- Portfolio performance during Q3 2025 benefitted from net valuation changes of the underlying funds and favourable interest rate stabilisation.
- However additional deployment of capital has created a short term drag on the overall performance as investments are made.
- CVC DIF VIII, the latest investment in the Fund was completed in September 2025 and is the follow-on fund to DIF VII.

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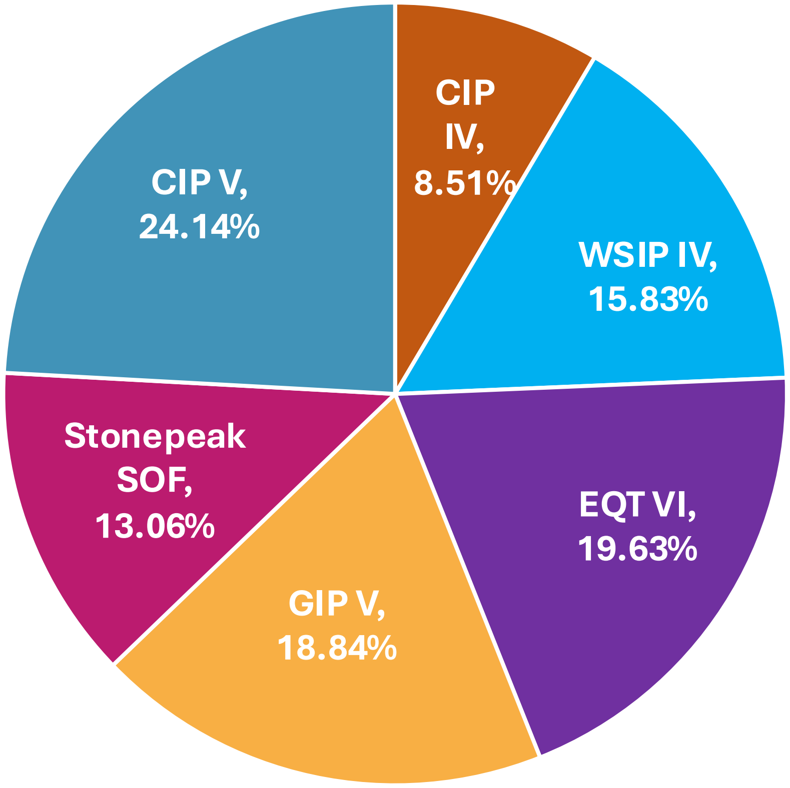
LGPS Central Value Add/Opportunistic Infrastructure Portfolio

Infrastructure Value Add/Opportunistic Portfolio



As of 30 September 2025

- In the US recent policy developments are expected to weaken near-term incentives for decarbonisation. Nevertheless, support remains strong for clean power sources and as these are quick to deploy and are required to support the increases in energy use driven by AI and onshoring.
- Underlying funds exhibiting stronger reported performance are generally further advanced in their investment lifecycle, with a higher proportion of assets having reached operational status and, in some cases, partial realisations having occurred.
- Reported performance continues to be impacted by J-curve effects for those funds still in the early stages of their lifecycle.
- An investment was completed into Copenhagen Infrastructure Partners V ("CIP V") during its final close in April 2025.

Property

LGPS Central UK Direct Property Fund

LGPS Central UK Direct Property Fund (UKDPF): Overview and Strategy

- Updated strategy approved in July 2025 Investment Committee. The strategy is to:
  - Deliver a target return of MSCI UK Quarterly Property Index + 50bps;
  - Concentrate capital in sustainable locations in dynamic urban centres with at least 50% of the Fund invested in London and the southeast and the balance in major regional centres;
  - Mitigate credit risk through a high level of tenant diversification and strong property fundamentals.

- The Fund will target investment in the lot size range of £20-£50m (with flexibility for exceptions) in the following investment styles:
  1. Defensive, such as long-let retail and leisure;
  2. Market growth, such as urban logistics;
  3. Active income, such as convenience led retail parks; and
  4. Strategic cyclical investment, such as growth and recovery in the office sector.
- Manager: LGPS Central in partnership with DTZ Investors
- LGPSC role: Approve annual strategy, approve all capital items

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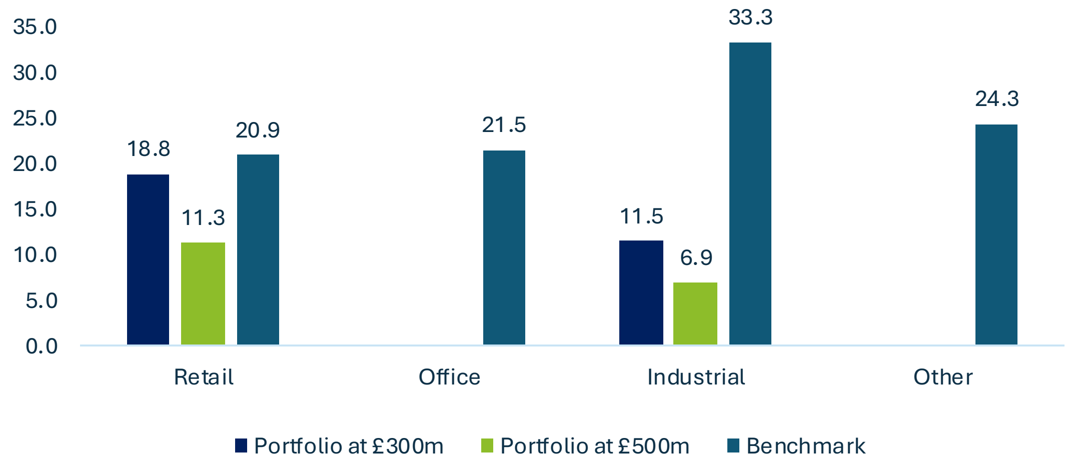
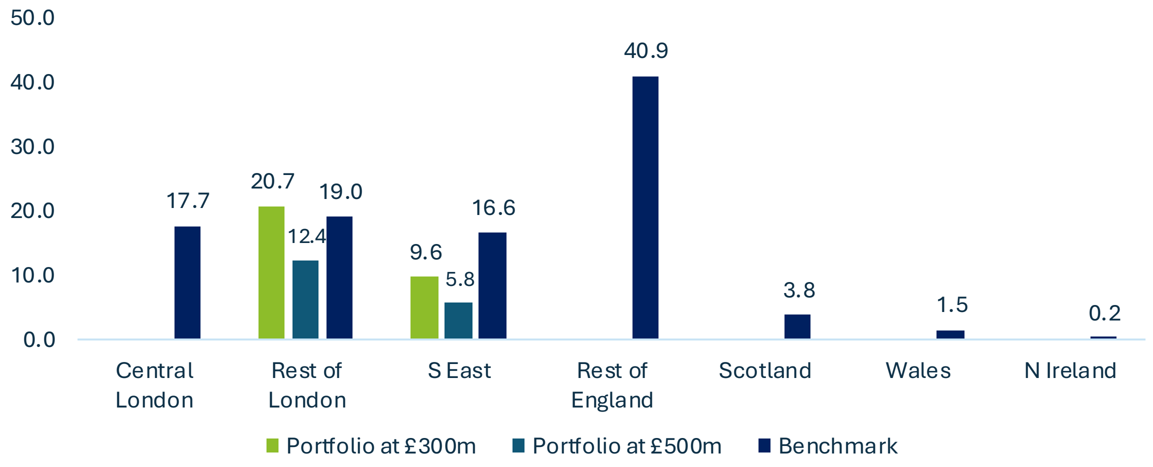
SECTOR (%)

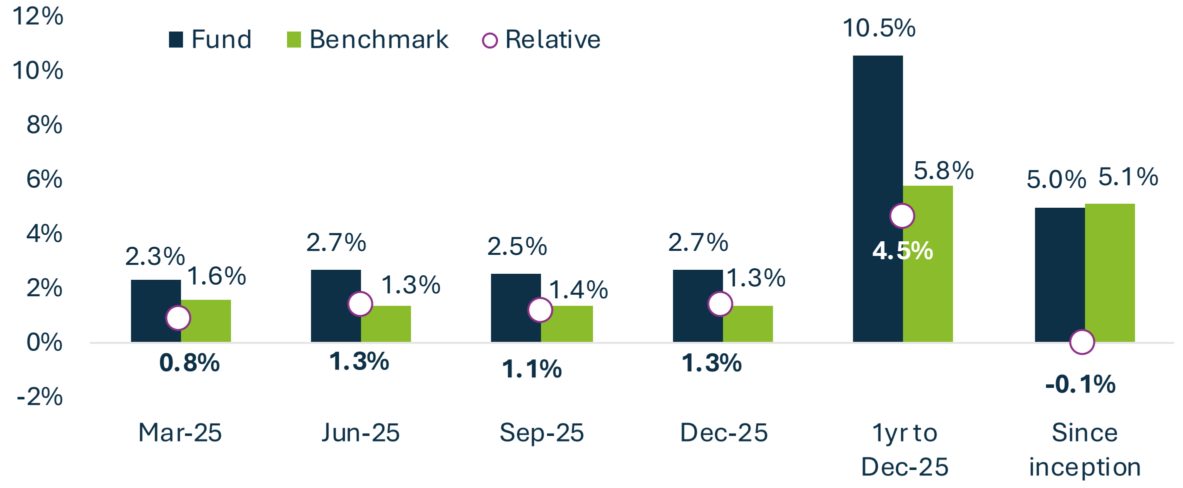


REGION (%)



LGPS Central UKDPF: Performance

ALL ASSETS PERFORMANCE



- The Fund delivered a DPSI total return of 3.6% for the quarter, outperforming the Benchmark by 210 bps.
- In the last 12 months the Fund delivered a DPSI total return of 11.5% outperforming the Benchmark by 520 bps.
- The 12 month performance places the Fund in the upper quartile of all funds in the MSCI Quarterly Universe and significantly exceeded the performance target.

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PERFORMANCE

	Q1	Q2	Q3	Q4	1Y to Dec-25	Since Inception
Fund (All Assets)	2.3%	2.7%	2.5%	2.7%	**10.5%**	**5.0%**
Fund (DPSI)	2.3%	2.7%	2.5%	3.6%	**11.5%**	**10.6%**
Benchmark (DPSI)	1.6%	1.4%	1.4%	1.4%	**6.0%**	**5.8%**
Relative (DPSI)	0.7%	1.3%	1.1%	2.1%	**5.2%**	**4.6%**

Data as of 31 December 2025. Source: LGPS Central. Past performance is not a reliable indicator of future returns.

LGPS Central UKDPF: Valuation

Total Fund Characteristics	Q3 2025	Q4 2025
Fund Valuation	£79,450,000	£90,925,000
Passing Rent	£4,868,467	£5,404,942
Gross ERV	£5,251,323	£5,941,923
Net Initial Yield	5.7%	5.5%
Nominal Equivalent Yield	5.6%	5.6%
Void Rate	0.0%	0.0%
Weighted Average Unexpired Lease Term	5.1 years	5.1 years

Data as of 31 December 2025. Source: LGPS Central. Past performance is not a reliable indicator of future returns.

- Total capital invested stands at £88.9m, through the acquisition of two industrial estates and two retail parks and a high street retail asset.
- The remaining c£40m of undrawn capital in LCC's tranche is expected to be invested in H1 2026.

LGPS Central UKDPF: Acquisition of Cornmarket Street, Oxford

Purchase Price	£9.8m
Net Initial Yield	6.3%
Expected 10-year IRR	7.1%

- Completed October 2025
- High street retail block
- Multi-let to two high quality national covenants, McDonalds and Natwest.

Asset Rationale:

- ✓ High yielding prime retail asset in Oxford, a core South East location with tight land supply.
- ✓ Medium to long WAULT of 12 yrs to expiries and 8 yrs to breaks.
- ✓ Both tenants have recently committed to the building with rents rebased to current market levels.

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LCC Pension Fund: Overview and Strategy

- New strategy approved in July 2025. The strategy is to:
  - Care, maintain and (where appropriate) wind-down the Legacy Portfolio;
  - The Fund's performance target is to perform in line with LGPS Central UK Direct Property Fund each year measured over rolling 3-year periods, net of all fees and expenses.

- In the next 12 months the strategic aims are to:
  - Reduce portfolio risk through mitigation of climate, obsolescence and tenure risks;
  - Manage asset underperformance or risk through selective disposals; and
  - Unlock asset potential through active asset management to enhance portfolio income.
- Manager: LGPS Central in 'Partnership' with DTZ Investors.
- LGPSC role: Approve annual strategy, approve all capital items.

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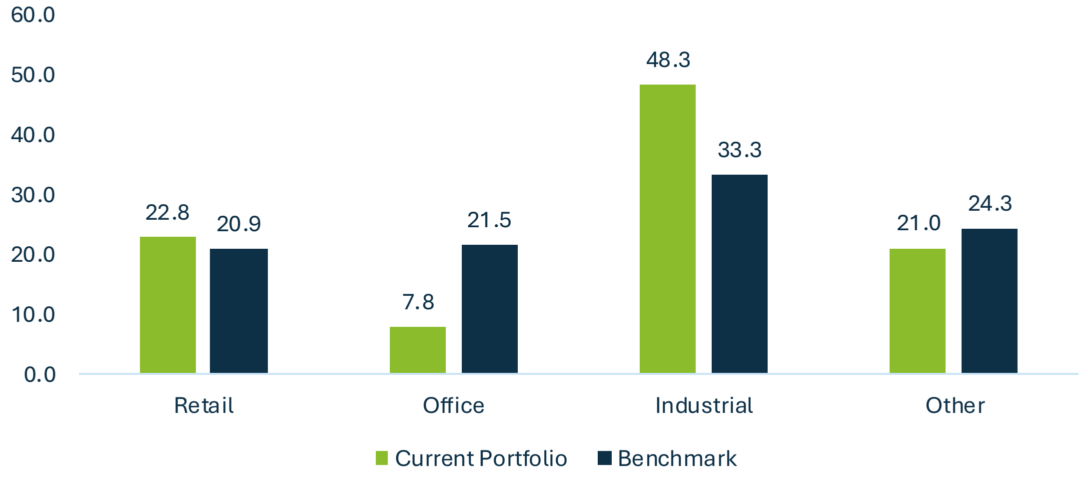
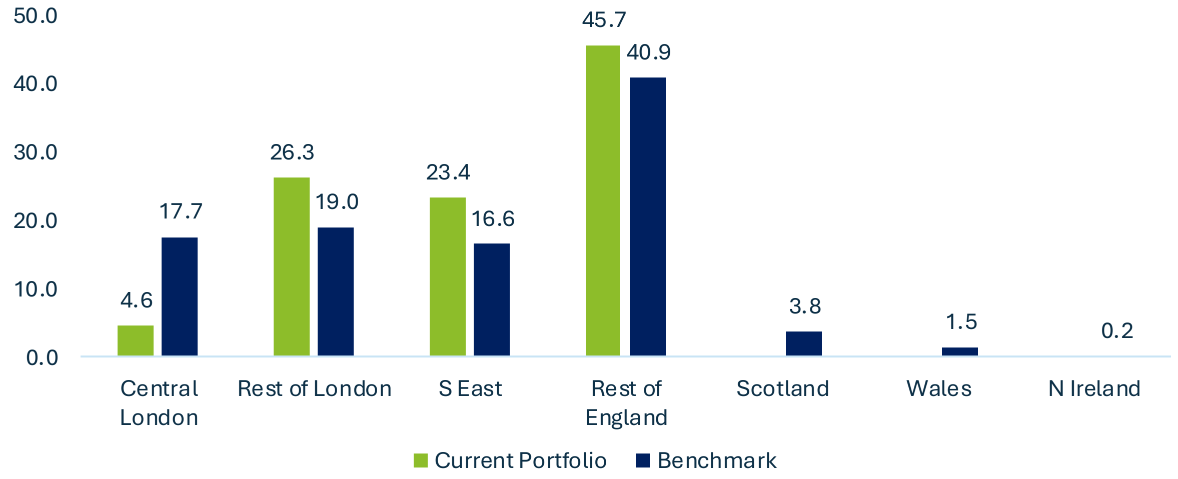
SECTOR (%)

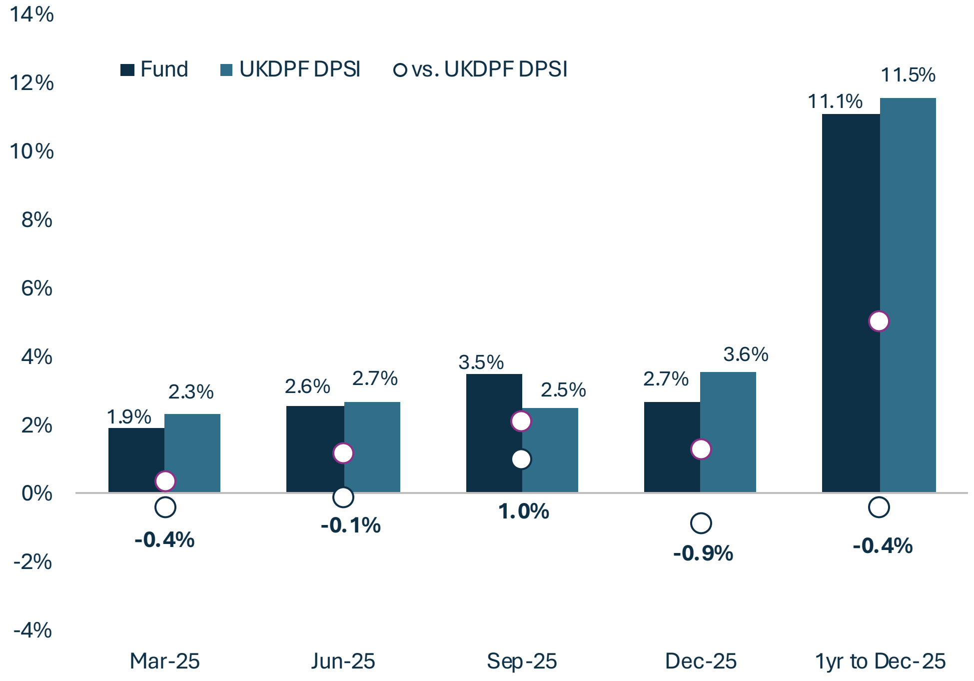


REGION (%)



LCC Pension Fund: Performance and Valuation

FUND ALL ASSETS PERFORMANCE VERSUS MSCI QUARTERLY UNIVERSE ALL ASSETS PERFORMANCE AND UKDPF DPSI



Data as of 31 December 2025. Source: LGPS Central. Past performance is not a reliable indicator of future returns.

- The Fund delivered a total return of 2.7% in Q4 2025.
- In the last 12 months the Fund delivered a total return of 11.1%.
- The 12 month performance places the Fund in the upper quartile of all funds in the MSCI Quarterly Universe.

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Total Fund Characteristics	Q3 2025	Q4 2025
Fund Valuation	£88,130,000	£88,865,000
Passing Rent	£7,034,626	£6,901,616
Gross ERV	£9,221,307	£9,306,807
Net Initial Yield	7.4%	7.2%
Nominal Equivalent Yield	7.5%	7.6%
Void Rate	13.2%	14.9%
Weighted Average Unexpired Lease Term	6.9 years	6.8 years

Private Credit

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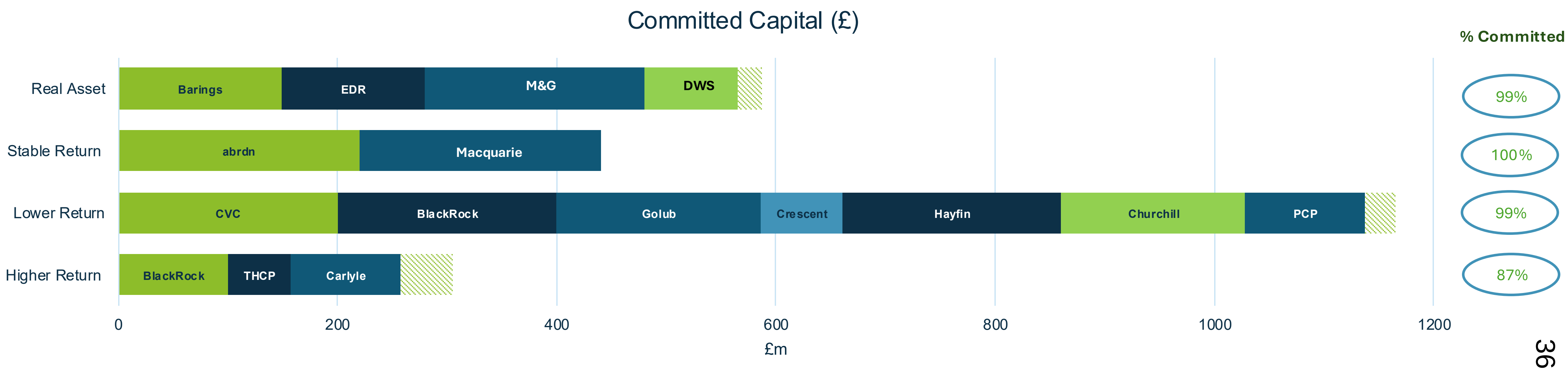
Overview – Private Credit summary

Fund	Partner Funds	Sub-Commitments	% of Fund	Drawn*	Underlying Managers	Target	Performance
Credit Partnership I	£305m	£265.8m	87%	87.8%	3 managers	12-14%	7.2%
Credit Partnership II	£1,165m	£1,154m	99%	85.6%	7 managers	6-8%	8.2%
Credit Partnership IV	£587m	£580m	99%	85.2%	4 managers	4.5 - 6%	2.4%
Direct Lending 2024	£460	£90m	20%	5%	1 manager	6-8%	n.m
Real Asset 2024	£197.5m	-	-	-	-	4.5 - 6%	-

*Source: LGPS Central, as of 30th September 2025. *Drawn refers to the percentage of sub-committed funds which have been called by the underlying managers*

Overview – Private Credit Partnerships



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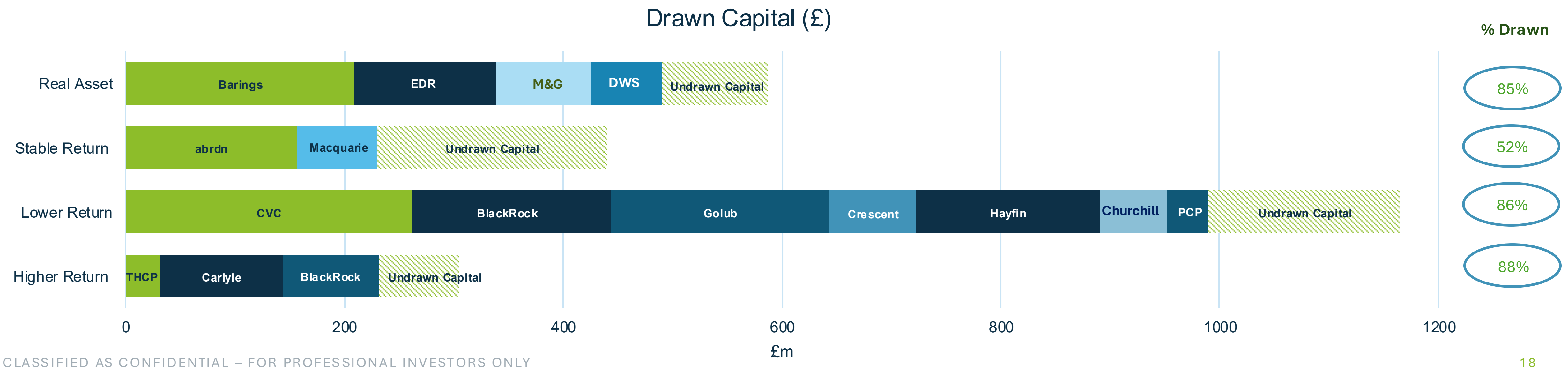

Data as of 30th September 2025

Asset Class Update – Direct Lending

Middle market direct lending continues to demonstrate resilience and stability despite global and domestic uncertainties:

- **Pricing:** Spreads remain tight at the beginning of 2026 given increased dry powder, however the Direct Lending premium over the broadly syndicated loan market remains attractive.

- **Defaults & Leverage:** Despite a widely-held expectation of weakening credit ratings in recent months this has not materialised with little evidence of an uptick in default rates. Leverage levels have also remained at or around levels seen over the past 18-24 months.

- **Deal Flow:** Lending opportunities are plentiful and there is a belief that this will further be supported by a lower interest rate environment, leading to a bounce back in M&A activity as borrower confidence returns.

What Exactly Happened at Blue Owl?

- LGPS Central does not have exposure to Blue Owl or the retail part of the market.
- Blue Owl permanently restricted withdrawals at its **retail focused** private credit fund, reversing expectations that redemptions would resume. Market reaction was severe and impacted various retail funds.
- This highlighted **a structural liquidity mismatch** – semi liquid private credit vehicles sitting on inherently illiquid, long-dated loans.
- Retail capital has become increasingly important for certain funds and managers, making these types of funds more vulnerable to **sentiment-driven flows**.
- Our private credit funds are structured to match long-term assets to long-term liabilities.

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Private Equity

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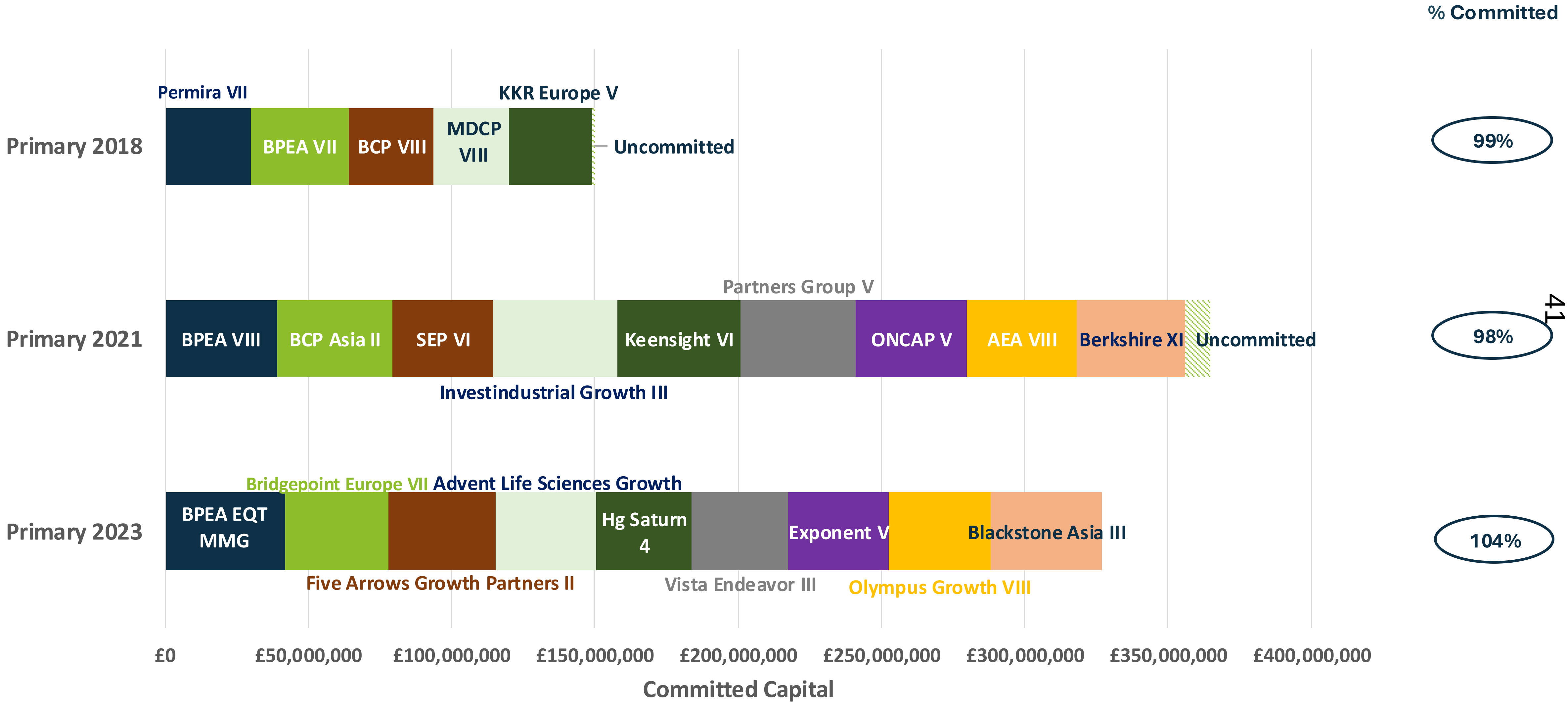
LGPS Central Private Equity Partnerships Overview

Fund (LP)	Inception Date	Total Pooled Assets Under Management	LPF Commitment	Status	Performance Since Inception (%)	Benchmark* Since Inception (%)	Relative Vs. Benchmark (%)
LGPS Central PE Primary Partnership 2018 LP	Jan-19	£150m	£10m	Value-creation & early liquidation phase	10.8%	12.5%	(1.7%)
LGPS Central PE Primary Partnership 2021 LP	Sept-21	£365m	£30m	Investment & early value-creation phase	8.9%	13.9%	(5.0%)
LGPS Central PE Primary Partnership 2023 LP	Jan-24	£315m	£80m	Investment phase	13.6%	12.0%	1.6%
LGPS Central PE Co-investments Partnership 2025 LP	Jan-26	£162.5m	£15m	Investment phase	Not meaningful	N/A	Not meaningful
LGPS Central PE Primary Partnership 2025 LP	Jan-26	£355m	£65m	Investment phase	Not meaningful	N/A	Not meaningful

Source: LGPS Central as of 30 September 2025. Past performance is not a reliable indicator of future returns.

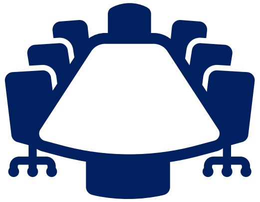
* FTSE All-World Index return since first drawdown date (annualised in sterling and assuming all investments were made at inception).
Note: Fund sizes for Co-Investments 2025 and Primary 2025 include subscriptions from Cheshire Pension Fund (signed but not yet closed)

Private Equity Partnerships Committed Capital



As of 30 December 2025

Private Equity 2025



First Close held for Primary and Co-investment sleeves

- Primary: £290m
- Co-investments: £147.5m

4 Investments closed

- NorthEdge IV (£35m via Primary 2025)
- Joblogic ($18.1m via Co-investments 2025)
- Francisco Partners VIII ($50m via Primary 2025)
- Francisco Partners Agility IV ($20m via Primary 2025)

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- 1 US buyout fund undergoing Full Due Diligence

Future Closings:

- Primary/Co-investment sleeves – next close March 2026
- Secondaries – First close TBC

Private Equity

<u>Investment Landscape:</u>

- Attractive vintage to deploy capital into a less competitive environment
- Risks (geopolitical, interest rates, etc.) exist but should be navigable for experienced and disciplined managers
- Deal pipeline for all primary and secondary strategies is strong and active, both globally and locally
- Tough fundraising market allows more opportunity to secure attractive terms
- Co-investment deal flow remains steady, with more observed in continuation vehicles

Thank you for listening

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