



TEESSIDE PENSION FUND

Border to Coast

Teesside Pensions Committee 28.06.23

AGENDA

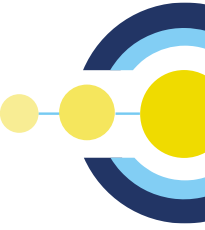
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An aerial photograph of a coastal town at sunset. The sun is low on the horizon, creating a bright reflection on the water and a golden glow across the sky. The sky is filled with large, dark, dramatic clouds. The ocean occupies the left half of the frame, with gentle waves lapping at a wide, sandy beach. On the right side, a coastal town is visible, featuring a mix of residential buildings and a prominent church with a tall spire. A curved promenade or road runs along the edge of the town, separating it from the beach. The overall mood is serene and picturesque.

INVESTMENTS SUMMARY

TEESSIDE – VALUATION & COMMITMENTS



Listed Investments	Teesside Value (as at 31/03/2023)	Total Fund Value (as at 31/03/2023)
	£	£
UK Listed Equity Fund	646m	3,574m
Overseas Developed Markets Equity	1,647m	6,186m
Emerging Markets Equity	203m	1,176m

Alternative Investments	Teesside Commitment (Series 1)	Teesside Commitment (Series 2)	Total Series 1 Commitment (all Partner Funds)	Total Series 2* Commitment (all Partner Funds)
	£	£	£	£
Infrastructure	200m	300m	2,455m	1,885m
Private Equity	200m	200m	1,720m	1,305m
Private Credit	-	-	1,501m	1,833m
Climate Opportunities	-	80m	-	1,350m

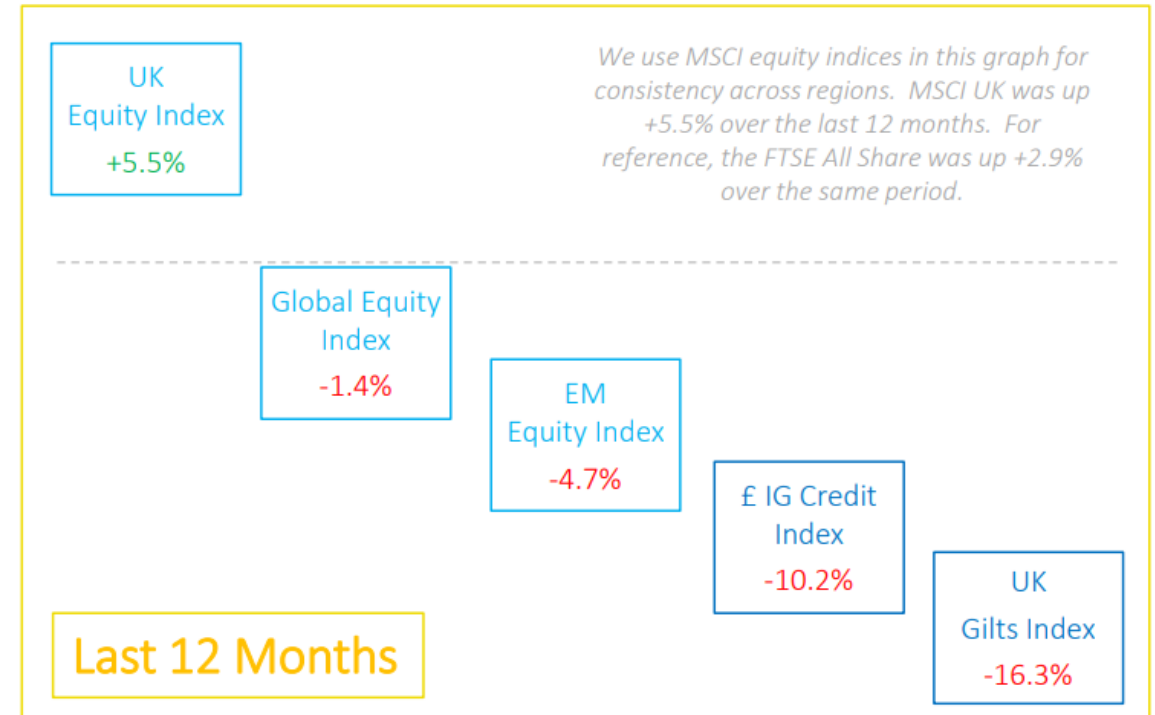
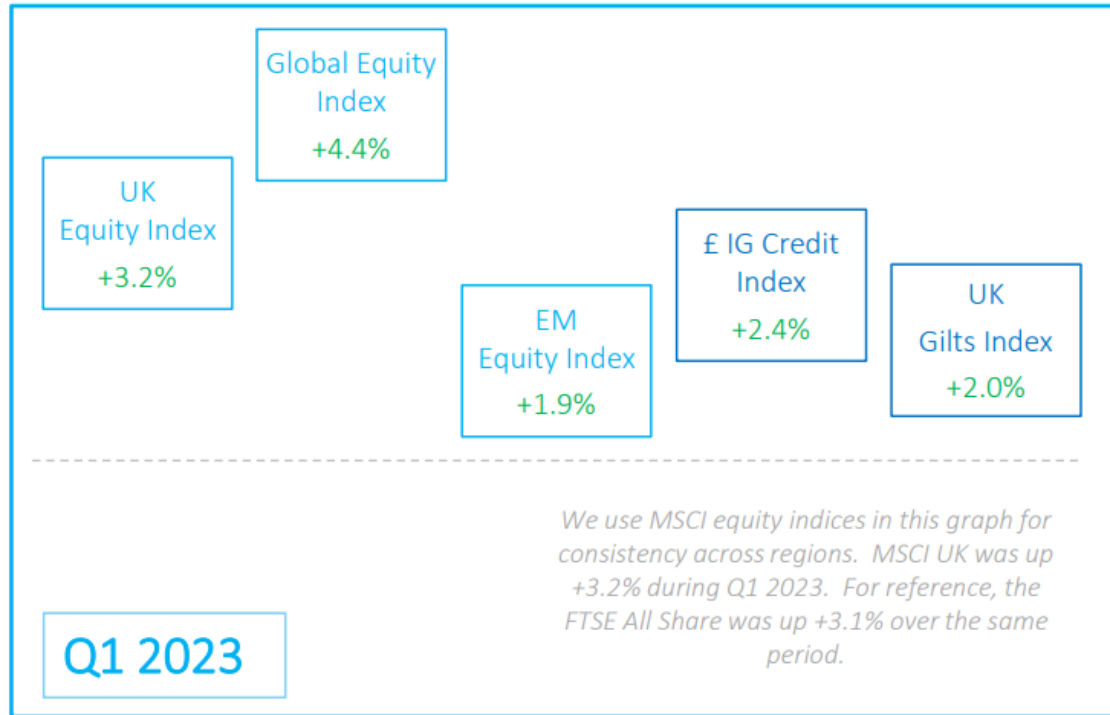
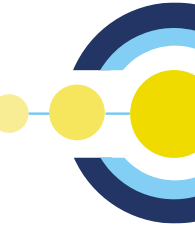
Source: Border to Coast (2023). * Now includes Series 2B commitments, effective 31st March 2023.

Note: Past performance is not a reliable indicator of future performance and is not guaranteed.



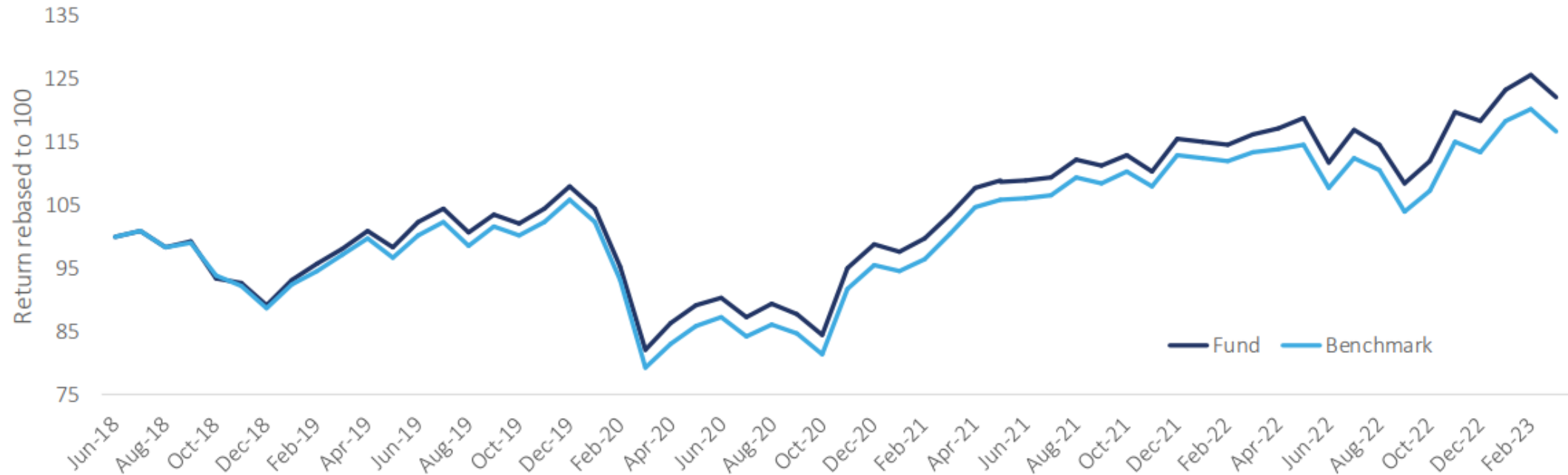
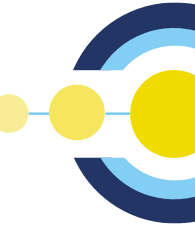
EQUITY FUND PERFORMANCE

MARKET MOVEMENTS TO 31 MARCH 2023



- Following a challenging year for the majority of asset classes and regions, 2023 started on a positive note. All major equity market indices posted gains over Q1, with growing hopes amongst market participants of a 'soft landing' for the global economy. Economic data and company earnings were more resilient than markets expected, whilst easing energy prices have helped to soften inflation, increasing the likelihood of central banks stopping, or even reversing a portion of, the recent interest rate hiking cycle. Within fixed income, yields fell (meaning prices rose) as the spectre of further interest rate rises seems to have abated.
- The quarter was bookended by two significant macroeconomic events, with China's unwinding of their zero-Covid restrictions buoying sentiment across global markets in January, whilst stress fractures within the banking system emerged in mid-March, which served to remind investors that conditions continue to remain fragile.

UK LISTED EQUITY FUND – PERFORMANCE TO 31 MARCH 2023

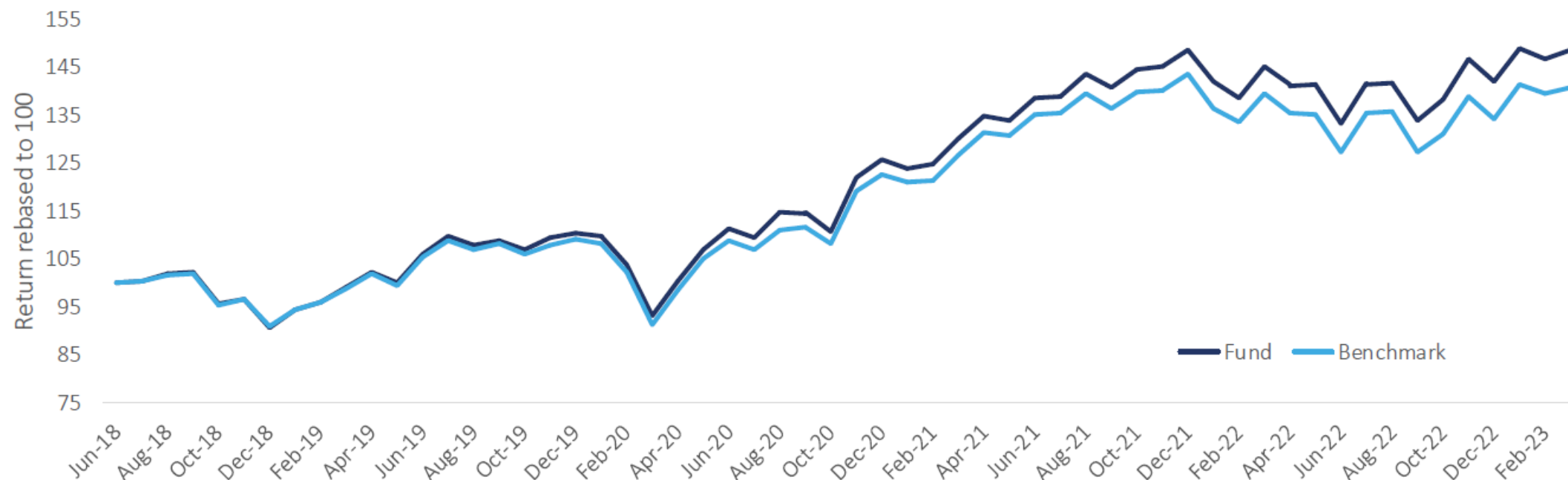
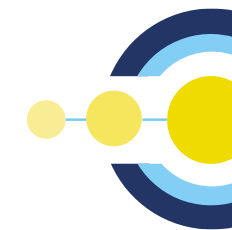


Period	1m (%)	3m (%)	6m (%)	1 Year (%)	3 Years p.a. (%)	Since Inception p.a. (%)
Fund	-2.85%	3.13%	12.40%	4.97%	14.14%	4.34%
Benchmark	-2.84%	3.08%	12.25%	2.92%	13.81%	3.38%
Relative Performance	-0.01%	0.05%	0.15%	2.05%	0.33%	0.96%

Source: Northern Trust, Border to Coast 31st March 2023

Note: Figures refer to the past. Past performance is not a reliable indicator of future performance and is not guaranteed

OVERSEAS DEVELOPED EQUITY FUND– PERFORMANCE TO 31 MARCH 2023



Period	1m (%)	3m (%)	6m (%)	1 Year (%)	3 Years p.a. (%)	Since Inception p.a. (%)
Fund	1.44%	4.66%	11.06%	2.45%	16.93%	8.83%
Benchmark	0.88%	4.78%	10.50%	0.87%	15.52%	7.56%
Relative Performance	0.56%	-0.12%	0.57%	1.58%	1.41%	1.27%

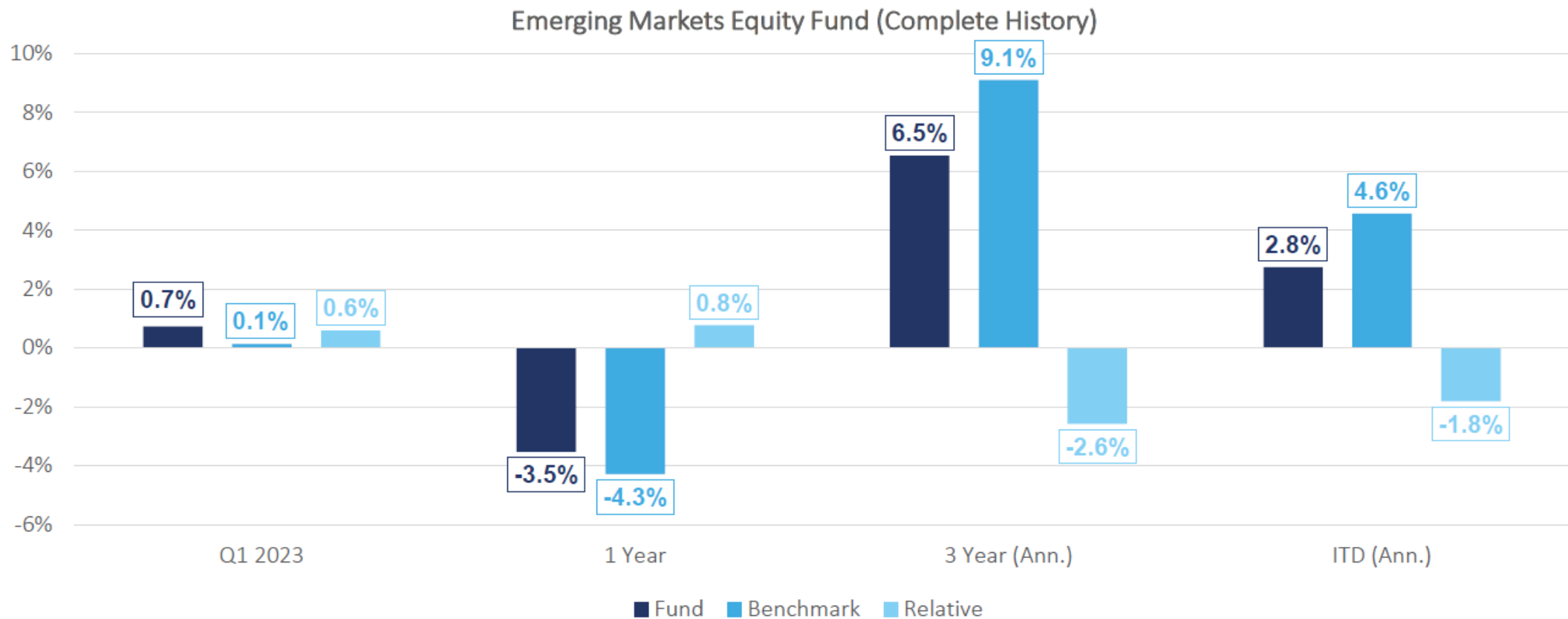
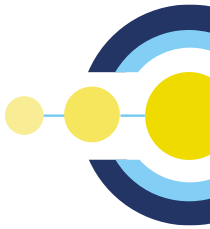
Source: Northern Trust, Border to Coast 31st March 2023

Note: Figures refer to past performance, past performance is not a reliable indicator for future results.

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INTERNAL

EMERGING MARKETS EQUITY FUND - PERFORMANCE TO 31 MARCH 2023



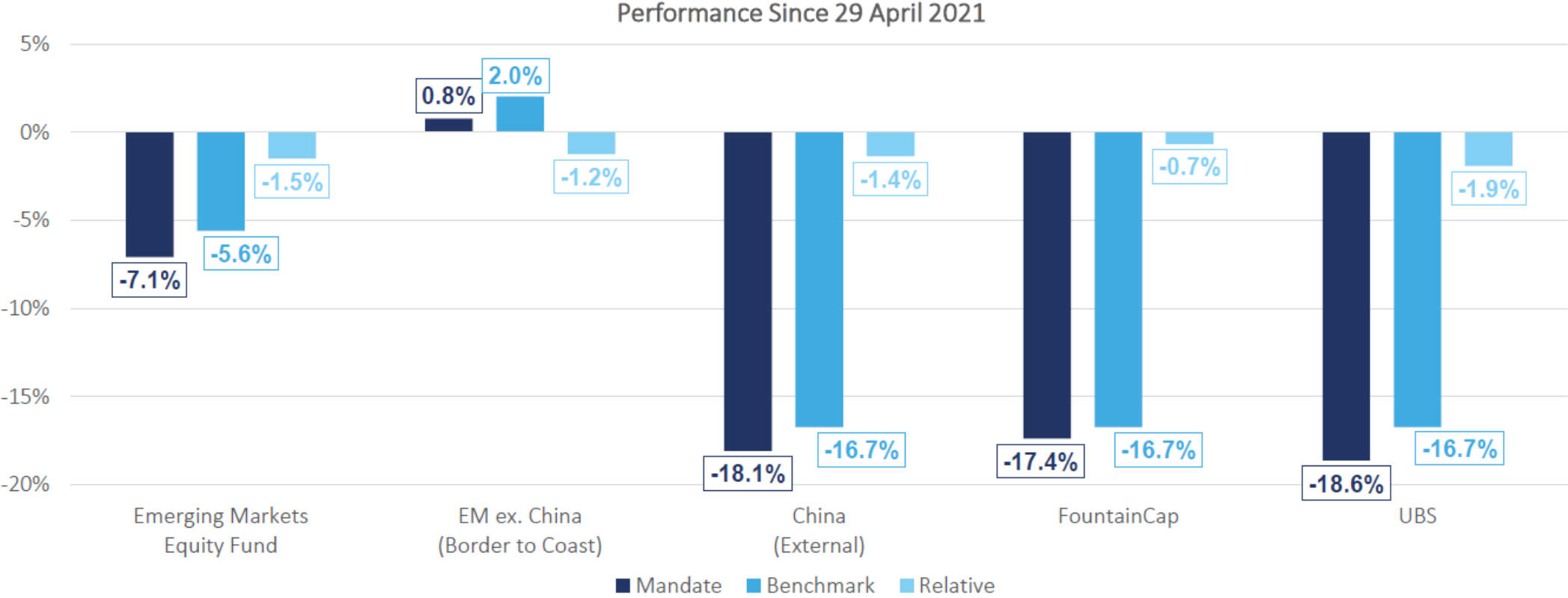
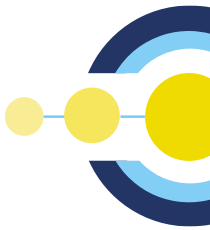
From 29 April 2021, the Fund aims to provide a total return which outperforms the total return of the FTSE Emerging Index by at least 1.5% per annum over rolling three years periods (net of management fees).

Between 10 April and 28 April 2021, the benchmark return was equal to the Fund return (performance holiday for restructure) and prior to 29 April 2021, the benchmark was S&P Emerging BMI with a performance target of 1% per annum.

Source: Northern Trust (2023) Note: Inception date for the Emerging Markets Equity Fund was 22 October 2018.

Note: Figures refer to past performance, past performance is not a reliable indicator for future results.

EMERGING MARKETS EQUITY FUND – POST RESTRUCTURE PERFORMANCE TO 31 MARCH 2023



From 29 April 2021, the Fund aims to provide a total return which outperforms the total return of the FTSE Emerging Index by at least 1.5% per annum over rolling three years periods (net of management fees).

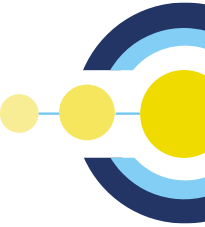
Source: Northern Trust (2023) **Note:** Restructure of the Emerging Markets Equity Fund completed on 28 April 2021. **Note:** Figures refer to past performance, past performance is not a reliable indicator for future results.



ALTERNATIVES UPDATE

PRIVATE EQUITY

CAPITAL DEPLOYMENT



Series 1A	31 March 2023	31 December 2022
Capital Committed	99.7%	99.7%
Capital Drawn	67.4%	64.7%
Capital Distributed ¹	12.6%	12.2%
Series 1B	31 March 2023	31 December 2022
Capital Committed	99.1%	99.1%
Capital Drawn	54.6%	46.2%
Capital Distributed ¹	0.5%	0.5%
Series 1C	31 March 2023	31 December 2022
Capital Committed	100.0%	100.0%
Capital Drawn	31.6%	26.0%
Capital Distributed ¹	0.1%	0.1%

¹ Including Recallable Distributions

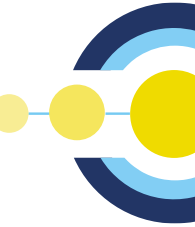
Source: Albourne

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PRIVATE EQUITY

CAPITAL DEPLOYMENT



Series 2A	31 March 2023	31 December 2022
Capital Committed	91.2%	62.7%
Capital Drawn	3.6%	1.4%
Capital Distributed ¹	0.1%	0.0%

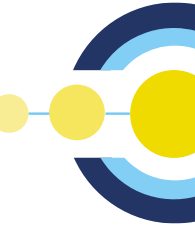
¹ Including Recallable Distributions

Source: Albourne

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PRIVATE EQUITY

PERFORMANCE



Series	Fund	IRR (%)	TVPI
Series 1A	GreatPoint Ventures Innovation Fund II	51.7	2.87
	Palatine Private Equity IV	25.4	1.27
	Baring Asia Fund VII	35.4	1.93
	Neuberger Berman Co-investment IV	43.4	1.48
	StepStone VC Opportunities Fund VI	26.5	1.48
	StepStone Secondaries Op Fund IV	39.5	1.62
	Hg Saturn 2	40.8	1.38
	Hg Genesis 9	28.7	1.20
	Blackstone Life Sciences V	5.4	1.08
	Digital Alpha Fund II-A	35.6	1.40
	Series 1A	29.8	1.49
Series 1B	GreatPoint Ventures Innovation Fund III	N/M	1.11
	KKR Asian IV	N/M	1.10
	Thoma Bravo XIV-A	N/M	1.07
	Nordic Capital X Alpha	N/M	1.28
	AlpInvest Co-Investment Fund VIII	N/M	1.18
	Endless V	N/M	1.71
	C-Bridge Healthcare Fund V	N/M	1.66
	Series 1B	13.8	1.14
Series 1C	Strategic Value Special Situations Fund V	N/M	1.27
	Insight Partners XII	N/M	0.88
	HarbourVest Co-investment Fund VI	N/M	0.94
	Baring Asia (BPEA) VIII	N/M	N/A
	StepStone VC Opportunities VII	N/M	N/A
	General Catalyst Group XI – Aggregator	N/M	1.11
	PAI Partners VIII	N/M	N/A
	Veritas VIII	N/M	1.22
	Series 1C	-11.9	0.92
Series 1		19.3	1.22

PERFORMANCE IS EFFECTIVE 31/12/22. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS.

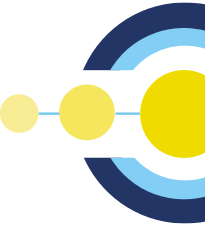
Source: Private Monitoring Report

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INTERNAL

INFRASTRUCTURE

CAPITAL DEPLOYMENT



Series 1A	31 March 2023	31 December 2022
Capital Committed	98.7%	98.7%
Capital Drawn	66.9%	63.5%
Capital Distributed ¹	11.4%	10.0%
Series 1B	31 March 2023	31 December 2022
Capital Committed	98.7%	98.7%
Capital Drawn	44.9%	38.2%
Capital Distributed ¹	2.2%	2.0%
Series 1C	31 March 2023	31 December 2022
Capital Committed	100.0%	100.0%
Capital Drawn	68.8%	67.5%
Capital Distributed ¹	30.1%	28.8%

¹ Including Recallable Distributions

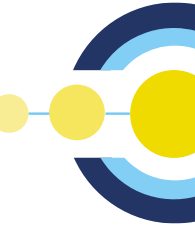
Source: Albourne

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INFRASTRUCTURE

CAPITAL DEPLOYMENT



Series 2A	31 March 2023	31 December 2022
Capital Committed	100.0%	67.5%
Capital Drawn	10.8%	7.3%
Capital Distributed ¹	0.0%	0.0%

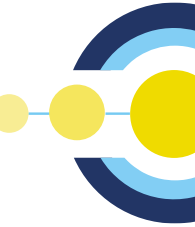
¹ Including Recallable Distributions

Source: Albourne

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INFRASTRUCTURE

PERFORMANCE



Series	Fund	IRR (%)	TVPI
Series 1A	Brookfield Infrastructure Fund IV	15.9	1.38
	Global Infrastructure Partners IV	23.1	1.20
	AMP Global Infra Fund II	5.5	1.14
	Infracapital Greenfield Partners II	107.6	1.50
	iCON Infrastructure Partners V	20.1	1.24
	Macquarie GIG Renewable Energy Fund II	13.2	1.14
	Stonepeak Global Renewable Fund	22.0	1.50
	Arcus European Infrastructure Fund II	24.2	1.36
	Series 1A	15.4	1.25
Series 1B	Patria Infrastructure Fund IV	N/M	1.32
	I Squared Global Infrastructure Fund III	N/M	1.02
	I Squared Global Infrastructure Fund III Coinvestment Sidecar	N/M	1.24
	Greencoat Carlisle Place LP	N/M	1.24
	BlackRock Global Renewable Power III	N/M	1.16
	Stonepeak Infrastructure Fund IV	N/M	1.21
	Infranode II	N/M	0.86
	Antin Mid Cap I	N/M	1.04
	Series 1B	9.3	1.10
Series 1C	Meridiam Sustainable Infrastructure Europe IV	N/M	0.84
	KKR Core	N/M	1.18
	Stonepeak Asia Infrastructure Fund	N/M	2.84
	DigitalBridge Partners II	N/M	1.23
	KKR Aqueduct Co-invest	N/M	1.25
	DC Trident Holdings II	N/M	1.31
	Axiom Infrastructure North America IV	N/M	N/A
	Arcus European Infrastructure Fund III	N/M	N/A
	Series 1C	14.9	1.12
	Series 1	13.9	1.15

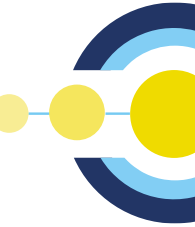
PERFORMANCE IS EFFECTIVE 31/12/22. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS.

Source: Private Monitoring Report
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INTERNAL

CLIMATE OPPORTUNITIES

CAPITAL DEPLOYMENT



	31 March 2023	31 December 2022
Capital Committed	50.3%	44.2%
Capital Drawn	18.0%	3.2%
Capital Distributed ¹	0.2%	0.3%

¹ Including Recallable Distributions

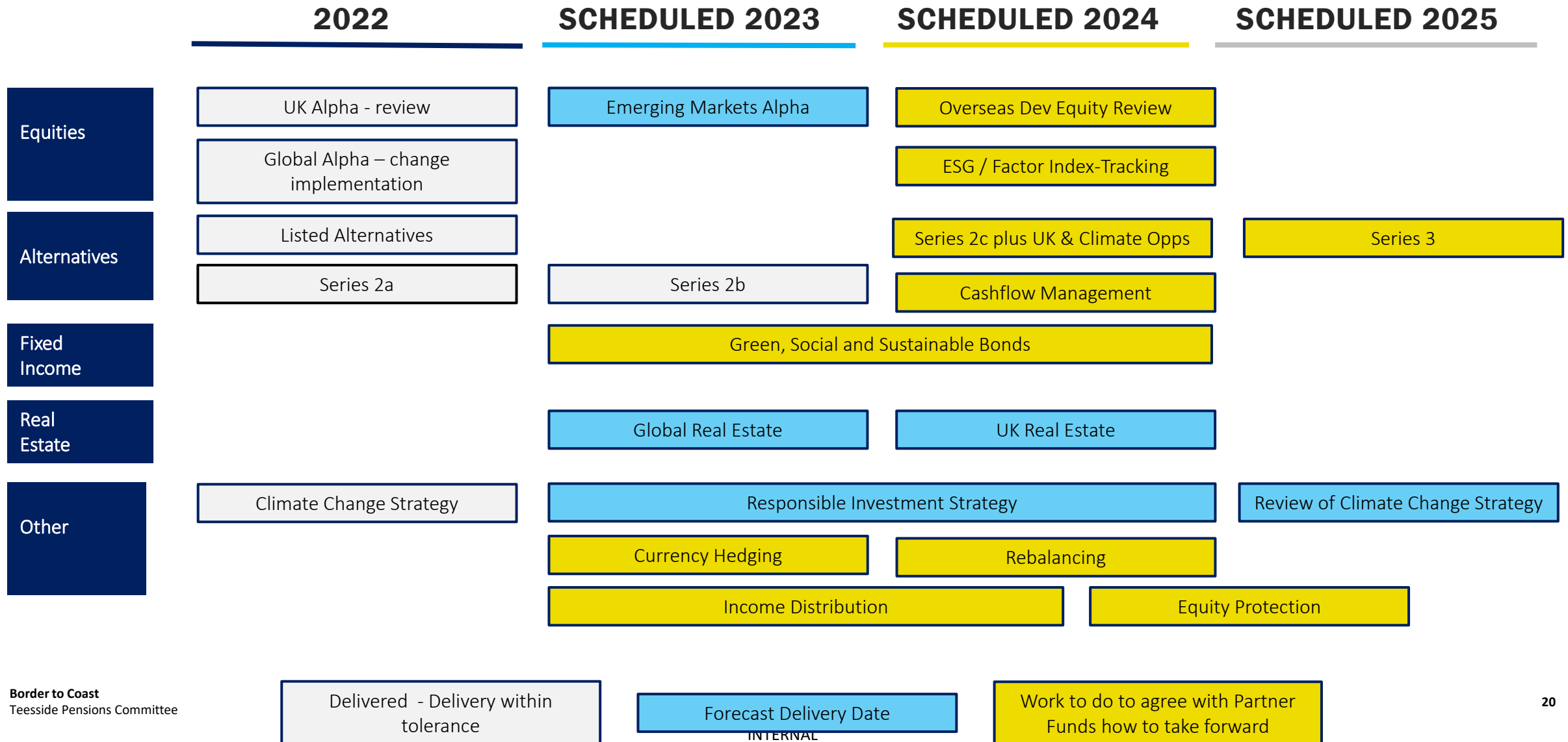
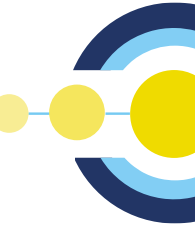
Source: Albourne

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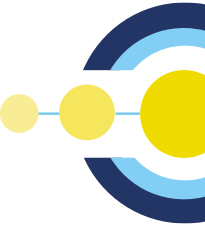


APPENDIX

INVESTMENT STRATEGY: CAPABILITY LAUNCH TIMELINE

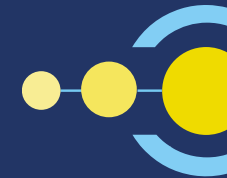


PRIVATE EQUITY / INFRASTRUCTURE – IRR AND TVPI DEFINITIONS



IRR and TVPI (Pages 14 and 17)

- **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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