The Skipper Building, London

Q1 Report

Dorset County Pension Fund

2026

Executive summary

Dorset County Pension Fund ('DCPF') provides diversified exposure to good quality real estate located throughout the UK, across a range of sectors including offices, industrial, retail, and other. The allocation to property reflects 5.6% of DCPF's total assets,[1] which currently represents approximately £228.7m.

OVERVIEW

£228.7m	27
Capital value (Combined DCPF portfolio)	Assets

	Conventional	SLI
Mandate	Commenced 1993	Commenced 2017
Performance objective	MSCI Quarterly Universe over five years	LPI +2.0% per annum
Capital value (Q1 2026)	£186.4m (81.5%)	£42.3m (18.5%)
Number of assets	17	10
Purchases during quarter	-	-
Value of sales during quarter	£0.1m	-
Direct net initial yield (p.a.)	5.4%	5.5%
Average unexpired lease term (to break)	8.7 years (7.5 years)	58.8 years (15.9 years)

Combined Valuation[2]	
Direct Property (Q1 2026)	£215.1m
Indirect Assets (Q1 2026)[3]	£13.6m
TOTAL PORTFOLIO VALUATION	**£228.7m**

CONVENTIONAL PORTFOLIO PERFORMANCE

	Q1 2026	12 months (%) p.a.	3 years (%) p.a.	5 years (%) p.a.	7 years (%) p.a.	10 years (%) p.a.
Capital return	0.1	1.4	-0.2	-0.3	-1.3	-0.3
Income return	0.9	4.9	4.5	3.9	4.0	4.2
Total return	1.0	6.3	4.4	3.6	2.6	3.9
MSCI Quarterly Property Index	1.3	5.4	3.4	2.9	2.2	3.4
Relative	-0.2	0.9	0.9	0.6	0.4	0.5

[1] Based on Dorset County Pension Fund's total asset value as at the end of March 2025 (£4.1bn).
[2] See Appendix 2 for full property list and performance over the quarter by asset.
[3] See Appendix 1 for more information on the indirect holdings.

SLI PORTFOLIO PERFORMANCE

	Q1 2026	12 months (%) p.a.	3 years (%) p.a.	5 years (%) p.a.	7 years (%) p.a.	10 years (%) p.a.
Capital return	0.0	0.9	-2.4	-2.9	-2.1	-0.3
Income return	1.5	5.9	5.6	5.0	4.8	4.5
Total return	1.4	6.8	3.1	2.1	2.6	4.2
Target (LPI + 2.0% p.a.)	1.2	6.1	5.9	6.3	5.7	5.5
Relative	0.2	0.7	-2.8	-4.3	-3.1	-1.3

Economic and property update

- Latest GDP data shows only modest momentum entering 2026. In the three months to January 2026, UK GDP grew 0.2%, following 0.1% growth in the previous three-month period. The ongoing Middle East conflict is, however, already weighing on the growth outlook. March's flash Purchasing Manager's Index ('PMI') indicates weakening business sentiment as firms face rising input prices, supply disruptions and tighter financial conditions. As a result, GDP growth expectations for 2026 have been cut, with the outlook lowered to 0.4%.
- UK CPI inflation remained steady at 3.0% in February, however, this stability is expected to be short-lived. The sharp rise in global oil and gas prices following the Middle East conflict is set to feed through to UK inflation over the coming months. CPI inflation is forecast to exceed 4.0% in H2 2026, driven by higher energy and fuel costs impacting goods and services. Domestic energy bills are expected to rise from July when the Ofgem price cap increases. Real household incomes were already under pressure from slower wage growth and rising unemployment - higher inflation will intensify the squeeze. Real incomes are now expected to fall in 2026.
- The All-Property total return was 6.9% y/y in the February monthly MSCI index, only a marginal decrease from January (7.0% y/y). Capital value growth over the period was at 1.1% y/y, with the remainder largely driven by income return. The occupier market is holding up, with rents rising 3.3% y/y in February. Yields continue to weigh on total returns, with the equivalent yield impact showing -1.2% y/y, albeit vastly improved from the -23.7% trough.
- Given the challenging geopolitical and macroeconomic backdrop, the outlook for UK total returns has moderated to 7.1% p.a. over the next five years (vs. 7.5% p.a. previously). This is driven almost entirely by income and rental growth rather than yield compression. Performance will hinge on bottom-up stock selection, as sector-level differences narrow. Outperformance is expected to be found in retail warehouses, shopping centres, regional modern office, residential (single-family housing, multi-family housing, PBSA), and logistics. Gilt yields are projected to stay higher for longer, limiting the scope for yield compression.

Conventional portfolio

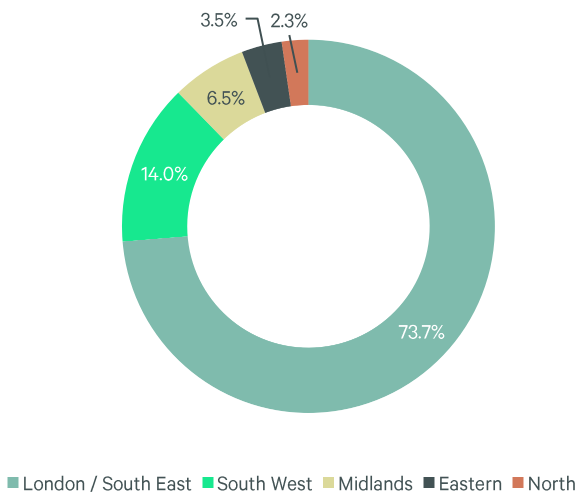
Portfolio information

KEY STATISTICS

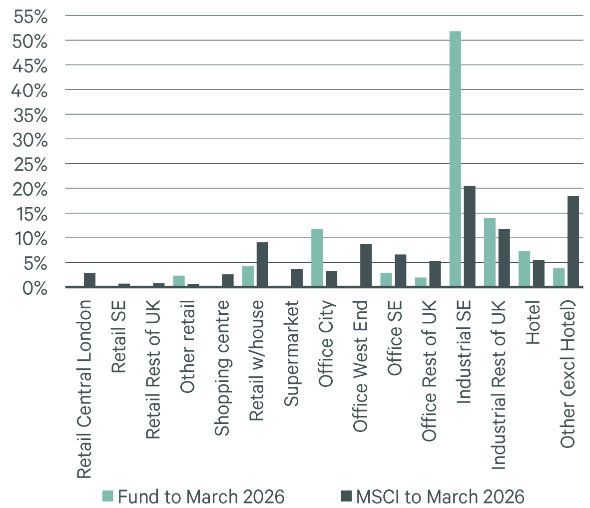
£172.8m Direct market value	**£13.6m** Indirect market value	**£186.4m** Total Conventional portfolio market value
16 (£11.7m) No. of direct assets (avg. value)	**69 (£2.5m)** No. of direct lettable units (avg. value)	**1** No. of indirect holdings
4.2% (8.7%) Vacancy rate (MSCI Quarterly Universe)	**8.7 yrs (7.5 yrs)** Avg. unexpired direct lease term (to break)	**5.4% / 6.1%** Direct net initial yield / reversionary yield (p.a.)[4]
13.1% % of income direct RPI / index linked	**21.9%** Rent with +10 years remaining (% of direct rent)	**10.1%** Rent with +15 years remaining (% of direct rent)

GEOGRAPHICAL AND SECTOR EXPOSURE

Geographical breakdown



Sector breakdown



[4] Valuer's opinion of NIY / RY.

Secure long income portfolio (SLI)

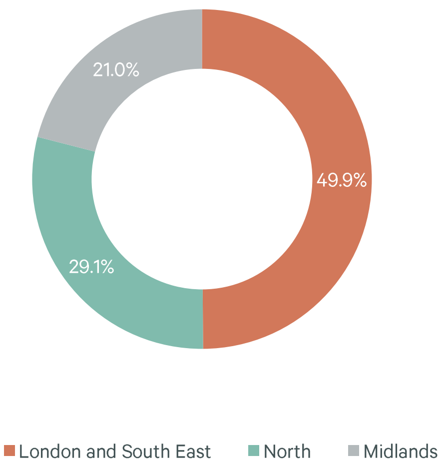
Portfolio information

KEY STATISTICS

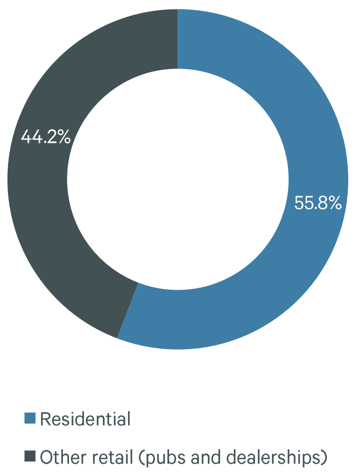
£42.3m Direct market value	**£0.0m** Indirect market value	**£42.3m** Total SLI portfolio market value
10 (£4.2m) No. of assets (avg. value)	**14 (£3.0m)** No. of lettable units (avg. value)[5]	**0%** Vacancy rate (% ERV)
58.8 yrs (15.9 yrs) Avg. unexpired lease term (to break)	**5.5% / 5.8%** Direct net initial yield / reversionary yield (p.a.)[6]	**81.3%** % of income index linked
27.9% Rent with >15 years remaining (% of contracted rent)		

GEOGRAPHICAL AND SECTOR EXPOSURE

Geographical breakdown (% of total value)



Sector breakdown (% of total value)



[6] Valuer's opinion of NIY / RY.

Environmental, social, governance

DCPF's ESG performance

Sustainability is fundamental to CBRE Investment Management's (the "Firm") value proposition where we seek to deliver sustainable investment solutions across real asset investing so that our clients, people and communities thrive.

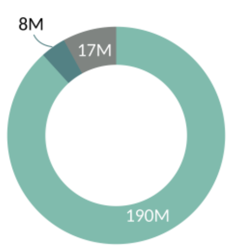
Key actions completed in Q1 2026

Action	Outcome	Climate	People	Influence
NLC Data Collection (formerly CRM)	The 2025 annual data collection process was started, with data requests sent out to Network Leveraged Contact (NLC) tenants to provide 2025 calendar year data.	x	x	x
PropTech Data Collection	The enhanced PropTech-enabled data collection process targeting increased energy data coverage in 2026 was undertaken, with unit-level meter matching, MPAN/MPRN meter numbers requested from Property Managers and Letter of Authority (LOA) requests sent to relevant tenants.	x		
Tenant Satisfaction Survey	The portfolio successfully issued a GRESB-aligned third-party tenant satisfaction survey to all applicable tenanted units, and the results were subsequently shared with the CBRE IM Fund Team.		x	x
Green Building Certifications 2026	The portfolio received two BREEAM In-Use in 2026, which will be eligible for inclusion in the GRESB 2026 submission.	x	x	
Data Management System Transfer	The portfolio's data management system transfer from Measurabl to Scaler was completed in Q1 2026, and all data was audited to ensure accuracy was maintained.	x		
EPCs	The portfolio has completed two EPC assessments in the last quarter.	x		

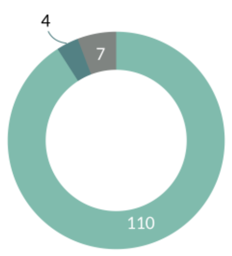
1 COMPLIANCE

A key part of the sustainability strategy is the Energy Performance Risk Mitigation Programme, where we seek to improve the sustainability performance of assets through improving the Energy Performance Certificate ratings. Units are included in the 'High Risk' category if the 'F' or 'G' rating is draft, expired or lodged. The status of the EPC is explained in the EPC Appendix at the end of this sustainability update. We will further update the definitions to respond to the EPC B MEES policy in England & Wales, once confirmed pending the final UK government consultation expected in 2026.

EPC risk by value (M)



EPC risk by unit



MEES Risk Rating	Key	Criteria
High	■	F or G rated valid EPC
Medium	■	E rated valid EPC
Low	■	A+ to D-rated valid EPC
Exempt	■	MEES regulation exempt
Unknown	■	Inaccurate or missing EPC

Action	Medium risk	High risk
High Quality or Modelled EPC	2	0
Action at Lease End	2	0
Refurbishment	0	0
Planned Redevelopment or Considering sale	0	0
Review Tenant Fitout	0	0

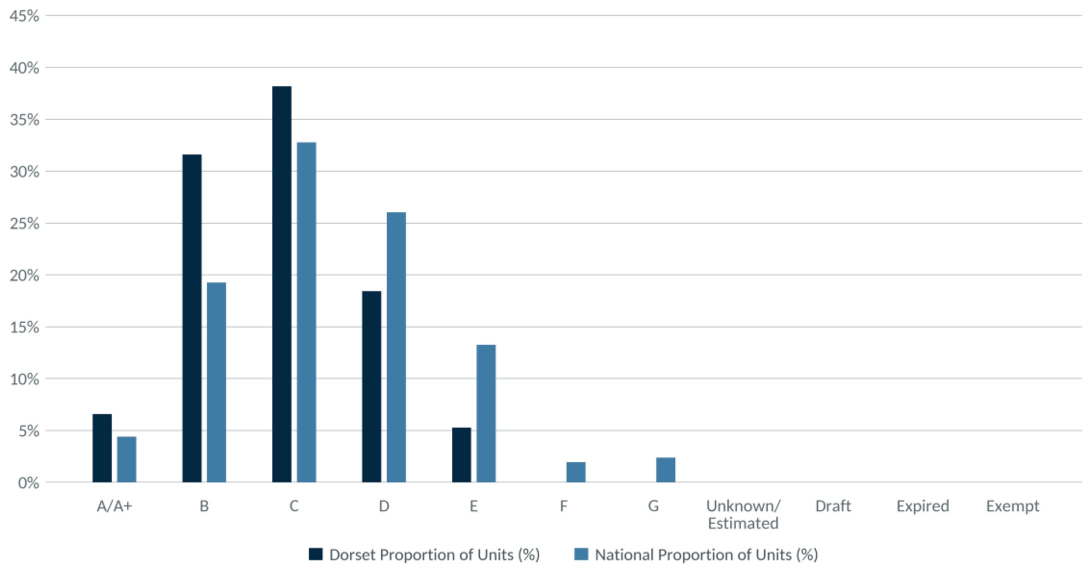
EPC Profiles

The charts below display the portfolio's current EPC rating profile in comparison with the National EPC rating profile over the past decade. This shows the relative benefits of the portfolio's EPC risk management over the preceding years, and contextualises the action required to achieve the EPC 'B' target rating for non-domestic properties. The National EPC rating profile consists of assets located in England and Wales only, as Scottish EPC profile data is currently unavailable and is therefore excluded from the datasets displayed below.

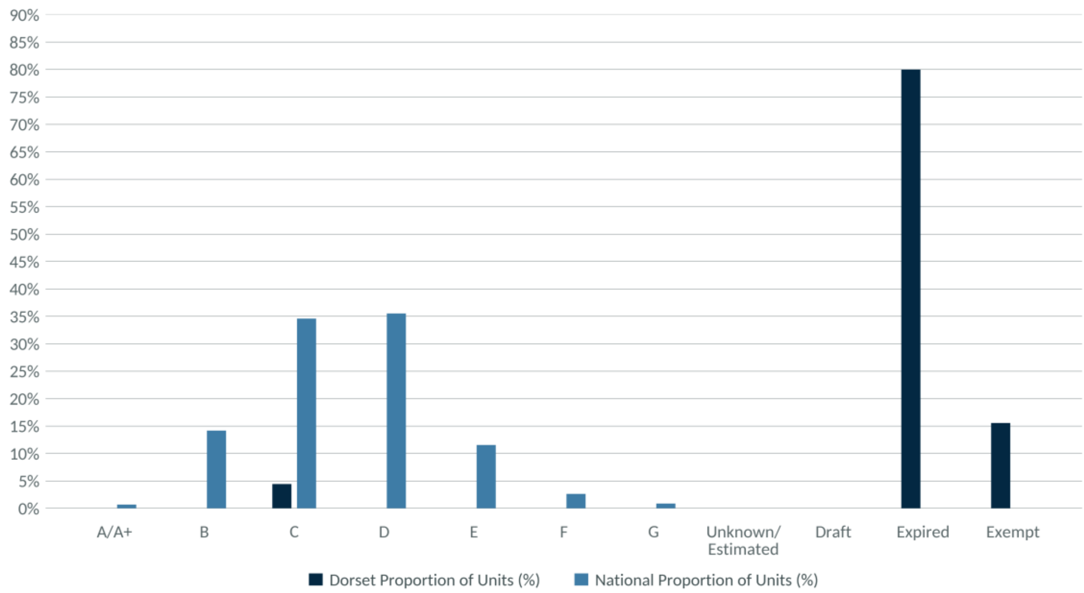
The portfolio has a lower proportion of 'high risk' non-domestic rated units and a higher proportion of A/A+ rated non-domestic units than the National EPC profile. The portfolio has a lower proportion of 'high risk' domestic rated units and a lower proportion of A/A+ rated domestic units than the National EPC profile.

Dorset Q1 2026 EPC Rating Profile vs National EPC Rating Profile

Q1 Non-Domestic Performance



Q1 Domestic Performance

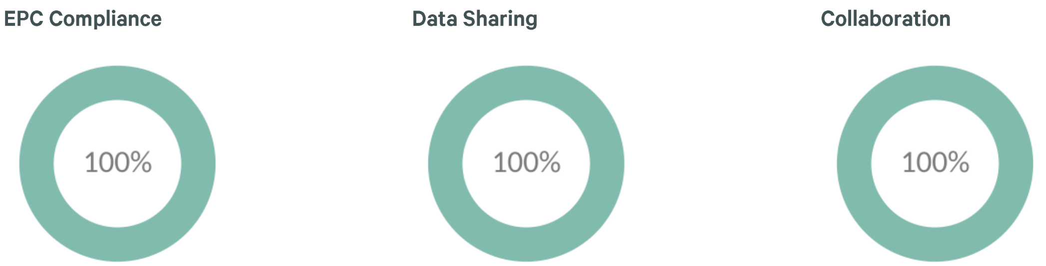


Green leases

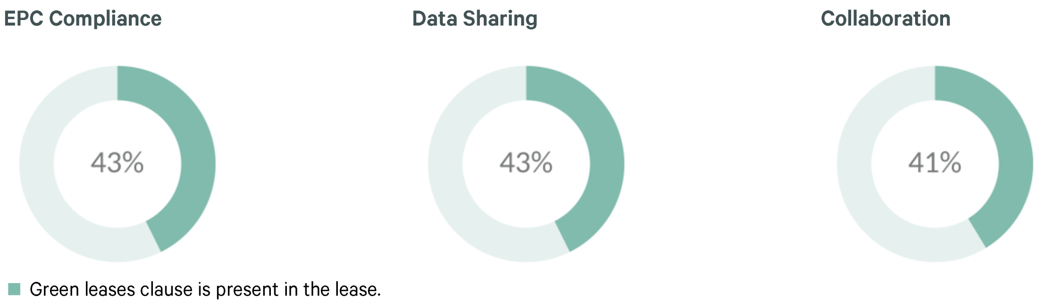
Green leases support us in protecting the portfolio from future environmental risks, reflecting market practice and improving the sustainability credentials of the portfolios. We group our green lease clauses into three categories:

– **EPC compliance**: clauses which support our compliance pillar, particularly with regard to EPCs.
– **Data sharing**: clauses which support the sharing of sustainability data for reporting and facilitate performance improvement.
– **Collaboration**: clauses in which we agree with the tenant to collaborate to improve a building's sustainability performance.

% of leases completed since January 2019, incorporating green lease clauses



% of all portfolio leases which incorporate green lease clauses



Green lease tracking	
% of portfolio with a green lease tracker (excluding vacant units)	99.0%
Number of leases with green lease trackers since Q1 2019	30
New trackers received in Q1 2026	0

2 TRANSPARENCY

Building certification strategy

CBRE Investment Management aim to acquire or forward fund buildings with certifications. Green Building Certifications are important for the Portfolio's GRESB performance in the short term and achievement of its Portfolio Sustainability Strategy in the long term. Specifically, Green Building Certifications account for 8.5 points (12.0%) of the GRESB Standing Investment score and by instructing new certifications or recertifications, the Portfolio aims to outperform the peer group in this category. The 'In progress & submitted certifications' table below includes any certifications that are currently in progress, have been submitted and/or are awaiting receipt of a final completion certificate. The 'Completed certifications' table below covers any certifications completed in the previous reporting year (2025) and in the current reporting year (2026).

In progress & submitted certifications.

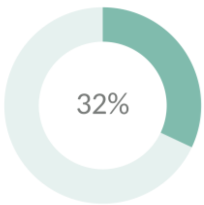
Property	Certification type	Rating	Status
Woolborough Lane Industrial Estate, Crawley - (Unit A)	BREEAM In Use: Part 1	TBC	Approved

Completed certifications

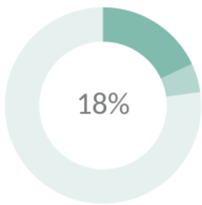
Property	Certification type	Rating	Status	Year Awarded
Euroway Industrial Estate, Swindon - (Units 6-7)	BREEAM In Use: Part 1	Pass	Complete	2026
Euroway Industrial Estate, Swindon - (Unit 8)	BREEAM In Use: Part 1	Pass	Complete	2026

% Portfolio with a building certification (by value)

2025 Performance



2026 Performance



■ Completed certifications ■ In progress certifications

3 REFURBISHMENTS

The Investment Committee process and Zero Emission Buildings roadmap informs CBRE Investment Management's approach to assessing each asset held in EMEA. Assets are redeveloped to improve their operational performance, meet portfolio and house level targets, and improve GRESB reporting potential. The 'Ongoing Refurbishments' and 'Completed Refurbishments' tables below cover any refurbishments completed in the previous reporting year (2025) and in the current reporting year (2026), alongside any that remain ongoing.

Ongoing Refurbishments

Asset	Certification Target	Estimated completion date	Project Notes
Oldfield Lane, Greenford – (Unit 4)	EPC B	TBC	The unit is due to be returned in June 2026, and a full refurbishment targeting EPC B will take place.

Completed Refurbishments

Asset	Certification Achieved	Date of Practical Completion	Project Notes
Euroway IE, Swindon - (Unit 9)	EPC B	Jan 2026	EPC improvement works completed, achieving an EPC B rating.
Summer Road, Croydon - (Unit 2)	EPC A	Jan 2026	EPC improvement works completed, achieving an EPC A rating.
Summer Road, Croydon - (Unit 4)	EPC B	Sep 2025	EPC improvement works completed, achieving an EPC B rating.

4 CARBON

2025 calendar year data collection via NLC (formerly CRM) data requests and enhanced Proptech enabled data collection methods is in progress. Landlord energy data is being reviewed and input into the funds data management system, Scaler. This data will be assured and submitted as part of the annual GRESB submission in June 2026 as per normal practice. 2025 calendar performance data will be classified as final once the final GRESB results are released on 1 October 2026.

The 2025 utility data uploaded to the Scaler platform will undergo a comprehensive audit to ensure data quality. Each assigned utility meter will be error-free, and all outliers will be investigated and addressed. Where applicable, issues will be raised directly with the utility provider and data platform manager. The resolution of each issue will be documented for full transparency. Furthermore, the audit of the Scaler platform includes the portfolio's Projects, Audits, Ratings and Certifications (PARC) data, as well as valuations data and property-type assignment.

5 EPC RATINGS BY BAND

If a unit does not hold any EPC information, it will be counted as 'Unknown/Estimated'. If a unit holds a more recent draft EPC than the lodged EPC, it will be counted as 'Draft'. If a unit holds an expired EPC, it will be counted as 'Expired'. All expired EPCs are reviewed by the CBRE Investment Management team with support from their Sustainability Consultants, and replacement EPCs are instructed prior to lease events. If a unit is MEES regulation exempt, it will be counted as 'Exempt'. Exemptions can be applied in the event of a lease length being 99 years or more, as per the UK government non-domestic private rented property regulations.

England, Wales and Northern Ireland

EPC ratings	A/A+	B	C	D	E	F	G	Unknown/ Estimated	Draft	Expired	Exemption Applied
No of units	5	24	31	14	4	0	0	0	0	36	7
Proportion of units %	4.1%	19.8%	25.6%	11.6%	3.3%	0.0%	0.0%	0.0%	0.0%	29.8%	5.8%

EPC risks and actions

Sites / units	Lease End/ Break Date	EPC Band	EPC Expiry Date	EPC Status	Risk Rating	Building Upgrade Report	Action
Apsley Centre, London - (Unit E)	Jun 2028	E	Mar 2030	Valid	Medium	BUR Received	This unit has an E rated EPC that expires in 2030. A 2022 MEES Asset Builder Report has been received outlining improvement works, however this lease has been renewed by 5 years, so there will not be an opportunity to implement these until lease end in 2028. At lease end these recommendations should be incorporated into any planned refurbishments to improve the EPC rating to a B.
Oldfield Lane, Greenford - (Unit 4)	Jun 2026	E	Jun 2032	Valid	Medium	BUR Received	This unit holds a valid E rated EPC that expires in 2032. A 2023 MEES Asset Builder Report recommends removing the existing gas heating systems and replacing all non-LED light fittings with LEDs. These recommendations targeting EPC B should be incorporated into the upcoming planned full refurbishment in June 2026 once the tenant vacates the unit.
Euroway Industrial Estate, Swindon - (Unit A4)	Dec 2030	E	Mar 2031	Valid	Medium	BUR Received	This unit holds an E rated EPC that expires in 2031. A 2022 MEES Asset Builder Report recommends removing the existing heating system from the warehouse area and installing a destratification fan to improve the EPC rating to a B. It is recommended that these MEES Asset Builder recommended works are undertaken at the next lease break date in 2030.
Euroway Industrial Estate, Swindon - (Units 6-7)	Feb 2030	E	May 2031	Valid	Medium	BUR Received	This unit holds an E rated EPC that expires in 2031. A 2023 MEES Asset Builder Report recommends ensuring the existing LEDs achieve a minimum luminaire efficiency of 100 Lm/W. These recommendations should be incorporated into any refurbishments to improve the rating to a B.
Derwent Shared Ownership Portfolio - (Various Properties), Step Forward Portfolio - Tranche 1 & 2 - Affordable Rented Housing - (Various Properties)	Vacant	-	-	Exempt	Exempt	-	These units have no EPCs in place and are classified as Exempt due to being social housing, as instructed by the portfolio managers following advice from their appointed lawyers.

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