

## TEESSIDE PENSION FUND COMMITTEE

<p><b>Date:</b> Wednesday 17th June, 2026 <b>Time:</b> 11.00 am <b>Venue:</b> Mandela Room (Municipal Buildings)</p>
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### AGENDA

1. Welcome and Fire Evacuation Procedure

In the event the fire alarm sounds attendees will be advised to evacuate the building via the nearest fire exit and assemble at the Bottle of Notes opposite MIMA.

2. Apologies for Absence

3. Declarations of Interest

To receive any declarations of interest.

- |   |         |
|---|---------|
| 4. Minutes - Teesside Pension Fund Committee - 7 May 2026                                 | 3 - 4   |
| 5. LGPS Current Issues  | 5 - 18  |
| 6. Investment Activity Report (incl. TM Report, Valuation & Forward Investment Programme) | 19 - 46 |
| 7. Border to Coast Presentation   | 47 - 60 |
| 8. Investment Advisor Report  | 61 - 64 |
| 9. Pension Administration Report  | 65 - 78 |

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| 10. | Draft External Audit Plan   | 79 - 110  |
| 11. | Risk Register   | 111 - 130 |
| 12. | Any other urgent items which in the opinion of the Chair, can be considered |           |
| 13. | Exclusion of Press and Public   |           |
- To consider passing a Resolution Pursuant to Section 100A (4) Part 1 of the Local Government Act 1972 excluding the press and public from the meeting during consideration of the following items on the grounds that if present there would be disclosure to them of exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- |     |   |           |
|-----|---|-----------|
| 14. | <b>Exempt - Presentation by Border to Coast's CEO Rachel Elwell</b> | 131 - 160 |
|-----|---|-----------|

Charlotte Benjamin  
Corporate Director of Legal and Corporate Services

Town Hall  
Middlesbrough  
Tuesday 9 June 2026

#### MEMBERSHIP

Councillors J Kabuye (Chair), D Coupe (Vice-Chair), J Rostron, J Ewan, D Branson, D Jackson, D McCabe, J McTigue, J Beall, M Fairley, Ms J Flaws, Mr T Watson and Mr B Foulger

#### **Assistance in accessing information**

**Should you have any queries on accessing the Agenda and associated information please contact Tabitha Frankland, 01642 726241, [tabitha\\_frankland@middlesbrough.gov.uk](mailto:tabitha_frankland@middlesbrough.gov.uk)**

This document was classified as: OFFICIAL

**TEESSIDE PENSION FUND COMMITTEE**

A meeting of the Teesside Pension Fund Committee was held on Thursday 7 May 2026.

**PRESENT:** Councillors J Kabuye (Chair), J Rostron (Vice-Chair), J Ewan, D Branson, D Coupe, T Furness, D Jackson, J Beall, M Fairley and Mr B Foulger

**ALSO IN ATTENDANCE:** S Grahame (Hymans Robertson), M Kirkham (Mazars)

**OFFICERS:** A Humble, A Lister, W Brown and T Frankland

**APOLOGIES FOR ABSENCE:** Councillors D McCabe, M Scarborough, Ms J Flaws and Mr T Watson

25/92 **WELCOME AND FIRE EVACUATION PROCEDURE**

The Chair welcomed all present to the meeting and read out the Building Evacuation Procedure.

25/93 **DECLARATIONS OF INTEREST**

Name of Member	Type of Interest	Item / Nature of Business
Councillor Beall	Non-Pecuniary	Member of Teesside Pension Fund
Councillor Branson	Non-Pecuniary	Spouse – Member of Teesside Pension Fund
Councillor Coupe	Pecuniary	Non-Executive Director of Border to Coast Pensions Partnership LTD
Councillor Ewan	Non-Pecuniary	Member of Teesside Pension Fund and Member of Tyne and Wear Pension Fund
Councillor Jackson	Non-Pecuniary	Member of Teesside Pension Fund
Councillor Rostron	Non-Pecuniary	Member of Teesside Pension Fund
Brian Foulger	Non-Pecuniary	Member of Teesside Pension Fund

25/94 **MINUTES - TEESSIDE PENSION FUND COMMITTEE - 4 MARCH 2026**

The minutes of the meeting of the Teesside Pension Fund Committee held on 4 March 2026 were taken as read and approved as a correct record.

The Head of Pensions Governance and Investments noted that there had been developments since the last meeting of the Teesside Pension Fund Committee and confirmed that the Pension Schemes Bill had received Royal Assent on 29 April and was now the Pension Schemes Act 2026. It was highlighted that there were several changes and enhanced training requirements to be implemented in the year ahead.

25/95 **ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, CAN BE CONSIDERED**

None.

25/96 **EXCLUSION OF PRESS AND PUBLIC**

07 May 2026

**ORDERED** that the press and public be excluded from the meeting for the following items on the grounds that, if present, there would be disclosure to them of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

25/97

**EXEMPT - LOCAL INVESTMENT UPDATE (EHC)**

The Senior Investment Research Consultant from Hymans Robertson was in attendance to provide further detail on the due diligence they had undertaken in regard to the Fund's investment into the Ethical Housing Company and answer Member questions.

**ORDERED** that:

1. The recommendations as set out in the submitted report, were approved.
2. Members requested that a number of actions be undertaken as a condition of approving the investment.

**TEESSIDE PENSION FUND**

Administered by Middlesbrough Council

**PENSION FUND COMMITTEE REPORT****17 JUNE 2026****CORPORATE DIRECTOR OF FINANCE – Andrew Humble****LGPS CURRENT ISSUES****Proposed Decision(s)**

That Members note the report and pass any comments.

**Executive summary**

This report discusses recent changes to the LGPS pensions environment. Most of the changes follow from the Pensions Act 2026 coming onto the statute books. The plans to meeting the requirements of the Act by both Border to Coast and the Fund are presented.

The report also mentions the impact of recent changes to the LGPS following from the amendment of the SCAPE rate

The report points to the Scheme Advisory Board Annual Report which summarises the overall position of the LGPS.

The government response to SAB's request for guidance in relation to investment in conflict zones is discussed.

**1. Purpose of the report**

- 1.1 To provide Members with an update on the recent changes to the LGPS including those arising from the Pension Schemes Act 2026 and the 2026 LGPS Regulations.

**2. Recommendation**

- 2.1 That Members note the report and pass any comments.

**3. Financial implications**

- 3.1 There are no specific financial implications resulting from this report but the changes required may create cost pressures.

**4. Background**

- 4.1 Pensions Committee in March received the Fit for the Future Implementation report which updated Committee on the likely implications of the Pensions Act 2026 and associated LGPS Regulations. On 20<sup>th</sup> May the consultation outcome including the government response to

the Local Government Pension Scheme in England and Wales: Fit for the Future – technical consultation was published. In addition, two statutory instruments which will come into effect on 30 June 2026 were published. The resulting legislation leaves the policy intent unchanged but with slight adjustments to timings.

- 4.2 The LGPS ‘Fit for the Future’ reforms formalise the requirement for administering authorities to work through a single pool and evolve the division of responsibilities between Funds and their pool companies. Under the new framework, Funds will continue to set investment strategy, but all decisions beneath this level – including portfolio construction, manager selection, rebalancing, cashflow management, and stewardship—will become the statutory responsibility of the pool. The Investment Strategy Statement (ISS) must now follow a prescribed format, include high-level objectives for returns, risk, liquidity, responsible investment and local investment, and be based on “principal strategic advice” from Border to Coast.
- 4.3 To support this new model, Border to Coast is working with Partner Funds to develop advisory and implementation capabilities that will provide Partner Funds with an end-to-end investment solution. This evolution is consistent with the direction of travel set out in the 2030 Strategy approved unanimously by Partner Funds, which sought to harness the governance premium through a holistic approach to scheme management. This Strategy anticipated the need for advisory support from the Pool, deeper alignment between strategy and implementation, and a more resilient operating model as the LGPS matures and the policy landscape evolves. Border to Coast and Partner Funds are committed to continuing the collaborative approach to the Partnership that has driven success to date, ensuring no surprises in the future model through clear and structured engagement.
- 4.4 Alongside the pooling reforms, the Government is also introducing wider governance requirements for administering authorities—including a new Senior LGPS Officer role, the appointment of an Independent Person, strengthened training and oversight expectations, and regular Independent Governance Reviews. These matters remain the responsibility of Partner Funds but shape the environment in which the new pooling model will operate.

## **5. Legislation**

- 5.1 Teesside Pension Fund has participated in the Border to Coast Pensions Partnership asset pool since 2015, following a government directive to consolidate LGPS investments to achieve economies of scale, strengthen governance, and reduce costs while maintaining performance. The pool initially included ten other authorities.
- 5.2 In November 2024, the government launched the Fit for the Future consultation on further LGPS reforms. The consultation sought to reform the LGPS by enhancing asset pooling, improving governance, and increasing investment in local economies to ensure long-term sustainability. Key goals include tackling fragmentation, achieving economies of scale, and accelerating the transfer of assets to qualified, FCA-regulated pools.
- 5.3 These reforms are being driven through a combination of primary legislation, new and amended Regulations:

- 5.3.1 The **Pension Schemes Act** provides the overarching policy framework, giving Ministers new powers to set standards, issue directions, and require funds to make statutory appointments, and undertake governance reviews.
- 5.3.2 The **LGPS (Pooling, Management and Investment of Funds) Regulations 2026** evolve the investment framework. They require each administering authority to participate in a single FCA regulated pool responsible for all investment implementation (including portfolio construction, manager selection, stock selection, rebalancing, and stewardship). Funds retain responsibility for setting investment strategy, including the Strategic Asset Allocation (SAA), but must take strategic advice principally from their pool. The regulations also codify new requirements for the Investment Strategy Statement, including the incorporation of local investment objectives and mandatory publication and consultation standards.
- 5.3.3 The **LGPS (Amendment) (Governance) Regulations 2026** are primarily concerned with governance. They introduce mandatory roles, policies and training requirements designed to increase capability, improve transparency, and ensure effective oversight. Among these measures are the creation of the Senior LGPS Officer, the appointment of an Independent Person, and the requirement for funds to maintain a Governance Strategy, Training Strategy, and Conflicts of Interest Policy. Committee members, Board members and delegated officers must meet statutory knowledge and understanding standards, to be supported by ongoing training and formally assessed.
- 5.4 These changes amount to the most significant regulatory shift in the LGPS since pooling began, and successful compliance requires an aligned governance model and operational partnership with Border to Coast.
- 5.5 The Government has also confirmed that the ACCESS and Brunel pools will close, with their Partner Funds required to identify alternative pooling arrangements. Seven of these administering authorities have now joined Border to Coast.

## 6. Government Guidance Requirements

- 6.1 Alongside the Regulations, three pieces of guidance will set detailed expectations for Funds.
  - 6.1.1 The **Investment Strategy Statement (ISS) Guidance** prescribes the structure and content of the ISS. The Fund must articulate high-level objectives for returns, risk, liquidity, responsible investment, and local investment, and set its SAA using a template required by the guidance. While the Committee retains responsibility for the ISS, it must prepare it based on advice from Border to Coast. The ISS must be consulted on with employers, members and strategic authorities, and reviewed within 18 months of each valuation.
  - 6.1.2 The **Pooling Guidance** formalises the relationship between the Fund and its pool. It requires the Fund to use the pool as its principal strategic investment adviser. While the work of the Committees can be supported by an Independent Person for advice, external advisers (i.e. consultants) can only be used in exceptional cases. Border to Coast must be given scope to implement investment strategy using its professional judgement, in order to deliver scale benefits and operational efficiency. While the Fund is to set an objective for local investment (taking into account Local Growth Plans set by the relevant strategic authority), the pool is responsible for due

diligence, implementation, monitoring and reporting of local investments. Alignment of investment strategies with AAs in the pool is encouraged.

- 6.1.3 The **Fund Governance Guidance** strengthens governance expectations. The Senior LGPS Officer assumes responsibility for all pension functions, including governance, investment, administration, risk management, and reporting. The Independent Person is expected to provide professional scrutiny and challenge on strategy and pool performance. The Pensions Committee must meet higher knowledge standards and demonstrate that decisions are well-informed and evidence-based. The Fund must also undertake and publish a comprehensive Independent Governance Review (IGR) at least once per valuation cycle.

## 7. Implementation

- 7.1 From 30 June 2026, the Regulations require each LGPS authority to participate in an asset pool company. The asset pool company must:
- be FCA-regulated
  - have the expertise and capacity to implement investment strategies
  - act as the principal source of advice on the authority's investment strategy
  - manage all funds for which the authority is responsible, including legacy assets
  - conduct due diligence on, and manage, local investments.
- 7.2 The transition to the new operating model will involve transferring new responsibilities to Border to Coast. The Senior LGPS Officer will oversee the transition plan to ensure operational readiness.
- 7.3 To deliver investment implementation under the new statutory model, Border to Coast has established an enhanced operating framework formalised through an Investment Management Agreement (IMA). The IMA confirms Border to Coast's role as an FCA-regulated investment manager, sets out the services it provides, and defines the discretionary authority under which it will act:
- 7.3.1 The **Advisory Service** supports Partner Funds in reviewing and developing investment objectives and beliefs, conducting triennial strategic asset allocation reviews, completing annual strategic health checks, incorporating responsible investment considerations, and ensuring the ISS is aligned with deliverable structures.
  - 7.3.2 The **Asset Allocation Service** delegates to Border to Coast the responsibility to implement the Fund's strategic allocation, including rebalancing and liquidity management.
  - 7.3.3 The **Legacy Management Service** ensures assets outside Border to Coast structures are overseen effectively during any period of run-off or transition.
  - 7.3.4 The **Hedging Service** allows Border to Coast to implement currency and other risk-mitigation strategies, where agreed.
- 7.4 These services collectively enable the full implementation of Partner Fund strategies in line with statutory pooling requirements and ensure consistent standards of risk management and execution. A shared approach, and an alignment in processes and practices between Partner Funds, will support efficient implementation of these capabilities; however, Border to Coast

also recognise the sovereign differences between its Partner Funds.

- 7.5 Further detail of each of these services is set out in the Appendix I.
- 7.6 Officers across the Partner Funds are working to review the IMA, including a legal review being co-ordinated by Tyne & Wear on behalf of all Partner Funds. The intention is to put the IMA in place by 1<sup>st</sup> July if possible so that Border to Coast can commence oversight of legacy investments from that point.
- 7.7 The reforms place increased emphasis on alignment and collaboration between Partner Funds and the pool. Border to Coast will provide strengthened reporting capabilities to support Committee decision-making, including whole-of-fund reporting, standardised performance analytics, enhanced responsible investment reporting, and progress against local investment objectives – this will follow a phased rollout, with an initial “lite” report developed in 2026 and further enhancements to follow. Partner Funds will work collectively to evolve their shared oversight arrangements, including agreeing common principles for reporting, oversight, and strategic engagement. In parallel, a review of Border to Coast’s governance and oversight structures will take place to ensure they remain fit for purpose. Further detail of each of these services is set out in the Appendix I.

## **8. Implementation Timetable**

- 8.1 The Government acknowledges that pools are unlikely to meet all elements of the new policy framework by 1 April 2026. Instead, it expects a clear, credible, and time-bound implementation plan.
- 8.2 The transition to the new operating framework will be phased, ensuring readiness from both Border to Coast and Partner Funds to deliver a cost effective and risk managed solution. The key milestones are as follows:
- By 1 April 2026: Border to Coast to be in a position to provide strategic advice, working closely with Partner Funds and existing consultants to ensure a smooth transition and handover, and ongoing oversight of indexed equities invested outside of the Pool.
  - By 1 July 2026 for existing PFs (and 1 January 2027 for incoming PFs): Border to Coast to provide oversight and management of legacy private markets and real estate outside of the Pool.
  - By 1 January 2027: Full implementation of Partner Fund investment strategy including portfolio construction, rebalancing, and cashflow management.

- 8.3 Further detail on the implementation timetable is set out in Appendix II.

## **9. Fund-Specific Implementation Requirements**

- 9.1 The Fund must update core governance documents to comply with the Amendment Regulations. The Governance Strategy must describe delegation arrangements, governance structures and decision-making processes. The Training Strategy must set out how knowledge and understanding requirements will be met, assessed and recorded. The Conflicts of Interest Policy must identify, monitor and manage both personal and institutional conflicts, including conflicts relating to pooling.

- 9.2 The Investment Strategy Statement must be comprehensively revised to reflect the new statutory template. It will need to incorporate high-level objectives for return, risk, liquidity, responsible investment and local investment, and present the SAA in the required form. The revised ISS must be prepared using Border to Coast's strategic advice and be subject to formal consultation.
- 9.3 An assessment of the requirements to meet the provisions of the legislation is provided at Appendix III. This illustrates that many of the actions which need to be implemented have either commenced or are awaiting the guidance which is due from government during June.

## **10. SCAPE Rate**

- 10.1 On 19 May 2026, in a written ministerial statement by the Minister for Pensions, Torsten Bell MP, that the superannuation contributions adjusted for past experience (SCAPE) discount rate increased to the consumer prices index (CPI) plus 2.0 per cent. This replaces the previous rate of CPI plus 1.7 per cent.
- 10.2 The SCAPE discount rate is used to set the employer contribution rates in unfunded public service pension schemes (PSPS). It is also used to calculate the actuarial factors across all PSPS.
- 10.3 The increased SCAPE discount rate applies from 19 May 2026. MHCLG has confirmed that administering authorities should immediately suspend the following calculations until new factors are issued:
- certain non-Club transfers and aggregation calculations
  - certain non-Club cash transfer sums
  - all cash equivalent values (C E V) for divorce.
- 10.4 Government Actuary Department (GAD) expects to issue updated factors for suspended CETV and pension CEV calculations in the near future. The early and late retirement factors are expected within six weeks. The remainder of the factors will be issued in batches over a six-month period. These timings are subject to change.
- 10.5 The impact of the change in SCAPE rate is going to be a delay in many of the pensions administration processes whilst the new factors are calculated by GAD and then incorporated into pensions administration software. For example members will be unable to run accurate retirement quotation estimates until the factors are updated.

## **11. SAB Scheme Annual Report**

- 11.1 On 20 May 2026 LGPS Scheme Advisory Board (SAB) published the 2025 Scheme Annual Report England and Wales. This report is a compilation of the 86 individual fund annual reports and also provides a snapshot of the work of SAB.
- 11.2 The LGPS E&W covers 15,704 active employers, has 6.8m members and assets of £402Bn. The average reported funding position was 114%.
- 11.3 Assets were mainly invested in public equities (48%), bonds (16%), property (8%), infrastructure and private equity (both 6% respectively).
- 11.4 More details can be found on the Scheme Advisory Board website.

[lgpsboard.org/scheme-information/scheme-annual-reports/](https://lgpsboard.org/scheme-information/scheme-annual-reports/)

## **12. SAB Statement on Investment in Conflict Zones**

- 12.1 In response to pressures applied by campaign groups including the Palestine Solidarity Campaign which made calls to divest from investments that are seen to support the recent conflict in the Occupied Palestinian Territories, SAB wrote to the Local Government Minister Alison McGovern MP seeking advice and views from the UK Government.
- 12.2 A response was received on 12<sup>th</sup> May 2026 which acknowledged “that investments linked to conflict zones are a high profile and challenging issue for administering authorities, particularly given the pressures applied by some campaign groups.” It also stated that “The Government’s position is clear: decisions on boycotts, divestment and sanctions are matters of UK foreign policy and are for central government, not local authorities. It is therefore not appropriate for local authorities to adopt investment policies that go beyond or differ from UK Government sanctions or foreign policy positions.”
- 12.3 On 15<sup>th</sup> May 2026 SAB Chair Cllr Roger Phillips published a statement expressing disappointment that the Government letter failed to provide “clarity on whether LGPS funds are expected to have regard to international law in this context”. “In the absence of this clarity, we reiterate our existing advice that funds should continue to have regard to their current responsible investment policies and, when reviewing these, carefully consider the guidance on fiduciary duty previously provided by the Board.”

Contact Officer: Andrew Lister – Head of Pensions Governance and Investments

TEL NO.: 01642 726328

## **Appendix I: Further Detail on Border to Coast Capabilities**

### **1. Advisory Capability**

Border to Coast is building a full-service investment advisory function that will become the principal provider of strategic investment advice to Partner Funds. This capability includes:

#### **Strategic Advice**

- Support for investment beliefs, long-term objectives and investment policy development.
- Triennial Strategic Asset Allocation (SAA) reviews and annual SAA health checks.
- Advice on portfolio implementation options (constrained and unconstrained), including understanding the “cost of compromise” of using pooled vehicles.

#### **Asset–Liability Modelling (ALM)**

- Procurement and operation of an ALM model to integrate funding, actuarial and investment considerations.
- Ability to model risk/return trade-offs and optimise long-term strategy.

#### **Research & Responsible Investment Advice**

- Analytical support on portfolio construction, risk, markets and asset class opportunities.
- Advice on Responsible Investment priorities, stewardship objectives and reporting.

This service is being built collaboratively with Partner Funds and will evolve over time, strengthening Partner Fund governance capacity while maintaining decision-making sovereignty.

### **2. Asset Allocation Capability**

Border to Coast will provide an end-to-end asset allocation implementation service, including:

#### **Implementation of Strategic Asset Allocation**

- Translating high-level strategy set by Partner Funds into an investable portfolio.
- Portfolio construction using Border to Coast ACS, SLP and third-party vehicles.

#### **Monitoring & Execution**

- Monitoring allocations against SAA and tolerance ranges.
- Execution of required adjustments through rebalancing, transitions or capital movements.

#### **Integration with Advisory**

- Close linkage between strategic advice and practical implementation to ensure portfolios remain on track.

This capability ensures the pool can implement strategy efficiently, at scale, and in line with FCA requirements under the new statutory regime.

### **3. Rebalancing & Cashflow Management**

Border to Coast will manage liquidity and short-/medium-term cash movements across portfolios, including:

#### **Rebalancing**

- Managing asset allocation drift across the portfolio versus rebalancing ranges
- Executing rebalancing trades across both Border to Coast and non-pooled holdings (where relevant).

#### **Cashflow Modelling**

- Long-term cashflow projections to support investment strategy and Alternatives pacing.
- Scenario tools to help Funds understand liquidity under stress conditions.

#### **Cashflow Monitoring & Liquidity Management**

- Monitoring cash across investments and anticipated flows.
- Managing capital calls.
- Supporting liquidity provision to support Officers in operational cashflow needs.

This integrated approach brings together rebalancing, cashflow forecasting and liquidity management, improving execution quality and reducing operational burden for Partner Funds.

#### **4. Legacy Asset Management**

Border to Coast will progressively take responsibility for legacy assets – investments held outside Border to Coast structures – including private markets, real estate and externally managed indexed equity mandates.

##### **Monitoring & Oversight**

- Quarterly monitoring aligned to Border to Coast’s existing processes.
- Distinguishing between “material” and “non-material” assets using value, lifecycle stage and risk factors.

##### **Reporting**

- High-level narrative reporting and performance analysis.
- Integration into the Investment Book of Record (IBOR) via the new Investment & Data Platform (I&DP).
- Aggregated reporting by region, sector, asset class and vintage.

##### **Execution & Corporate Actions**

- Oversight and processing of corporate actions such as amendments, extensions, secondary sales and redemptions.

Legacy oversight improves consistency, support for responsible investment, and readiness for eventual transition into pooled structures where appropriate.

#### **5. Capital Call Management**

Border to Coast will also introduce a streamlined capital call management service, including:

- Managing capital call schedules and ensuring timely funding.
- Coordination of capital flows for SLP structures in a consistent, efficient manner.
- Enhanced visibility of future commitments through the I&DP.

This ensures smoother deployment of private market commitments and reduces operational strain for Partner Funds.

#### **6. Hedging Capability**

Border to Coast will offer hedging services initially focused on currency overlays, with potential to expand into other risk-mitigation tools. Features include:

- Monitoring currency exposures.
- Executing hedging trades within agreed parameters.
- Procurement and oversight of third-party hedging providers where necessary.

#### **7. Whole-of-Fund Reporting & Data Capability**

Border to Coast is implementing an Investment & Data Platform (I&DP) to support all capabilities above.

##### **Whole-of-Fund Reporting**

- Consolidated portfolio view covering public markets, private markets and real estate.
- Performance attribution across strategy, allocation and manager skill.
- Integrated risk analytics, scenario analysis and ESG/RI reporting.

##### **Data Integration**

- Automated data feeds from custodians, GPs, managers and internal systems.
- A central IBOR to support reconciliation, oversight and portfolio management.

This will significantly enhance Partner Funds’ ability to oversee and scrutinise implementation, consistent with the new regulatory model.

## Appendix II: Implementation Timetable

Government Expectation		Pensions Bill Compliance and Rep Risk on 1 April 2026	End State	Expected End State Timeline	Actions and Risks of Interim Solution for Compliance on 1 April
FCA authorisation		Full compliance	FCA regulated	Delivered	N/A
All assets to be controlled and managed by the relevant asset pool	Liquid assets excl. indexed equities	100% of liquid assets pooled with Border to Coast, equivalent to £3.5Bn	All liquid assets pooled	Complete	N/A
	Indexed Equities	This is not directly applicable to the Fund	All indexed equities pooled or under pool management	1 April 2026	N/A
	Legacy private markets	The Fund has investments of £1.9Bn in legacy private markets and commitments of a further £321m which should come under Pool oversight from 1 April 2026	Pool oversight and management of legacy private market commitments.	1 July 2026 – 31 December 2026	<b>Tolerate</b> It is unlikely that Border to Coast will be able to develop an FCA compliant model in these timescales, pending the roll out of an Investment & Data Platform, and any interim solution would be extremely manual and generate unnecessary spend and resource.
	Legacy indirect real estate	The Fund has investments of £39m in indirect real estate, which is expected to transition to the Border to Coast UK Real Estate Main Fund in due course. This will take time, and Pool oversight and management will be required in the meantime.	Pool oversight and management of legacy indirect UK Real Estate.	1 July 2026 – 31 December 2026	<b>Tolerate</b> It is unlikely that Border to Coast will be able to develop an FCA compliant model in these timescales, pending the roll out of an Investment & Data Platform, and any interim solution would be extremely manual and generate unnecessary spend and resource.

Principal Investment Advisor to Partner Funds	The Fund does not utilise an investment consultant on an ongoing basis.	Pool to be principal advisor	1 July 2026 to be appointed and begin transition from current advisors. 1 January 2027 for full services launch.	<b>Tolerate</b> The Fund will work with Border to Coast to utilise their advisory capability in setting investment strategy.
<b>Implementation of Investment Strategy</b>	Partner Fund Officers are currently responsible for implementation of investment strategy, with advice where needed. Full implementation is expected to transition to the Pool from 1 April 2026.	Pool to be responsible for implementation	1 January 2027	<b>Tolerate</b> It is unlikely that Border to Coast will be able to develop an FCA compliant model in these timescales, pending the roll out of an Investment & Data Platform, and any interim solution would be extremely manual and generate unnecessary spend and resource.
<b>Capacity to manage local investments</b>	The Fund has an established local investment programme.	Pool to support Partner Funds in setting local investment strategy and management of local investments	H2 2026	<b>Tolerate</b> Border to Coast are launching a pilot local investment programme with the North East Border to Coast funds, which will be available to other Partner Funds from H2 2026. Work to be done to establish local strategy.

## Appendix III : Teesside Implementation Timetable

## Pension Act 2026 Requirements

Requirement	End State Solution	Current State	Expected End State Timeline	Comments
LGPS Senior Officer	Appoint LGPS Senior Officer within timescales	Job description being developed but awaiting regulations and guidance from MHCLG.	31-Dec-26	Constitution will require some amendments
Independent Person	Appoint Independent Person to support Pension Committee and the Senior LGPS Officer	Procurement required following MHCLG guidance & regulations. Extension of current Investment Advisor in the interim.	31-Dec-26	Constitution will require some amendments
Investment Strategy Statement	ISS compliant with the Pension Act	Review of ISS has commenced	31-Mar-27	BCPP framework ISS to assist process
Local Investment	Co-operate with TVCA to develop appropriate investment opportunities.	Review has commenced	31-Mar-27	Discussions ongoing with TVCA on their emerging Local Growth Plan
Governance Strategy	Describe delegation arrangements, governance structures and decision-making processes	Reflects existing arrangements	31-Mar-27	Awaiting guidance before updating
Training Strategy	How knowledge and skills requirements will be met	Reflects existing arrangements	31-Mar-27	Awaiting guidance before updating
Conflicts of Interest Policy	Identify, monitor and manage personal and institutional conflicts	Reflects existing arrangements	31-Mar-27	Awaiting guidance before updating

Independent Governance Reviews	Review required within triennial period.	Procurement required following MHCLG guidance & regulations.	31-Mar-28	Review compliance with regulations and legislation to enable successful outcome.
<b>Pooling of Assets</b>				
Liquid	100% of liquid assets invested in ACS propositions	100% of liquid assets pooled	Complete	
Direct Property	BCPP In-house oversight and management of legacy commitments		Complete	
Legacy Private Markets	BCPP In-house oversight and management of legacy commitments	Managed by Fund	01-Oct-26	Pilot legacy management of three Partner Funds.
Legacy Indirect Real Estate	Pool oversight and management of CBRE	Managed by Fund	01-Jul-26	Gaps; Third party arrangements in place & legacy IMA
Principal Investment Advisor	Full advisory solution in place	Continuation of Fund advisor	19-Jul-05	Gaps; Resource, processes and framework
Full Investment Implementation	Full management capability in place		01-Jan-27	Gaps; I&DP full capability, resource and legal framework, custodian alignment
Local Investment Capacity	UK Opportunities + sidecars + regional solutions	Pilot solution go live Q2 2026	Q2 2026	ISS will define "local investment"

**TEESSIDE PENSION FUND**  
Administered by Middlesbrough Council

**PENSION FUND COMMITTEE REPORT**

**17 JUNE 2026**

**CORPORATE DIRECTOR OF FINANCE – ANDREW HUMBLE**

**INVESTMENT ACTIVITY REPORT**

**Proposed Decision(s)**

That Members note the report and pass any comments.

**Executive summary**

This report presents the Investment and treasury activity undertaken by the Pension Fund over the quarter to 31 March 2026.

The value of total investments is £6,141 million including £447.1 million

The Fund's Strategic Asset Allocation is within tolerance levels

The changes to the Ethical Housing Company investment discussed at May Committee are being progressed.

**1. Purpose of the report**

- 1.1 To inform Members how the Investment Advisors' recommendations are being implemented.
- 1.2 To provide a detailed report on transactions undertaken to demonstrate the implementation of the Investment Advice, and to provide the Fund's Valuation.
- 1.3 To report on the treasury management of the Fund's cash balances.

**2. Recommendation**

- 2.1 That Members note the report and pass any comments.

**3. Financial Implications**

- 3.1 Decisions taken by Members, in light of information contained within this report, will have an impact on the performance of the Fund.

**4. Implementation of Investment Advice for the Period January - March 2026**

- 4.1 The Fund continues to favour growth assets over protection assets. For the period under discussion here, bonds were still not considered value for the Fund.

The Fund has no investments in Bonds at this time.

- 4.2 At the June 2018 Committee it was agreed that a maximum level of 20% of the Fund would be held in cash.

Cash level at the end of March 2026 was 7.42%

- 4.3 Investment in Alternatives, such as infrastructure and private equity, offer the Fund diversification from equities and bonds.

An amount of £8.7m was invested in the quarter.

## **5. Transaction Report**

- 5.1 It is a requirement that all transactions undertaken are reported to the Committee. Appendix A details transactions for the period January to March 2026.

- 5.2 There were net purchases of £2.9m in the period.

## **6. Treasury Management**

- 6.1 The Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice (the Code) sets out how cash balances should be managed. The Code states that the objective of treasury management is the management of the Authority's cash flow, its borrowings and investments, in such a way as to control the associated risks and achieve a level of performance or return consistent with those risks. The security of cash balances invested is more important than the interest rate received.

- 6.2 Middlesbrough Council adopted the Code on its inception and further determined that the cash balances held by the Fund should be managed using the same criteria. The policy establishes a list of counterparties (banks, building societies and others to whom the Council will lend) and sets limits as to how much it will lend to each counterparty. The counterparty list and associated limits are kept under constant review by the Director of Finance.

- 6.3 Although it is accepted that there is no such thing as a risk-free counterparty, the policy has been successful in avoiding any capital loss through default.

- 6.4 As at 31 March 2026, the Fund had £455.8m £447.1m invested with approved counterparties. This is an increase of £8.7m over the last quarter.

- 6.5 The attached graph (Appendix B) shows the maturity profile of cash invested. It also shows the average rate of interest obtained on the investments for each time period.

6.6 Delegated authority was given to the Director of Finance and Transformation by the Teesside Pension Fund Committee to authorise/approve any changes made to the Treasury Management Principles (TMPs), with subsequent reporting to this committee.

## 7. Fund Valuation

7.1 The Fund Valuation details all the investments of the Fund as at 31 March 2026, and is prepared by the Fund's custodian, Northern Trust (NT). The total value of all investments, including cash, is **£6,141 million**. This compares with the last reported valuation, as at 31 December 2025 of **£6,117 million**.

7.3 A summary analysis of the valuation (attached with the above), shows the Fund's percentage weightings in the various asset classes as at 31 March 2026 compared with the Fund's customised benchmark.

## 8. Investment Programme

8.2 At the September 2024 Pension Fund Committee a revised Strategic Asset Allocation was agreed:

Asset Class	Long Term Target SAA	Current 31/03/26	Minimum	Maximum
<b>GROWTH ASSETS</b>	<b>70%</b>	<b>68.24%</b>	<b>50%</b>	<b>90%</b>
UK Equities	10%	11.79%	5%	20%
+Overseas Equities	45%	44.74%	30%	60%
Private Equity	15%	11.71%	0%	20%
<b>PROTECTION ASSETS</b>	<b>30%</b>	<b>31.47%</b>	<b>10%</b>	<b>50%</b>
Bonds / Other debt / Cash	10%	10.15%	0%	20%
Property	10%	9.52%	0%	20%
Infrastructure	10%	11.80%	0%	20%

(Local Investments account for the missing 0.29% in the "current" totals - there is no allocation within the SAA for these assets)

### 8.4 Equities

As at the 31 March 2026 the Fund's equity weighting was 56.53% compared to 56.89% at the end of December 2025.

Summary of equity returns for the quarter January to March 2026:

Asset	Fund Performance	Benchmark	Excess Return
BCPP UK	0.21%	2.41%	-2.20%
BCPP Overseas	-0.19%	0.68%	-0.87%
BCPP Emerging Market	1.22%	-0.85%	2.07%

(BCPP – Border to Coast Pensions Partnership – Active Internal Management)

## 8.5 Bonds + Cash

The Fund has no investments in bonds at this time, the level of cash invested is 7.42%. Whilst discussions have been held with the Committee around investing in bonds, there has been no directive to invest as yet.

## 8.7 Local Investment

To date the Fund has 3 Investments classified as “Local”:

**Ethical Housing Company** - £5m investment of which £765k has been called.

At the Committee meeting on the 7<sup>th</sup> May it was agreed that the Fund would purchase the shares held by Bridges in EHC, as well as making additional investments over the life of the fund. Members requested a legal review of the documentation that the Fund would need to sign to achieve those outcomes.

Working with the Joseph Rowntree Foundation (JRF), we have appointed Freeths LLP to carry out the review, the cost of £6,000 will be shared with JRF.

**Waste Knot** - £10m investment agreed at the June 2021 Committee, payment made in full December 2021.

**FW Capital** – At the September Committee agreement was given for an investment of £20m into the Teesside Flexible Investment Fund.  
£6.7m has been called to date.

## 8.8 Alternatives

As at May 2026 total commitments to private equity, infrastructure and other debt were £2,215m, as follows:

	Total committed	Total Invested
Border to Coast Infrastructure	£750m	£387m
Other Infrastructure Managers	£370m	£347m
Border to Coast Private Equity	£550m	£266m
Other Private Equity Managers	£386m	£307m
Other Debt	£159m	£153m
<b>Totals</b>	<b>£2,215m</b>	<b>£1,460m</b>

Contact Officer: Andrew Lister – Head of Pensions Governance and Investments

TEL NO.: 01642 726328

<u>Settlement Date</u>	<u>Buy / Sell</u>	<u>Stock Name</u>	<u>Country/Category</u>	<u>Sector/Country</u>	<u>Nominal Amount of Shares</u>	<u>Price</u>	<u>CCY</u>	<u>Purchase Cost / Sale Proceeds £</u>	<u>Book Cost of Stock Sold</u>	<u>Profit/ (Loss) on Sale</u>
						(P)		(£)	(£)	(£)
05 January 2026	P	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	EUR	513,033.45	513,033.45	0.00
05 January 2026	S	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	EUR	-43,554.12	-43,554.12	0.00
05 January 2026	P	Border to Coast Infrastructure Series 1B	Infrastructure	Infrastructure	~	~	USD	37,219.22	37,219.22	0.00
06 January 2026	P	Border to Coast Infrastructure Series 1B	Infrastructure	Infrastructure	~	~	EUR	98,862.34	98,862.34	0.00
06 January 2026	S	Border to Coast Infrastructure Series 1B	Infrastructure	Infrastructure	~	~	EUR	-24,087.94	-24,087.94	0.00
06 January 2026	P	Border to Coast Infrastructure Series 1C	Infrastructure	Infrastructure	~	~	USD	571,048.29	571,048.29	0.00
06 January 2026	P	Border to Coast Infrastructure Series 3A	Infrastructure	Infrastructure	~	~	USD	1,397,804.69	1,397,804.69	0.00
12 January 2026	P	Border to Coast Climate Opportunities Series 2A	Infrastructure	Infrastructure	~	~	USD	29,443.59	29,443.59	0.00
12 January 2026	S	Border to Coast Climate Opportunities Series 2A	Infrastructure	Infrastructure	~	~	USD	-29,443.59	-29,443.59	0.00
12 January 2026	S	Border to Coast Infrastructure Series 1C	Infrastructure	Infrastructure	~	~	USD	-83,868.20	-83,868.20	0.00
12 January 2026	P	Border to Coast Infrastructure Series 1C	Infrastructure	Infrastructure	~	~	USD	21,301.55	21,301.55	0.00
14 January 2026	P	Border to Coast Infrastructure Series 2B	Infrastructure	Infrastructure	~	~	EUR	812,484.96	812,484.96	0.00
14 January 2026	P	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	EUR	571,587.41	571,587.41	0.00
16 January 2026	P	Border to Coast Infrastructure Series 1B	Infrastructure	Infrastructure	~	~	USD	47,196.88	47,196.88	0.00
16 January 2026	S	ACIF Infrastructure II LP	Infrastructure	Infrastructure	~	~	EUR	-153,943.04	-153,943.04	0.00
19 January 2026	S	ACIF Infrastructure LP	Infrastructure	Infrastructure	~	~	EUR	-980,147.43	-980,147.43	0.00
21 January 2026	P	Border to Coast Climate Opportunities Series 2A	Infrastructure	Infrastructure	~	~	USD	172,745.60	172,745.60	0.00
21 January 2026	S	Border to Coast Climate Opportunities Series 2A	Infrastructure	Infrastructure	~	~	USD	-76,658.95	-76,658.95	0.00
22 January 2026	P	Border to Coast Infrastructure Series 1B	Infrastructure	Infrastructure	~	~	EUR	621,842.36	621,842.36	0.00
22 January 2026	P	Border to Coast Infrastructure Series 1A	Infrastructure	Infrastructure	~	~	USD	152,794.09	152,794.09	0.00
22 January 2026	S	Border to Coast Infrastructure Series 1A	Infrastructure	Infrastructure	~	~	USD	-43,305.47	-43,305.47	0.00
26 January 2026	P	Border to Coast Climate Opportunities Series 2A	Infrastructure	Infrastructure	~	~	USD	9,142.84	9,142.84	0.00
26 January 2026	S	Border to Coast Climate Opportunities Series 2A	Infrastructure	Infrastructure	~	~	USD	-14,242.76	-14,242.76	0.00
27 January 2026	S	Access Capital Fund Infrastructure II	Infrastructure	Infrastructure	~	~	EUR	-782,814.58	-782,814.58	0.00
27 January 2026	P	Blackrock Global Energy & Power Infrastructure Fund III	Infrastructure	Infrastructure	~	~	USD	87,241.31	87,241.31	0.00
27 January 2026	S	Blackrock Global Energy & Power Infrastructure Fund III	Infrastructure	Infrastructure	~	~	USD	-255,430.51	-255,430.51	0.00
29 January 2026	S	Border to Coast Infrastructure Series 2B	Infrastructure	Infrastructure	~	~	USD	-50,957.76	-50,957.76	0.00
30 January 2026	P	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	USD	613,011.52	613,011.52	0.00
30 January 2026	S	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	USD	-115,872.64	-115,872.64	0.00
30 January 2026	P	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	USD	3,296.69	3,296.69	0.00
30 January 2026	S	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	USD	-77,185.27	-77,185.27	0.00
03 February 2026	P	Border to Coast Infrastructure Series 1A	Infrastructure	Infrastructure	~	~	USD	74,643.52	74,643.52	0.00
03 February 2026	S	Border to Coast Infrastructure Series 1A	Infrastructure	Infrastructure	~	~	USD	-43,943.27	-43,943.27	0.00
04 February 2026	S	Border to Coast Infrastructure Series 2B	Infrastructure	Infrastructure	~	~	USD	-411,168.94	-411,168.94	0.00
04 February 2026	P	Border to Coast Infrastructure Series 2B	Infrastructure	Infrastructure	~	~	USD	47,027.89	47,027.89	0.00
05 February 2026	S	Border to Coast Infrastructure Series 1A	Infrastructure	Infrastructure	~	~	EUR	-83,710.78	-83,710.78	0.00
05 February 2026	S	Border to Coast Infrastructure Series 1A	Infrastructure	Infrastructure	~	~	USD	-160,481.29	-160,481.29	0.00
09 February 2026	P	Access Capital Fund Infrastructure II	Infrastructure	Infrastructure	~	~	EUR	176,445.77	176,445.77	0.00
09 February 2026	S	Border to Coast Climate Opportunities Series 2A	Infrastructure	Infrastructure	~	~	USD	-55,063.68	-55,063.68	0.00
09 February 2026	P	Border to Coast Climate Opportunities Series 2A	Infrastructure	Infrastructure	~	~	USD	373.71	373.71	0.00
09 February 2026	P	Border to Coast Infrastructure Series 1A	Infrastructure	Infrastructure	~	~	USD	9,175.42	9,175.42	0.00
09 February 2026	S	Border to Coast Infrastructure Series 1A	Infrastructure	Infrastructure	~	~	USD	-3,290.05	-3,290.05	0.00
11 February 2026	S	Border to Coast Climate Opportunities Series 2A	Infrastructure	Infrastructure	~	~	USD	-562,992.41	-562,992.41	0.00
11 February 2026	P	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	USD	475,402.70	475,402.70	0.00
11 February 2026	S	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	USD	-48,736.50	-48,736.50	0.00
11 February 2026	S	Border to Coast Infrastructure Series 1C	Infrastructure	Infrastructure	~	~	USD	-42,341.74	-42,341.74	0.00
11 February 2026	P	Border to Coast Infrastructure Series 1C	Infrastructure	Infrastructure	~	~	USD	35,023.65	35,023.65	0.00
12 February 2026	P	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	USD	1,165,331.99	1,165,331.99	0.00
12 February 2026	S	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	USD	-991,315.66	-991,315.66	0.00
13 February 2026	P	Border to Coast Infrastructure Series 1A	Infrastructure	Infrastructure	~	~	USD	9,535.40	9,535.40	0.00
13 February 2026	S	Border to Coast Infrastructure Series 1A	Infrastructure	Infrastructure	~	~	USD	-158,882.00	-158,882.00	0.00

17 February 2026	S	Border to Coast Infrastructure Series 1C	Infrastructure	Infrastructure	~	~	EUR	-20,727.79	-20,727.79	0.00
17 February 2026	P	Border to Coast Infrastructure Series 1B	Infrastructure	Infrastructure	~	~	USD	97,323.74	97,323.74	0.00
23 February 2026	P	Blackrock Global Renewable Power Infrastructure Fund III	Infrastructure	Infrastructure	~	~	USD	299,092.56	299,092.56	0.00
23 February 2026	P	Border to Coast Climate Opportunities Series 2A	Infrastructure	Infrastructure	~	~	USD	146,064.53	146,064.53	0.00
23 February 2026	S	Border to Coast Climate Opportunities Series 2A	Infrastructure	Infrastructure	~	~	USD	-10,570.15	-10,570.15	0.00
25 February 2026	P	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	USD	4,062.16	4,062.16	0.00
25 February 2026	P	Border to Coast Infrastructure Series 1A	Infrastructure	Infrastructure	~	~	USD	79,420.34	79,420.34	0.00
25 February 2026	S	Border to Coast Infrastructure Series 1A	Infrastructure	Infrastructure	~	~	USD	-388,909.34	-388,909.34	0.00
27 February 2026	P	Border to Coast Infrastructure Series 2B	Infrastructure	Infrastructure	~	~	USD	349,426.82	349,426.82	0.00
27 February 2026	S	Border to Coast Infrastructure Series 2B	Infrastructure	Infrastructure	~	~	USD	-816,183.16	-816,183.16	0.00
02 March 2026	P	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	USD	8,430.88	8,430.88	0.00
02 March 2026	P	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	USD	3,418,101.59	3,418,101.59	0.00
02 March 2026	P	Border to Coast Climate Opportunities Series 2A	Infrastructure	Infrastructure	~	~	USD	359,742.45	359,742.45	0.00
04 March 2026	P	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	EUR	711,185.76	711,185.76	0.00
04 March 2026	S	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	EUR	-162,790.36	-162,790.36	0.00
09 March 2026	P	Border to Coast Infrastructure Series 1A	Infrastructure	Infrastructure	~	~	USD	85,439.40	85,439.40	0.00
09 March 2026	S	Border to Coast Infrastructure Series 1A	Infrastructure	Infrastructure	~	~	USD	-55,767.21	-55,767.21	0.00
11 March 2026	P	Border to Coast Infrastructure Series 1A	Infrastructure	Infrastructure	~	~	USD	6,356.75	6,356.75	0.00
11 March 2026	S	Border to Coast Infrastructure Series 1A	Infrastructure	Infrastructure	~	~	USD	-8,584.60	-8,584.60	0.00
12 March 2026	S	Border to Coast Infrastructure Series 1C	Infrastructure	Infrastructure	~	~	EUR	-33,911.76	-33,911.76	0.00
16 March 2026	P	Border to Coast Infrastructure Series 2B	Infrastructure	Infrastructure	~	~	USD	1,357,832.34	1,357,832.34	0.00
16 March 2026	S	Border to Coast Infrastructure Series 2B	Infrastructure	Infrastructure	~	~	USD	-301,193.99	-301,193.99	0.00
17 March 2026	P	Border to Coast Climate Opportunities Series 2A	Infrastructure	Infrastructure	~	~	USD	5,388.67	5,388.67	0.00
17 March 2026	S	Border to Coast Climate Opportunities Series 2A	Infrastructure	Infrastructure	~	~	USD	-5,388.67	-5,388.67	0.00
17 March 2026	P	Border to Coast Infrastructure Series 2B	Infrastructure	Infrastructure	~	~	USD	111,227.20	111,227.20	0.00
17 March 2026	S	Border to Coast Infrastructure Series 2B	Infrastructure	Infrastructure	~	~	USD	-355,722.81	-355,722.81	0.00
20 March 2026	S	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	EUR	-38,170.84	-38,170.84	0.00
26 March 2026	S	Capital Dynamics Clean Energy Infrastructure VII	Infrastructure	Infrastructure	~	~	GBP	-1,619,752.42	-1,619,752.42	0.00
26 March 2026	S	Capital Dynamics Clean Energy Infrastructure VII Co-Investment	Infrastructure	Infrastructure	~	~	GBP	-809,876.21	-809,876.21	0.00
27 March 2026	P	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	USD	847.82	847.82	0.00
27 March 2026	S	Border to Coast Infrastructure Series 2A	Infrastructure	Infrastructure	~	~	USD	-170,757.47	-170,757.47	0.00
31 March 2026	P	Border to Coast Climate Opportunities Series 2A	Infrastructure	Infrastructure	~	~	USD	220,415.71	220,415.71	0.00
31 March 2026	P	Border to Coast Climate Opportunities Series 2A	Infrastructure	Infrastructure	~	~	USD	17,007.61	17,007.61	0.00
								<b>4,938,637.80</b>		
06 January 2026	P	Teesside Flexible Investment Fund	Local Investments	Local Investments	~	~	GBP	475,000.00	475,000.00	0.00
16 February 2026	P	Teesside Flexible Investment Fund	Local Investments	Local Investments	~	~	GBP	950,000.00	950,000.00	0.00
								<b>1,425,000.00</b>		
20 January 2026	S	Greyhound Retail Park, Chester	Other Debt	Other Debt	~	~	GBP	-83,125.00	-83,125.00	0.00
29 January 2026	S	La Salle Real Estate Debt Strategies IV	Other Debt	Other Debt	~	~	EUR	-210,966.88	-210,966.88	0.00
06 February 2026	S	Pantheon Private Debt PSD II	Other Debt	Other Debt	~	~	USD	-552,444.10	-552,444.10	0.00
13 March 2026	S	Pantheon Private Debt PSD II	Other Debt	Other Debt	~	~	USD	-249,461.55	-249,461.55	0.00
20 March 2026	S	Pantheon Private Debt PSD II	Other Debt	Other Debt	~	~	USD	-72,781.99	-72,781.99	0.00
								<b>-1,168,779.52</b>		
12 January 2026	P	Border to Coast Private Equity Series 1C	Private Equity	Private Equity	~	~	USD	508,187.02	508,187.02	0.00
13 January 2026	S	Border to Coast Private Equity Series 1A	Private Equity	Private Equity	~	~	USD	-392,730.34	-392,730.34	0.00
14 January 2026	P	Border to Coast Private Equity Series 1C	Private Equity	Private Equity	~	~	USD	40,581.76	40,581.76	0.00
14 January 2026	S	Border to Coast Private Equity Series 1C	Private Equity	Private Equity	~	~	USD	-232,918.37	-232,918.37	0.00
15 January 2026	P	Foresight Regional Investment IV	Private Equity	Private Equity	~	~	GBP	16,142.55	16,142.55	0.00
15 January 2026	S	Border to Coast Private Equity Series 1B	Private Equity	Private Equity	~	~	USD	-156,600.69	-156,600.69	0.00

15 January 2026	P	Border to Coast Private Equity Series 1B	Private Equity	Private Equity	~	~	USD	66,030.77	66,030.77	0.00
15 January 2026	P	Border to Coast Private Equity Series 2A	Private Equity	Private Equity	~	~	USD	1,941,625.36	1,941,625.36	0.00
15 January 2026	S	Border to Coast Private Equity Series 2A	Private Equity	Private Equity	~	~	USD	-10,840.08	-10,840.08	0.00
20 January 2026	S	Pantheon Global Co-Investment Opportunities IV	Private Equity	Private Equity	~	~	USD	-32,452.21	-32,452.21	0.00
23 January 2026	P	Border to Coast Private Equity Series 1A	Private Equity	Private Equity	~	~	USD	90,167.28	90,167.28	0.00
27 January 2026	S	Border to Coast Private Equity Series 1C	Private Equity	Private Equity	~	~	USD	-4,696.90	-4,696.90	0.00
28 January 2026	S	Border to Coast Private Equity Series 1A	Private Equity	Private Equity	~	~	USD	-12,765.70	-12,765.70	0.00
28 January 2026	S	Border to Coast Private Equity Series 1C	Private Equity	Private Equity	~	~	USD	-170,007.80	-170,007.80	0.00
29 January 2026	S	Capital Dynamics LGPS Collective Private Equity for Pools 18/19	Private Equity	Private Equity	~	~	GBP	-95,480.00	-95,480.00	0.00
29 January 2026	S	Crown Co-Investment Opportunities III	Private Equity	Private Equity	~	~	USD	-261,513.65	-261,513.65	0.00
30 January 2026	S	Capital Dynamics Global Secondaries V	Private Equity	Private Equity	~	~	USD	-226,458.07	-226,458.07	0.00
02 February 2026	S	Border to Coast Private Equity Series 2B	Private Equity	Private Equity	~	~	USD	-280,044.55	-280,044.55	0.00
02 February 2026	P	Hermes GPE Innovation Fund	Private Equity	Private Equity	~	~	GBP	100,282.55	100,282.55	0.00
02 February 2026	S	Hermes GPE Innovation Fund	Private Equity	Private Equity	~	~	GBP	-307,082.04	-307,082.04	0.00
03 February 2026	P	Border to Coast Private Equity Series 3A	Private Equity	Private Equity	~	~	USD	106,174.45	106,174.45	0.00
04 February 2026	S	Darwin Leisure Property Fund, K Income Units	Private Equity	Private Equity	-34,527,436.05	0.09	GBP	-3,176,524.12	-35,000,000.00	-31,823,475.88
04 February 2026	S	Darwin Leisure Property Fund, T Income Units	Private Equity	Private Equity	-5,000,000.00	0.13	GBP	-650,500.00	-5,000,000.00	-4,349,500.00
04 February 2026	S	Darwin Leisure Property Fund, Class C	Private Equity	Private Equity	-6,493,057.48	0.32	GBP	-2,107,646.46	-10,611,644.04	-8,503,994.58
04 February 2026	P	ABT Leisure Fund Limited	Private Equity	Private Equity	31,771.51	100.00	GBP	3,177,151.27	3,177,151.27	0.00
04 February 2026	P	ABT Leisure Fund Limited	Private Equity	Private Equity	21,076.24	100.00	GBP	2,107,623.86	2,107,623.86	0.00
04 February 2026	P	ABT Leisure Fund Limited	Private Equity	Private Equity	6,504.03	100.00	GBP	650,402.85	650,402.85	0.00
09 February 2026	P	Border to Coast Private Equity Series 1B	Private Equity	Private Equity	~	~	USD	763,963.05	763,963.05	0.00
10 February 2026	S	Border to Coast Private Equity Series 2A	Private Equity	Private Equity	~	~	USD	-124,182.70	-124,182.70	0.00
12 February 2026	S	Border to Coast Private Equity Series 2B	Private Equity	Private Equity	~	~	USD	-108,385.69	-108,385.69	0.00
13 February 2026	P	Blackrock Private Opportunities Fund IV	Private Equity	Private Equity	~	~	USD	236,705.11	236,705.11	0.00
13 February 2026	S	Blackrock Private Opportunities Fund IV	Private Equity	Private Equity	~	~	USD	-13,836.30	-13,836.30	0.00
13 February 2026	S	Border to Coast Private Equity Series 1A	Private Equity	Private Equity	~	~	USD	-43,218.40	-43,218.40	0.00
13 February 2026	S	Border to Coast Private Equity Series 2A	Private Equity	Private Equity	~	~	EUR	-229,796.37	-229,796.37	0.00
13 February 2026	P	Border to Coast Private Equity Series 2A	Private Equity	Private Equity	~	~	EUR	1,891.02	1,891.02	0.00
16 February 2026	P	Border to Coast Private Equity Series 2B	Private Equity	Private Equity	~	~	USD	143,306.36	143,306.36	0.00
17 February 2026	S	Border to Coast Private Equity Series 2B	Private Equity	Private Equity	~	~	USD	-215,580.05	-215,580.05	0.00
17 February 2026	S	Access Capital Fund VIII Growth Buy-Out Europe	Private Equity	Private Equity	~	~	EUR	-140,372.09	-140,372.09	0.00
20 February 2026	P	Border to Coast Private Equity Series 2B	Private Equity	Private Equity	~	~	USD	1,034,630.12	1,034,630.12	0.00
20 February 2026	P	Border to Coast Private Equity Series 1B	Private Equity	Private Equity	~	~	USD	4,705.10	4,705.10	0.00
23 February 2026	S	Border to Coast Private Equity Series 1B	Private Equity	Private Equity	~	~	GBP	-116,628.96	-116,628.96	0.00
24 February 2026	S	Pantheon Global Co-Investment Opportunities IV	Private Equity	Private Equity	~	~	USD	-206,800.27	-206,800.27	0.00
25 February 2026	P	Border to Coast Private Equity Series 1A	Private Equity	Private Equity	~	~	USD	32,492.50	32,492.50	0.00
25 February 2026	S	Border to Coast Private Equity Series 1A	Private Equity	Private Equity	~	~	USD	-159,756.93	-159,756.93	0.00
26 February 2026	P	Border to Coast Private Equity Series 1A	Private Equity	Private Equity	~	~	USD	40,858.99	40,858.99	0.00
27 February 2026	P	Border to Coast Private Equity Series 1B	Private Equity	Private Equity	~	~	USD	307,110.14	307,110.14	0.00
27 February 2026	P	Border to Coast Private Equity Series 1A	Private Equity	Private Equity	~	~	USD	174,872.91	174,872.91	0.00
27 February 2026	S	Border to Coast Private Equity Series 1A	Private Equity	Private Equity	~	~	USD	-41,459.05	-41,459.05	0.00
27 February 2026	S	Border to Coast Private Equity Series 2B	Private Equity	Private Equity	~	~	USD	-128,301.58	-128,301.58	0.00
03 March 2026	P	Border to Coast Private Equity Series 2A	Private Equity	Private Equity	~	~	EUR	14,331.54	14,331.54	0.00
03 March 2026	S	Border to Coast Private Equity Series 2A	Private Equity	Private Equity	~	~	EUR	-113,850.22	-113,850.22	0.00
03 March 2026	S	Unigestion Direct II - North America	Private Equity	Private Equity	~	~	EUR	-313,927.29	-313,927.29	0.00
04 March 2026	S	Crown Growth Opportunities Global III	Private Equity	Private Equity	~	~	EUR	-361,952.77	-361,952.77	0.00
04 March 2026	P	Crown Growth Opportunities Global III	Private Equity	Private Equity	~	~	EUR	129,268.85	129,268.85	0.00
05 March 2026	P	Border to Coast Private Equity Series 1A	Private Equity	Private Equity	~	~	USD	79,010.60	79,010.60	0.00
05 March 2026	S	Border to Coast Private Equity Series 1A	Private Equity	Private Equity	~	~	USD	-188,128.38	-188,128.38	0.00
09 March 2026	S	Border to Coast Private Equity Series 2A	Private Equity	Private Equity	~	~	EUR	-68,135.15	-68,135.15	0.00
10 March 2026	P	Border to Coast Private Equity Series 2A	Private Equity	Private Equity	~	~	USD	397,678.18	397,678.18	0.00
11 March 2026	S	Border to Coast Private Equity Series 1C	Private Equity	Private Equity	~	~	USD	-32,438.51	-32,438.51	0.00
12 March 2026	P	Border to Coast Private Equity Series 2B	Private Equity	Private Equity	~	~	USD	1,697,058.96	1,697,058.96	0.00
12 March 2026	S	Border to Coast Private Equity Series 2B	Private Equity	Private Equity	~	~	USD	-42,064.21	-42,064.21	0.00

12 March 2026	P	Border to Coast Private Equity Series 1B	Private Equity	Private Equity	~	~	USD	104,126.08	104,126.08	0.00
12 March 2026	S	Border to Coast Private Equity Series 1B	Private Equity	Private Equity	~	~	USD	-104,126.08	-104,126.08	0.00
13 March 2026	P	Hermes GPE Innovation Fund	Private Equity	Private Equity	~	~	GBP	423,456.72	423,456.72	0.00
13 March 2026	P	Border to Coast Private Equity Series 2B	Private Equity	Private Equity	~	~	USD	1,149,324.81	1,149,324.81	0.00
13 March 2026	S	Border to Coast Private Equity Series 2B	Private Equity	Private Equity	~	~	USD	-1,146,605.13	-1,146,605.13	0.00
17 March 2026	S	Border to Coast Private Equity Series 2B	Private Equity	Private Equity	~	~	USD	-130,687.25	-130,687.25	0.00
17 March 2026	P	Border to Coast Private Equity Series 3A	Private Equity	Private Equity	~	~	USD	652,679.08	652,679.08	0.00
17 March 2026	S	Border to Coast Private Equity Series 3A	Private Equity	Private Equity	~	~	USD	-35,211.78	-35,211.78	0.00
18 March 2026	P	Border to Coast Private Equity Series 3A	Private Equity	Private Equity	~	~	USD	12,120.59	12,120.59	0.00
20 March 2026	P	Border to Coast Private Equity Series 1C	Private Equity	Private Equity	~	~	USD	40,928.30	40,928.30	0.00
20 March 2026	P	Border to Coast Private Equity Series 3A	Private Equity	Private Equity	~	~	USD	271,804.15	271,804.15	0.00
20 March 2026	S	Crown Co-Investment Opportunities II	Private Equity	Private Equity	~	~	USD	-1,431,811.20	-1,431,811.20	0.00
20 March 2026	P	Crown Co-Investment Opportunities II	Private Equity	Private Equity	~	~	USD	223,720.50	223,720.50	0.00
23 March 2026	P	Foresight Regional Investment IV	Private Equity	Private Equity	~	~	GBP	200,806.73	200,806.73	0.00
23 March 2026	P	Border to Coast Private Equity Series 2A	Private Equity	Private Equity	~	~	USD	17,402.27	17,402.27	0.00
23 March 2026	S	Crown Co-Investment Opportunities III	Private Equity	Private Equity	~	~	USD	-770,589.94	-770,589.94	0.00
25 March 2026	P	Border to Coast Private Equity Series 1A	Private Equity	Private Equity	~	~	USD	22,186.49	22,186.49	0.00
25 March 2026	S	Access Capital Co-Investment Fund Buy-Out Europe II	Private Equity	Private Equity	~	~	EUR	-183,605.81	-183,605.81	0.00
25 March 2026	P	Border to Coast Private Equity Series 2A	Private Equity	Private Equity	~	~	EUR	857,806.39	857,806.39	0.00
25 March 2026	S	Border to Coast Private Equity Series 2A	Private Equity	Private Equity	~	~	EUR	-4,358.08	-4,358.08	0.00
27 March 2026	P	Foresight Regional Investment IV	Private Equity	Private Equity	~	~	GBP	95,016.46	95,016.46	0.00
27 March 2026	P	Border to Coast Private Equity Series 3A	Private Equity	Private Equity	~	~	EUR	488,106.23	488,106.23	0.00
27 March 2026	S	Border to Coast Private Equity Series 1C	Private Equity	Private Equity	~	~	USD	-238,343.89	-238,343.89	0.00
31 March 2026	S	Capital Dynamics LGPS Collective Private Equity for Pools 18/19	Private Equity	Private Equity	~	~	GBP	-57,120.00	-57,120.00	0.00
								<b>3,552,202.89</b>		
05 February 2026	S	Aberdeen Standard European Property Growth Fund	Property Unit Trusts	Property Unit Trusts	~	~	EUR	-3,675,278.26	-3,675,278.26	0.00
31 March 2026	S	Aberdeen Standard European Property Growth Fund	Property Unit Trusts	Property Unit Trusts	~	~	EUR	-2,139,287.83	-2,139,287.83	0.00
								<b>-5,814,566.10</b>		
<b>Periods January, February and March 26 (Cumulative) Total</b>								<b>2,932,495.07</b>		
<b>Total Profit - NB: Losses are shown with a ( )</b>										<b>-44,676,970.46</b>

### Treasury Management Investment Profile as at 31 March 2026



	Call/Notice	up to 1 Week	1-2 Weeks	up to 1 month	1-2 Months	2-3 Months	4-6 Months	7-9 Months	10-12 Months	1-2 Years	2+ Years
■ Average Rate	3.70%	4.55%	4.34%	4.67%	4.92%	5.09%	4.88%	4.70%	0.00%	0.00%	0.00%
■ Amount Invested	97,600,000	37,000,000	32,900,000	97,500,000	130,000,000	50,000,000	5,500,000	5,000,000	0	0	0
■ Proportion of Cash	21.43%	8.12%	7.22%	21.41%	28.54%	10.98%	1.21%	1.10%	0.00%	0.00%	0.00%

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## ◆ Asset Detail - Customizable

Asset Subcategory	Description/Asset ID	Accrued Income/Expense Curr	Nominal	Book Cost	Market Price	Market Value
<b>Equities</b>						
<b>Common stock</b>						
<b>Australia</b>						
Common Stock	FINEXIA FINL GROUP NPV SEDOL : BMY4539	0.00 AUD	85.000	0.000	0.18000000	7.950
Common Stock	YOUNG AUSTRALIAN MINES LTD SEDOL : 6741626	0.00 AUD	225,391.000	283,349.800	0.06900000	8,077.310
<b>Total Australia</b>		<b>0.00</b>	<b>225,476.000</b>	<b>283,349.800</b>		<b>8,085.260</b>
<b>Europe Region</b>						
Common Stock	ACIF INFRASTRUCTURE FUND LP CUSIP : 9936FC996	0.00 EUR	15,393,865.300	13,675,946.560	0.93218450	12,538,090.780
<b>Total Europe Region</b>		<b>0.00</b>	<b>15,393,865.300</b>	<b>13,675,946.560</b>		<b>12,538,090.780</b>
<b>Guernsey, Channel Islands</b>						
Common Stock	AMEDEO AIR FOUR PL RED ORD NPV SEDOL : BQKNKR7	0.00 GBP	3,999,998.000	3,338,588.500	0.70000000	2,799,998.600
<b>Total Guernsey, Channel Islands</b>		<b>0.00</b>	<b>3,999,998.000</b>	<b>3,338,588.500</b>		<b>2,799,998.600</b>
<b>United Kingdom</b>						
Common Stock	AFREN ORD GBP0.01 SEDOL : B067275	0.00 GBP	1,000,000.000	1,089,449.060	0.01785000	17,850.000
Common Stock	CARILLION PLC ORD GBP0.50 SEDOL : 0736554	0.00 GBP	436,400.000	0.000	0.14200000	61,968.800
Common Stock	NEW WORLD RESOURCE ORD EUR0.0004 A SEDOL : B42CTW6	0.00 GBP	250,000.000	1,294,544.760	0.00150000	375.000
<b>Total United Kingdom</b>		<b>0.00</b>	<b>1,686,400.000</b>	<b>2,383,993.820</b>		<b>80,193.800</b>
<b>Total Common stock</b>		<b>0.00</b>	<b>21,305,739.300</b>	<b>19,681,878.680</b>		<b>15,426,368.440</b>
<b>Funds - common stock</b>						
<b>Guernsey, Channel Islands</b>						
Funds - Common Stock	VISTRA FD SERVICES DARWIN LEISURE DEV D GBP SEDOL : BD41T35	0.00 GBP	15,000,000.000	15,000,000.000	0.65270000	9,790,500.000
<b>Total Guernsey, Channel Islands</b>		<b>0.00</b>	<b>15,000,000.000</b>	<b>15,000,000.000</b>		<b>9,790,500.000</b>
<b>United Kingdom</b>						
Funds - Common Stock	BORDER TO COAST OVERSEAS DEVELOPED MARKETS EQUITY FUND A GBP INC SEDOL :	0.00 GBP	2,099,596,093.420	2,099,596,093.420	1.17390000	2,464,715,854.070
Funds - Common Stock	BORDER TO COAST UK LISTED EQUITY FUND A GBP INC SEDOL : BS2KKB4	0.00 GBP	612,577,167.050	612,577,167.050	1.17700000	721,003,325.620

◆ **Asset Detail - Customizable**

Asset Subcategory	Accrued Income/Expense Curr	Nominal	Book Cost	Market Price	Market Value
<b>Equities</b>					
<b>Funds - common stock</b>					
<b>United Kingdom</b>					
Funds - Common Stock					
BORDER TO COAST UK REAL ESTATE M/F INC A SEDOL : BQH8H30	0.00 GBP	388,608,029.850	395,875,000.000	1.03220000	401,121,208.410
<b>Total United Kingdom</b>	<b>0.00</b>	<b>3,100,781,290.320</b>	<b>3,108,048,260.470</b>		<b>3,586,840,388.100</b>
<b>Total Funds - common stock</b>	<b>0.00</b>	<b>3,115,781,290.320</b>	<b>3,123,048,260.470</b>		<b>3,596,630,888.100</b>
<b>Unit trust equity</b>					
<b>Guernsey, Channel Islands</b>					
Unit Trust Equity					
DARWIN S REAVEMENT SERVICES FUND CLASS B ACCUMULATION SEDOL : 4A8UCZU	0.00 GBP	14,359,563.469	15,000,000.000	1.08150000	15,529,867.890
<b>Total Guernsey, Channel Islands</b>	<b>0.00</b>	<b>14,359,563.469</b>	<b>15,000,000.000</b>		<b>15,529,867.890</b>
<b>Luxembourg</b>					
Unit Trust Equity					
ABERDEEN STANDARD EUR PPTY GROWTH FD LP SEDOL : 8A8TB3U	0.00 EUR	324.970	20,636,888.600	61.9534600000	17,591,006.410
<b>Total Luxembourg</b>	<b>0.00</b>	<b>324.970</b>	<b>20,636,888.600</b>		<b>17,591,006.410</b>
<b>United Kingdom</b>					
Unit Trust Equity					
CANDOVER INVSTMNTS PLC GBP0.25 SEDOL : 0171315	0.00 GBP	60,000.000	321,939.430	0.00000000	0.000
<b>Total United Kingdom</b>	<b>0.00</b>	<b>60,000.000</b>	<b>321,939.430</b>		<b>0.000</b>
<b>Total Unit trust equity</b>	<b>0.00</b>	<b>14,419,888.439</b>	<b>35,958,828.030</b>		<b>33,120,874.300</b>
<b>Total Equities</b>	<b>0.00</b>	<b>3,151,506,918.059</b>	<b>3,178,688,967.180</b>		<b>3,645,178,130.840</b>

◆ Asset Detail - Customizable

Asset Subcategory	Description/Asset ID	Accrued Income/Expense Curr	Nominal	Book Cost	Market Price	Market Value
<b>Real Estate</b>						
<i>Real estate</i>						
<b>Europe Region</b>						
Real Estate	CAPITAL DYNAMICS MID-MARKET DIRECT V CUSIP : 993RBZ993	0.00 EUR	15,150,951.510	13,051,577.010	1.71607840	22,717,413.530
Real Estate	La Salle Real Estate Debt Strategies IV CUSIP : 9944J7997	0.00 EUR	12,570,884.440	10,789,282.230	0.91716230	10,073,812.870
<b>Total Europe Region</b>		<b>0.00</b>	<b>27,721,835.950</b>	<b>23,840,859.240</b>		<b>32,791,226.400</b>
<b>United Kingdom</b>						
Real Estate	HEARTHSTONE RESIDENTIAL FUND 1 LIMITED PARTNERSHIP CUSIP : 9936FD994	0.00 GBP	10,000,000.010	10,000,000.010	1.01980660	10,198,066.010
Real Estate	HEARTHSTONE RESIDENTIAL FUND 2 CUSIP : 9942CJ992	0.00 GBP	20,000,000.000	20,000,000.000	0.86652170	17,330,434.000
Real Estate	TEESSIDE PENSION FUND - DIRECT PROPERTY CUSIP : 9936HG995	0.00 GBP	488,512,883.480	488,512,883.480	0.20541940	100,350,023.420
<b>Total United Kingdom</b>		<b>0.00</b>	<b>518,512,883.490</b>	<b>518,512,883.490</b>		<b>127,878,523.430</b>
<b>Total Real Estate</b>		<b>0.00</b>	<b>546,234,719.440</b>	<b>542,353,742.730</b>		<b>160,669,749.830</b>
<i>Funds - real estate</i>						
<b>United Kingdom</b>						
Funds - Real Estate	C - MANAGED PROPERTY SEDOL : 2A5GFSU	0.00 GBP	243,197.480	15,643,118.270	66.47700000	16,167,038.880
Funds - Real Estate	HERMES INVEST MNGM HERMES PROPERTY UNIT TRUST SEDOL : 0426219	0.00 GBP	2,590.000	15,725.080	6.08700000	15,765.330
<b>Total United Kingdom</b>		<b>0.00</b>	<b>245,787.480</b>	<b>15,658,843.350</b>		<b>16,182,804.210</b>
<b>United States</b>						
Funds - Real Estate	ABT LEISURE FUND LIMITED CLASS 1 SEDOL : 2B2FK6U	0.00 GBP	59,351.779	5,935,177.980	323.46950000	19,198,490.280
<b>Total United States</b>		<b>0.00</b>	<b>59,351.779</b>	<b>5,935,177.980</b>		<b>19,198,490.280</b>
<b>Total Funds - real estate</b>		<b>0.00</b>	<b>305,139.259</b>	<b>21,594,021.330</b>		<b>35,381,294.490</b>
<b>Total Real Estate</b>		<b>0.00</b>	<b>546,539,858.699</b>	<b>563,947,764.060</b>		<b>196,051,044.320</b>

◆ **Asset Detail - Customizable**

Asset Subcategory	Description/Asset ID	Accrued Income/Expense Curr	Nominal	Book Cost	Market Price	Market Value
<b>Venture Capital and Partnerships</b>						
<b>Partnerships</b>						
<b>Europe Region</b>						
Partnerships	ACCESS CAPITAL FUND INFRASTRUCTURE II - EUR CUSIP : 993QEX997	0.00 EUR	15,339,572.430	13,413,115.040	1.20537310	16,155,358.500
Partnerships	ACCESS CAPITAL FUND VIII GROWTH BUY OUT EUROPE CUSIP : 993KDB999	0.00 EUR	17,761,995.740	15,323,127.780	1.57571920	24,454,142.510
Partnerships	ACCESS CAPITAL, ACIF INFRASTRUCTURE II LP (FUND 2) CUSIP : 993SRL995	0.00 EUR	12,736,667.440	10,971,203.150	1.20520070	13,412,107.780
Partnerships	ACCESS CAPITAL, CO-INVESTMENT FUND BUY-OUT EUROPE II CUSIP : 993SRM993	0.00 EUR	14,998,630.420	12,857,851.250	1.04965860	13,755,662.840
Partnerships	Darwin Bereavement Services Fund, Incomeunits CUSIP : 993XBG992	0.00 GBP	30,000,000.000	30,000,000.000	0.80537430	24,161,229.000
Partnerships	FORESLIGHT ENERGY I NFRASTRUCTURE PARTNERS - EUR CUSIP : 995KLLQ995	0.00 EUR	14,681,356.060	13,955,667.770	1.12274630	14,402,227.090
Partnerships	UNIGESTION DIRECT III - EUR CUSIP : 994RLP993	0.00 EUR	22,664,285.710	19,486,238.810	1.37487650	27,226,234.170
<b>Total Europe Region</b>		<b>0.00</b>	<b>128,182,507.800</b>	<b>116,007,203.800</b>		<b>133,566,961.890</b>
<b>Global Region</b>						
Partnerships	CAPITAL DYNAMICS GLOBAL SECONDARIES V (FEEDER) SCSP CUSIP : 995F09997	0.00 USD	7,069,440.190	9,180,021.740	2.79390980	14,977,914.030
Partnerships	CROWN CO INVESTMENT OPPORTUNITIES II PLCS USD CUSIP : 993BRL992	0.00 USD	2,480,130.030	1,874,921.120	9.97653300	18,763,248.150
Partnerships	INSIGHT IIFIG SECURED FINANCE FUND II (GBP) CUSIP : 9946P0990	0.00 GBP	49,188,056.230	49,188,056.230	1.02344220	50,341,132.480
Partnerships	LGPS COLLECTIVE PRIVATE EQUITY FOR POOLS2018/19 - GBP CUSIP : 993LRK992	0.00 GBP	7,802,046.670	7,802,046.670	1.44181820	11,249,132.890
Partnerships	PANTHEON GLOBAL CO-INVESTMENT OPPORTUNITIES IV CUSIP : 993FYQ994	0.00 USD	19,031,171.000	14,951,508.690	1.63185540	23,550,553.160
Partnerships	UNIGESTION DIRECT II - EUR CUSIP : 993MTE992	0.00 EUR	19,292,811.340	16,644,770.320	1.45447840	24,517,977.600
<b>Total Global Region</b>		<b>0.00</b>	<b>104,863,655.460</b>	<b>99,641,324.770</b>		<b>143,399,958.310</b>
<b>Luxembourg</b>						
Partnerships	Crown Growth Opportunities Global III fund CUSIP : 995NRV992	0.00 EUR	26,484,357.140	20,682,001.860	1.58779510	36,742,249.620
Partnerships	UNIGESTION SA CUSIP : 995NRW990	0.00 EUR	32,926,944.380	26,424,348.320	1.42448660	40,981,858.420
<b>Total Luxembourg</b>		<b>0.00</b>	<b>59,411,301.520</b>	<b>47,106,350.180</b>		<b>77,724,108.040</b>
<b>United Kingdom</b>						

◆ **Asset Detail - Customizable**

Asset Subcategory	Description/Asset ID	Accrued Income/Expense Curr	Nominal	Book Cost	Market Price	Market Value
<b>Venture Capital and Partnerships</b>						
<b>Partnerships</b>						
<b>United Kingdom</b>						
Partnerships	ANCALA INFRASTRUCTURE FUND II SCSP CUSIP : 993FSE998	0.00 EUR	18,320,423.640	16,064,779.830	1.36869710	21,909,108.670
Partnerships	BORDER TO COAST CLIMATE OPPORTUNITIES SERIES 2A CUSIP : 994MVX996	0.00 GBP	43,732,769.600	43,732,769.600	1.04653420	45,767,839.050
Partnerships	BORDER TO COAST EMERGING MARKET HYBRID FUND - GBP CUSIP : 9942CC997	0.00 GBP	246,131,815.690	246,131,815.690	1.14975310	282,990,818.100
Partnerships	BORDER TO COAST INFRASTRUCTURE SERIES 3A- GBP CUSIP : 995V88996	0.00 GBP	8,186,028.470	8,186,028.470	1.06488490	8,717,178.110
Partnerships	BORDER TO COAST INFRASTRUCTURE SERIES 1 CUSIP : 993FT4999	0.00 USD	103,727,489.710	82,087,201.420	1.01870350	80,130,083.250
Partnerships	BORDER TO COAST INFRASTRUCTURE SERIES 1B CUSIP : 993KGJ999	0.00 USD	47,216,474.550	36,888,174.430	1.16587810	41,744,631.300
Partnerships	BORDER TO COAST INFRASTRUCTURE SERIES 1C CUSIP : 9942A6992	0.00 GBP	41,869,991.470	41,869,991.470	1.20013260	50,249,541.720
Partnerships	BORDER TO COAST INFRASTRUCTURE SERIES 2 A (GBP) CUSIP : 994NWK991	0.00 GBP	89,250,110.290	89,250,110.290	1.07886530	96,288,847.010
Partnerships	BORDER TO COAST PRIVATE EQUITY SERIES 1 CUSIP : 993FYP996	0.00 USD	86,109,233.440	66,960,548.370	1.43070950	93,423,280.230
Partnerships	BORDER TO COAST PRIVATE EQUITY SERIES 1B CUSIP : 993U46998	0.00 USD	45,910,760.810	36,092,135.870	1.39116230	48,433,540.540
Partnerships	BORDER TO COAST PRIVATE EQUITY SERIES 1C CUSIP : 993XGK998	0.00 GBP	44,759,678.932	44,759,678.930	1.17517340	52,600,384.070
Partnerships	BORDER TO COAST PRIVATE EQUITY SERIES 2A- GBP CUSIP : 994JQY997	0.00 GBP	51,437,113.254	51,437,113.250	1.10808510	56,996,698.780
Partnerships	BORDER TO COAST PRIVATE EQUITY SERIES 2B CUSIP : 994WH4994	0.00 GBP	33,361,662.440	33,361,662.440	1.20818440	40,307,040.120
Partnerships	BORDER TO COAST PRIVATE EQUITY SERIES 3A- GBP CUSIP : 990801490	0.00 GBP	4,970,095.900	4,970,095.900	0.94858490	4,714,557.920
Partnerships	Capital Dynamics Clean Energy Infrastructure Uk - GBP CUSIP : 995J65991	0.00 GBP	8,820,000.000	8,820,000.000	0.98877380	8,720,984.920
Partnerships	CAPITAL DYNAMICS CLEAN ENERGY INFRASTRUCTURE VIII (CO INVESTMENT) LP CUSIP :	0.00 GBP	9,868,009.810	9,868,009.810	1.00964660	9,963,202.550
Partnerships	CAPITAL DYNAMICS CLEAN ENERGY AND INFRASTRUCTURE VIII SCSP CUSIP : 993FP0991	0.00 GBP	19,757,758.630	19,757,758.630	1.00749450	19,905,833.150
Partnerships	FORESIGHT REGIONAL INVESTMENT IV LP CUSIP : 994JXS992	0.00 GBP	2,525,184.690	2,525,184.690	0.96695980	2,441,752.080
Partnerships	GB Bank Limited CUSIP : 993QJB990	0.00 GBP	60,843,716.400	60,843,716.400	0.34126310	20,763,715.270
Partnerships	GRESHAM HOUSE BSI HOUSING FUND LP CUSIP : 993FP6998	0.00 GBP	19,546,066.490	19,546,066.490	1.01475270	19,834,423.750
Partnerships	GRESHAM HOUSE BSI INFRASTRUCTURE LP CUSIP : 993FP5990	0.00 GBP	17,533,330.700	17,533,330.700	1.29627380	22,727,997.210

◆ Asset Detail - Customizable

Asset Subcategory	Accrued				
Description/Asset ID	Income/Expense Curr	Nominal	Book Cost	Market Price	Market Value
<b>Venture Capital and Partnerships</b>					
<b>Partnerships</b>					
<b>United Kingdom</b>					
Partnerships					
GRESHAM HOUSE, BRITISH SUSTAINABLE INFRASTRUCTURE FUND II CUSIP : 994FXD993	0.00 GBP	24,740,491.880	24,740,491.880	0.89934310	22,250,190.660
Partnerships					
GREYHOUND RETAIL PARK, CHESTER CUSIP : 9948YV998	0.00 GBP	19,950,000.000	19,950,000.000	1.00000000	19,950,000.000
Partnerships					
HERMES GPE INNOVATION FUND CUSIP : 993NEB992	0.00 GBP	15,763,500.960	15,763,500.960	1.24727360	19,661,398.590
Partnerships					
INNISFREE PFI CONTINUATION FUND CUSIP : 9936FE992	0.00 GBP	8,672,972.000	8,672,972.000	1.07717160	9,342,279.130
Partnerships					
INNISFREE PFI SECONDARY FUND 2 CUSIP : 9936FF999	0.00 GBP	8,352,712.000	8,352,712.000	1.04666590	8,742,498.820
Partnerships					
St Arthur Homes CUSIP : 994NJF997	0.00 GBP	20,609,895.100	20,609,895.100	1.00000000	20,609,895.100
Partnerships					
Teesside Flexible Investment Fund - GBP CUSIP : 995EFQ996	0.00 GBP	5,516,330.630	5,516,330.630	1.04605400	5,770,379.720
Partnerships					
TITAN - PRESTON EAST CUSIP : 995NRY996	0.00 GBP	18,776,850.000	18,776,850.000	1.00634140	18,895,921.520
Partnerships					
Titan- investors loan for Hogmor House, Templars way, bordon CUSIP : 995EEZ997	0.00 GBP	10,983,436.360	10,983,436.360	1.00000000	10,983,436.360
Partnerships					
TPF CO-INVESTMENT BSI LP - WASTE KNOT GBP CUSIP : 994FFL995	0.00 GBP	10,000,000.000	10,000,000.000	1.21165810	12,116,581.000
Partnerships					
Verdant Regeneration Ltd - GBP CUSIP : 995J64994	0.00 GBP	25,000,000.000	25,000,000.000	1.00000000	25,000,000.000
<b>Total United Kingdom</b>	<b>0.00</b>	<b>1,172,243,903.846</b>	<b>1,109,052,361.610</b>		<b>1,201,954,038.700</b>
<b>United States</b>					
Partnerships					
BLACKROCK GLOBAL ENERGY AND POWER INFRASTRUCTURE FUND III CUSIP :	0.00 USD	15,467,800.000	12,169,347.530	1.11931560	13,129,102.310
Partnerships					
BLACKROCK GLOBAL RENEWABLE POWER FUND III CUSIP : 993QHY992	0.00 USD	21,783,898.830	17,186,935.440	0.66624440	11,005,837.880
Partnerships					
BLACKROCK PRIVATE OPPORTUNITIES FUND IV TOTAL CUSIP : 993FYK997	0.00 USD	18,193,238.000	13,790,593.120	1.28172040	17,683,052.060
Partnerships					
BORDER TO COAST INFRASTRUCTURE SERIES 2B- GBP CUSIP : 9952EV992	0.00 GBP	59,813,271.370	59,813,271.370	0.99376550	59,440,365.530
Partnerships					
BRIDGES EVERGREEN TPF HOUSING CO-INVEST LP CUSIP : 993XEU998	0.00 GBP	806,792.760	806,792.760	1.01706420	820,560.030
Partnerships					
CROWN CO-INVEST OPPORTUNITIES III CUSIP : 993XBM999	0.00 USD	22,560,400.310	17,663,379.790	1.28551270	21,992,626.620
Partnerships					
CROWN GLOBAL OPPORTUNITIES VII CUSIP : 993FYN991	0.00 USD	22,335,711.550	17,663,629.150	1.47663080	25,010,688.260
Partnerships					
LGT CAPITAL CROWN SECONDARIES SPECIAL OPPORTUNITIES II CUSIP : 993QEY995	0.00 USD	18,557,837.380	14,473,328.770	1.48864430	20,949,430.990

◆ Asset Detail - Customizable

Asset Subcategory	Accrued				
Description/Asset ID	Income/Expense Curr	Nominal	Book Cost	Market Price	Market Value
<b>Venture Capital and Partnerships</b>					
<b>Partnerships</b>					
<b>United States</b>					
Partnerships					
PANTHEON SENIOR DEBT SECONDARIES II CUSIP : 993UAP999	0.00 USD	21,792,150.920	17,170,367.680	0.71350030	11,790,933.390
<b>Total United States</b>	<b>0.00</b>	<b>201,311,101.120</b>	<b>170,737,645.610</b>		<b>181,822,597.070</b>
<b>Total Partnerships</b>	<b>0.00</b>	<b>1,666,012,469.746</b>	<b>1,542,544,885.970</b>		<b>1,738,467,664.010</b>
<b>Total Venture Capital and Partnerships</b>	<b>0.00</b>	<b>1,666,012,469.746</b>	<b>1,542,544,885.970</b>		<b>1,738,467,664.010</b>

◆ Asset Detail - Customizable

Asset Subcategory	Accrued	Nominal	Book Cost	Market Price	Market Value
Description/Asset ID	Income/Expense Curr				
<b>Hedge Fund</b>					
<b>Hedge equity</b>					
<b>Global Region</b>					
Hedge Equity					
IIF UK I LP CUSIP : 993FP3995	0.00 USD	96,632,729.090	80,425,764.280	1.18761110	87,026,681.040
<b>Total Global Region</b>	<b>0.00</b>	<b>96,632,729.090</b>	<b>80,425,764.280</b>		<b>87,026,681.040</b>
<b>Total Hedge equity</b>	<b>0.00</b>	<b>96,632,729.090</b>	<b>80,425,764.280</b>		<b>87,026,681.040</b>
<b>Total Hedge Fund</b>	<b>0.00</b>	<b>96,632,729.090</b>	<b>80,425,764.280</b>		<b>87,026,681.040</b>

◆ **Asset Detail - Customizable**

Asset Subcategory	Accrued Income/Expense Curr	Nominal	Book Cost	Market Price	Market Value
<b>All Other</b>					
<b>Recoverable taxes</b>					
Recoverable taxes					
GBP - British pound sterling	97,715.75	0.000	0.000	0.00000000	0.000
Recoverable taxes					
DKK - Danish krone	296,772.16	0.000	0.000	0.00000000	0.000
Recoverable taxes					
EUR - Euro	1,125,081.20	0.000	0.000	0.00000000	0.000
Recoverable taxes					
CHF - Swiss franc	2,546,157.71	0.000	0.000	0.00000000	0.000
<b>Total</b>	<b>4,065,726.82</b>	<b>0.000</b>	<b>0.000</b>		<b>0.000</b>
<b>Total Recoverable taxes</b>	<b>4,065,726.82</b>	<b>0.000</b>	<b>0.000</b>		<b>0.000</b>
<b>Total All Other</b>	<b>4,065,726.82</b>	<b>0.000</b>	<b>0.000</b>		<b>0.000</b>

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◆ **Asset Detail - Customizable**

Asset Subcategory	Accrued Income/Expense Curr	Nominal	Book Cost	Market Price	Market Value
<b>Cash and Cash Equivalents</b>					
<b>Cash</b>					
Cash					
AUD - Australian dollar	0.16	1,938.740	1,938.740	1.00000000	1,938.740
Cash					
GBP - British pound sterling	-2,511.00	202.320	202.320	1.00000000	202.320
Cash					
THB - Thai baht	0.00	4,966.580	4,966.580	1.00000000	4,966.580
Cash					
USD - United States dollar	20.22	69,756.670	69,756.670	1.00000000	69,756.670
<b>Total</b>	<b>-2,490.62</b>	<b>76,864.310</b>	<b>76,864.310</b>		<b>76,864.310</b>
<b>Total Cash</b>	<b>-2,490.62</b>	<b>76,864.310</b>	<b>76,864.310</b>		<b>76,864.310</b>
<b>Cash (externally held)</b>					
Cash (externally held)					
GBP - British pound sterling	0.00	455,520,302.860	455,520,302.860	1.00000000	455,520,302.860
Cash (externally held)					
EUR - Euro	0.00	0.340	0.340	1.00000000	0.340
<b>Total</b>	<b>0.00</b>	<b>455,520,303.200</b>	<b>455,520,303.200</b>		<b>455,520,303.200</b>
<b>Total Cash (externally held)</b>	<b>0.00</b>	<b>455,520,303.200</b>	<b>455,520,303.200</b>		<b>455,520,303.200</b>
<b>Funds - short term investment</b>					
Funds - Short Term Investment					
GBP - British pound sterling	3,025.53	2,000.000	2,000.000	1.00000000	2,000.000
<b>Total</b>	<b>3,025.53</b>	<b>2,000.000</b>	<b>2,000.000</b>		<b>2,000.000</b>
<b>Total Funds - short term investment</b>	<b>3,025.53</b>	<b>2,000.000</b>	<b>2,000.000</b>		<b>2,000.000</b>
<b>Total Cash and Cash Equivalents</b>	<b>534.91</b>	<b>455,599,167.510</b>	<b>455,599,167.510</b>		<b>455,599,167.510</b>
<b>Report Total:</b>					
	<b>4,066,261.73</b>	<b>5,916,291,143.104</b>	<b>5,821,206,549.000</b>		<b>6,122,322,687.720</b>

◆ **Asset Detail - Customizable**

Asset Subcategory	Description/Asset ID	Accrued Income/Expense Curr	Nominal	Book Cost	Market Price	Market Value
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<u>ASSET</u>	<u>BOOK COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>FUND %</u>
<b><u>GROWTH ASSETS</u></b>				
<b><u>UK EQUITIES</u></b>				
AFREN ORD GBP0.01	1,089,449.06	0.02	17,850.00	0.00%
AMEDEO AIR FOUR PLUS LTD	3,907,776.01	0.02	2,799,998.60	0.05%
BORDER TO COAST PE UK LISTED EQUITY FUND (AINC)	612,577,167.00	1.26	721,003,325.62	11.74%
CANDOVER INVESTMENTS PLC GBP0.25	321,939.43	0.00	0.00	0.00%
CARILLION ORD GBP0.50	0.00	0.14	61,968.80	0.00%
NEW WORLD RESOURCE ORD EURO.0004 A	1,294,544.76	0.00	375.00	0.00%
<b>TOTAL UK EQUITIES</b>			<b>723,883,518.02</b>	<b>11.79%</b>
<b><u>OVERSEAS EQUITIES</u></b>				
BORDER TO COAST EMERGING MARKET HYBRID FUND	251,187,256.98	0.97	282,990,814.39	4.61%
BORDER TO COAST PE OVERSEAS DEV MKTS EQTY (AINC)	2,099,596,093.42	1.19	2,464,715,854.07	40.13%
FINEXIA FINL GROUP NPV	85.00	0.29	7.95	0.00%
YOUNG AUSTRALIAN MINES LTD	225,391.00	0.07	8,077.31	0.00%
<b>TOTAL OVERSEAS EQUITIES</b>			<b>2,747,714,753.72</b>	<b>44.74%</b>
<b>TOTAL EQUITIES</b>			<b>3,471,598,271.74</b>	<b>56.53%</b>
<b><u>PRIVATE EQUITY</u></b>				
ABT LEISURE FUND LIMITED CLASS 1			12,380,970.16	0.20%
ACCESS CAPITAL CO INVESTMENT FUND BUY OUT EUROPE II	7,858,117.11	0.98	14,003,325.44	0.23%
ACCESS CAPITAL FUND VIII GROWTH BUY OUT EUROPE	14,502,844.73	1.43	24,622,425.56	0.40%
BLACKROCK PRIVATE OPPORTUNITIES FUND IV TOTAL	15,821,278.95	1.20	17,751,765.24	0.29%
BORDER TO COAST PRIVATE EQUITY SERIES 1A	65,530,115.76	1.09	93,185,697.92	1.52%
BORDER TO COAST PRIVATE EQUITY SERIES 1B	28,741,211.36	0.99	48,152,080.29	0.78%
BORDER TO COAST PRIVATE EQUITY SERIES 1C	21,162,341.01	1.04	52,604,612.17	0.86%
BORDER TO COAST PRIVATE EQUITY SERIES 2A	4,957,913.17	0.76	60,177,624.47	0.98%
BORDER TO COAST PRIVATE EQUITY SERIES 2B	26,701,169.90	1.13	42,408,051.93	0.69%
BORDER TO COAST PRIVATE EQUITY SERIES 3A			6,081,268.35	0.10%
CAPITAL DYNAMICS GLOBAL SECONDARIES V	11,042,925.55	1.66	15,156,110.10	0.25%
CAPITAL DYNAMICS LGPS COLLECTIVE PRIVATE EQUITY FOR POOLS 18/19	6,979,550.00	1.36	11,411,269.00	0.19%
CAPITAL DYNAMICS MID-MARKET DIRECT V	13,201,080.63	1.25	22,699,685.70	0.37%

CROWN CO INVESTMENT OPPORTUNITIES II PLCS USD	12,309,133.55	2.04	18,761,828.18	0.31%
CROWN CO INVESTMENT OPPORTUNITIES III	10,447,059.01	1.14	22,169,441.92	0.36%
CROWN GLOBAL OPPORTUNITIES VII	15,563,768.96	1.31	24,955,367.00	0.41%
CROWN GROWTH OPPORTUNITIES GLOBAL III	20,496,138.42	1.52	38,339,683.76	0.62%
CROWN SECONDARIES SPECIAL OPPORTUNITIES II	13,140,741.71	1.34	20,138,574.46	0.33%
DARWIN LEISURE DEVELOPMENT FUND ACCUMULATION UNITS - D CLASS	15,000,000.00	1.10	9,790,500.00	0.16%
FORESIGHT REGIONAL INVESTMENTS IV LP	2,093,789.51	0.85	2,553,163.74	0.04%
GB BANK LIMITED	50,043,721.94	1.00	23,445,973.32	0.38%
HERMES GPE INNOVATION FUND	15,228,177.99	1.32	19,621,844.96	0.32%
PANTHEON GLOBAL CO-INVESTMENT OPPORTUNITIES IV	19,141,292.79	1.63	25,503,582.04	0.42%
UNIGESTION DIRECT II	14,547,379.23	1.33	24,965,929.64	0.41%
UNIGESTION DIRECT III	7,213,426.37	0.90	27,221,624.88	0.44%
UNIGESTION SA	22,917,577.35	1.35	40,974,920.94	0.67%
<b>PRIVATE EQUITY</b>			<b>719,077,321.17</b>	<b>11.71%</b>
FW CAPITAL TEESIDE FLEXIBLE INVESTMENT FUND	2,850,019.00	0.00	5,770,379.72	0.00
<b>PRIVATE EQUITY - LOCAL INVESTMENT</b>			<b>5,770,379.72</b>	<b>0.09%</b>
<b>TOTAL PRIVATE EQUITY</b>			<b>724,847,700.89</b>	<b>11.80%</b>
<b>PROPERTY</b>				
<b>DIRECT PROPERTY</b>				
TEESIDE PENSION FUND - DIRECT PROPERTY (Stay Behinds)	399,152,598.72	1.03	101,600,000.00	1.65%
<b>TOTAL DIRECT PROPERTY</b>			<b>101,600,000.00</b>	<b>1.65%</b>
<b>PROPERTY FUNDS</b>				
BTC PROPERTY			401,432,095.00	6.54%
ABERDEEN STANDARD LIFE EUROPEAN PROPERTY GROWTH FUND	13,608,338.33	120,966.80	17,588,028.22	0.29%
GRESHAM HOUSE BSI HOUSING LP	15,638,997.82	1.10	19,834,423.75	0.32%
HEARTHSTONE RESIDENTIAL FUND 1 LIMITED PARTNERSHIP	10,000,000.01	0.96	10,198,066.01	0.17%
HEARTHSTONE RESIDENTIAL FUND 2	13,740,773.16	0.91	17,330,434.00	0.28%
LEGAL & GENERAL PROPERTY FUND UNITS	15,643,118.27	6.37	16,037,731.00	0.26%
HERMES PROPERTY PUT	2,590.00	6.09	15,765.33	0.00%
<b>TOTAL PROPERTY FUNDS</b>			<b>482,436,543.31</b>	<b>7.86%</b>
BRIDGES EVERGREEN TPF HOUSING CO-INVESTMENT LP	765,180.38	0.93	820,560.03	0.01%
<b>PROPERTY FUNDS - LOCAL INVESTMENT</b>			<b>820,560.03</b>	<b>0.01%</b>
<b>TOTAL PROPERTY</b>			<b>584,857,103.34</b>	<b>9.52%</b>

**PROTECTION ASSETS****INFRASTRUCTURE**

ACCESS CAPITAL FUND INFRASTRUCTURE II	15,571,975.51	1.11	15,667,267.33	0.26%
ACCESS CAPITAL, ACIF INFRASTRUCTURE II LP (FUND 2)	11,255,234.05	1.02	13,401,642.22	0.22%
ACIF INFRASTRUCTURE FUND LP	10,772,726.39	0.74	14,306,790.46	0.23%
ANCALA INFRASTRUCTURE FUND II SCSP	16,729,179.08	1.12	21,304,373.14	0.35%
BLACKROCK GLOBAL ENERGY & POWER INFRASTRUCTURE FUND III	15,874,716.01	0.98	12,946,899.86	0.21%
BLACKROCK GLOBAL RENEWABLE POWER FUND III	11,308,739.08	1.06	12,545,437.46	0.20%
BORDER TO COAST CLIMATE OPPORTUNITIES SERIES 2A	12,551,872.31	1.02	46,265,166.49	0.75%
BORDER TO COAST INFRASTRUCTURE SERIES 1A	67,321,263.18	0.87	79,350,495.77	1.29%
BORDER TO COAST INFRASTRUCTURE SERIES 1B	24,942,901.60	0.89	41,801,114.99	0.68%
BORDER TO COAST INFRASTRUCTURE SERIES 1C	33,456,001.70	1.08	51,416,419.18	0.84%
BORDER TO COAST INFRASTRUCTURE SERIES 2A	32,109,979.63	0.98	100,665,096.76	1.64%
BORDER TO COAST INFRASTRUCTURE SERIES 2B	6,540,791.64	1.00	59,862,203.58	0.97%
BORDER TO COAST INFRASTRUCTURE SERIES 3A	7,719,359.58	0.97	10,155,935.88	0.17%
CAPITAL DYNAMICS CLEAN ENERGY AND INFRASTRUCTURE VIII SCSp	17,500,754.07	1.01	19,978,616.58	0.33%
CAPITAL DYNAMICS CLEAN ENERGY INFRASTRUCTURE UK	19,767,420.74	1.00	8,720,985.00	0.14%
CAPITAL DYNAMICS CLEAN ENERGY INFRASTRUCTURE VIII (CO INVESTMENT) LP	9,883,710.38	1.04	9,963,202.55	0.16%
DARWIN BEREAVEMENT SERVICES FUND CLASS B ACCUMULATION	15,000,000.00	1.27	15,529,867.89	0.25%
DARWIN BEREAVEMENT SERVICES FUND, INCOME UNITS	30,000,000.00	1.01	24,161,229.00	0.39%
FORESIGHT ENERGY INFRASTRUCTURE PARTNERS	14,363,583.84	0.93	14,390,988.96	0.23%
GRESHAM HOUSE BRITISH SUSTAINABLE INFRASTRUCTURE FUND II	18,010,845.93	1.07	22,250,190.66	0.36%
GRESHAM HOUSE BSI INFRASTRUCTURE LP	19,070,660.40	1.21	22,727,997.21	0.37%
IIF UK I LP	80,595,460.34	1.05	87,464,810.34	1.42%
INNISFREE PFI CONTINUATION FUND	8,672,972.00	1.20	6,527,578.20	0.11%
INNISFREE PFI SECONDARY FUND 2	8,352,712.00	1.17	13,552,759.20	0.22%

<b>INFRASTRUCTURE</b>			<b>724,957,068.71</b>	<b>11.80%</b>
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CO-INVESTMENT BSI LP - WASTE KNOT	10,000,000.00	1.11	12,142,025.00	0.20%
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<b>INFRASTRUCTURE - LOCAL INVESTMENT</b>			<b>12,142,025.00</b>	<b>0.20%</b>
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<b>TOTAL INFRASTRUCTURE</b>			<b>737,099,093.71</b>	<b>12.00%</b>
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**OTHER DEBT**

GREYHOUND RETAIL PARK CHESTER	18,731,488.00	0.98	19,866,875.00	0.32%
INSIGHT IIFIG SECURED FINANCE II FUND	50,000,000.00	0.98	50,341,133.06	0.82%

LA SALLE REAL ESTATE DEBT STRATEGIES IV	7,833,117.70	0.95	10,318,887.57	0.17%
PANTHEON SENIOR DEBT SECONDARIES II	13,797,969.19	0.60	11,418,725.45	0.19%
ST ARTHUR HOMES	17,713,233.10	1.00	20,609,895.10	0.34%
TITAN - PRESTON EAST	18,776,850.00	1.00	18,895,921.52	0.31%
TITAN - TEMPLAR'S WAY	10,983,436.36	1.00	10,983,436.36	0.18%
VERDANT REGENERATION LTD	25,000,000.00	1.00	25,000,000.00	0.41%
<b>TOTAL OTHER DEBT</b>			<b>167,434,874.06</b>	<b>2.73%</b>

<b>CASH</b>				
	68,290.33	1.00	69,756.67	0.00%
	3,883.55	1.00	4,141.40	0.00%
	5,766.67	1.00	4,966.58	0.00%
<b>CUSTODIAN CASH</b>			<b>78,864.65</b>	<b>0.00%</b>

<b>INVESTED CASH</b>			<b>455,710,377.69</b>	<b>7.42%</b>
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<b>TOTAL CASH</b>			<b>455,789,242.34</b>	<b>7.42%</b>
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<b>TOTAL FUND VALUE - MARCH 2026</b>			<b>6,141,626,286.08</b>	<b>100.00%</b>
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Market Value timing differences

Market Value

Private Equity

ABT LEISURE FUND			-6,817,520.12
BORDER TO COAST PRIVATE EQUITY SERIES 2A			3,180,925.69
BORDER TO COAST PRIVATE EQUITY SERIES 2B			2,101,011.81
GB BANK LIMITED			2,682,248.05

**1,146,665.43**

Infrastructure

BORDER TO COAST INFRASTRUCTURE SERIES 2A			4,376,249.75
INNISFREE PFI CONTINUATION FUND			-2,814,700.93
INNISFREE PFI SECONDARY FUND 2			4,810,260.38

**6,371,809.20**

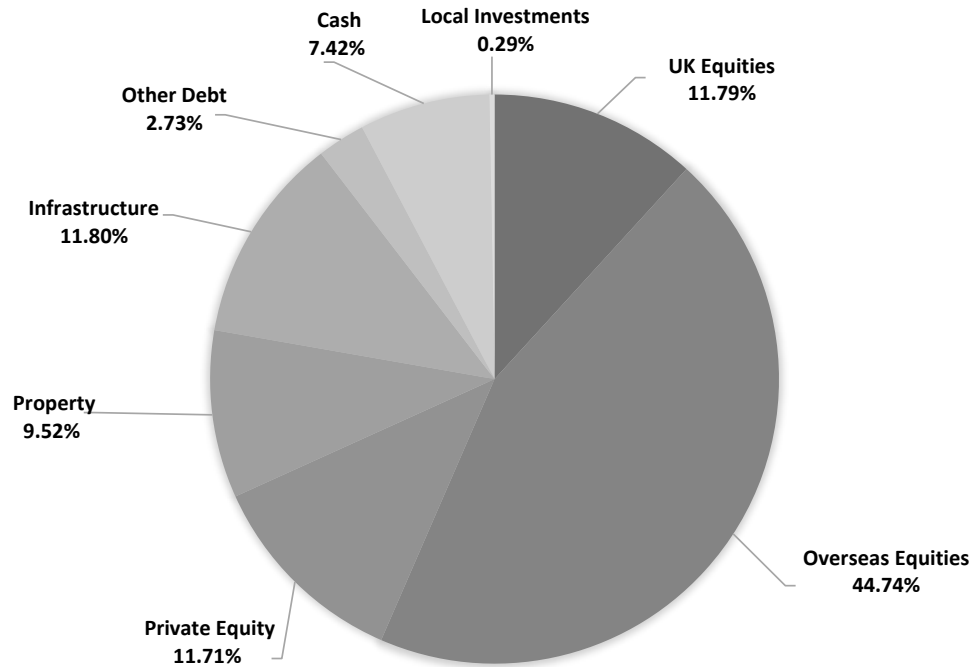
**Total**

**7,518,474.63**

Asset Allocation Summary

		<b>Actual</b>
UK Equities	723,883,518.02	11.79%
Overseas Equities	2,747,714,753.72	44.74%
Private Equity	719,077,321.17	11.71%
Property	584,857,103.34	9.52%
Infrastructure	724,957,068.71	11.80%
Other Debt	167,434,874.06	2.73%
Cash & Bonds	455,789,242.34	7.42%
Local Investments - Private Equity, Other Alternatives & Infrastructure	17,912,404.72	0.29%
	<b>6,141,626,286.08</b>	<b>100.00%</b>

**FUND % AT 31 MARCH 26**



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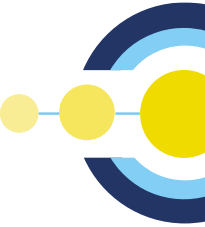
# TEESSIDE PENSION FUND

Border to Coast

Teesside Pensions Committee - June 2026

# TEESSIDE PENSION FUND'S LISTED INVESTMENTS

AS OF 31ST MARCH 2026



Fund	Inception Date	Value (31/03/2026)	Value % of Total Assets
UK Listed Equity	25/07/2018	£721m	20.8%
Overseas Developed Markets	16/10/2018	£2,465m	71.1%
Emerging Markets Equity	18/05/2021	£283m	8.1%
UK Real Estate Main Fund	31/07/2025	£400.6m	100%

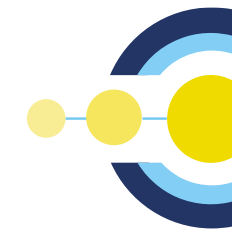
Source: Northern Trust/Border to Coast

Border to Coast – Teesside Pensions Committee

INTERNAL

# PORTFOLIO PERFORMANCE (NET OF FEES)

AS OF 31ST MARCH 2026



Fund	Inception to Date			Quarter to Date			1 Year			3 Year			5 Year		
	Fund	Index	Relative	Fund	Index	Relative	Fund	Index	Relative	Fund	Index	Relative	Fund	Index	Relative
Overseas Developed Markets Equity Fund	11.46	10.82	0.64	(0.19)	0.68	(0.87)	19.80	21.99	(2.19)	13.58	13.42	0.16	10.83	10.13	0.70
Emerging Markets Equity Fund	4.75	5.07	(0.32)	1.22	(0.85)	2.07	24.04	17.35	6.69	11.64	10.85	0.79	-	-	-
UK Listed Equity Fund	7.18	7.15	0.03	0.21	2.41	(2.20)	20.48	21.54	(1.05)	11.81	13.33	(1.52)	10.46	11.11	(0.65)

## Benchmarks

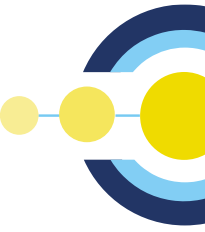
Overseas Developed Markets Equity Fund 40% S&P 500 (Net), 30% FTSE Developed Europe ex UK (Net), 20% FTSE Developed Asia Pacific ex Japan (Net), 10% FTSE Japan (Net)  
 Emerging Markets Equity Fund FTSE Emerging Markets (Net) 29-Apr 2021 to current. 22-Oct-2018 to 09-Apr-2021 S&P Emerging Markets BMI (Net). 10-Apr 2019 to 28-Apr-2021 Fund Return (Performance Holiday).  
 UK Listed Equity Fund FTSE All Share Index

## Note

- 1) Source: Northern Trust
- 2) Performance inception dates are since investor's first investment, shown on page 2.
- 3) Performance for periods greater than one year are annualised.
- 4) Performance shown is net of charges incurred within the ACS, such as depository, audit and external manager fees. For the period to 31st March 2024, performance is gross of any fees paid to Border to Coast which are set out separately within the papers supporting the Shareholder Approval of the Border to Coast Strategic Business Plan. Effective 1st April 2024, performance is net of any fund specific fees paid to Border to Coast which are paid directly through the Funds via an Annual Management Charge (AMC).
- 5) Past performance is not an indication of future performance, and the value of investments can fall as well as rise.

# PORTFOLIO PERFORMANCE (COMMENTS)

AS OF 31ST MARCH 2026



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## Overseas Developed Markets Equity Fund

The Overseas Developed Equity fund underperformed its benchmark by 0.87% during the quarter. Navigating news-flow driven stock markets is challenging and requires long-term decision making and discipline, something we remain highly focused on.

### 3-month attribution by Sector:

Positive Contributors: Telecoms and Financials.

Negative Contributors: Healthcare and Industrials.

## UK Listed Equity Fund

After a strong 2025, the UK Listed Equity Fund underperformed the FTSE All Share by 2.20% in Q1. Stock specific factors drove underperformance in Q1.

### 3-month attribution by Sector:

Positive Contributors: Utilities and Technology

Negative Contributors: Industrials and Financials.

## Emerging Markets Equity Fund

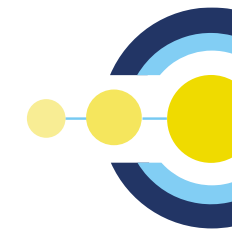
The Fund outperformed by 2.07% over Q1 2026, with strong performance from the internally managed EM ex. China sleeve and Fountain Cap (China) partially offset by underperformance from UBS (China).

Outperformance (+3.1%) for the internally managed EM ex. China sleeve was the result of positive stock selection.

In China, positive performance from Fountain Cap (+4.1%) was offset by underperformance from UBS (-2.6%).

# FUND EXPOSURE TO DEFENCE AND TOBACCO

AS OF 31ST MARCH 2026



Industry Classification	Fund	Number of Fund Holdings	Fund Exposure (£m)	Fund Exposure (%)	Benchmark Exposure (%)
Defence	UK Listed Equity	3	45.3	5.5	6.5
	Overseas Developed	4	55.2	2.1	2.5
	Emerging Markets Equity	2	2.7	0.9	0.5
Tobacco	UK Listed Equity	2	38.6	4.7	4.2
	Overseas Developed	1	6.4	0.2	0.4
	Emerging Markets Equity	1	0.7	0.3	0.2

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## Benchmarks

Overseas Developed Markets Equity Fund 40% S&P 500 (Net), 30% FTSE Developed Europe ex UK (Net), 20% FTSE Developed Asia Pacific ex Japan (Net), 10% FTSE Japan (Net)  
 Emerging Markets Equity Fund FTSE Emerging Markets (Net)  
 UK Listed Equity Fund FTSE All Share Index

## Note

- 1) Source: Northern Trust / Border to Coast
- 2) Defence exposure is defined as companies classified as Aerospace and Defence under GICS Industry for Equity
- 3) Tobacco exposure is defined as Tobacco under GICS Industry for Equity

# UK REAL ESTATE FUND PERFORMANCE (NET OF FEES)

AS OF 31ST MARCH 2026

	3 Mths	6 Mths	1 Yr	Since Launch p.a
<b>Fund</b>	1.12	3.02	6.49	7.24
<b>Benchmark</b>	1.63	2.86	7.42	7.47
<b>Relative</b>	(0.51)	0.16	(0.93)	(0.24)

Benchmarks  
UK Real Estate Main Fund UK Consumer Price Index +4%

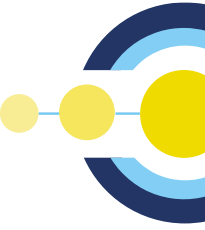
## Performance Comments

- The Funds' performance over the quarter was driven by income which delivered 1.26%. Detracting from performance was negative capital performance of 0.14%.
- As deployment activity increases over the next few quarters, we expect to see short term performance affected by the impact of costs.
- Since inception the Fund has delivered an annualised return of 7.24%.

## Note

- 1) Source: Northern Trust .
- 2) Performance for periods greater than one year are annualised.
- 3) Performance has been calculated over the stated period on the share price performance basis and net of fees.
- 4) Past performance is not an indication of future performance, and the value of investments can fall as well as rise.

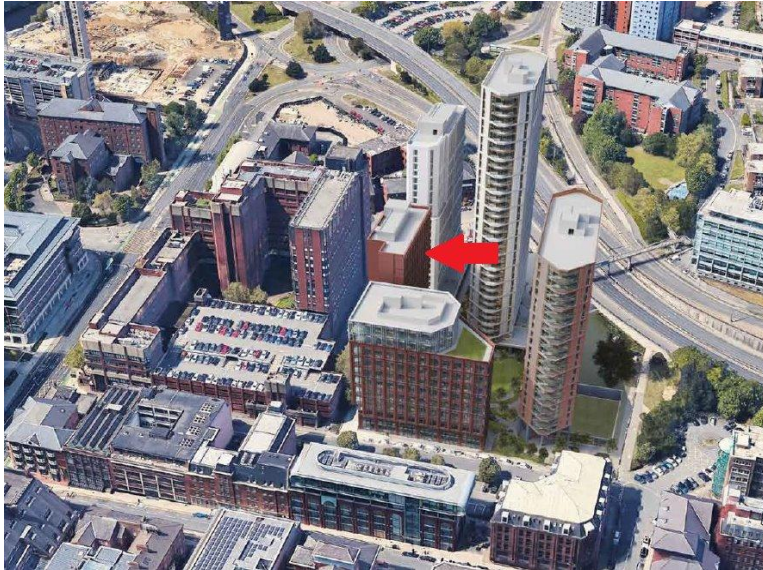
# UK REAL ESTATE FUND (PURCHASES AND SALES)



The Fund completed the purchase of Room2, Leeds for £44.3 million. It is a 200 key aparthotel development plan at Lisbon Square, which is part of a wider development site incorporating student housing, a residential block and an office.

The Fund sold its freehold interest in Matalan, Leicester Street, Northwich to Matalan for £6.875 million. Matalan, Northwich comprises a retail warehousing unit let to Matalan Ltd until 2028 with a small area of the building (1,253 sq ft) let to Barnardo's.

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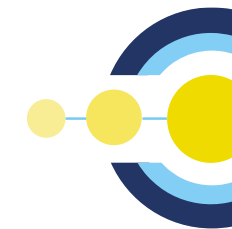
Room2, Leeds



Matalan, Leicester Street, Northwich

# PRIVATE EQUITY - SUMMARY

AS OF 31ST MARCH 2026 (PERFORMANCE AS OF 31 DECEMBER 2025)



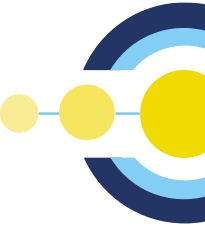
	Total	Series 1A	Series 1B	Series 1C	Series 2A	Series 2B	Series 3A
Commitment	£450m	£100m	£50m	£50m	£100m	£100m	£50m
Capital Deployment	Capital Committed	99.7%	99.1%	100.0%	99.8%	99.0%	99.9%
	Capital Drawn	92.7%	96.0%	85.6%	58.6%	41.8%	13.0%
	Capital Distributed <sup>1</sup>	37.9%	28.0%	2.4%	2.1%	2.4%	0.1%
Performance Target (IRR): 10% p.a. (net)	IRR / TVPI	10.9% / 1.35			9.5% / 1.12	13.9% / 1.13	N/M

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Key Update	New Commitment	Bregal Sagemount (Q1 2026)	<p><b>Overview:</b> Fund V will make investments of \$100m-\$300m to around 15-20 portfolio companies in sectors including software, tech-enabled services, data &amp; information, fintech and healthcare IT.</p> <p><b>Border to Coast themes:</b> Downside Protection, Operational Value-add, Technology</p> <p><b>Benefits of pooling:</b></p> <ul style="list-style-type: none"> <li>• Access to a top-tier GP – Bregal Sagemount Fund V is likely to be oversubscribed. Border to Coast's scale was attractive to a manager targeting an increase in its European LP base.</li> <li>• Reduction of fees – Border to Coast achieved discounts for first close and size of commitment.</li> </ul>
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# INFRASTRUCTURE - SUMMARY

AS OF 31ST MARCH 2026 (PERFORMANCE AS OF 31 DECEMBER 2025)



	Total	Series 1A	Series 1B	Series 1C	Series 2A	Series 2B	Series 3A
<b>Commitment</b>	<b>£550m</b>	<b>£100m</b>	<b>£50m</b>	<b>£50m</b>	<b>£150m</b>	<b>£150m</b>	<b>£50m</b>
<b>Capital Deployment</b>	Capital Committed	98.7%	98.7%	100.0%	99.7%	99.9%	95.8%
	Capital Drawn	95.0%	85.2%	95.6%	70.1%	43.3%	20.2%
	Capital Distributed <sup>1</sup>	31.5%	8.7%	18.4%	9.0%	1.4%	0.4%
<b>Performance Target (IRR): 8% p.a. (net)</b>	<b>IRR / TVPI</b>	6.1% / 1.20			6.3% / 1.13	0.8% / 1.01	N/M

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<b>Key Update</b>	<b>New Commitment</b>	No new commitments in Q1
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Source: Albourne / Private Monitor / Border to Coast

<sup>1</sup>Including Recallable Distributions.

# CLIMATE OPPORTUNITIES - SUMMARY

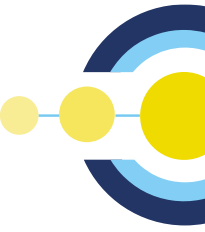
AS OF 31ST MARCH 2026 (PERFORMANCE AS OF 31 DECEMBER 2025)

	Total	Series 1
Commitment	£80m	£80m
Capital Deployment	Capital Committed	99.9%
	Capital Drawn	65.3%
	Capital Distributed <sup>1</sup>	9.1%
Performance Target (IRR): 8% p.a. (net)	IRR / TVPI	4.8% / 1.08

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Source: Albourne / Private Monitor / Border to Coast

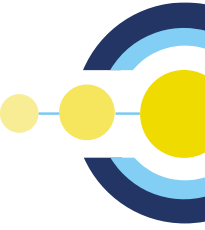
<sup>1</sup>Including Recallable Distributions.





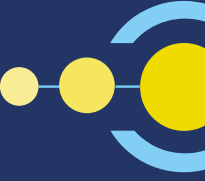
**APPENDIX**

# PRIVATE EQUITY / INFRASTRUCTURE – IRR AND TVPI DEFINITIONS



## IRR and TVPI (Pages 8 - 10)

- **Internal Rate of Return (IRR):** Most common measure of Private Equity performance. IRR is technically a discount rate: the rate at which the present value of a series of investments is equal to the present value of the returns on those investments.
- **Total Value to Paid-in Capital (TVPI):** TVPI is the sum of the DPI and RVPI. TVPI is net of fees. TVPI is expressed as a ratio.
- **Distributions to Paid-in-Capital (DPI):** The amount a partnership has distributed to its investors relative to the total capital contribution to the fund. DPI is expressed as a ratio. Also known as realization ratio.
- **Residual Value to Paid-in Capital (RVPI):** The measure of value of the limited partner's interest held within the fund, relative to the cumulative paid-in capital. RVPI is net of fees and carried interest. This is a measure of the fund's "unrealized" return on investment. RVPI is expressed as a ratio.



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**TEESSIDE PENSION FUND**

Administered by Middlesbrough Council

**PENSION FUND COMMITTEE REPORT**

17 June 2026

**CORPORATE DIRECTOR OF FINANCE – ANDREW HUMBLE****INVESTMENT ADVISORS' REPORTS****Proposed Decision(s)**

That Members note the report and discuss any advice.

**Executive summary**

This report presents the market update from the investment advisor

**1. Purpose of the Report**

- 1.1 To provide Members with an update on current capital market conditions to inform decision-making on short-term and longer-term asset allocation.

**2. Recommendation**

- 2.1 That Members note the report and discuss any advice.

**3. Financial Implications**

- 3.1 Decisions taken by Members, in light of information contained within this report, will have an impact on the performance of the Fund.

**4. Background**

- 4.1 The Fund has appointed William Bourne to act as its independent investment advisor. The advisor will provide written and verbal updates to the Committee on a range of investment issues, including investment market conditions, the appropriateness of current and proposed asset allocation and the suitability of current and future asset classes.
- 4.2 A brief written summary of current market conditions from William Bourne is enclosed as Appendix A. Further comments and updates will be provided at the meeting.

Contact Officer: Andrew Lister – Head of Pensions Governance and Investments

TEL NO.: 01642 726328

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## Independent Adviser's Report for Teesside Pension Fund Committee

William Bourne

5<sup>th</sup> June 2026

### Market Commentary

1. When I last reported in February, I was less positive about equities than I had been for many years, even though the U.S.'s war with Iran had not yet broken out. Despite this conflict and what ought to be a toxic combination of higher bond yields, higher inflation, and sentiment swinging away from rate cuts to rate increases, the S&P has risen nearly 10%.
2. Markets have been surprisingly calm despite the decision by the U.S. and Israel to initiate a war against Iran. The closing of the Straits of Hormuz, at the mouth of the Persian Gulf, has resulted in higher prices for oil, gas, fertiliser and a number of other important commodities. It is also costing the U.S. about US\$1bn each day, in other words adding 1% onto their primary deficit every eight months or so. But while bond market yields have risen, equity markets have largely ignored all of this.
3. Kevin Warsh has been appointed the new Federal Reserve chair. He faces a daunting combination of challenges: the growing primary deficit, rising inflation, rising bond yields, and a fragile U.S. financial system. While he may wish to deliver Trump lower interest rates, that may prove impossible.
4. U.S. consumer Inflation rose sharply in March and April, mainly because of higher fuel and energy prices. It now stands at 3.8% compared to 2.4% three months ago. Other countries saw smaller rises, so that Europe, Japan, and the U.K. all have inflation of around 3%. China's has nudged up to 1.2%.
5. Bond yield curves have steepened: longer yields have risen, but the short end has held steady in the (fading) hope that Warsh might cut interest rates. Reasons for the rise in yields are not hard to find, but it's worth noting that they will inevitably result eventually in higher debt service costs. That is already prompting some governments (e.g., the U.S.), to find ways to suppress yields.
6. The U.K. has been indulging in its own favourite vice: seeing if the Prime Minister can be loosened from his seat. After the local election results where Labour and Conservative parties did poorly against the new challengers, a potential leadership challenge to Keir Starmer has emerged. This will almost certainly be negative for markets, because investors will fear a swing to the left will lead to higher bond yields, higher taxation, and lower growth.

7. With all this bad news around, the question is why the markets have been so strong. One reason is that corporate earnings growth, driven by the tech sector, have again exceeded expectations. 2026 Q1 is coming in as one of the strongest seasons ever, with 12 month aggregate earnings growth about 18% at the time of writing. Demand for AI services as companies try to reposition themselves is one cause, and profits from higher energy prices another. But it is not just the U.S. – Europe's has also come in strongly.
8. The economic outlook is also probably not as bad as some had feared. Recessionary talk is fading, but growth rates in the west remain low compared with history. The rise in defence spending has boosted some countries, such as Poland, but the economic growth rate in much of Europe remains at around 1%. Even the U.S.'s forecast growth rate in 2026 is only 2.3% (IMF estimate).
9. A third core reason for the strength of equity markets is probably that the U.S. monetary policy has erred on the side of liberality. The US Treasury (NB more than the Federal Reserve) have been pumping money into the system, albeit not through traditional ways such as cutting interest rates. Their rationale may be that they don't want a financial crisis at the same time as they are fighting a war. The question is how much longer, under Warsh, will the Federal Reserve be willing to do that.
10. Bond yields have been rising gently. Obvious explanations why include i) rate cuts are less likely ii) the resurgence of inflation fears and iii) deteriorating (American) government finances. But all these are 'known' unknowns, and I don't expect a dramatic further increase in yields, if only because governments cannot afford higher debt service costs.
11. Index linked gilts offer a higher real yield than the Fund's real discount rate (nominal 4.25% less assumed inflation 2.7% = 1.55%). So far in 2026 the real yield for ILGs of around 15 to 25 years duration has been well above this and ranged as high as 2.3%. As they provide the best match against unexpectedly high inflation, there is a good argument for building up weightings.

## Portfolio Recommendations

12. My view remains that equity markets are close to a major turning point. I expect this to unfold over the next few months, but if investors are already positioned for it, it may take more time. Bond yields ought to rise further, but central banks and governments will try to suppress them.
13. Investment implementation has now largely moved to Borders To Coast. The Committee's focus should be on how best to hold them to account. In particular their main equity funds have been struggling over the past three years. They are not alone in this, and part is down to the narrowness of market leadership. However, it is a concern.

# TEESSIDE PENSION FUND

Administered by Middlesbrough Council

## PENSION FUND COMMITTEE REPORT

17 JUNE 2026

CORPORATE DIRECTOR OF FINANCE – ANDREW HUMBLE

TWPF PENSION ADMINISTRATION REPORT

**Proposed Decision(s)**

That Members note the report and pass any comments.

**Executive summary**

This report introduces the Pensions Administration Report for the quarter ended March 2026.

**1. Purpose of the Report**

1.1 To provide an overview of administration services provided to the Teesside Pension Fund by TWPF.

**2. Recommendation**

2.1 That Committee Members note the contents of the paper and pass any comments.

**3. Financial Implications**

3.1 There are no financial implications for the Fund.

**4. Background**

4.1 To enable the Committee to gain an understanding of the work undertaken by TWPF and whether they are meeting the requirements of the contract. The report is contained within Appendix A.

Contact Officer: Andrew Lister – Head of Pensions Governance and Investments

TEL NO.: 01642 726328

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*in  
partnership  
with*



**Teesside  
Pension Fund**



# Teesside Pension Fund

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# Administration Report

# Pension Administration Report – Q4

This report provides an update on material matters in pensions administration and performance for Q4 up to 31 March 2026.

## 1. Introduction

On 1 June 2025, responsibility for the administration of the Teesside Pension Fund was successfully transferred from XPS Group to the Tyne and Wear Pension Fund (TWPF) as part of a shared service agreement. It has been acknowledged that the early transition period was not without its difficulties. Notably, there are several data-related issues that TWPF is now actively working to resolve but whilst acknowledging and accepting that some errors will still take time to resolve.

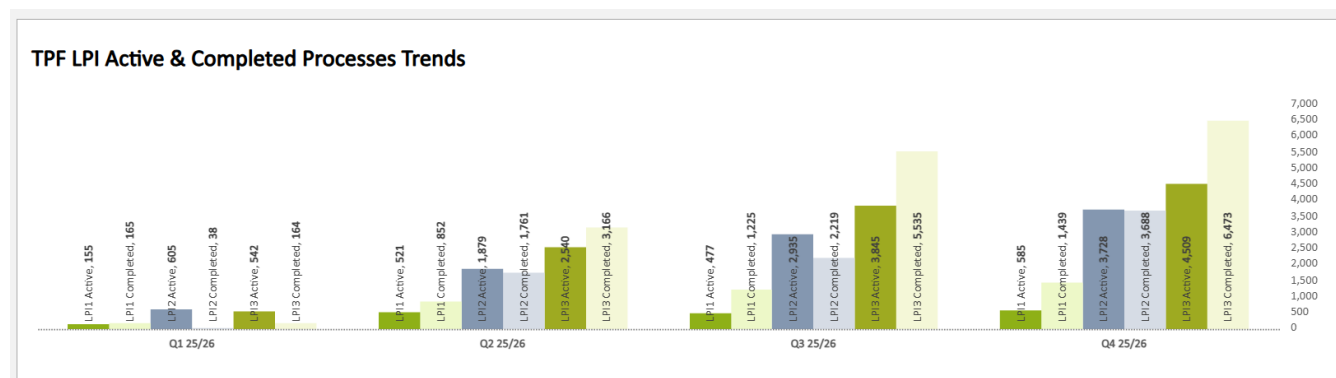
As we now pass our first anniversary of the Shared Service we are operating under standard business procedures in many areas.

## 2. Pensions Processing

Processing is undertaken and managed on a priority basis a below:

- Priority1 (LP1) - Life events requiring immediate payment - deaths, retirements and transfers In
- Priority 2 (LP2) - Divorce, transfers out, joiners, refund of contributions and data updates
- Priority 3 (LP3)- Pension monetary changes, member tracing, interfund transfers, combining membership, purchasing additional pension and record updates.

The table below shows current trends of the active processes and the processes completed during 2025/2026 since Tyne and Wear Pension Fund commenced the contract for Teesside Pension Fund on 1st June 2025.



Please be advised that the total number of active processes will continue to increase in subsequent quarters, as we continue to process the inherited historical cases (Status 2 undecided leavers which were approximately 4,500 cases initially). These cases will require reviewing and possible subsequent benefit calculations to ensure their status is accurately updated.

It should be noted that whilst records remain at the inherited incorrect “holding” status, members may not receive an annual benefit statement or payment of any benefits that are due to them.

### **3. Performance Against Statutory Requirements and Key Performance Indicators**

#### **LGPS Scheme Advisory Board’s (SAB) Performance Indicators.**

The Fund measures performance across pension processing using a variety of indicators. In line with statutory requirements and guidance, the main measure of the service is against the national LGPS Scheme Advisory Board’s (SAB) Performance Indicators. This is the standard measure of internal performance across LGPS Funds and is reportable in the Pension Fund Annual Report and Accounts.

Appendix 1 sets out the performance against the SAB KPIs from the start of the contract, 1 June 2025 up to 31 March 2026.

It should be noted performance shown during the year cannot be seen as true measure or reflection of performance. Within the first 10 months of operation there have and continue to be several negative and detrimental influencing factors which are out of our control. These can be attributed to the levels outstanding and poor-quality data at the time of the contract commencement.

Table A presents the number of cases started and completed during the period up to 31 March 2026. An internal performance target has been set at 80%. At the end of the year, performance was below target in 9 areas, although 3 areas (relating to deaths and retirements) are close to being on target.

Table B presents the processing performance – an internal performance target of 90% has been set. At the end of the year, performance was below target in 11 areas, although 2 areas (relating to retirements) are close to being on target.

The main reasons for underperformance are as follows:

- Ongoing issues whilst dealing with inherited data – this will continue to impact individual cases until all outstanding cases are resolved
- Performance figures will continue to appear poor as ‘out of date’ cases are progressed to completion
- Planned system downtime to integrate Teesside Pensions Fund records into the administration system, and to install upgrades related to the mandatory McCloud remedy

- Processing performance will fluctuate across the year when resources are diverted to address bulk tasks, such as the production of Annual Benefit Statements and creation of the Valuation data
- Processing performance will fluctuate in individual areas of work, when resources are diverted towards tackling higher priority work (such as deaths and immediate benefits), away from lower priority areas of work (such as interfund transfers and aggregation).

### **(Disclosure of Information) Regulations 2013 (“the Disclosure Regulations”), and additional internal performance indicators**

This historical “Disclosure” requirements measure overall time taken to process benefits and provide information to members. It is not a true measure of a pension fund’s own performance as there are several factors to consider, such as reliance on employers to provide information and the complexity of individual cases.

Compliance is not always achievable and can be reported differently across the pensions industry. In recognition of this SAB developed the standard performance indicators reported above.

For completeness Appendix 2 sets out performance for the year up to Q4 (i.e. the period 1 June 2025 to 31 March 2026) against the Disclosure Regulations. In respect of performance against disclosure, these are measured against 100%.

Whilst the overall performance is low, the challenges of the transition set out above are contributory factor. However, progress is being made to improve the achieved percentage.

### **Actions to improve**

Continued work is ongoing to improve data quality, to identify where improvements can be made to address outstanding issues and to streamline work for greater efficiencies. In addition to the staff wishing to transfer from the previous provider, additional staff have already been recruited and joined Tyne and Wear Pension Fund, and more are joining over the coming weeks.

## **4. Member Electronic Communications and Registration**

TWPF’s default method of communication is digital, meaning that members will receive documents and updates electronically unless they specifically request to continue receiving paper correspondence. This brings significant efficiencies and cost savings.

A move to digital service was agreed with Teesside Pension Fund and members have been notified of this transition through various communications over the past year, ensuring that everyone is aware of the new approach.

The table below shows the number of members registered for online services and reflects encouraging growth over a short period. In February 2026, all Teesside Pension Fund pensioners were sent a targeted letter encouraging them to register for mypension before P60s for 2025/26 were issued. This appears to have had a positive impact, with registrations increasing significantly by the end of March.

	Active		Deferred		Pensioner	
	Registered	%	Registered	%	Registered	%
30/09/2025	3,796	14%	1,775	9%	870	4%
22/01/2026	7,064	26%	3,558	18%	6,680	25%
31/03/2026	7,460	27%	3,741	19%	10,089	38%

## 5. Service Delivery

### Member Helpline

The helpline has high demand as many members continue to choose this method of contact. Call volumes increased significantly in February and March. This was partly driven by the issue of an additional letter to Teesside pensioners encouraging registration for mypension ahead of the 2025/26 P60 exercise, which generated a notable increase in member contact as members called to request to continue receiving paper correspondence. Although the number of calls answered also increased, performance did not keep pace with demand, and the proportion of calls answered fell to 68.59% in March.

The table below illustrates the total volume of calls received by the Pensions Helpline from over the last 6 months (This includes calls from both Tyne and Wear and Teesside members and their representatives).

	October	November	December	January	February	March
Number of helpline calls	7244	8114	4965	7630	9008	11038
Total number of helpline calls after menu selection	6184	6978	3802	5151	7869	9074
Number of calls answered	4609	5014	3101	5151	5751	6314
Abandoned calls after selection	1575	1964	701	1464	2118	2760
Average wait time	05:52	05:55	03:51	04:47	04:31	05:15
Maximum delay to answer	50:49	49:16	40:56	01:35:49	52:49	49:01
Average length of call	05:27	05:26	05:17	05:37	04:57	04:50
Average abandoned time	03:29	02:41	02:45	03:02	02:27	02:41
% of calls answered	74.12%	71.33%	78.73%	77.62%	73.01%	68.59%

### Pensioner Annual Mailing

The annual pensioner mailing provides pensioners with key year-end information about their pension, including their P60 and any accompanying updates about their benefits or Fund services. The 2025/26 exercise has now been completed and, in addition to the emails issued to

pensioners, 3,298 letters were sent to those who opted to continue receiving paper correspondence. All P60s were issued before the statutory deadline.

### Fund Newsletters

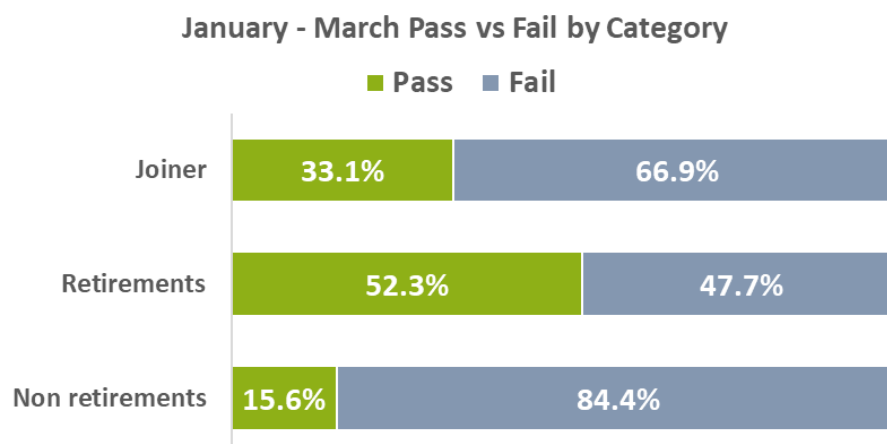
During the last quarter, we have published our Spring 2026 Newsletter which includes updates on key developments affecting Teesside Pension Fund members. Members were notified of its publication by email and encouraged to view the newsletter online, helping to ensure that important information was shared widely. Work is now ongoing to create the Summer 2026 newsletter.

## 6. Employer Performance

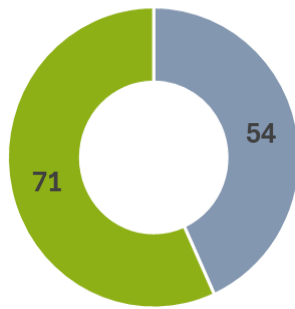
Employers are under a statutory obligation to provide accurate and timely information in respect of their members. The Fund is dependent on the receipt of this data to maintain accurate member records, calculate and pay benefits, and issue annual benefit statements. To achieve quality data flows, we closely monitor the overall performance of employers and keep track of any outstanding queries.

In addition to the Fund's wider KPIs which are measured, we track the numbers of unresolved queries against two triggers. In order to support effective governance and oversight, employer performance is measured against the following measures:

- The quality and timeliness of data submitted in respect of joiners, retirements and other leavers: and
- The level of outstanding queries, with particular focus on cases where queries exceed 10% of total membership or remain unresolved for more than six months.



This graph (above) shows joiner and leaver forms received on time versus late during January to March 2026.



- Employers with queries > 6 months old
- Employers > 10% membership queries

This graph shows the number of employers with unresolved queries totalling more than 10% of their total membership or queries which are more than six months old from the 160 employers with active members. The Employer Services Team will continue to monitor employers that reach the agreed trigger thresholds and will undertake further review where required.

Monthly review meetings are also held with the four largest employers in the Fund to monitor and discuss performance, and to discuss any areas that require improvement. To support this process, the Fund provides a scorecard that helps track performance over time and highlights any issues that may need attention. These meetings and scorecards help the Fund oversee:

- The timeliness of submissions
- The accuracy and quality of member data
- Relative employer performance.

## Monthly Data Collection (MDC)

Monthly Data Collection (MDC) is the process by which employers provide the administering authority with monthly pay, contribution and service data for scheme members, rather than relying solely on the annual return. This approach supports the maintenance of more timely and accurate member records and strengthens the overall quality of scheme data. There is a plan in place to migrate all appropriate employers to MDC by 2029.

At the point TWPF assumed administration on 1 June 2025, nine employers were participating in monthly data submissions. This has subsequently increased to nineteen employers, representing continued progress in the adoption of the MDC process.

Challenges remain in relation to one large employer, which has experienced difficulties in submitting MDC files in the required format, resulting in increased manual processing and the emergence of a backlog. Processing has now progressed to the February file. Officers continue to work closely with the employer to improve the format and quality of future submissions and to support a return to a more up-to-date position.

## Year End Progress

For those employers not yet migrated to MDC, the deadline for submission of the year end data was 14 April 2026. This is to tie in with Annual Benefit Statement Production.

The table below shows the current position for the year end data at the time of writing. All employers have completed the initial stage of the process and 64 are fully complete, giving an overall current completion rate of 46%.

Category	Number
On time	81
Late	59
Fully completed	64
Still being worked on	76
Total employers	140

This shows that the exercise is currently well advanced, with the majority of member data now received, although a significant amount of follow-up work remains before all cases can be classed as complete. Following the initial data load, 14,164 queries were identified. These remain the principal barriers to full completion and indicate that the focus of the next stage of the work is on data quality resolution rather than initial data collection. All employers should have submitted their responses by 29 May 2026. Overall, this highlights the continued need for employer engagement and corrective action.

## Employers Joining and Leaving the Fund

Since 1 June 2025, the Fund has been dealing with employers who have joined the Fund and also those who have left the Fund. 7 admissions have been completed, with 4 others currently ongoing. 12 employers have exited the Fund with an additional employer currently in the process of exiting. Work has also been carried out with an additional employer who is currently dealing with a tender exercise. Further details relating to these employers are shown below in appendix 3.

## 7. Dashboards

Pensions Dashboards are a government-led initiative designed to give individuals a secure, online, platform to view all their pension information in one place, including LGPS benefits and other pension arrangements. The aim is to improve transparency, help members plan for retirement, and reduce the risk of lost pensions. For LGPS funds, this requires ensuring data accuracy, compliance with technical standards, and integration with the national dashboard infrastructure.

Civica, our pensions administration software provider, as our Integrated Service Provider to connect to the dashboard. In line with requirements, we completed the initial phase to connect member records for both Teesside and Tyne and Wear Fund. We have now moved to next phase of testing to the data matching. The date of live launch is yet to be announced. Announcement

of this is expected in autumn 2026, with a period of 6 months' notice taking the live launch into 2027/2028.

High-quality data and robust processes are essential to meet regulatory expectations and deliver a reliable service for members. The noted poor quality of Teesside member data is a current problem and risk. While we have a plan to improve the Teesside member data, this may take some time before data reaches a satisfactory standard.

## 8. Industry Developments Affecting Administration

**Changes to the Regulations** – Following the Access and Fairness Consultations, the first phase of changes to the Scheme Regulations were issued from 1 April 2026. This phase covers changes to survivor pensions and death grants, reducing the gender pension gap in the LGPS, the abolition of the lifetime allowance figure, changes to the application of the McCloud remedy and some changes to the payment of very small pensions.

An implementation plan is in place. We are communicating the changes to members and employers through various channels. We also have information on our website.

A subsequent phase is expected later in 2026. It is anticipated that this will include changes relating to reporting the gender pension gap, unclaimed refund of contributions

Following the Access and Protections consultation, Scheme Regulations were updated to allow mayors and councillors to join the LGPS from 11 May 2026. We have communicated this to all relevant bodies, provided training session and links to guidance and information leaflets and offered further training or presentation to eligible councillors. We have also updated our public which includes a dedicated section for councillors.

**Changes to the SCAPE discount rate** – On 19 May 2026, the Minister for Pensions announced that the SCAPE (superannuation contributions adjusted for past experience) rate discount has changed from CPI (consumer price index) plus 1.7% to CPI plus 2%. The SCAPE discount rate is used to determine the actuarial factors in LGPS calculations. The Government Actuaries Department who reviews and sets the factors, is issuing revised factors in phases. Some transfer calculations have been temporarily suspended whilst we await new factors. Factors for early and late retirements are expected within six weeks of the announcement. It is expected that any change will be detrimental to values of benefits arising from voluntary early retirements and payments. The remainder of the factors will be issued in batches over a six-month period.

The above changes have been notified to all employers within the Fund, and we have included information on our website and provided information in pension estimates. We will provide updates as further information becomes available.

## 9. Conclusion

The transition to TWPF administration has been successfully completed with additional tasks delivered, exceeding initial expectations.

Following the early short-term disruption to service delivery we have moved beyond this towards business as usual in most areas. Progress is being made on the challenges that need to be addressed.

TWPF is already demonstrating added value at no additional cost. Over the coming years, we firmly believe that Teesside members and employers will see significant benefits from our shared administration service.

## SAB Administration Key Performance Indicators at 31 March 2026 (Quarter 4)

### Table A – Total number of casework

A – ADMINISTRATION KEY PERFORMANCE INDICATORS				
Table A - Total number of casework				
Ref	Casework KPI	Total no. new cases created in the year (April to March)	Total no. of cases Completed in year (April to March)	Total % of cases completed in year
A1	Deaths recorded of active, deferred, pensioner and dependent members	444	340	● 43%
A2	New dependent member benefits	198	198	● 99%
A3	Deferred member retirements	2,074	1,706	● 66%
A4	Active member retirements	2,169	1,633	● 69%
A5	Deferred benefits	2,664	868	● 15%
A6	Transfers in (including interfunds in, club transfers)	212	171	● 72%
A7	Transfers out (including interfunds out, club transfers)	582	547	● 89%
A8	Refunds	2,418	1,502	● 60%
A9	Divorce quotations issued	153	130	● 73%
A10	Actual divorce cases	8	6	● 38%
A11	Member estimates requested either by scheme member and employer	405	342	● 80%
A12	New joiner notifications	2,481	2,412	● 96%
A13	Aggregation cases	3,198	1,765	● 23%
A14	Optants out received after 3 months membership			

### Table B – Time taken to process casework

Table B - Time taken to process casework			
Ref	Casework KPI	Suggested fund target*	% Completed within fund target in year
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	● 54%
B2	Communication issued confirming the amount of dependents pension	10 days	● 51%
B3	Communication issued to deferred member with pension and lump sum options (quotation)	15 days	● 32%
B4	Communication issued to active member with pension and lump sum options (quotation)	15 days	● 42%
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 days	● 79%
B6	Communication issued to active member with confirmation of pension and lump sum options (actual)	15 days	● 92%
B7	Payment of lump sum (both actives and deferreds)	15 days	● 86%
B8	Communication issued with deferred benefit options	30 days	● 38%
B9	Communication issued to scheme member with completion of transfer in	15 days	● 100%
B10	Communication issued to scheme member with completion of transfer out	15 days	● 92%
B11	Payment of refund	10 days	● 41%
B12	Divorce quotation	45 days	● 91%
B13	Communication issued following actual divorce proceedings i.e application of a Pension Sharing Order	15 days	● 60%
B14	Communication issued to new starters	40 days	● 50%
B15	Member estimates requested by scheme member and employer	15 days	● 33%

\*Days in this column are a suggested fund target for completion and not the statutory timescale.

## Disclosure Regulations Performance up to 31 March 2026

### Teesside Pensions Fund's Performance against Disclosure Standards up to 31 March 2026

Consistently achieve the service standards – Disclosure Regulations – Target is 100%

No.	Performance Indicator	Team Responsibility	2025/26	
			Cases Processed Year to Date	Achieved Standard Year to Date (%)
1	Death of a member (Combined to include active deferred and pensioner)	Benefits and Bereavements Manager	105	37%
2	Death in service - (Revised)	Benefits and Bereavements Manager	0	0%
3	Deferred Benefit - Notification of entitlement	Transfers and Early Leavers Manager	279	100%
4	Deferred Benefit into Payment	Benefits and Bereavements Manager	1,216	40%
5	Deferred Refund into Payment	Transfers and Early Leavers Manager	152	93%
6	Divorce Quotation	Transfers and Early Leavers Manager	75	87%
7	Estimate of Benefits	Benefits and Bereavements Manager	132	41%
8	Immediate Pension	Benefits and Bereavements Manager	1,086	36%
9	Immediate Pension (Revised)	Benefits and Bereavements Manager	0	0%
10	Joiner not BDI	Employer Services Manager	0	0%
11	Joiner BDI	Employer Services Manager	1,698	26%
12	Refund	Transfers and Early Leavers Manager	746	54%
13	Refund (Revised)	Transfers and Early Leavers Manager	0	0%
14	TV In Quotation	Transfers and Early Leavers Manager	33	91%
15	TV Out Quotation	Transfers and Early Leavers Manager	59	98%
16	TV Out Payment	Transfers and Early Leavers Manager	12	75%

Admissions and Exits for Teesside Pension Fund from 1 June 2026	
<b>Admissions - Completed</b>	
Churchill Contract Services Limited (Lift Unity School)	Completed 15 December 2025
Churchill Contract Services Limited (Bishop Hogarth)	Completed 10 November 2025
Aspens-Services Ltd (Tees Valley)	Completed 7 January 2026
Aspens-Services Ltd (St Hilds)	Completed 31 October 2026
Hutchison Catering Limited (Eden Academy)	Completed 20 November 2025
Taking Care Personal Alarms (Formerly PPP Taking Care)	Completed 2 December 2025
Middlesbrough Municipal Golf CIC	Completed 17 April 2026
<b>Admissions Ongoing</b>	
4 employers	
<b>Services Re-tendered</b>	
1 employer	
<b>EXITS - COMPLETED</b>	
Care and Custody Health	Maxim - NPCAT
Mellors - Skelton	Maxim - Steel River
Mellors - Thornaby	XPS
Mellors - Central	NMRN
Mellors - Riverdale	SLM
Samsic Green Lane	SLM
<b>Up and coming Exits</b>	
1 employer	

**TEESSIDE PENSION FUND**

Administered by Middlesbrough Council

**PENSION FUND COMMITTEE REPORT****17 JUNE 2026****CORPORATE DIRECTOR OF FINANCE – ANDREW HUMBLE****AUDIT STRATEGY MEMORANDUM 2025/26****Proposed Decision(s)**

That Members note the report.

**Executive summary**

This report presents the Draft Audit Strategy Memorandum report for the external audit of the Pension Fund for year ended March 2026 to be carried out by Forvis Mazars.

Forvis Mazars will complete the audit of the Pension Fund financial statements based on this Audit Strategy and give their audit opinion by the statutory deadline of 31 January 2027.

**1. Purpose of the Report**

- 1.1 To provide Members with the Draft Audit Strategy Memorandum report for the external audit of the Pension Fund for year ended March 2026 to be carried out by Forvis Mazars.

**2. Recommendation**

- 2.1 That Members note the report.

**3. Financial Implications**

- 3.1 There are no financial implications arising from this report.

**4. BACKGROUND**

- 4.1 Forvis Mazars are the external auditors for Middlesbrough Council and the Pension Fund. The attached draft report describes their plans to carry out the audit of the Pension Fund financial statements for the year ended 31 March 2026. (Appendix 1)
- 4.2 The draft report describes the audit scope, approach and timelines, audit risks, materiality levels and fees which are set by Public Sector Audit Appointments (PSAA).
- 4.3 The English Devolution and Community Empowerment Act 2026 includes enabling provisions at Part 4 section 98 which will allow separation of Pension Fund audits from that of the Administering Authority. A Statutory Instrument (SI) is needed to put in place the requirement for a separate statement of accounts for the Pension Fund. The SI will will

include the commencement date for separation which in theory could take place for 2025/2026 statements but practicalities are likely to mean separation takes place for the Pension Fund Statements year ended 31 March 2027.

- 4.4 Separation of the Pension Fund financial statements will have the advantages of reducing the size and complexity of the Council's financial statements and will mean the Pension Fund statements audit certification will not be held up by any issues with the Council's audit.

## **5. Next Steps**

- 5.1 The Pension Fund External Audit Plan will also be presented to Audit Committee.
- 5.2 The Pension Fund will prepare a set of financial statements for inclusion in the Administering Authority, Middlesbrough Council's, Statement of Accounts for the statutory deadline of 30 June 2026. The Pension Fund financial statements and Draft Pension Fund Annual Report 2025/2026 will be presented to a future Pension Committee.
- 5.3 Forvis Mazars will complete the audit of the Pension Fund financial statements based on this Audit Strategy and give their audit opinion by the statutory deadline of 31 January 2027.
- 5.4 The Pension Fund Annual Report including the audit opinion will be published on the Funds website.

Contact Officer: Andrew Lister – Head of Pensions Governance and Investments

TEL NO.: 01642 726328



Audit Strategy Memorandum - **DRAFT**  
Teesside Pension Fund – Year ending 31 March 2026

June 2026

Audit Committee  
Middlesbrough Council  
PO Box 500  
Middlesbrough  
TS1 9FT



June 2026

I am pleased to present our Audit Strategy Memorandum (“ASM”) for Teesside Pension Fund for the year ended 31 March 2026. This document will be presented at the Audit Committee meeting in June 2026. If you would like to discuss any matters in more detail, please contact me on Mark.Kirkham@mazars.co.uk

This report provides an overview of the planned scope and timing of our audit, including the significant and enhanced audit risks we have identified. In addition, as it is a fundamental requirement that we are, and are seen to be, independent of Teesside Pension Fund this report also summarises our considerations and conclusions on our independence.

Two way communication with you is key to a successful audit and is important in:

- reaching a mutual understanding of the scope of our audit and our respective responsibilities;
- sharing information to assist each of us with fulfilling our respective responsibilities;
- providing you with constructive observations arising during our audit; and
- ensuring that we gain an understanding of your attitude and views in respect of the risks facing the Pension Fund which may affect our audit, including the likelihood of those risks materialising and how they are monitored and managed.

This report, which we have prepared following our initial planning discussions with management, facilitates a discussion with you on our audit approach. We welcome any questions, concerns, or input you may have on our approach.

Providing a high-quality service is extremely important to us and we strive to provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations.

During the meeting, we would be grateful for your views/ knowledge on the following specific matters:

- whether you have identified any other risks (business, laws & regulation, fraud, going concern, etc.) that may result in material misstatements in the financial statements; and
- if there are any matters that you consider warrant particular attention during our audit and/ or any areas where you would like additional procedures to be undertaken.

Subject to our prior written agreement or as required by any applicable law or regulation, this report is considered confidential and is intended solely for the Audit Committee and should not be disclosed to any other party, used or quoted for any other purpose.

Yours faithfully,

Mark Kirkham  
**Forvis Mazars LLP**

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# 01

Your audit team

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## Your audit team

**Mark Kirkham**

**Engagement Lead**

Mark.kirkham@mazars.co.uk  
+44 (0)113 394 5315

**Thomas Backhouse**

**Engagement Manager**

Thomas.backhouse@mazars.co.uk  
+44 (0)191 383 6330

**Hannah Brown**

**Engagement Team Lead**

Hannah.brown@mazars.co.uk  
+44 (0)191 383 6349

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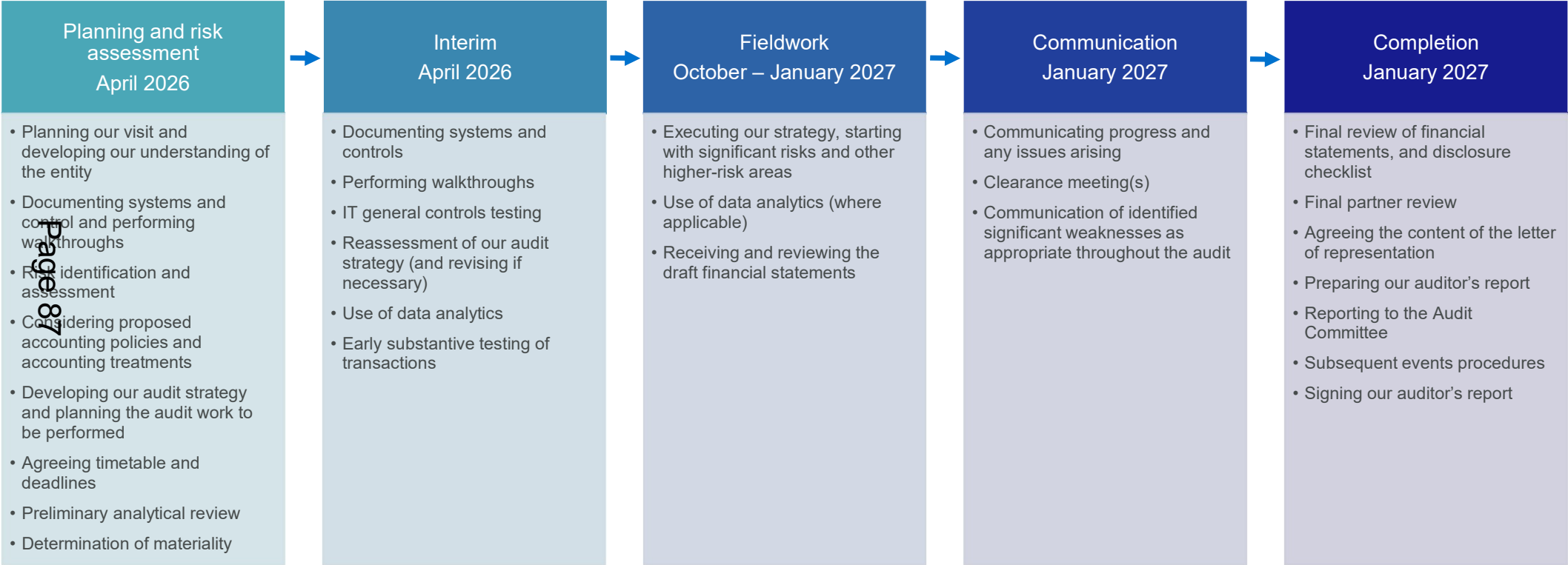


# 02

Audit scope, approach, and timeline

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# Audit scope, approach, and timeline



# 03

Audit risks and other significant matters

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# Audit risks and other significant matters

## Significant risks

In this section, we have set out the significant and enhanced audit risks we have identified and our planned response. If we identify additional risks or change our risk assessment during our audit, we will report this to you. Refer to Appendix A for definitions. We have also set out in this section of the report any other significant matters that we consider should be brought to your attention.

Risk	Description	Our planned response
<p>Management override of controls</p>	<p>Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>The unpredictable way in which such override could occur means we identify a significant risk of management override of controls on our audit.</p>	<p>In line with our methodology, we plan to address the management override of controls risk by carrying out audit work on:</p> <ul style="list-style-type: none"> <li>• accounting estimates;</li> <li>• journal entries; and</li> <li>• significant transactions outside the normal course of business or otherwise unusual.</li> </ul>
<p>Valuation of investments within level 3 of the fair value hierarchy</p>	<p>As at 31 March 2025 the fair value of investments classified within level 3 of the fair value hierarchy was £2,057m. The values included in the accounts are based on those provided by investment managers, updated by the Pension Fund for cash movements, where the most recently available information from fund managers is at a date prior to the year end.</p> <p>Level 3 assets are those assets where values are based on unobservable inputs, and consequently the estimation uncertainty for these assets is more significant than for assets valued at level 1 and 2.</p>	<p>We plan to address this risk by completing the following additional procedures on a sample basis:</p> <ul style="list-style-type: none"> <li>• Compare book cost/holdings from fund manager reports to the global custodian's report and consider explanations for any material differences ;</li> <li>• agree valuations included in the Pension Fund's underlying financial systems to the most up-to date supporting documentation at the time of audit including investment manager valuation statements and cash flows for any adjustments made to the investment manager valuation;</li> <li>• agree the investment manager valuations to audited accounts or other independent supporting documentation, where available;</li> <li>• where audited accounts are available, check that they are supported by an unmodified opinion;</li> <li>• review the valuation methodologies and accounting policies in audited financial statements and challenge of the fund manager, where required; and</li> <li>• where available, review independent control assurance reports to identify any exceptions that could present a risk of material misstatement in the Pension Fund's financial statements.</li> </ul>

04

Materiality

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# Materiality

We consider the net investment assets to be the key focus of the users of the financial statements. We have therefore determined our initial materiality levels using the market value of investment assets reported to the Teesside Pension Fund March 2026 Committee as the benchmark.

We expect to set financial statement materiality as 1% of Net investment Assets

Based on currently available information, we anticipate setting our financial statement materiality and performance materiality at the levels set out in the table adjacent.

Additionally, we expect to set a materiality threshold of 10% of benefits payable for auditing the fund account. As set out in the table below, based on a month 12 trial balance provided by management in April 2026.

We will continue to monitor materiality throughout our audit to ensure it is set at an appropriate level.

We will accumulate misstatements identified during our audit that are above the reporting threshold set out in the table adjacent, i.e., any misstatements that we identify that are above the reporting threshold will be reported to you and management. Any misstatements that we identify that are below that amount would not need to be reported because we expect that the accumulation of such amounts would not have a material effect on the financial statements. If you have any queries about our reporting threshold, please raise these with me.

Each misstatement above our reporting threshold that we identify will be classified as **adjusted** (corrected by management), or **unadjusted** (not corrected by management). We will report all misstatements above the reporting threshold to management and request that they are corrected. If they are not corrected, we will report each misstatement to you as unadjusted misstatements and, if they remain uncorrected, we will communicate the effect that they may have individually, or in aggregate, on the financial statements and our audit opinion

Misstatements also cover qualitative misstatements and quantitative and qualitative misstatements and omissions relating to the notes of the financial statements.

	2025-26 £'000s	2024-25 £'000s
Overall materiality	£61,173	£55,770
Performance materiality	£36,703	£27,885
Clearly trivial	£1,835	£1,673
Overall materiality – Fund Account	£20,637	£20,048
Performance materiality – Fund Account	£12,383	£10,024

# 05

Fees

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# Fees

## Audit fees and other services provided by Forvis Mazars LLP

Our fees (exclusive of VAT) for the audit of the financial statements for the year ended 31 March 2026, and for any non-audit assurance services or other non-audit services provided by Forvis Mazars LLP in the period, are outlined in the table adjacent.

Our fees are designed to reflect the time, professional experience, and expertise required to perform our audit.

The proposed fee reflects the scale fee determined by PSAA and information on how the scale fee is set can be found on PSAA's website. Where an auditor is required to undertake substantially more or less work to deliver their responsibilities a fee variation may be proposed which is subject to approval by PSAA. Examples compiled by PSAA of circumstances that may trigger a fee variation are available on the PSAA [website](#).

Any threats to our independence arising from the provision of non-audit services and the associated safeguards we have identified and/ or put in place are set out on the in the 'Our independence' section of this report.

Nature of service	2025-26 proposed fee	2024-25 actual fee
Audit Work	£120,098	£117,860
Additional Fees	TBC	£59,356
<b>Total fees</b>	TBC	£177,216

# 06

Our Independence

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# Our independence

We are committed to independence and confirm that we comply with the FRC's Revised Ethical Standard. In addition, we have set out in this section any matters or relationships that we believe may have a bearing on our independence or the objectivity of our audit team.

**Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that, in our professional judgement, there are no relationships between us and any of our related or subsidiary entities, and you and your related entities, that create any unacceptable threats to our independence within the context of the regulatory or professional requirements governing us as your auditors.**

We have policies and procedures in place that are designed to ensure that we carry out our work with integrity, objectivity, and independence. These policies include:

- all partners and staff are required to complete an annual independence declaration and complete annual ethics training,
- all new partners and staff are required to complete an independence confirmation,
- rotation policies covering audit engagement partners and other key members of the audit team, and
- approval by managers and partners of our client and engagement acceptance system, which requires all non-audit services to be approved in advance by the audit engagement partner.

**We confirm, as at the date of this report, that Forvis Mazars LLP, the engagement team and others in the firm as appropriate, are independent and comply with relevant ethical and independence requirements. However, if at any time you have concerns or questions about our integrity, objectivity, or independence, please discuss these with me in the first instance.**

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Appendix A

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# Appendix A: Other communications

## Audit scope and approach

### Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements. Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit methodology, and in accordance with the terms of our engagement. Our work is focused on those aspects of your business which we consider to have a higher risk of material misstatement, such as those impacted by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations, or areas found to contain material errors in the past.

### Audit approach

Our audit approach is risk-based, and the nature, extent, and timing of our audit procedures are driven primarily by the areas of the financial statements we consider to be more susceptible to material misstatement. Following our risk assessment where we assess inherent risk factors (subjectivity, complexity, uncertainty, change and susceptibility to misstatement due to management bias or fraud), we develop our audit strategy and design audit procedures to respond to the risks we identify.

If we conclude that appropriately designed controls are in place, we may plan to test and rely on those controls. If we decide controls are not appropriately designed, or if we decide that it would be more efficient, we may take a wholly substantive approach to our audit testing if, in our professional judgement, substantive procedures alone will provide sufficient appropriate audit evidence.

Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise tests of detail (of classes of transaction, account balances, and disclosures), and substantive analytical procedures. Irrespective of our assessed risks of material misstatement, which takes account of our evaluation of the operating effectiveness of controls, we are required by UK auditing standards to design and perform substantive procedures for each material class of transaction, account balance, and disclosure.

Our audit has been planned and will be performed to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in the 'Materiality' section of this report.

### Management and our experts

Management makes use of experts in specific areas when preparing the Pension Fund's financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Item of account	Management's expert	Our expert
Disclosure Notes on funding arrangements and actuarial present value of promised retirement benefits	Hymans Robertson	NAO consulting actuary, PwC.
Investment Properties	Knight Frank	Forvis Mazars Valuation team

# Appendix A: Other communications

## Audit scope and approach

### Service organisations

International Auditing Standards (UK) (ISAs) define service organisations as third party organisations that provide services to the Pension Fund that are part of its information systems relevant to financial reporting. We are required to obtain an understanding of the services provided by service organisations as well as evaluating the design and implementation of controls over those services. The table below summarises the service organisations used by the Pension Fund and our planned audit approach.

Item of account	Service organisation	Audit approach
Investment valuations and related disclosures	Investment Managers	Substantive testing of in year transactions and valuation applied to investments at the year end.
Investment valuations and related disclosures	Northern Trust (Fund's Custodian)	Substantive testing of in year transactions and valuation applied to investments at the year end.

# Appendix A: Other communications

## Responsibilities

We are appointed to perform the external audit of Teesside Pension Fund (the Pension Fund) for the year to 31 March 2026. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: [Statement of responsibilities of auditors and audited bodies from 2023/24](#). Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.

### Audit opinion

We are responsible for forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with the CIPFA Code of Practice on Local Authority Accounting.

Our audit does not relieve management or the Audit Committee, as Those Charged With Governance, of their responsibilities.

The Director of Finance is responsible for the assessment of Teesside Pension Fund's ability to continue as a going concern. As auditors, we are required to obtain sufficient, appropriate audit evidence regarding, and conclude on:

- a) whether a material uncertainty related to going concern exists, and
- b) the appropriateness of the Director of Finance's use of the going concern basis of accounting in the preparation of the financial statements.

### Internal control

Management is responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

We are responsible for obtaining an understanding of internal control relevant to our audit and the preparation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Teesside Pension Fund's internal control.



### Fraud

The responsibility for safeguarding assets and for the prevention and detection of fraud, error, and non-compliance with law or regulations rests with both you and management. This includes establishing and maintaining internal controls over asset protection, compliance with relevant laws and regulations, and the reliability of financial reporting.

As part of our audit procedures in relation to fraud, we are required to inquire of you and key management personnel, on their knowledge of instances of fraud, and their views on the risks of fraud and on internal controls that mitigate those risks.

In accordance with International Standards on Auditing (UK), we plan and perform our audit to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. Our audit, however, should not be relied upon to identify all such misstatements.

### Wider reporting and electors' rights

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounts of the Pension Fund and consider objections made to the accounts. This would include an objection made to the accounts of the Pension Fund included in the administering authority's financial statements. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom.

# Appendix A: Other communications

## Required communications

This section of our report sets out the matters that we are required to report to you by UK auditing standards, including which form of our communications satisfy, or will satisfy, those requirements.

Required communication	Where addressed
Our responsibilities in relation to our audit of the company's financial statement and the responsibilities of management and Those Charged With Governance.	Audit Strategy Memorandum
The planned scope and timing of our audit, including any limitations (specifically with respect to significant risks and key audit matters, if applicable).	Audit Strategy Memorandum
With respect to misstatements: <ul style="list-style-type: none"> <li>• corrected misstatements and their effect on our audit opinion;</li> <li>• the effect of uncorrected misstatements related to prior periods;</li> <li>• a request that any uncorrected misstatement is corrected; and</li> <li>• in writing, corrected misstatements that are significant.</li> </ul>	Audit Completion Report (and follow-up letter, if required)
With respect to fraud communications: <ul style="list-style-type: none"> <li>• inquiries with you to determine whether you have knowledge of any actual, suspected, or alleged fraud affecting the Pension Fund;</li> <li>• any fraud that we have identified or information we have obtained that indicates that fraud may exist; and</li> <li>• a discussion of any other matters related to fraud.</li> </ul>	Audit Completion Report and discussion at Audit Committee meeting(s), audit planning meeting(s), and audit clearance meeting(s)
Significant matters arising during our audit in connection with the entity's related parties including, when applicable: <ul style="list-style-type: none"> <li>• non-disclosure by management;</li> <li>• inappropriate authorisation and approval of transactions;</li> <li>• disagreement over disclosures;</li> <li>• non-compliance with laws and regulations; and</li> <li>• difficulty in identifying the party that ultimately controls the entity.</li> </ul>	Audit Completion Report (and follow-up letter, if required)

# Appendix A: Other communications

## Required communications

Required communication	Where addressed
<p>Significant findings from our audit, including:</p> <ul style="list-style-type: none"> <li>• our view about the significant qualitative aspects of accounting practices, including accounting policies, accounting estimates, and financial statement disclosures;</li> <li>• significant difficulties, if any, encountered during our audit;</li> <li>• significant matters, if any, arising from our audit that were discussed with management or were the subject of correspondence with management;</li> <li>• written representations that we are seeking;</li> <li>• expected modifications to our auditor’s report; and</li> <li>• other matters, if any, significant to the oversight of the financial reporting process or otherwise identified during our audit that we believe are relevant to those Charged With Governance in the context of fulfilling their responsibilities.</li> </ul>	<p>Audit Completion Report (and follow-up letter, if required)</p>
<p>Significant deficiencies in internal controls identified during our audit.</p>	<p>Audit Completion Report (and follow-up letter, if required)</p>
<p>Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.</p>	<p>Audit Completion Report (and follow-up letter, if required)</p>
<p>Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off) and inquiry of you into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements that you may be aware of.</p>	<p>Audit Completion Report and Audit Committee meeting(s)</p>
<p>With respect to going concern, events or conditions identified that may cast significant doubt on the company’s ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> <li>• whether the event or condition constitutes a material uncertainty;</li> <li>• whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and</li> <li>• the adequacy of related disclosures in the financial statements.</li> </ul>	<p>Audit Completion Report (and follow-up letter, if required)</p>

# Appendix A: Other communications

## Required communications

Required communication	Where addressed
<p>Communication regarding our system of quality management, compliant with ISQM (UK) 1, developed to support the consistent performance of quality audit engagements. To address the requirements of ISQM (UK) 1, our firm's system of quality management team completes, as part of an ongoing and iterative process, key steps to assess and conclude on our firm's system of quality management, including:</p> <ul style="list-style-type: none"> <li>• ensuring there is an appropriate assignment of responsibilities;</li> <li>• establishing and reviewing quality objectives each year, ensuring our firm's quality objectives align with our strategies and priorities;</li> <li>• identifying, reviewing, and updating quality risks each quarter, taking into consideration multiple input sources (such as FRC/ ICAEW review findings, internal monitoring findings, findings from our firm's root cause analysis and remediation functions, etc.);</li> <li>• identifying, designing, and implementing responses to strengthen our firm's internal control environment and overall quality; and</li> <li>• evaluating our quality responses and remediating control gaps or deficiencies.</li> </ul> <p>We perform an evaluation of our system of quality management on an annual basis. We publish the details of our annual evaluation, and our conclusion, in our Transparency Report, which can be accessed on our website at: <a href="https://www.forvismazars.com/uk/en/who-we-are/corporate-publications/transparency-reports">https://www.forvismazars.com/uk/en/who-we-are/corporate-publications/transparency-reports</a>.</p>	<p>Audit Strategy Memorandum (the communication adjacent satisfies this requirement)</p>
<p>We are required to communicate certain matters to you which include, but are not limited to, significant difficulties, if any, that are encountered during our audit. Such difficulties may include:</p> <ul style="list-style-type: none"> <li>• significant delays in management providing information that we require to perform our audit;</li> <li>• an unnecessarily brief time within which to complete our audit;</li> <li>• extensive and unexpected effort to obtain sufficient, appropriate audit evidence;</li> <li>• unavailability of expected information;</li> <li>• restrictions imposed on us by management; and</li> <li>• unwillingness by management to make or extend their assessment of the ability to continue as a going concern when requested.</li> </ul> <p>We will highlight to you on a timely basis should we encounter any such difficulties (if our audit process is unduly impeded, this could require us to issue a modified auditor's report).</p>	<p>Audit Completion Report, discussion at Audit Committee meeting(s), and audit clearance meeting(s)</p>

# Appendix A: Other communications

## Definitions

Term	Definition
<p>Materiality</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 103</p>	<p>An expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole. Misstatements in the financial statements are considered to be material if they could, individually or in aggregate, reasonably be expected to influence the economic decisions of users based on the financial statements.</p> <p>We determine materiality for the financial statements as a whole (overall materiality) using a benchmark that, in our professional judgement, is most appropriate to the company. We also determine an amount less than materiality (performance materiality), which is applied when we carry out our audit procedures and is designed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Further, we set a threshold above which all misstatements we identify during our audit (adjusted and unadjusted) will be reported to you (reporting threshold). Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on a consideration of the common financial information needs of users as a group and not on specific individual users.</p> <p>An assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:</p> <ul style="list-style-type: none"> <li>• have a reasonable knowledge of business, economic activities, and accounts;</li> <li>• have a willingness to study the information in the financial statements with reasonable diligence;</li> <li>• understand that financial statements are prepared, presented, and audited to levels of materiality;</li> <li>• recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement, and consideration of future events; and</li> <li>• will make reasonable economic decisions based on the information in the financial statements.</li> </ul> <p>We consider overall materiality and performance materiality while planning and performing our audit based on quantitative and qualitative factors. When planning our audit, we make judgements about the size of misstatements we consider to be material. This provide a basis for our risk assessment procedures, including identifying and assessing the risks of material misstatement, and determining the nature, timing and extent of our responses to those risks. We revise materiality as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.</p> <p>The overall materiality and performance materiality that we determine does not necessarily mean that uncorrected misstatements that are below materiality, individually or in aggregate, will be considered immaterial.</p>

# Appendix A: Other communications

## Definitions

Term	Definition
Significant risk	A risk that is assessed as being at or close to the upper end of the spectrum of inherent risk, based on a combination of the likelihood of a misstatement occurring and the magnitude of any potential misstatement. A fraud risk is always assessed as a significant risk (as required by UK auditing standards), including management override of controls and revenue recognition.
Enhanced risk	An area with an elevated risk of material misstatement at the assertion level, other than a significant risk, based on factors/ information inherent to that area. Enhanced risks require additional consideration but do not rise to the level of a significant risk. These include but are not limited to: <ul style="list-style-type: none"> <li>• key areas of management judgement and estimation uncertainty, including accounting estimates related to material classes of transaction, account balances, and disclosures but which are not considered to give rise to a significant risk of material misstatement; and</li> <li>• risks relating to other assertions and arising from significant events or transactions that occurred during the period.</li> </ul>
Standard risk	A risk related to assertions over classes of transaction, account balances, and disclosures that are relatively routine, non-complex, tend to be subject to systematic processing, and require little or no management judgement/ estimation. Although it is considered that there is a risk of material misstatement, there are no elevated or special factors related to the nature of the financial statement area, the likely magnitude of potential misstatements, or the likelihood of a risk occurring.
Key audit matter	<p>A matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. Key audit matters include the most significant assessed risks of material misstatement (whether due to fraud or error) we identified, including those which had the greatest effect on our overall audit strategy, the allocation of resources in our audit, and directing the efforts of our engagement team.</p> <p>It is important that you understand and have the opportunity to discuss with us why something is being communicated as a key audit matter and the way it is described. This report highlights which of the significant and other risks are expected, at this stage, to be determined as key audit matters. It should be noted, however, that other audit areas may be determined as key audit matters during our audit.</p>

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# Appendix A: Other communications

## Definitions

Term	Definition
Key audit partner	<p>(a) An individual who is eligible for appointment as a statutory auditor and who is designated by our firm for a particular audit engagement as being primarily responsible for carrying out the statutory audit on behalf of our firm.</p> <p>(b) In the case of a group audit, any of the following: (i) an individual who is eligible for appointment as a statutory auditor and who is designated by our firm as being primarily responsible for carrying out the statutory audit of the consolidated accounts of the group on behalf of our firm; (ii) an individual who is eligible to conduct the audit of the accounts of any subsidiary undertaking determined by us to be a 'material subsidiary' and who is designated as being primarily responsible for that audit.</p> <p>(c) An individual who is eligible for an appointment as a statutory auditor and who signs the audit report.</p>

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Appendix B

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# Appendix B: Current year updates, forthcoming accounting & other issues

## HM Treasury changes to non-investment asset valuation

### Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the “Code”)

Following a thematic review of non-current asset valuations for financial reporting in the public sector, HM Treasury has made a number of changes to its requirements for the valuation frequency, valuation methodology and classification of non-investment property assets. The changes are effective from 1 April 2025 as set out in the 2025-26 Code and include:

- A change to the requirements regarding revaluation frequency. Rather than adhering to paragraph 34 of IAS 16 which requires an asset to be revalued whenever its carrying value differs materially from its current value, entities will be required to revalue assets on a quinquennial basis, i.e. every five years, supplemented by annual indexation in the intervening years. This requirement can be adhered to either as part of a full revaluation or as part of a rolling programme. The Code requires bodies to use the best index available to them. Should management determine that there is no appropriate index to use, then the quinquennial valuation is supplemented by a valuation in the third year.
- Revaluations carried out prior to 2025/26, in line with former requirements of the Code, remain valid throughout the transition period (being 1 April 2025 to the date the next revaluation is due for a given asset). During the transition period, the maximum period between revaluations must not exceed five years.
- The requirement to consider indicators of impairment under IAS 36 remains, so management will still be required to undertake an annual assessment of whether there are indicators of impairment, and where these are present, it may be necessary to undertake valuations outside of the 5-yearly valuation programme.

While management will no longer need to consider annually whether it is necessary to revalue non-investment assets, they will need to be satisfied that they have appointed a suitably qualified valuer to undertake the valuation of assets whenever they fall due either as part of a full valuation or a rolling programme. If local indices are used, management will need to have sufficient evidence to demonstrate these indices are appropriate and relevant to the entity's circumstances, and to provide this evidence to the auditor.

# Appendix B: Current year updates, forthcoming accounting & other issues

## Effective for accounting periods beginning on or after 1 January 2027

### IFRS 18 Presentation and Disclosure in Financial Statements

The standard was UK-adopted in December 2025, and the date of incorporation into the Code is not confirmed, though expected to be within the 2028/29 financial year. It is not yet confirmed what interpretations and adaptations HMT will determine are necessary for implementation in the public sector. We have provided an outline of the main changes arising from IFRS 18 as unadapted and without interpretation and will provide an update on the expected impact on the Teesside Pension Fund as and when detail is available as to when and how the standard is incorporated into the Code.

IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) is a new standard that replaces IAS 1 Presentation of Financial Statements. The new standard aims to increase the comparability, transparency and usefulness of information about companies' financial performance. It introduces three key new requirements focusing on the presentation of information in the statement of profit or loss and enhancing certain guidance on disclosures within the financial statements.

#### ***New categories and subtotals for inclusion within the statement of profit or loss***

- Income and expenses are to be classified into three new defined categories: operating, investing and financing, in addition to the income taxes and discontinued operations categories.
- All companies are to present new defined subtotals – operating profit and loss, and profit or loss before financing and income taxes.

#### ***New reporting requirements on Management Performance Measures (MPMs)***

- New requirements are introduced for management-defined performance measures (MPMs), which may also be called Alternative Performance Measures (APMs). These are described as subtotals of income and expenses that an entity: (a) uses in public communications outside financial statements; (b) uses to communicate to users of financial statements management's view of an aspect of the financial performance; and (c) are not listed within IFRS 18 or specifically required to be presented or disclosed by another IFRS Accounting Standard.
- All MPMs are required to be disclosed in a single note in the financial statements setting out:
  - an explanation of why the MPM is reported, and
  - a reconciliation to a directly comparable GAAP measure within IFRS 18 or another IFRS Accounting Standard.

#### ***Enhanced requirements for aggregation & disaggregating information***

- Enhanced requirements are set out for the aggregation and disaggregation of items based on similar and dissimilar characteristics. Items that have dissimilar characteristics must be disaggregated when the resulting information is material. Guidance is also included on how to describe items within the financial statements, requiring an entity to label items presented or disclosed as 'other' only if a more informative label cannot be found.
- New guidance is provided on whether information should be reported in the primary financial statements or the notes. This includes guidance on presentation and disclosure of expenses classified in the operating category, alongside introducing more prescribed requirements for an entity that classifies expenses by function as well as the requirement to disclose expenses by nature in a single note for certain amounts - depreciation, amortisation, employee benefits, impairment and write-downs of inventories

Many principles and requirements have been brought forward from IAS 1 to IFRS 18 such as frequency of reporting, comparative information, offsetting, capital disclosures and the requirements for the statement of financial position and for the statement of changes in equity.

# Contact

## Forvis Mazars

**Mark Kirkham**  
Engagement Lead  
Mark.Kirkham@Mazars.co.uk  
Tel: +44 (0)113 394 5315

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**TEESSIDE PENSION FUND**

Administered by Middlesbrough Council

**PENSION FUND COMMITTEE REPORT****17 JUNE 2026****CORPORATE DIRECTOR OF FINANCE – ANDREW HUMBLE****RISK REGISTER REVIEW****Proposed Decision(s)**

That Members note the report and pass any comments.

**Executive summary**

This report presents the Pension Fund Risk Register. There are four modified risks detailed in section 5:

- TPF004 – Political Risk (Investments),
- TPF019 – Governance Skills Shortage,
- TPF020 – Inadequate Border to Coast Oversight, and
- TPF037 – Compliance Failures.

Members have the opportunity to suggest further amendments to the risks in the register or suggest new risks.

**1. Purpose of the Report**

- 1.1 To advise Members of changes to the Pension Fund Risk Register and to provide Members with an opportunity to review the Risk Register.

**2. Recommendation**

- 2.1 That Members note the report and pass any comments.

**3. Financial Implications**

- 3.1 There are no financial implications arising from this report.

**4. Background**

- 4.1 Internal Audit have recommended that the Risk Register is presented at each quarterly Pension Fund Committee meeting, with any emerging risk or high risks highlighted for discussion.

**5. Modified Risks**

- 5.1 The Appendix identifies the original score when the risk was placed on the register and the current score. Since the March Pensions Committee meeting there have been four amendments to the risk register.
- 5.2 TPF004 – Political Risk (Investments). Likelihood increased from possible to likely to reflect the increased possibility of a leadership challenge to the Prime Minister. There are concerns that markets will price in weaker control of Government debt from potential candidates. The Funds Investment Strategy to hold a diverse range of assets mitigates some of the potential impact.
- 5.3 TPF019 – Governance Skills Shortage. Likelihood increased from possible to likely to reflect the increased expectation of knowledge and skills for Pension Committee members and Officers following the Pension Act 2026.
- 5.4 TPF020 – Inadequate Border to Coast Oversight. Likelihood increased from unlikely to possible to reflect the increased complexity of the relationship as the nature and extent of services provided by Border to Coast to the Fund increases following the Pensions Act 2026. The potential for gaps in oversight coverage are increased, particularly whilst the changes are in the build phase. The relationship between the shareholder and client role of the Fund are also subject to change following the Pensions Act 2026.
- 5.5 TPF037 – Compliance Failures. Likelihood increased from unlikely to possible due to increased governance requirements for Funds following the Pensions Act 2026. These include increased knowledge and skills requirements for Members and Officers, appointment of Senior LGPS Officer, appointment of Independent Person, review of Investment Strategy Statement, working with TVCA on local investments and going through an Independent Governance Review every three years.
- 5.6 The other major risks and their current assessments are listed below with the full Risk Register included as an Appendix.

<b>Risk</b>	<b>Impact</b>	<b>Likelihood</b>
TPF001 Inflation	Major	Possible
TPF003 Global Financial Instability	Major	Likely
TPF004 Political Risk (Investment)	Moderate	Likely
TPF005 Investment Class Failure	Major	Possible
TPF010 Inadequate Pooling Transparency	Catastrophic	Unlikely
TPF012 Pooling Investment Underperformance	Major	Possible
TPF019 TPF Governance Skills Shortage	Major	Possible
TPF020 Inadequate Border to Coast Oversight	Major	Possible
TPF021 Inappropriate Investment Strategy	Catastrophic	Unlikely
TPF053 Climate Change – potential impact on the value of both assets and liabilities	Major	Possible
TPF054 Political Risk to the Scheme	Catastrophic	Possible

## 6. Next Steps

6.1 The Risk Register will continue to be presented to the Committee at least on an annual basis.

Contact Officer: Andrew Lister – Head of Pensions Governance and Investments

Tel No.: 01642 726328



### Appendix - Teesside Pension Fund Risk Register

Code	Risk Description	Original Score	Current Score
TPF 001	<p><b>INFLATION</b></p> <p>Price inflation is significantly more than anticipated: an increase to long-term CPI inflation of 0.2% a year will increase Fund liabilities by £129m and reduce the funding level from 116% to 112% (31.03.2022 valuation figures).</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-5 Member Impact-5</p>	<p>Probability</p> <p>Impact</p>	<p>Probability</p> <p>Impact</p>
Current Mitigation		Future Mitigation	Responsible Officer
In assessing the member liabilities, the triennial Fund Actuary assumptions made for inflation are "conservatively" set based on independent economic data, and hedged against by setting higher investment performance targets.			Head of Pensions Governance and Investments

Code	Risk Description	Original Score	Current Score
TPF 002	<p><b>ADVERSE ACTUARIAL VALUATION</b></p> <p>Impact of increases to employer contributions following the actuarial valuation.</p> <p>Fund &amp; Reputation Impact-3 Employers Impact-5 Member Impact-1</p>	<p>Probability</p> <p>Impact</p>	<p>Probability</p> <p>Impact</p>
Current Mitigation		Future Mitigation	Responsible Officer
Interim valuations provide early warnings. Actuary has scope to smooth impact for most employers.			Head of Pensions Governance and Investments

Code	Risk Description	Original Score	Current Score
TPF 003	<p><b>GLOBAL FINANCIAL INSTABILITY</b></p> <p>Outlook deteriorates in advanced economies because of heightened uncertainty and setbacks to growth and confidence, with declines in oil and commodity prices. Leading to tightened financial conditions, reduced risk appetite and raised credit risks.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-5 Member Impact-1</p>	<p>Probability</p> <p>Impact</p>	<p>Probability</p> <p>Impact</p>
Current Mitigation		Future Mitigation	Responsible Officer
Increasing investment diversification will allow the Fund to be better placed to withstand this type of economic instability. As a long-term investor the Fund does not have to			Head of Pensions Governance and Investments

be a forced seller of assets when they are depressed in value.		
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Code	Risk Description	Original Score	Current Score
TPF004	<p>POLITICAL RISK</p> <p>Significant volatility and negative sentiment in investment markets following the outcome of adversely perceived political changes.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-5 Member Impact-1</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
Increasing investment diversification will allow the Fund to be better placed to withstand this type of political instability. As a long-term investor the Fund does not have to be a forced seller of assets when they are depressed in value.			

Code	Risk Description	Original Score	Current Score
TPF005	<p>INVESTMENT CLASS FAILURE</p> <p>A specific industry investment class/market fails to perform in line with expectations leading to deterioration in funding levels and increased contribution requirements from employers.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-5 Member Impact-1</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
Increasing investment diversification will allow the Fund to be better placed to withstand this type of market class failure. As a long-term investor the Fund does not have to be a forced seller of assets when they are depressed in value.			Head of Pensions Governance and Investments

Code	Risk Description	Original Score	Current Score
TPF007	<p>KEYMAN RISK</p> <p>Concentration of knowledge &amp; skills in small number of officers and risk of departure of key staff - failure of succession planning.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-1 Member Impact-1</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>

Two Deputy positions were created in 2018/19 (although one remains to be filled). These act to support deputise as required for the Head of Investments, Governance and Pensions.		Head of Pensions Governance and Investments
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Code	Risk Description	Original Score	Current Score
TPF 009	<p>HIGHER THAN EXPECTED COSTS OF INVESTMENT POOLING</p> <p>Higher setup and ongoing costs of Border to Coast and of the management associated with investment pooling arrangements (or lack of reduction compared to current costs).</p> <p>Fund &amp; Reputation Impact-7 Employers Impact-2 Member Impact-1</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
Border to Coast's budget is set annually with the agreement of at least 9 of the 12 partner funds. Expenditure is monitored and reported to the quarterly Joint Committee meetings. Tenders for on-going suppliers and staff are all now in place.			Head of Pensions Governance and Investments

Code	Risk Description	Original Score	Current Score
TPF 010	<p>INADEQUATE POOLING TRANSPARENCY</p> <p>Lack of transparency around investment pooling arrangements.</p> <p>Fund &amp; Reputation Impact-7 Employers Impact-1 Member Impact-1</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
With the pooling of investment assets TPF staff will work closely with Border to Coast sub-fund asset managers and Border to Coast management to gain full clarity of performance, with training provided to TPF staff as required.			Head of Pensions Governance and Investments

Code	Risk Description	Original Score	Current Score
TPF 011	<p>UNANTICIPATED PAY RISES</p> <p>Increases are significantly more than expected for employers within the Fund.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-5 Member Impact-1</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
1) Fund employers will monitor own experience. 2)Triennial Actuarial valuation Assumptions made on pay and price			Head of Pensions Governance and Investments

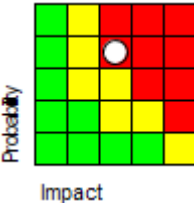
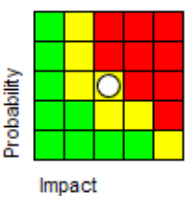
<p>inflation (for the purposes of IAS19/FRS102 and actuarial valuations) will be long term assumptions, any employer specific assumptions above the actuaries long term assumption would lead to further review.</p> <p>3) Employers are made aware of generic impact that salary increases can have upon final salary linked elements of LGPS benefits.</p>		
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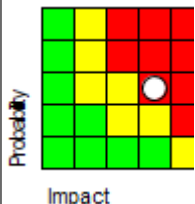
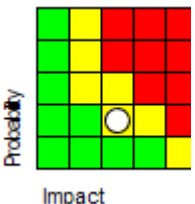
Code	Risk Description	Original Score	Current Score
TPF 012	<p><b>POOLING INVESTMENT UNDERPERFORMANCE</b></p> <p>Investments in the investment pool not delivering the required return.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-5 Member Impact-1</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
			Head of Pensions Governance and Investments

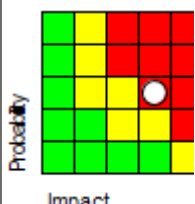
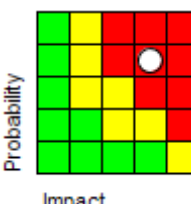
Code	Risk Description	Original Score	Current Score
TPF 014	<p><b>LONGEVITY</b></p> <p>Pensioners living longer: adding one year to life expectancy will increase the future service rate by 0.8%.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-5 Member Impact-1</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
<p>In assessing the member longevity and pension liabilities, the Triennial Actuary assumptions made for longevity are "conservatively" set based on the latest life expectancy economic data. They are reviewed and updated at each three year Actuarial valuation. If required, further investigation can be carried out of scheme specific/employer longevity data.</p>			Head of Pensions Governance and Investments

Code	Risk Description	Original Score	Current Score
TPF 015	<p><b>EMPLOYER FAILURE</b></p> <p>An employer ceasing to exist with insufficient funding, or being unable to meet its financial commitments, adequacy of bond or guarantee. Any shortfall would be attributed to the fund as a whole.</p> <p>Fund &amp; Reputation Impact-2 Employers Impact-3 Member Impact-3</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>

1) Fund employers should monitor own experience. 2) Triennial Actuarial Assumptions will account for the possibility of employer(s) failure (for the purposes of IAS19/FRS102 and actuarial valuations). Any employer specific assumptions above the actuaries long term assumption, would lead to further review. 3) Employer covenant review.		Head of Pensions Governance and Investments
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Code	Risk Description	Original Score	Current Score
TPF 016	<b>ADVERSE LEGISLATIVE CHANGE</b>  Risk of changes to legislation, tax rules etc.; resulting in increases required in employer contributions.  Fund & Reputation Impact-3 Employers Impact-3 Member Impact-3	 Probability Impact	 Probability Impact
Current Mitigation	Future Mitigation	Responsible Officer	
Plans being developed to meet governance changes being required of the Fund. The process of legislative change and the actuarial valuation cycle means any such change to benefits would be flagged up well in advance. The actuary has scope to mitigate any contribution increase in respect of most Fund employers.		Head of Pensions Governance and Investments	

Code	Risk Description	Original Score	Current Score
TPF 017	<b>BULK TRANSFER VALUE DISPUTE</b>  Failure to ensure appropriate transfer is paid to protect the solvency of the fund and equivalent rights are acquired for transferring members.  Fund & Reputation Impact-3 Employers Impact-5 Member Impact-1	 Probability Impact	 Probability Impact
Current Mitigation	Future Mitigation	Responsible Officer	
A mechanism exists within the regulations to resolve such disputes - this should reduce the financial impact of any such event.		Head of Pensions Governance and Investments	

Code	Risk Description	Original Score	Current Score
TPF 019	<b>TPF GOVERNANCE SKILLS SHORTAGE</b>  Lack of knowledge of Committee & Board members relating to the pension arrangements and related legislation and guidance.  Fund & Reputation Impact-5 Employers Impact-3 Member Impact-1	 Probability Impact	 Probability Impact

Current Mitigation	Future Mitigation	Responsible Officer
Pension Fund Committee new members have an induction programme and will have subsequent training based on the requirements of CIPFA Knowledge and Skills Framework including Pooling.		Head of Pensions Governance and Investments

Code	Risk Description	Original Score	Current Score
TPF 020	<p>INADEQUATE BORDER TO COAST OVERSIGHT</p> <p>Insufficient resources to properly monitor pooling &amp; Border to Coast.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-5 Member Impact-1</p>	<p>Probability</p> <p>Impact</p> <p>15</p>	<p>Probability</p> <p>Impact</p> <p>15</p>
Current Mitigation	Future Mitigation	Responsible Officer	
Sufficient resources exist within the team to oversee and monitor Border to Coast. External providers are also involved, such as Hymans performance, Camdor and the independent investment advisors		Head of Pensions Governance and Investments	

Code	Risk Description	Original Score	Current Score
TPF 021	<p>INAPPROPRIATE INVESTMENT STRATEGY</p> <p>Mismatching of assets and liabilities, inappropriate long term asset allocation of investment strategy, mistiming of investment strategy.</p> <p>Fund &amp; Reputation Impact-7 Employers Impact-7 Member Impact-1</p>	<p>Probability</p> <p>Impact</p> <p>14</p>	<p>Probability</p> <p>Impact</p> <p>14</p>
Current Mitigation	Future Mitigation	Responsible Officer	
This is mitigated by the Triennial Valuation and the engagement of Two Independent Investment Advisors.		Head of Pensions Governance and Investments	

Code	Risk Description	Original Score	Current Score
TPF 022	<p>GDPR COMPLIANCE</p> <p>Non-compliance with GDPR regulations.</p> <p>Fund &amp; Reputation Impact-3 Employers Impact-1 Member Impact-1</p>	<p>Probability</p> <p>Impact</p> <p>9</p>	<p>Probability</p> <p>Impact</p> <p>10</p>
Current Mitigation	Future Mitigation	Responsible Officer	
Data protection privacy notices have been distributed by XPS Administration. The Council has established GDPR-compliant processes and procedures.		Head of Pensions Governance and Investments	

Code	Risk Description	Original Score	Current Score
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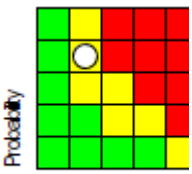
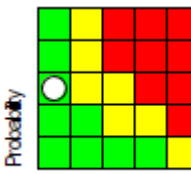
TPF 023	INACCURATE DATA RECORD COLLATION		
	<p>Failure to maintain proper, accurate and complete data records leading to increased errors and complaints.</p> <p>Fund &amp; Reputation Impact-1 Employers Impact-3 Member Impact-3</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
TWPF to produce data improvement plan, as well as being assessed regularly in order to meet Pensions Regulator requirements on scheme data..			Head of Pensions Governance and Investments

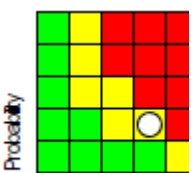
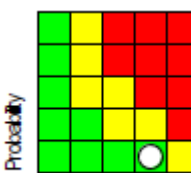
Cod e	Risk Description	Original Score	Current Score
TPF 024	STRUCTURAL CHANGES TO EMPLOYER MEMBERSHIP		
	<p>Risk that TPF are unaware of structural changes to an employer's membership, or changes (e.g. closing to new entrants) meaning the individual employer's contribution level becomes inappropriate.</p> <p>Fund &amp; Reputation Impact-2 Employers Impact-3 Member Impact-2</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
TWPF Administration employer liaison team will improve this by working closely with employers.			Head of Pensions Governance and Investments

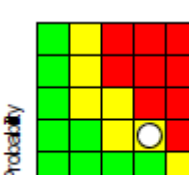
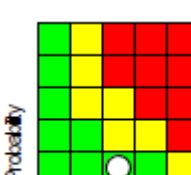
Cod e	Risk Description	Original Score	Current Score
TPF 025	OUTSOURCED MEMBER ADMIN FAILURE		
	<p>TWPF fails to the point where it is unable to deliver its contractual services to employers and members.</p> <p>Fund &amp; Reputation Impact-1 Employers Impact-1 Member Impact-5</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
TWPF Administration is a well-resourced established pensions administration provider specialising in LGPS which is not in financial difficulty.			Head of Pensions Governance and Investments

Cod e	Risk Description	Original Score	Current Score
TPF 026	INSECURE DATA		
	<p>Failure to hold personal data securely - i.e data stolen/cyber attack.</p> <p>Fund &amp; Reputation Impact-3 Employers Impact-1 Member Impact-5</p>		

Current Mitigation	Future Mitigation	Responsible Officer
TWPF Administration have advised they are not aware of any attempted hacking events.		Head of Pensions Governance and Investments

Code	Risk Description	Original Score	Current Score
TPF 027	SCHEME MEMBER FRAUD Fraud by scheme members or their relatives (e.g. identity, death of member). Fund & Reputation Impact-1 Employers Impact-1 Member Impact-2	 8	 3
Current Mitigation	Future Mitigation	Responsible Officer	
		Head of Pensions Governance and Investments	

Code	Risk Description	Original Score	Current Score
TPF 028	INADEQUATE POOLING INVESTMENT EXPERTISE Inadequate, inappropriate or incomplete investment expertise exercised over the pooled assets. Fund & Reputation Impact-5 Employers Impact-5 Member Impact-1	 10	 5
Current Mitigation	Future Mitigation	Responsible Officer	
Border to Coast has completed recruitment of experienced and capable management team, alongside most of its final expected complement of 149 staff.		Head of Pensions Governance and Investments	

Code	Risk Description	Original Score	Current Score
TPF 029	INSUFFICIENT RANGE OF POOLING ASSET CLASSES Insufficient range of asset classes or investment styles being available through the investment pool. Fund & Reputation Impact-5 Employers Impact-3 Member Impact-1	 10	 3
Current Mitigation	Future Mitigation	Responsible Officer	
There is now in place a roll-out plan of different asset classes and engagement with Border to Coast to identify relevant future asset classes		Head of Pensions Governance and Investments	

Code	Risk Description	Original Score	Current Score
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TPF 031	INTERNAL COMPLIANCE FAILURES		
	<p>Failure to comply with recommendations from the local pension board, resulting in the matter being escalated to the scheme advisory board and/or the pensions regulator.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-1 Member Impact-1</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
			Head of Pensions Governance and Investments

Cod e	Risk Description	Original Score	Current Score
TPF 033	ESG REPUTATIONAL DAMAGE		
	<p>Insufficient attention to environmental, social and governance (ESG) leads to reputational damage.</p> <p>Fund &amp; Reputation Impact-2 Employers Impact-1 Member Impact-1</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
Border to Coast provides increased focus on Responsible Investment.			Head of Pensions Governance and Investments

Cod e	Risk Description	Original Score	Current Score
TPF 034	THIRD PARTY SUPPLIER FAILURE		
	<p>Financial failure of third party supplier results in service impairment and financial loss.</p> <p>Fund &amp; Reputation Impact-3 Employers Impact-3 Member Impact-1</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
			Head of Pensions Governance and Investments

Cod e	Risk Description	Original Score	Current Score
TPF 037	COMPLIANCE FAILURES		
	<p>Failure to comply with legislative requirements e.g. SIP, FSS, Governance Policy, Freedom of Information requests, Code of Practice 14.</p> <p>Fund &amp; Reputation Impact-3 Employers Impact-2 Member Impact-0</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>

		Head of Pensions Governance and Investments
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Code	Risk Description	Original Score	Current Score
TPF 040	<p><b>INACCURATE FUND INFORMATION</b></p> <p>In public domain leads to damage to reputation and loss of confidence.</p> <p>Fund &amp; Reputation Impact-2 Employers Impact-2 Member Impact-1</p>	<p>Probability</p> <p>Impact</p>	<p>Probability</p> <p>Impact</p>
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
			Head of Pensions Governance and Investments

Code	Risk Description	Original Score	Current Score
TPF 041	<p><b>LIQUIDITY SHORTFALLS</b></p> <p>Risk of illiquidity due to difficulties in realising investments and paying benefits to members as they fall due.</p> <p>Fund &amp; Reputation Impact-2 Employers Impact-1 Member Impact-1</p>	<p>Probability</p> <p>Impact</p>	<p>Probability</p> <p>Impact</p>
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
			Head of Pensions Governance and Investments

Code	Risk Description	Original Score	Current Score
TPF 042	<p><b>DECISION MAKING FAILURES</b></p> <p>Failure to take difficult decisions inhibits effective Fund management.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-2 Member Impact-1</p>	<p>Probability</p> <p>Impact</p>	<p>Probability</p> <p>Impact</p>
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
			Head of Pensions Governance and Investments

Code	Risk Description	Original Score	Current Score
TPF 043	<p><b>CASH INVESTMENT FRAUD</b></p> <p>Financial loss of cash investments from fraudulent activity.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-5 Member Impact-1</p>	<p>Probability</p> <p>Impact</p>	<p>Probability</p> <p>Impact</p>
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>

		Head of Pensions Governance and Investments
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Cod e	Risk Description	Original Score	Current Score
TPF 044	ICT SYSTEMS FAILURE Prolonged administration ICT systems failure. Fund & Reputation Impact-2 Employers Impact-2 Member Impact-3	 Probability Impact	 Probability Impact
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
			Head of Pensions Governance and Investments

Cod e	Risk Description	Original Score	Current Score
TPF 045	CONTRIBUTION COLLECTION FAILURE Failure to collect employee/er member pension contributions. Fund & Reputation Impact-1 Employers Impact-2 Member Impact-1	 Probability Impact	 Probability Impact
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
			Head of Pensions Governance and Investments

Cod e	Risk Description	Original Score	Current Score
TPF 046	INADEQUATE DISPUTES RESOLUTION PROCESS Failure to agree and implement an appropriate complaints and disputes resolution process. Fund & Reputation Impact-1 Employers Impact-2 Member Impact-2	 Probability Impact	 Probability Impact
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
			Head of Pensions Governance and Investments

Cod e	Risk Description	Original Score	Current Score
TPF 047	BORDER TO COAST CESSATION Partnership disbands or fails to produce a proposal deemed sufficiently ambitious. Fund & Reputation Impact-2 Employers Impact-2 Member Impact-1	 Probability Impact	 Probability Impact
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>

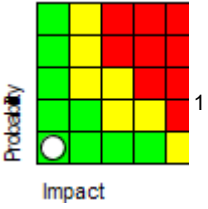
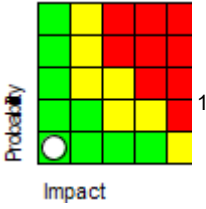
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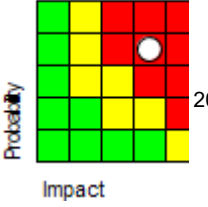
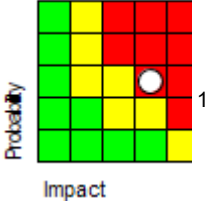
Cod e	Risk Description	Original Score	Current Score
TPF 048	<p>POOLING CUSTODIAN FAILURE</p> <p>Failure to ensure safe custody of assets.</p> <p>Fund &amp; Reputation Impact-2 Employers Impact-2 Member Impact-1</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
			Head of Pensions Governance and Investments

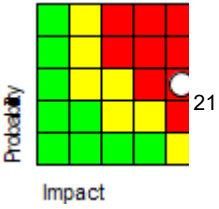
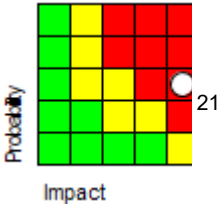
Cod e	Risk Description	Original Score	Current Score
TPF 049	<p>OFFICER FRAUD</p> <p>Fraud by administration staff.</p> <p>Fund &amp; Reputation Impact-5 Employers Impact-1 Member Impact-1</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
			Head of Pensions Governance and Investments

Cod e	Risk Description	Original Score	Current Score
TPF 050	<p>EXCESSIVE ADMIN COSTS</p> <p>Excessive costs of member benefit administration leads to lack of VFM and loss of reputation.</p> <p>Fund &amp; Reputation Impact-1 Employers Impact-1 Member Impact-1</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
			Head of Pensions Governance and Investments

Cod e	Risk Description	Original Score	Current Score
TPF 051	<p>ERRONEOUS MEMBER BENEFIT CALCS</p> <p>Risk of incorrect calculation of members benefits.</p> <p>Fund &amp; Reputation Impact-1 Employers Impact-1 Member Impact-2</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
			Head of Pensions Governance and Investments

Cod e	Risk Description	Original Score	Current Score
TPF 052	<p>INADEQUATE MEMBER COMMS</p> <p>Increased workload for pensions team or increased opt-outs if communications inadequate or misunderstood.</p> <p>Fund &amp; Reputation Impact-2 Employers Impact-1 Member Impact-1</p>	 <p>Probability</p> <p>Impact</p>	 <p>Probability</p> <p>Impact</p>
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
			Head of Pensions Governance and Investments

Cod e	Risk Description	Original Score	Current Score
TPF 053	<p>CLIMATE CHANGE</p> <p>The systemic risk posed by climate change and the policies implemented to tackle them will fundamentally change economic, political and social systems and the global financial system. They will impact every asset class, sector, industry and market in varying ways and at different times, creating both risks and opportunities to investors. The Fund's policy in relation to how it takes climate change into account in relation to its investments is set out in its Investment Strategy Statement and Responsible Investment Policy In relation to the funding implications, the administering authority keeps the effect of climate change on future returns and demographic experience, eg. longevity, under review and will commission modelling or advice from the Fund's Actuary on the potential effect on funding as required.</p>	 <p>Probability</p> <p>Impact</p>	 <p>Probability</p> <p>Impact</p>
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
			Head of Pensions Governance and Investments

Code	Risk Description	Original Score	Current Score
TPF 054	<p>Political Risk to Scheme The Reform Party has made policy statements suggesting that they would end public sector defined benefit pension entitlements. Should the LGPS become a scheme closed to new entrants then the funding assumptions used by the Actuary would have to be re-evaluated which would impact the funding level of the scheme and likely contribution rates.</p>		
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>
			Head of Pensions Governance and Investments



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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