

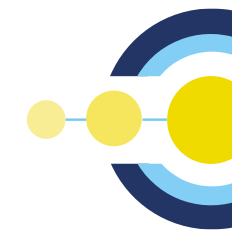


TEESSIDE PENSION FUND

Border to Coast

Teesside Pensions Committee - March 2024

YOUR INVESTMENTS WITH BORDER TO COAST



LISTED INVESTMENTS AS AT 31ST DECEMBER 2023

Listed Investments	Value (as at 31/12/2023)	Value % of Total Assets
UK Listed Equity	£593m	23.5
Overseas Developed Markets	£1,723m	68.3
Emerging Markets Equity	£207m	8.2

COMMITMENT TO BORDER TO COAST'S PRIVATE MARKET STRATEGIES

Sleeve	Series 1	1A	1B	1C	Series 2	2A	2B
Private Equity	£200m	£100m	£50m	£50m	£200m	£100m	£100m
Infrastructure	£200m	£100m	£50m	£50m	£300m	£150m	£150m
Climate Opportunities	N/a	N/a	N/a	N/a	£80m	£80m	N/a

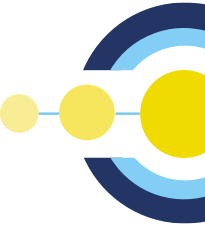
Source: Northern Trust/Border to Coast

Border to Coast – Teesside Pensions Committee

INTERNAL

MARKET OVERVIEW – Q4 2023

CAUTION NOT EXUBERANCE



Growth disappointment

- Economic demand to soften in 2024 against a backdrop of declining consumer strength and increased credit stress.

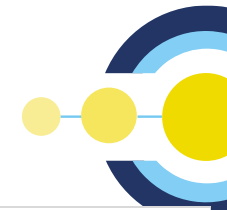
Equities defying gravity

- Valuations are stretched and profit margins may come under pressure given the continued liquidity tightening and the consumer's decreasing propensity to spend moving forward.

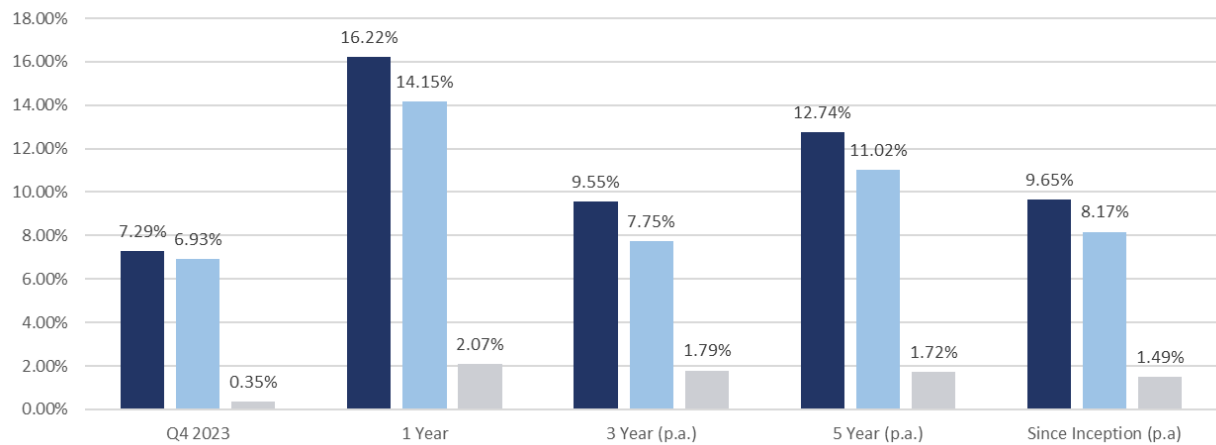
Selective credit opportunities offer high quality carry

- Vulnerabilities in lower-rated credit are likely to be exposed if consumer spending falls. Refinancing may be challenging for some issuers given tighter bank lending standards.
- Preference for higher quality credit (i.e. investment grade credit)

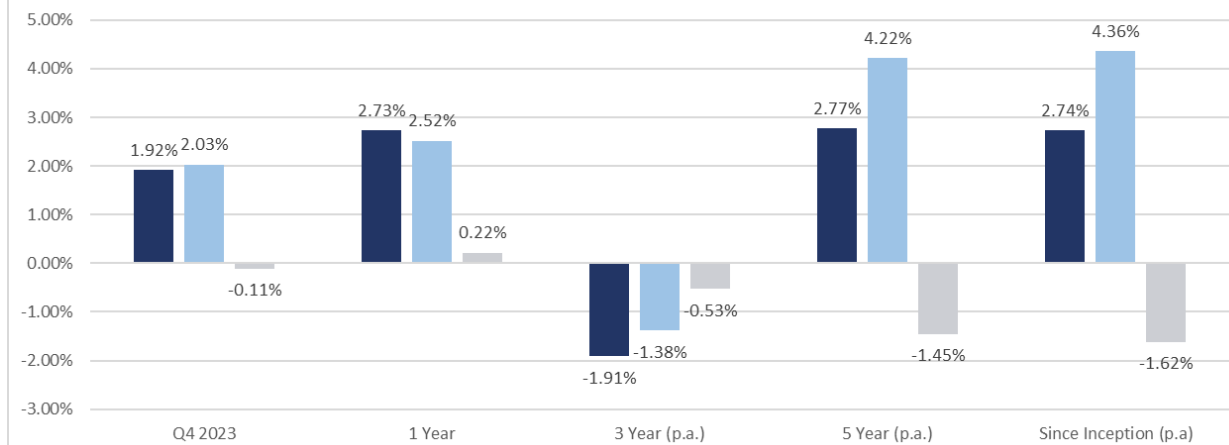
LISTED INVESTMENTS – PERFORMANCE TO Q4 2023



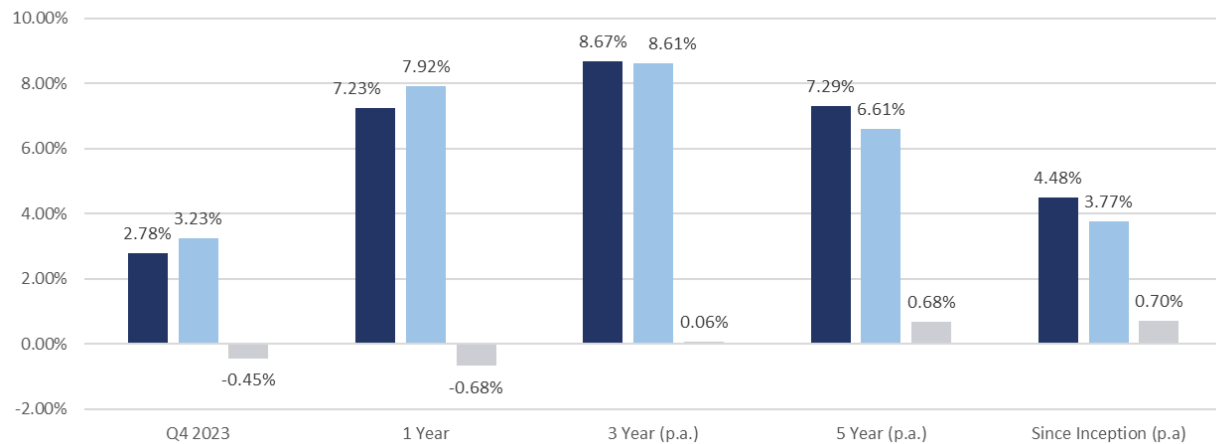
Overseas Developed Markets



Emerging Markets Equity



UK Listed Equity



- Fund
- Benchmark
- Relative Performance

Overseas Developed Markets Benchmark: 40% S&P 500, 30% FTSE Developed Europe Ex UK, 20% FTSE Developed Asia Ex Japan, 10% FTSE Japan

UK Listed Equity Market Benchmark: FTSE All Share GBP

Emerging Market Equity Benchmark¹: FTSE Emerging Markets

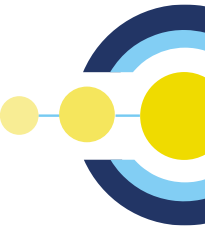
¹S&P Emerging Markets BMI (Net) between 22nd October 2018 to 9th April 2021. Benchmark equal to fund return between 10th April to 28th April 2021 (Performance holiday for fund restructure)

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

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

INTERNAL

PRIVATE EQUITY: SUMMARY



Private Equity	Key Metrics - 30 September 2023
Target IRR	10%
Series 1 IRR	19.6%
Series 1 TVPI	1.34x

Series 1A	29 Dec 2023	30 Sept 2023
Capital Committed	99.7%	99.7%
Capital Drawn	80.5%	78.7%
Capital Distributed ¹	18.5%	17.5%

Series 1B	29 Dec 2023	30 Sept 2023
Capital Committed	99.1%	99.1%
Capital Drawn	69.7%	65.9%
Capital Distributed ¹	4.5%	2.0%

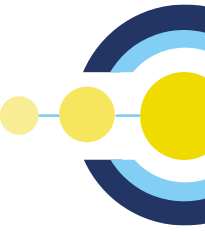
Series 1C	29 Dec 2023	30 Sept 2023
Capital Committed	100.0%	100.0%
Capital Drawn	47.4%	40.7%
Capital Distributed ¹	0.1%	0.1%

Series 2A	29 Dec 2023	30 Sept 2023
Capital Committed	99.8%	99.8%
Capital Drawn	14.1%	9.7%
Capital Distributed ¹	0.0%	0.0%

Series 2B	29 Dec 2023	30 Sept 2023
Capital Committed	75.5%	45.8%
Capital Drawn	1.0%	1.6%
Capital Distributed ¹	0.0%	0.0%

Source: Allbourne / Private Monitor
¹ Including Recallable Distributions.

INFRASTRUCTURE: SUMMARY



Infrastructure	Key Metrics - 30 September 2023
Target IRR	8%
Series 1 IRR	10.2%
Series 1 TVPI	1.18x

Series 1A	29 Dec 2023	30 Sept 2023
Capital Committed	98.7%	98.7%
Capital Drawn	79.9%	75.1%
Capital Distributed ¹	14.3%	13.3%

Series 1B	29 Dec 2023	30 Sept 2023
Capital Committed	98.7%	98.7%
Capital Drawn	58.3%	53.4%
Capital Distributed ¹	3.2%	3.0%

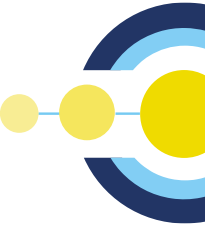
Series 1C	29 Dec 2023	30 Sept 2023
Capital Committed	100.0%	100.0%
Capital Drawn	79.0%	76.1%
Capital Distributed ¹	10.6%	10.0%

Series 2A	29 Dec 2023	30 Sept 2023
Capital Committed	99.7%	99.7%
Capital Drawn	35.2%	31.3%
Capital Distributed ¹	0.5%	0.6%

Series 2B	29 Dec 2023	30 Sept 2023
Capital Committed	73.8%	21.0%
Capital Drawn	1.9%	6.3%
Capital Distributed ¹	0.0%	0.0%

Source: Allbourne / Private Monitor
¹ Including Recalable Distributions.

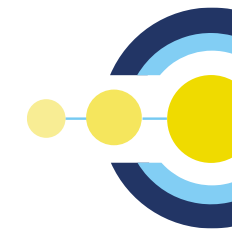
CLIMATE OPPORTUNITIES: SUMMARY



Series 2	29 Dec 2023	30 Sept 2023
Target IRR	8%	
Capital Committed	84.9%	71.9%
Capital Drawn	22.5%	22.1%
Capital Distributed ¹	0.7%	0.5%

Source: Allbourne / Private Monitor
1 Including Recallable Distributions.

PRIVATE MARKETS: NEW COMMITMENTS FOR Q4 2023



PRIVATE EQUITY – SERIES 2B GENERAL CATALYST GROUP XII - AGGREGATOR

\$100m commitment (December 2023)

General Catalyst is a multi-strategy venture capital firm that invests in innovative companies from seed/early stage all the way through to growth stage. The firm also has the ability to build companies from scratch in situations where it identifies an unfilled market opportunity.

The manager has a well-known brand and a long history of working closely with founders to help build enduring companies across sectors. This has allowed the firm to recruit and retain high-quality talent, typically with operating backgrounds, and has led to a strong mature track record of performance.

The firm has a good approach to ESG for a venture capital fund, with a focus on 'responsible innovation'.

Aggregator vehicle allows for investment in a series of funds: \$1.5bn Creation fund, \$1.5bn Ignition fund (early stage), \$2.5bn Endurance fund (late-stage) and \$750m Health Assurance fund. The Border to Coast commitment is split pro-rata across these four strategies.

Border to Coast themes: **Sector Specialist, Operational Value Add, Technology, Buy and Build**

Benefits of pooling:

Access to GP

CLIMATE OPPORTUNITIES – SERIES 2 NUVEEN GLOBAL FARMLAND FUND

\$108m commitment (December 2023)

Diversified agricultural fund, investing in core farmland assets (row crops and permanent crops) in the US and globally, and implementing climate smart agricultural practices across its portfolio assets.

Large, experienced manager, with dedicated farmland asset management capabilities, allowing it to offer a fully integrated farmland asset management platform.

Properties operated to high sustainability standards and looking to incorporate regenerative practices were feasible. Committed to measuring emissions against a baseline from 2024 and setting in place plans to bring operational emissions down over course of investment.

Evergreen fund structure with a substantial portfolio of high-quality farmland assets already in place, designed to provide investors with low-volatility and consistent yield, and long-term capital appreciation.

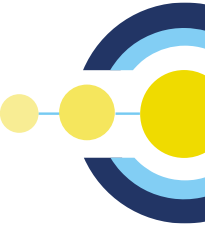
Border to Coast was able to negotiate attractive terms for Partner Funds, through a waiver of carry, and a 10% reduction in management fees.

Border to Coast themes: **Climate Opportunities**

Benefits of pooling:

Reduction of Fees – Scale discount and carried waived

BORDER TO COAST UPDATE



UPDATES ON OUR APPROACH TO RESPONSIBLE INVESTMENT

We have now published our 2024 RI Policy, Climate Change Policy and Voting Guidelines. These support our management of climate change risk, with updates including increased scrutiny of corporate net zero strategies, voting for shareholder proposals that align with the 2015 Paris Agreement on Climate Change, and introducing new exclusion thresholds relating to thermal coal and oil sand production.

A GLOBAL INVESTOR

In December we formally launched two Real Estate funds: Global Core, and Global Value-Add. These new funds are the result of detailed collaboration with our Partner Funds and it's exciting to be able to offer new investment opportunities and a new asset class.

BARNSLEY 2.0 - MAINTAINING A GREAT PARTNERSHIP

Last year Partner Fund officers met in Barnsley to discuss, among other things, the principles of our common partnership as we continue to evolve. Kindly hosted by SYPA, we again convened again in January to discuss how we work together – and ensure that we have the right approach to reporting and oversight.

SETTING OUR STRATEGIC PLAN FOR 2024-27

We are finalising our 2024-27 Strategic Plan, which builds on our progress so far and outlines our proposed approach to finishing our original strategy (to complete the investment capability build required to enable Partner Funds to pool assets and the creation of a long-term resilient organisation).

STAFF UPDATE

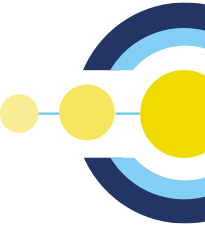
Jane Firth, Head of RI will be retiring later this year; the recruitment process for Jane's successor is underway.

Andrew Glessing, Interim Chief Risk Officer (CRO) joined in January following Richard Charlton's departure. Andrew is supporting while we recruit a permanent CRO.



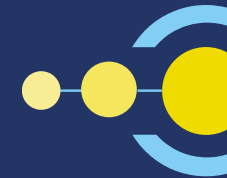
APPENDIX

PRIVATE EQUITY / INFRASTRUCTURE – IRR AND TVPI DEFINITIONS



IRR and TVPI (Pages 5 - 6)

- **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.



DISCLAIMER

The material in this presentation has been prepared by Border to Coast Pensions Partnership Limited (“Border to Coast”) and is current as at the date of this presentation. This information is given in summary form and does not purport to be complete. Information in this presentation, including any forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk. This presentation may contain forward looking statements including statements regarding our intent, belief or current expectations with respect to Border to Coast’s businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward looking statements. Border to Coast does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. While due care has been used in the preparation of any forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside Border to Coast’s control. Past performance is not a reliable indication of future performance. The information in this presentation is provided “as is” and “as available” and is used at the recipients own risk. To the fullest extent available by law, Border to Coast accepts no liability (including tort, strict liability or otherwise) for any loss or damage arising from any use of, or reliance on, any information provided in this presentation howsoever caused.” Some investments in the Alternative products may be held within an unregulated collective investment scheme which is not authorised or regulated by the Financial Conduct Authority. There are significant risks associated with investment in Alternative products and services provided by Border to Coast.

Suitable for professional clients only; Border to Coast Pensions Partnership Limited is authorised and regulated by the Financial Conduct Authority (FRN 800511). Registered in England (registration number 10795539) at the registered office: 5th Floor, Toronto Square, Leeds LS1 2HJ.