Appendix A

Teesside Pension Fund

Quarterly Investment Report - Q1 2024

Contents

Executive Summary

Overall Value of Teesside Pension Fund

Value at start of the quarter	£2,523,467,864
Inflows	£0
Outflows	£(40,000,000)
Net Inflows / Outflows	£(40,000,000)
Realised / Unrealised gain or loss	£177,689,412
Value at end of the quarter	£2,661,157,276

Note
1) Source: Northern Trust & Border to Coast
2) Past performance is not an indication of future performance and the value of investments can fall as well as rise.
3) Inflows and outflows may include income paid out and/or reinvested.
4) Values do not always sum due to rounding.

Portfolio Analysis - Teesside Pension Fund
at 31 March 2024

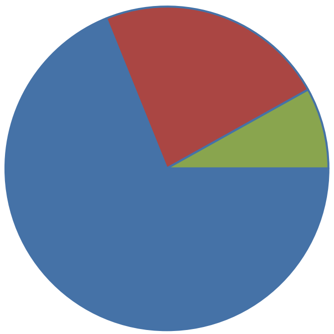
Funds Held

Fund	Market Index	Market Value (£)	Value (%)
Overseas Developed Markets	40% S&P 500, 30% FTSE Developed Europe Ex UK, 20% FTSE Developed Asia Pacific ex Japan, 10% FTSE Japan	1,833,037,684.08	68.88
Emerging Markets Equity	FTSE Emerging Markets (Net)[2]	215,330,986.18	8.09
UK Listed Equity	FTSE All Share GBP	612,788,605.33	23.03

Available Fund Range

Fund
Global Equity Alpha
Overseas Developed Markets
Emerging Markets Equity
Emerging Markets Equity Alpha
UK Listed Equity
UK Listed Equity Alpha
Listed Alternatives
Sterling Investment Grade Credit
Sterling Index-Linked Bond
Multi-Asset Credit

Teesside Pension Fund - Fund Breakdown



- Overseas Developed Markets 68.88% £1,833,037,684.08
- UK Listed Equity 23.03% £612,788,605.33
- Emerging Markets Equity 8.09% £215,330,986.18

Note
1) Source: Northern Trust
2) S&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).

Portfolio Contribution - Teesside Pension Fund
at 31 March 2024

Fund	Portfolio weight (%)	Fund return (net) over the quarter (%)	Benchmark return over the quarter (%)	Excess return (%)	Contribution to performance over the quarter (%)
Overseas Developed Markets	68.88	8.81	7.75	1.06	6.04
Emerging Markets Equity	8.09	3.80	3.31	0.49	0.31
UK Listed Equity	23.03	3.29	3.57	(0.27)	0.75
Total	**100.00**	**7.10**			

Note
1) Source: Northern Trust & Border to Coast
2) Performance shown is investor-specific, calculated using a time-weighted methodology which accounts for the impact of investor flows, whereby investments held for a longer period of time will have more of an impact than those held for a shorter time.
3) Past performance is not an indication of future performance and the value of investments can fall as well as rise.
4) Performance shown is net of charges incurred within the ACS, such as depository, audit and external manager fees. 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.

Valuation Summary
at 31 March 2024

Fund	Market value at start of the quarter GBP (mid)	Total weight (%)	Purchases (GBP)	Sales (GBP)	Realised / unrealised gain or loss	Market value at end of the quarter GBP (mid)	Total weight (%)
Overseas Developed Markets	1,722,763,559.80	68.27		40,000,000.00	150,274,124.28	1,833,037,684.08	68.88
Emerging Markets Equity	207,448,653.91	8.22			7,882,332.27	215,330,986.18	8.09
UK Listed Equity	593,255,650.31	23.51			19,532,955.02	612,788,605.33	23.03
Total	**2,523,467,864.02**	**100.00**		**40,000,000.00**	**177,689,411.57**	**2,661,157,275.59**	**100.00**

Note
1) Source: Northern Trust
2) Purchases and sales may include income paid out and/or reinvested.
3) Past performance is not an indication of future performance and the value of investments can fall as well as rise.
4) Values do not always sum due to rounding.

Summary of Performance - Funds (Net of Fees) Teesside Pension Fund at 31 March 2024

	Inception to Date			Quarter to Date			1 Year			3 Years			5 Years		
Fund	**Fund**	**Index**	**Relative**	**Fund**	**Index**	**Relative**	**Fund**	**Index**	**Relative**	**Fund**	**Index**	**Relative**	**Fund**	**Index**	**Relative**
Overseas Developed Markets	10.86	9.22	1.64	8.92	7.75	1.16	20.95	17.39	3.56	11.37	9.24	2.14	12.65	10.83	1.82
Emerging Markets Equity	3.34	4.78	(1.43)	3.96	3.31	0.64	6.03	5.76	0.27	(2.13)	(0.90)	(1.23)	1.94	3.31	(1.37)
UK Listed Equity	4.87	4.25	0.62	3.30	3.57	(0.27)	7.41	8.43	(1.02)	8.14	8.05	0.10	5.94	5.44	0.50

Note

1) Source: Northern Trust
2) Performance shown is for the pooled fund, which may differ to the investor-specific performance.
3) Performance inception dates are shown in the appendix.
4) Performance for periods greater than one year are annualised.
5) Performance shown is net of charges incurred within the ACS, such as depository, audit and external manager fees. 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.
6) Past performance is not an indication of future performance and the value of investments can fall as well as rise.

Summary of Performance - Funds (Gross of Fees) Teesside Pension Fund
at 31 March 2024

	Inception to Date			Quarter to Date			1 Year			3 Years			5 Years		
Fund	**Fund**	**Index**	**Relative**	**Fund**	**Index**	**Relative**	**Fund**	**Index**	**Relative**	**Fund**	**Index**	**Relative**	**Fund**	**Index**	**Relative**
Overseas Developed Markets	10.88	9.22	1.66	8.92	7.75	1.17	20.96	17.39	3.57	11.38	9.24	2.15	12.66	10.83	1.83
Emerging Markets Equity	3.52	4.78	(1.26)	4.03	3.31	0.71	6.34	5.76	0.58	(1.85)	(0.90)	(0.95)	2.13	3.31	(1.18)
UK Listed Equity	4.88	4.25	0.63	3.30	3.57	(0.27)	7.41	8.43	(1.02)	8.15	8.05	0.10	5.94	5.44	0.50

Note
1) Source: Northern Trust
2) Performance shown is for the pooled fund, which may differ to the investor-specific performance.
3) Performance inception dates are shown in the appendix.
4) Performance for periods greater than one year are annualised.
5) Performance shown is gross of charges incurred within the ACS, such as depository, audit and external manager fees. 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.
6) Past performance is not an indication of future performance and the value of investments can fall as well as rise.

Overseas Developed Markets Fund - Overview at 31 March 2024

Overseas Developed Markets Fund

The Fund generated a total return of 8.92% during the quarter compared to the composite benchmark return of 7.75% resulting in 1.16% of outperformance, continuing its trend of strong performance from last year.

The key contributor to relative performance over the quarter was the fund's North American exposure. Not only was the US the strongest performing market, but our allocation outperformed its regional benchmark by 1.6%. The biggest contributor to the returns over the quarter was the fund's investment in Nvidia which gained ~82% and where the fund was overweight. Interestingly, within the US, while the Technology sector generated the best absolute returns over the period, the largest contribution to relative returns came from the Consumer Discretionary sector, where the fund wasn't invested in high-risk stocks such as Tesla. Both Europe and Japan also contributed positively to returns over the quarter, with Japan being the region that delivered the best relative performance of 3.0%.

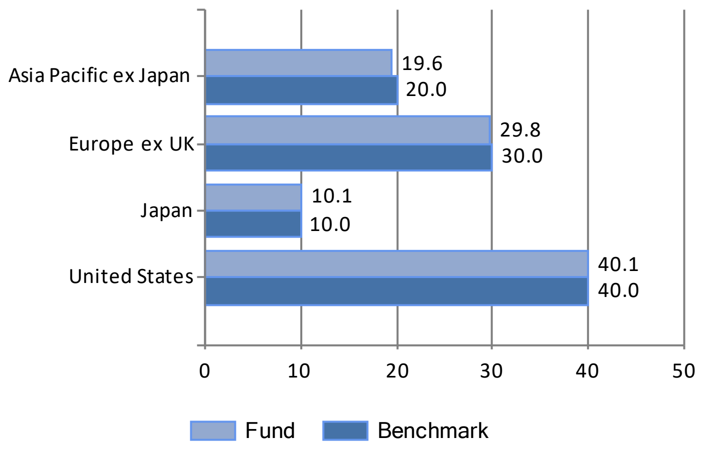
On a sector basis, Technology was the strongest contributor to returns for the period, on both an absolute and relative basis. We remain overweight due to our optimism around the beneficial structural changes to the global economy, and the subsequent growth prospects that our technology investments should deliver. That said, our valuation discipline means we have gradually reduced our exposure to some of the more highly valued companies within the sector. The biggest detractor to performance over the quarter was again the Financial sector. A combination of sector performance, as well as weaker stock selection detracted from relative performance. Our holdings in AIA group and Hong Kong Exchange in Asia were notable detractors.

We are very aware of the growing concentration of returns from US technology companies. This combined with a mixed global growth outlook, an unsettled geopolitical environment and above historic equity market valuations suggests that the outsized equity market returns experienced last year may not be repeated in 2024. In that context, we are comforted by our focus on investing in high quality companies with attractive fundamentals for the long term. This core pillar of our process will provide a measure of protection against inherent market risks, whilst ensuring we are well positioned to benefit from the attractive long term returns equities have to offer.

Note
1) Source: Border to Coast

Overseas Developed Markets Fund
at 31 March 2024

Regional Breakdown



Overseas Developed Markets Fund

The Border to Coast Overseas Developed Equity Fund aims to provide a total return (income and capital) which outperforms the total return of the Benchmark (*) by at least 1% per annum over rolling 3 years period (before calculation of the management fee).

The Fund will not generally make active regional allocation decisions and the majority of its performance will arise from stock selection.

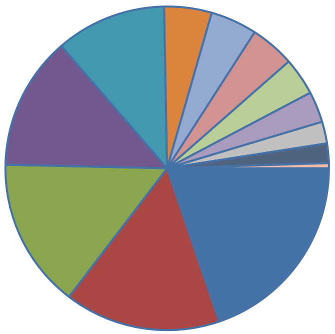
(*) The Benchmark is a composite of the following indices:
•40% S&P 500
•30% FTSE Developed Europe ex UK
•20% FTSE Developed Asia Pacific ex Japan
•10% FTSE Japan

	Inception to Date			Quarter			1 Year			3 Years		
Fund	**Fund**	**Index**	**Relative**	**Fund**	**Index**	**Relative**	**Fund**	**Index**	**Relative**	**Fund**	**Index**	**Relative**
Overseas Developed Markets	**10.86**	**9.22**	**1.64**	**8.92**	**7.75**	**1.16**	**20.95**	**17.39**	**3.56**	**11.37**	**9.24**	**2.14**
United States	14.96	13.54	1.42	13.08	11.45	1.63	30.42	26.54	3.88	16.37	14.29	2.09
Japan	8.81	5.95	2.86	14.48	11.43	3.05	31.24	21.91	9.33	9.49	6.40	3.09
Europe ex UK	9.29	7.48	1.80	7.78	6.64	1.14	16.56	12.76	3.80	12.04	8.66	3.38
Asia Pacific ex Japan	5.60	4.22	1.37	0.24	0.20	0.04	5.56	4.53	1.03	1.02	0.86	0.16

Note
1) Please note that only the total Overseas Developed Equity Fund performance line is net of ACS charges such as depository and audit fees.
Investment management fees have not been included in the performance.

Overseas Developed Markets Fund
at 31 March 2024

Sector Portfolio Breakdown



Overseas Developed Markets Fund

Sector Weights:

Common Stock Funds (o/w) – exposure to smaller companies via collective vehicles, specifically in the US.

Industrials (o/w) – regional divergences in valuation and expectations mean that high relative exposure in Europe and Pacific ex-Japan more than compensate for underweights in the US and Japan.

Technology (o/w) – adoption of artificial intelligence – along with other technology themes – has the potential to benefit technology companies for multiple years.

Consumer Staples (u/w) – concern over global consumer budgets and changing behaviours due to broader use of new appetite suppressing drugs (commonly known as GLP-1s).

Real Estate (u/w) – high leverage leaves the sector vulnerable to a higher interest rate regime, and concerns around the impact of home/flexible working on the longer-term demand for office space remain.

Financials (u/w) – improved returns haven't materialised despite higher interest rates. Elevated credit cycle risk (non-performing, or defaulted loans) should recessionary pressures mount.

Note
1) Source: Northern Trust
2) The pie-chart shows the sector allocation of the fund . The benchmark sector allocation is shown in brackets.

Overseas Developed Markets Fund Attribution
at 31 March 2024

Positive Stock Level Impacts

Fund	Portfolio weight (%)	Fund return (%)	Benchmark weight (%)	Benchmark return (%)	Contribution to performance (%)
NVIDIA Corporation	2.70	83.92	2.03	84.13	0.30
Tesla	0.00	0.00	0.44	(28.61)	0.23
Novo Nordisk	2.00	25.71	1.36	25.13	0.11
ASML	1.77	29.05	1.31	29.32	0.08
DISCO Corporation	0.29	54.03	0.07	54.11	0.08

NVIDIA Corporation(o/w) – revenue guidance once again significantly ahead of market expectations driven by elevated demand for its datacentre microprocessors that facilitate burgeoningartificial intelligence (AI) workloads.

Tesla (u/w) – disappointing results and 2024 outlook as the company's profitability declined as it cut new vehicle prices to stimulate demand in an increasingly competitive electric vehicle market.

Novo Nordisk (o/w) – signs that Novo is making progress in easing supply shortages for its core diabetes and obesity drugs resulting in expectations of another year of double-digit revenue growth. In addition, the company acquired three fill-finish sites, which should boost its filling capacity, and early data from an experimental trial of Amycretin, a pill-based weight loss treatment, suggested it may be more effective than the company's injection-based product, Wegovy.

ASML (o/w) – the Dutch semiconductor equipment maker continues to benefit from the AI boom, and reported higher income, and a significant rise in orders for its fourth quarter.

Disco (o/w) – semiconductor production equipment (SPE) manufacturers have enjoyed a robust rerating for the past 12 months as the market prices in an upswing in the chipmaker capex cycle. Disco has prospered more than other related companies due to its exposure to back-end processing equipment, which is benefitting from the AI-driven large-scale buildout.

Note
1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund Attribution Continued at 31 March 2024

Negative Stock Level Impacts

Fund	Portfolio weight (%)	Fund return (%)	Benchmark weight (%)	Benchmark return (%)	Contribution to performance (%)
AIA Group	0.72	(22.29)	0.52	(22.25)	(0.09)
RWE	0.28	(24.52)	0.08	(24.63)	(0.08)
Adobe	0.50	(14.69)	0.21	(14.65)	(0.07)
Meta Platforms	0.71	38.59	0.97	38.54	(0.07)
UniCredit	0.00	0.00	0.22	41.28	(0.05)

AIA Group (o/w) – the market was disappointed by the lack of further share buybacks, despite better-than-expected earnings, healthy growth, and a low valuation.

RWE (o/w) – the German utility has reduced its earnings expectations following a significant drop in gas and electricity prices driven by record inventories, higher renewables output, and milder weather, giving confidence that the region will survive the winter without a spike in energy prices.

Adobe (o/w) – negative reaction to disappointing revenue guidance increasing fears that Adobe's leading market position in creative software may be under threat from cheaper alternatives offered by industry disruptors.

Meta Platforms (u/w) – strong results highlighting momentum in monetising its portfolio of social media networks. Meta's advertising revenue growth is expected to be well ahead of peers in 2024.

UniCredit (u/w) – UniCredit announced a boost to its capital distributions to shareholders and upgraded its 2024 profit outlook.

Note
1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund at 31 March 2024

Largest Relative Over/Underweight Stock Positions (%)

Vanguard US Mid Cap ETF	+3.06
Alphabet A	+1.15
NVIDIA Corporation	+0.68
Novo Nordisk	+0.63
Samsung Electronics	+0.59
Alphabet C	-0.68
Tesla	-0.44
Exxon Mobil	-0.42
Westpac Bank	-0.40
Hermes	-0.30

Top 5 Holdings Relative to Benchmark:

Vanguard Mid-Cap ETF – provides exposure to smaller companies in the US, although the portfolio has an underweight exposure to smaller companies overall.

Alphabet Inc Class A – the parent company of Google has two share classes. While the fund doesn't own the class C shares, our net position is still overweight. Google enjoys a strong and profitable internet advertising market position whilst also benefitting from a fast-growing cloud computing infrastructure business.

NVIDIA Corporation – the company has leadership in advanced datacentre chips that customers use for the most intense compute workloads including generative AI. This advantage in hardware is reinforced by Nvidia's extensive software intellectual property and its strong position in datacentre networking.

Novo Nordisk – Novo has a strong market position in Type-2 diabetes and has branched out into treatment of obesity. Wegovy, the firm's flagship GLP-1 obesity drug, is seeing demand far outstrip supply as Novo extends its offering to other countries. Trials have also shown that GLP-1s could help with cardiovascular and kidney failure for diabetic/obese patients.

Samsung Electronics – Samsung is exposed to structural growth in the memory chip market, including high bandwidth applications. The group also has a diversified earnings stream, stronger balance sheet than peers, and large potential for shareholder returns. The overweight in the ordinary shares is partly offset by not owning the preference shares.

Bottom 5 Holdings Relative to Benchmark:

Alphabet Inc Class C – the large holding in the A share class results in a moderate overweight exposure overall.

Tesla Inc – we are concerned that the company may need to cut vehicle prices further to stimulate demand at a time of increasing credible competition. The high valuation of the shares seems dependent on Tesla successfully making a technological leap and generating material revenue streams from autonomous driving.

Exxon Mobil Corp – we prefer Chevron and ConocoPhillips to Exxon Mobil. Both companies have demonstrated more consistent energy transition engagement.

Westpac Banking Group – The Fund has a preference for the other major Australian banks, given they achieve better returns, are better provisioned, and are considered of a higher quality in their operations.

Hermes – Hermes trades on a higher valuation and has a less diversified portfolio than some of its peers. The portfolio has an overweight position in LVMH, which trades at a lower valuation despite its best-in-class characteristics.

Note
1) Source: Northern Trust

Summary of Performance - Funds (Net of Fees) Emerging Markets Equity Fund at 31 March 2024

	Inception to Date			Quarter to Date			1 Year			Benchmark
Fund	Fund	Index	Relative	Fund	Index	Relative	Fund	Index	Relative	
Emerging Markets Equity	3.34	4.78	(1.43)	3.96	3.31	0.64	6.03	5.76	0.27	FTSE Emerging Markets (Net)[3]
Border to Coast	7.15	7.87	(0.72)	5.32	5.19	0.14	20.58	20.09	0.49	FTSE Emerging ex China (Net)
FountainCap	(17.62)	(17.57)	(0.06)	3.49	(1.19)	4.68	(18.14)	(19.21)	1.07	FTSE China (Net)
UBS	(18.43)	(17.57)	(0.87)	(0.47)	(1.19)	0.71	(18.12)	(19.21)	1.09	FTSE China (Net)

Manager/Strategy	Role in fund	Target	Actual
Border to Coast	Core strategy focused on Emerging Markets ex-China with a tilt towards quality companies.	72%	70%
FountainCap	China specialist with long term, high conviction strategy focused on three megatrends: Innovation Economy, Clean Energy, and Consumption Upgrade.	11%	11%
UBS	China specialist seeking to identify upcoming 'industry leaders' that will benefit from China's structural growth and transition to a services-led economy.	17%	19%

Note

1) Source: Northern Trust & Border to Coast
2) Values do not always sum due to rounding and use of different benchmarks
3) S&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).

Emerging Markets Equity Fund - Overview at 31 March 2024

Emerging Markets Equity Fund

Overall, the EM Equity Fund returned 4.0% through Q1 2024, 0.6% above the FTSE EM benchmark. Over one year it has returned 6.0%, outperforming the benchmark by 0.3%. Since the Fund was restructured (April 2021) it has returned an annualised -2.8% and underperformed the benchmark by 1.0%.

On first glance, Q1 2024 followed a continuation of the 2023 market performance story, with the FTSE EM benchmark rising over the quarter (+3.3%), driven by the EM ex China region (rising by 5.2%), with the China region dragging on performance (FTSE China down 1.2%). However, this masks intra-quarter volatility where China fell c. 10% during January, before recovering much of the losses through February and March. The Chinese market recovery was assisted by supportive travel and consumption data over the Chinese New Year, economic growth targets set at the National People’s Congress Annual Meeting, and state buying of ETFs.

Whilst the China market performance was negative, both of our China managers provided alpha (+2.1% on aggregate). FountainCap, which had performed poorly through 2023 (returning -5.3% vs its benchmark), had a much stronger quarter and outperformed by 4.7%. Having analysed the FountainCap performance through 2023 we noted that whilst the price of the portfolio had contracted, the underlying earnings had remained resilient, leading to the portfolio’s valuation metrics appearing extremely attractive. The strong fundamental performance of the portfolio continued through the quarter, with a number of holdings demonstrating growth and beating expectations in their latest quarterly results. Specifically, retailers such as Anta Sports (active wear focused retailer), and Pop Mart (toy and figurine retailer) each contributed significantly, whilst the improved outlook for domestic solar installation and a rebound in solar product prices due to overseas orders picking up benefitted the holding in Sungrow Power. FountainCap also have some commodity exposure and positions in PetroChina and Zijin Mining benefitted from the increasing price of oil, and gold/copper, respectively.

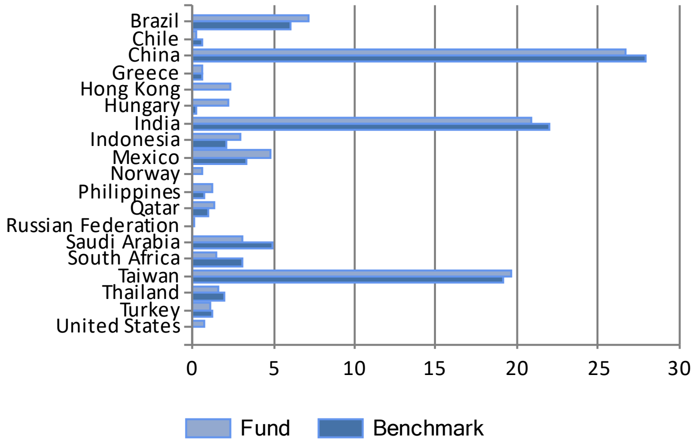
UBS also outperformed the FTSE China Index (+0.7%). Whilst its returns were more moderate, it also saw good share price performance based off strong fundamental performance of the portfolio. Holdings in Midea Group (household goods and appliances) and China Merchant Bank (non-SOE commercial bank) both contributed significantly to performance following positive results. UBS also has a significant position in NetEase, which recovered well from its Q4 2023 price fall as the government appeared to reverse from potential regulation in the gaming industry.

The internal EM ex-China mandate also outperformed its benchmark, returning +0.1% on a relative basis. The EM ex-China region provides opportunity to access the AI theme outside of the large cap, US tech sector, and the mandate’s performance was driven by this theme. TSMC (the global leading semiconductor manufacturer), Taiwan Union Tech, and ASE Technology (both in the semiconductor supply chain) were all in the top three contributors to returns. However, Brazil exposure detracted from returns after slowing economic activity in the country.

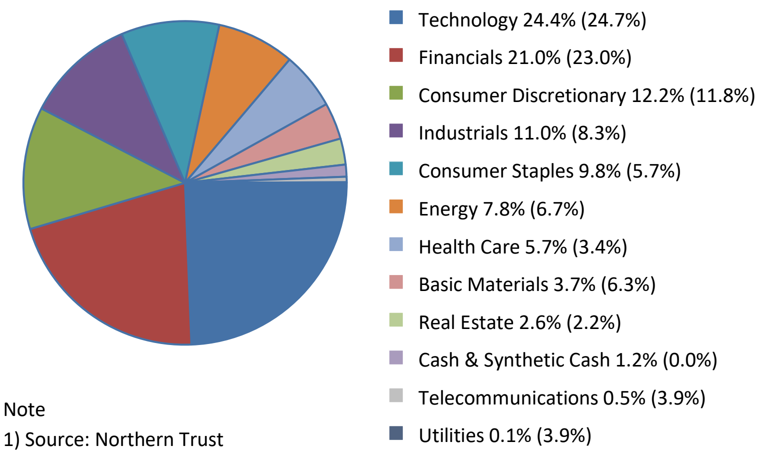
Note
1) Source: Border to Coast

Emerging Markets Equity Fund
at 31 March 2024

Regional Breakdown



Sector Portfolio Breakdown



Note
1) Source: Northern Trust

Emerging Markets Equity Fund

The Border to Coast Emerging Markets Equity Fund aims to provide a total return (income and capital) which outperforms the total return of the FTSE Emerging Markets benchmark by at least 1.5% per annum over rolling 3-year periods (before calculation of the management fee).

The majority of the Fund's performance will arise from stock selection decisions.

Sector Weights:

Consumer Staples (o/w) – the rapidly growing Emerging Market middle class population is expected to lead to an increase in the consumption of staple goods over the long term. The Fund is 4.08% overweight several stocks (particular in China) that are well positioned to benefit from such a tailwind.

Industrials (o/w) – the Fund is 2.68% overweight the industrials sector, a diverse sector ranging from shipping and airports to glass manufacturing. The Fund's largest positions within this sector are manufacturers (or lessors) of heavy machinery and parts, which should benefit from continued urbanisation in emerging markets, and the manufacturer of electric cables with key relationships with global renewables businesses – i.e., a beneficiary of the green energy transition.

Health Care (o/w) – demographic trends (aging EM populations), increasing prosperity and perhaps even medical tourism are expected to drive medical spending higher (both personal and governmental) in Emerging Markets. The Fund is exposed to a diverse set of innovative businesses in this sector.

Basic Materials (u/w) – the Fund is –2.70% underweight the Materials sector, driven predominantly by the underlying managers believing there are few quality companies and attractive opportunities, that said, the Fund does hold some stocks, particularly in the EM-ex China component of the portfolio.

Telecommunications (u/w) – the Fund is –3.32% underweight this relatively low growth, cap-ex intensive sector, which can also be buffeted by political risk (control and pricing implications). Where exposures are taken, they are to dominant market players with strong balances sheets in markets with solid growth prospects.

Utilities (u/w) – the Fund is –3.80% underweight this highly regulated sector. Concerns over long-term sustainability of businesses and risk of regulatory interference warrants an underweight position.

Emerging Markets Equity Fund Attribution at 31 March 2024

Positive Stock Level Impacts

Fund	Portfolio weight (%)	Fund return (%)	Benchmark weight (%)	Benchmark return (%)	Contribution to performance (%)	Sector	Region
Taiwan Semiconductor	10.30	27.65	8.49	27.60	0.33	Technology	Taiwan
Aegis Logistics	1.48	27.28	0.00	0.00	0.25	Energy	India
PDD Holdings	0.31	(19.08)	1.02	(19.82)	0.21	Technology	China
Netease	2.47	15.58	0.54	17.63	0.20	Consumer Discretionary	China
TUC	0.74	37.40	0.00	0.00	0.19	Technology	Taiwan

Positive Issue Level Impacts

TSMC (o/w) – the leading global semiconductor manufacturer. TSMC's technology is a core element in manufacturing AI semiconductor chips, and it has benefitted from the continued spending and enthusiasm related to the AI theme. The company provided strong guidance at its most recent quarterly results and has also cleared its inventory backlog relating to chips for Smartphones and PCs. With a 1.56% overweight position, this stock contributed 0.33% to return.

Aegis Logistics (o/w) – we are 11.17% overweight this major provider of port infrastructure for import/export of LPG and industrial liquids. The share price performance was volatile during Q1, however, the most recent results detailed strong revenues and the board announced a second interim dividend for FY 23/24.

PDD Holdings (u/w) – a multinational e-commerce group that owns and operates a portfolio of businesses focused on the digital economy. Despite strong Q4 results which were above expectations, the share price fell c. 20% over the quarter, likely due to some profit taking after the company's strong 2023. The company is also facing headwinds driven by potential US/China trade relationships and reports of excessive advertising spending. However, our –0.89% underweight position led to a 0.21% contribution to returns.

NetEase (o/w) – a Chinese internet technology company that primarily develops and operates online PC and mobile games and content. We are 1.93% overweight this company, which has experienced a strong share price recovery after the government appeared to "row back" on potential gaming industry regulation and approved over 100 new gaming titles. The most recent results detailed a slight earnings and revenue miss; however, the company's outlook remains promising.

Taiwan Union Tech (o/w) – a supplier of high-speed digital Copper Clad Laminate for use in printed circuit boards ("PCBs"), with a focus on the servers and switches end markets. Similar to TSMC, the company has benefitted from the continued enthusiasm related to the AI theme, and inventory de-stocking across the semiconductor industry. Positive performance led to a 0.19% impact on returns.

Note
1) Source: Northern Trust & Border to Coast
2) Past performance is not an indication of future performance and the value of investments can fall as well as rise

Emerging Markets Equity Fund Attribution at 31 March 2024

Negative Stock Level Impacts

Fund	Portfolio weight (%)	Fund return (%)	Benchmark weight (%)	Benchmark return (%)	Contribution to performance (%)	Sector	Region
Oncoclinicas	0.67	(32.91)	0.00	0.00	(0.29)	Health Care	Brazil
AIA Group	0.49	(22.30)	0.00	0.00	(0.18)	Financials	Hong Kong
Vamos	0.76	(18.22)	0.01	(18.80)	(0.16)	Industrials	Brazil
B3	0.57	(17.91)	0.20	(18.05)	(0.16)	Financials	Brazil
Kasikornbank	0.93	(12.90)	0.09	(13.29)	(0.16)	Financials	Thailand

Negative Issue Level Impacts

Oncoclinicas (o/w) – a leading provider of outpatient oncology treatments in Brazil. We are 0.66% overweight as the share price suffered amid wider Brazilian market weakness. The most recent results also detailed operating results below expectations, and an extension in the average time to get paid due to the ongoing financial pressure on the health care plan industry (the payers).

AIA Group (o/w) – the company is a pan-Asia life insurance group. It continued its negative share price momentum through Q1, after falling c. 20% in 2023. Its latest results were slightly below expectations. Our 0.67% overweight position led to a –0.18% impact on returns.

Vamos Locacao de Caminhoes (o/w) – the company provides commercial vehicle rental services. It offers leasing of trucks, machinery, and equipment, serving customers in Brazil. As above, wider Brazilian market weakness negatively impacted our 0.7% overweight position. Its most recent results detailed revenues which were slightly below expectations.

B3 SA (o/w) – the company operating as the Brazilian regional exchange, providing clearing and settlement activities, central depository services, and financial products for trading in equity, commodity, and derivatives. Given the aforementioned Brazilian market weakness during the quarter, and the company being intrinsically linked to capital activity the share price suffered and our overweight position led to a –0.16% impact on returns.

Kasikornbank (o/w) – a commercial bank based in Thailand providing corporate and retail banking services. We are 0.89% overweight and the company's share price suffered after its Q4 results detailed missed expectations in relation to the bank's net internet margin. There has been some disappointment regarding how slowly provisions for bad loans are moderating. Whilst the trajectory is in the right direction, it is taking longer than hoped for and resulted in a –0.16% impact on returns.

Note
1) Source: Northern Trust & Border to Coast
2) Past performance is not an indication of future performance and the value of investments can fall as well as rise

Emerging Markets Equity Fund at 31 March 2024

Largest Relative Over/Underweight Stock Positions (%)

Kweichow Moutai	+2.34
Netease	+1.93
Taiwan Semiconductor	+1.81
Gedeon Richter	+1.59
ITC	+1.58
Alibaba	-1.09
Infosys	-0.91
China Construction Bank	-0.82
PDD Holdings	-0.71
ICBC	-0.58

Note
1) Source: Northern Trust

Top 5 Holdings Relative to Benchmark:

Kweichow Moutai – a leading Chinese baijiu (liquor) producer with strong brand presence and scale. The business is well positioned to benefit from the consumption upgrade story in mainland China.

NetEase – a Chinese internet technology company that primarily develops and operates online PC and mobile games and content. Despite some headwinds in its domestic market, growing success on the international stage (in particular Japan) along with a strong pipeline of games, should bode well for sales and profit growth.

Taiwan Semiconductor Manufacturing Company – TSMC is the leading global semiconductor manufacturer, and it contracts with fabless semiconductor customers such as AMD and Nvidia to produce their semiconductor designs. The company has significant competitive advantages in relation to its scale, production capacity, and technology. The chips it produces are used in smart phones, high performance computing (with some chips required for the emerging AI technology), automobiles and other consumer electronics.

Richter Gedeon – a diversified and growing pharmaceutical business that trades materially cheaper than peers. Richter boasts a growing (and soon to be market leading) women's health platform and is a leader in proprietary CNS (central nervous system) drug discovery. The company is benefiting from low-cost but high-spec R&D and manufacturing facilities in Budapest with various avenues ahead for value creation. The firm is well positioned to benefit from increased global medical spending with mature cash generative drugs and an innovative pipeline.

ITC – ITC's portfolio of consumer staples brands and powerful distribution capability provides broad exposure to the consumer in India. The company is benefiting from robust volume expansion and premiumisation.

Bottom 5 Holdings Relative to Benchmark:

Alibaba – a Chinese multinational technology company, best known for e-commerce and online payment platforms. The stock is a material proportion of the benchmark, and whilst the Fund does hold some exposure, there are deemed to be better opportunities elsewhere.

Infosys – Indian IT consulting and software services business. The company was a previous holding in the EM-ex China portfolio, however, the position was exited during Q3 '23 following poor guidance, and positioning has been rotated into competitor firms which offer less discretionary services, such as moving digital infrastructure to the cloud.

China Construction Bank – one of the "big four" banks in China, which, the Fund maintains a structural underweight to.

PDD – a Chinese technology company, owning a number of e-commerce businesses, such as TEMU. The stock is a material proportion of the benchmark, and whilst the Fund does hold some exposure, there are deemed to be better opportunities elsewhere.

Industrial & Commercial Bank China – one of the "big four" banks in China, offering services to millions of personal and corporate customers. The Fund maintains a structural underweight to Chinese State-Owned Enterprises, many of which are within the banking and finance sector.

Major Transactions During the Quarter

Purchases:
Globant SA (new position) – Globant provides high-end consultancy and software development services to Fortune 500 customers. The company has a market leading brand, attractive compound growth characteristics, and stable profitability.

Chroma Ate Inc (new position) – Chroma Ate is a Taiwanese company which manufactures electronic and automation measuring equipment. It has a strong positioning in certain niches for testing equipment, such as for EV electronics and battery charging, and system level testing for advanced packaging of semiconductor modules. Rising complexity and power density of electronic components resulting in a greater quantity of custom-made testing solutions underpins growth expectations.

UK Listed Equity Fund - Overview
at 31 March 2024

UK Listed Equity Fund

The Fund generated a total return of 3.30% during the quarter, compared to the benchmark return of 3.57%, resulting in 0.27% of underperformance.

The Sub-fund benefited from the following:

- Stock selection in Consumer Discretionary with no exposure to Entain (problematic US joint venture and yet to appoint a permanent CEO) and overweight positions in Flutter (strong earnings and intention to seek a primary listing in the US), Vistry (strategic transition to social housing) and Next (analysts upgrades following strong results).
- Stock selection in Basic Materials with overweight positions in Antofagasta (sharp rise in copper price) and Elementis (cyclical recovery and end to industry destocking).
- Stock selection in Telecommunications with an overweight position in Spirent (takeover activity).

This was offset by the following:

- Weak stock selection in Industrials due to no exposure to Rolls Royce (beneficiary of increase in flying hours as travel continues to rebound post-pandemic).
- Weak stock selection in Financials with an overweight in St James's Place (surprise earnings provision to cover for potential future redress regarding high fees) and no exposure to 3i (continued strength in largest holding, European discount retailer Action).
- Overweight position in Consumer Staples (impacted by rising bond yields) and overweight position in Reckitt Benckiser (reacted negatively to news of infant nutrition regulatory risk from the US).

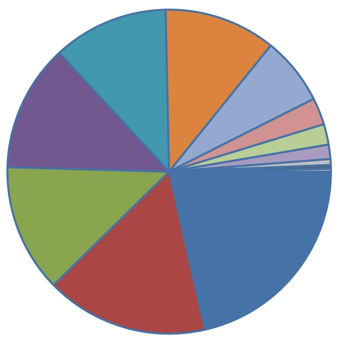
Note
1) Source: Border to Coast

UK Listed Equity Fund
at 31 March 2024

Largest Relative Over/Underweight Sector Positions (%)

Consumer Staples	+2.68
Common Stock Funds	+1.43
Health Care	+1.33
Consumer Discretionary	+0.17
Energy	+0.14
Financials	-2.21
Industrials	-1.00
Telecommunications	-0.84
Utilities	-0.80
Technology	-0.78

Sector Portfolio Breakdown



Note
1) Source: Northern Trust

UK Listed Equity Fund

The Border to Coast UK Listed Equity Fund aims to provide a total return (income and capital) which outperforms the total return of the FTSE All Share Index by at least 1% per annum over rolling 3-year periods (before calculation of the management fee).

The majority of the Fund's performance will arise from stock selection decisions.

Sector Weights:

Consumer Staples (o/w) – broad mix of food and beverage, beauty, personal care, and home care product manufacturers and food retailers which offer strong cash generation, robust balance sheets and provide quality through-cycle compounding characteristics.

Common Stock Funds (o/w) – exposure to UK smaller companies via specialist funds/collective vehicles. UK small caps, in common with other geographies, have underperformed in recent years leaving current valuations increasingly attractive. Over longer periods of time, though, helped by strong growth potential, small cap companies have a track record of delivering outperformance.

Healthcare (o/w) – driven by global demographics (ageing and growing global population), greater incidence of chronic health conditions, and increasing ability of emerging market populations to fund modern healthcare, healthcare spending should grow faster than GDP growth. Additionally, the sector benefits from barriers to entry – from patent protection and rigorous drug approval processes – that drives strong pricing power.

Financials (u/w) – predominantly due to underweights in investment trusts and HSBC – where strained US-China relations, increased near-term recessionary/commercial real estate risks, a potential for deteriorating bank loan books and rising credit risk in insurers bond portfolios – continue to be concerning. This is partly offset by overweight positions in wealth managers and insurers – particularly those with Asian exposure. The region is expected to benefit from the China/Hong Kong border reopening and boasts healthy long-term growth potential as general levels of wealth increase.

Industrials (u/w) – broad mix of idiosyncratic companies, typically with significant global market positions in specialist niche markets. In general, UK companies have benefited from the broad post-pandemic global economic re-opening, end-market recovery (for example aerospace and automobiles), supply chain normalisation and rising infrastructure expenditure, especially in the US.

Telecommunications (u/w) – highly capital-intensive, and features industry overbuild of fibre networks, leading to highly uncertain future returns. Regulatory structures restrict consolidation in Europe and the UK, and recent above-inflation pricing increases – like the ones enacted by BT – seem unsustainable.

UK Listed Equity Fund Attribution
at 31 March 2024

Positive Stock Level Impacts

Fund	Portfolio weight (%)	Fund return (%)	Benchmark weight (%)	Benchmark return (%)	Contribution to performance (%)
Spirent Communications	0.28	62.18	0.05	62.21	0.12
Intercontinental Hotels	1.18	16.01	0.58	16.25	0.07
Vistry Group	0.46	33.99	0.18	34.06	0.06
Entain	0.00	0.00	0.21	(18.87)	0.06
Flutter Entertainment	1.47	13.32	1.18	13.27	0.05

Spirent Communications PLC (o/w) – the company received two recommended cash bids from US peers Viavi Solutions and subsequently Keysight Technologies, with the latter at a material c.85% premium to the undisturbed share price.

Intercontinental Hotels Group PLC (o/w) – Intercontinental reported full-year results that showed strong revenue growth, driven by a healthy global travel recovery, and accelerated signings in its hotel pipeline. Management raised mid-term guidance, and announced a renewal of the buyback programme that met the higher end of investors' expectations.

Vistry Group PLC (o/w) – Vistry continues its strategic transformation towards its Partnerships division (housing association/social housing construction). The company announced solid full-year results during the quarter and announced a new share buyback programme.

Entain PLC (u/w) – Regulatory headwinds – in the UK and Netherlands – continue to weigh on the shares. Investors are also questioning the firm's strategic direction and operational complexity, following multiple acquisitions. Entain's partnership with US BetMGM is progressing more slowly than expected, and the firm is yet to appoint a permanent CEO.

Flutter Entertainment PLC (o/w) – Solid full year results confirm progression to profitability in the US as FanDuel continues to maintain its market leading position in US online sports betting. The US secondary listing commenced in January, with Flutter also announcing its intention to move to a US primary listing, with a vote proposed at the May AGM.

Note
1) Source: Northern Trust & Border to Coast

UK Listed Equity Fund Attribution Continued at 31 March 2024

Negative Stock Level Impacts

Fund	Portfolio weight (%)	Fund return (%)	Benchmark weight (%)	Benchmark return (%)	Contribution to performance (%)
Rolls Royce	0.00	0.00	1.51	42.38	(0.41)
3I Group plc	0.00	0.00	1.13	16.03	(0.12)
St. James's Place	0.29	(31.99)	0.11	(32.05)	(0.09)
NatWest	0.18	26.26	0.61	26.78	(0.08)
Dowlais Group	0.23	(27.16)	0.04	(27.00)	(0.08)

Rolls-Royce PLC (u/w) – turnaround of the business – driven by a recovery in widebody aircraft flying hours – continues to gain traction leading to an increase in earnings guidance.

3i Group PLC (u/w) – Action – the European discount retailer which represents around 70% of the investment company's portfolio – has continued to deliver strong trading performance into 2024.

St James's Place PLC (o/w) – further weakness due to a surprise provision for consumer redress, in relation to potential fee rebates for customers, following the implementation of changes to the companies fee charging structure as a result of the release of the FCA's Consumer Duty guidance in 2023.

NatWest Group PLC (u/w) – the bank's full year results reflected resilient UK macroeconomic prospects and increased chances of a soft landing. The results unveiled only modest impairments, as UK employment levels remain high and inflation continues to ease. The UK government's announced intention to accelerate the sale of its remaining stake – which could include a retail offer – reduces the overhang on the shares.

Dowlais Group PLC (o/w) – the environment for auto manufacturing remains challenging, due to the transition to electric vehicles with a large impairment in its Powder Metallurgy division.

Note
1) Source: Northern Trust & Border to Coast

UK Listed Equity Fund
at 31 March 2024

Largest Relative Over/Underweight Stock Positions (%)

Impax Environmental Markets	+0.88
Schroder UK Smaller Companies Fund	+0.74
Liontrust UK Smaller Companies	+0.68
Herald Investment Trust	+0.62
Intercontinental Hotels	+0.60
Rolls Royce	-1.51
3I Group plc	-1.13
Vodafone	-0.65
Aviva	-0.57
Scottish Mortgage Investment Trust	-0.53

Note

1) Source: Northern Trust

Top 5 Holdings Relative to Benchmark:

Impax Environmental Markets PLC – the leading ESG-focused fund which specialises in alternative energy, energy efficiency, water treatment, sustainable food, clean transport, smart environments, pollution control and waste technology has delivered strong outperformance over the long term.

Schroder Institutional UK Smaller Companies Fund – a specialist UK smaller companies fund with a strong long-term track record. Schroders incorporate proprietary ESG scoring systems in their investment process and undertake significant direct ESG engagement with portfolio holdings.

Liontrust UK Smaller Companies Fund – a specialist UK small-cap fund with an investment style focussed on intellectual property, strong distribution channels, and durable competitive advantages: all factors considered relevant to the attractive long-term growth profile of smaller companies. The managers have a strong emphasis on sustainable investment and adopt extensive ESG engagement and reporting.

Herald Investment Trust PLC – a specialist investment trust with a global mandate that focusses on smaller quoted companies in the telecommunications,multimedia and technology sectors. The trust has a long track record of outperformance.

Intercontinental Hotels Group PLC – well placed to benefit from the recovery in global travel, as consumers continue to prioritise experiences. Hotels boast a capital light business model, characterised by franchised/managed hotels. This helps the company insulate earnings from fluctuations in hotel demand.

Bottom 5 Holdings Relative to Benchmark:

Rolls-Royce Holdings PLC – exited the holding in 2022 ahead of the change in CEO, on uncertainty over the recovery profile of long-haul air travel post-Covid, and the associated demand for wide-bodied engines and engine flying hours. Significant turnaround under the new CEO albeit questions remain over the sustainability of the recovery.

3i Group PLC – global private equity investor albeit with an unusually concentrated investment portfolio where approximately 70% of the current net asset value is invested in a single asset, Action, a European discount retailer.

Vodafone Group PLC – weakening competitive position in key markets including largest market Germany where cable revenues face increased competition following regulatory changes and, until recently, a lack of management commitment towards strategic consolidation such as in the UK & Italy, where approval from competition authorities also remain key barriers to consolidation.

Aviva PLC – exited our holding last year to consolidate holdings within the insurance sector into companies where growth prospects appear stronger such as Admiral, Prudential and Legal & General.

Scottish Mortgage Investment Trust PLC – investment trust focussed on global large-cap technology stocks but also an unusually high exposure to less liquid and potentially riskier unlisted companies currently representing around 30% of the fund's value. We have similar listed global technology exposure through our holding in Allianz Technology Trust.

Major transactions during the Quarter

Purchases:

Segro PLC (£10.2m) – increased the weighting to Segro, a recently added holding. The company boasts an attractive logistics/data centre portfolio/development pipeline which are exposed to structural growth sectors. Asset valuations have been negatively impacted by rising interest rates, but an expected turn in interest rate expectations should help.

Sales:

British Land PLC(£15.2m) – moved towards exiting the holding, rotating the proceeds into Segro (increase exposure to logistics at an attractive valuation) and Derwent London and Shaftesbury Capital (stronger growth and recovery potential).

APPENDICES

Overseas Developed Markets Fund - United States
at 31 March 2024

Positive Stock Level Impacts

Fund	Portfolio weight (%)	Benchmark weight (%)	Contribution to performance (%)
NVIDIA Corporation	2.70	2.03	0.30
Tesla	0.00	0.44	0.23
Eli Lilly	0.90	0.56	0.07
Broadcom	0.98	0.53	0.05
American Express	0.49	0.12	0.05

NVIDIA Corporation (o/w) – revenue guidance once again significantly ahead of market expectations driven by elevated demand for its datacentre microprocessors that facilitate burgeoning artificial intelligence (AI) workloads.

Tesla (u/w) – disappointing results and 2024 outlook as the company's profitability declined as it cut new vehicle prices to stimulate demand in an increasingly competitive electric vehicle market.

Eli Lilly (o/w) – gained regulatory approval to market its anti-obesity medicine, Zepbound, in the US. Significant market opportunity with the company's revenue for both Type-2 diabetes and obesity therapeutics currently capped by supply constraints – company is expected to enjoy industry-leading growth for years to come.

Broadcom (o/w) – closed its $60bn acquisition of VMware, a cloud computing and virtualisation leader, towards the end of 2023. The deal should generate significant synergies and therefore the potential for accelerated earnings growth. Furthermore, Broadcom is a leading participant in customised computing chips, and should enjoy outsized revenue growth if datacentre customers are successful in reducing their dependence on Nvidia.

American Express (o/w) – earnings guidance was robust with sentiment towards the company continuing to improve, along with the market's expectations for a more resilient US economy and healthy consumer spending.

Note
1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund - United States at 31 March 2024

Negative Stock Level Impacts

Fund	Portfolio weight (%)	Benchmark weight (%)	Contribution to performance (%)
Adobe	0.50	0.21	(0.07)
Meta Platforms	0.71	0.97	(0.07)
UnitedHealth Group	0.73	0.42	(0.04)
General Electric	0.00	0.17	(0.04)
Exxon Mobil	0.00	0.42	(0.04)

Adobe (o/w) – negative reaction to disappointing revenue guidance increasing fears that Adobe's leading market position in creative software may be under threat from cheaper alternatives offered by industry disruptors.

Meta Platforms (u/w) – strong results highlighting momentum in monetising its portfolio of social media networks. Meta's advertising revenue growth is expected to be well ahead of peers in 2024.

UnitedHealth Group (o/w) – sentiment towards the US health insurance sector deteriorated on rising concerns that increased patient utilisation of treatments and procedures would erode industry profitability. The company was also impacted by a cyberattack in one of its subsidiaries which could adversely affect short term profitability.

General Electric (u/w) – after years of disappointing investors and restructuring operations, there were further signs that GE's turnaround has durability. In April the company completed a breakup, leaving three separately listed entities: aerospace, energy, and healthcare.

Exxon Mobil (u/w) – beneficiary of higher oil prices.

Note
1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund - United States
at 31 March 2024

Largest Relative Over/Underweight Stock Positions (%)

Vanguard US Mid Cap ETF	+3.06
Alphabet A	+1.15
NVIDIA Corporation	+0.68
Microsoft	+0.51
Broadcom	+0.45
Alphabet C	-0.68
Tesla	-0.44
Exxon Mobil	-0.42
AbbVie	-0.29
AMD	-0.26

Note
1) Source: Northern Trust

Top 5 Holdings Relative to Benchmark:

Vanguard Mid-Cap ETF – provides exposure to smaller companies in the US, although the portfolio has an underweight exposure to smaller companies overall.

Alphabet Inc Class A – Google enjoys a strong and profitable internet advertising market position whilst also benefitting from a fast-growing cloud computing infrastructure business.

NVIDIA Corporation – the company has leadership in advanced datacentre chips that customers use for the most intense compute workloads including generative AI.

Microsoft – continues to benefit from secular growth within its Azure cloud hosting business as well as resilient demand for its ubiquitous suite of productivity software led by Microsoft Office.

Broadcom – a prominent designer and developer of semiconductors serving an array of growing end markets. Broadcom's technical leadership in customised silicon could be a source of attractive growth for years to come.

Bottom 5 Holdings Relative to Benchmark:

Alphabet Inc Class C – the large holding in the A share class results in a moderate overweight exposure overall.

Tesla Inc – we are concerned that the company may need to cut vehicle prices further to stimulate demand at a time of increasing credible competition. The high valuation of the shares seems dependent on Tesla successfully making a technological leap and generating material revenue streams from autonomous driving.

Exxon Mobil – we prefer Chevron and ConocoPhillips to Exxon Mobil. Both companies have demonstrated more consistent energy transition engagement.

AbbVie Inc – the pharmaceutical company's largest franchise, Humira, has lost important patent protection and may pursue expensive acquisitions to reinvigorate revenue growth.

Advanced Micro Devices Inc – AMD is a leading provider of microprocessors. AMD also sells graphic processing units (GPUs), but we believe that Nvidia possesses crucial competitive advantages that should ensure that it remains dominant for the foreseeable future.

Major transactions during the Quarter

Sales:

Nvidia (£10.2m) – reduced holding. The company's technical innovations in advanced semiconductors have captured the imagination of customers and investors. The shares have performed strongly, and we reduced the overweight. We are cognisant that generative AI is a nascent industry and demand for GPU chips will eventually wane.

Eli Lilly (£3.6m) – reduced holding. Analysts continued to increase their estimates of the size of the addressable obesity market and the share price responded well. We took the opportunity to reduce the size of the overweight to mitigate the risk of any disappointment.

Overseas Developed Markets Fund - Europe (ex UK) at 31 March 2024

Positive Stock Level Impacts

Fund	Portfolio weight (%)	Benchmark weight (%)	Contribution to performance (%)
Novo Nordisk	2.00	1.36	0.11
ASML	1.77	1.31	0.08
Intesa Sanpaolo	0.50	0.20	0.04
Munich Re	0.64	0.23	0.04
AXA	0.63	0.23	0.03

Novo Nordisk (o/w) – signs that Novo is making progress in easing supply shortages for its core diabetes and obesity drugs resulting in expectations of another year of double-digit revenue growth. In addition, the company acquired three fill-finish sites, which should boost its filling capacity, and early data from an experimental trial of Amycretin, a pill-based weight loss treatment, suggested it may be more effective than the company's injection-based product, Wegovy.

ASML (o/w) – the Dutch semiconductor equipment maker continues to benefit from the AI boom, and reported higher income, and a significant rise in orders for its fourth quarter.

Intesa Sanpaolo (o/w) – healthy fees and commissions, as well as hedges put in place to protect against interest rate declines helped Intesa report better-than-expected fourth-quarter results with a further increase in forward earnings guidance. Intesa also announced a new share buyback programme further enhancing overall returns to shareholders.

Muenchener Rueckver (o/w) – the world's largest reinsurance firm expects business to remain strong and announced plans for a new buyback programme and an increased dividend.

AXA (o/w) – new strategic plan outlining a range of higher growth targets was received well by the market.

Note
1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund - Europe (ex UK) at 31 March 2024

Negative Stock Level Impacts

Fund	Portfolio weight (%)	Benchmark weight (%)	Contribution to performance (%)
RWE	0.28	0.08	(0.08)
UniCredit	0.00	0.22	(0.05)
BBVA	0.00	0.24	(0.04)
Infineon Technologies	0.29	0.15	(0.04)
Hermes	0.00	0.30	(0.03)

RWE (o/w) – the German utility has reduced its earnings expectations following a significant drop in gas and electricity prices driven by record inventories, higher renewables output, and milder weather, giving confidence that the region will survive the winter without a spike in energy prices.

UniCredit (u/w) – UniCredit announced a boost to its capital distributions to shareholders and upgraded its 2024 profit outlook.

Banco Bilbao Vizcaya Argentaria (u/w) – the Spanish lender reported higher-than-expected fee and commission revenue, helping it offset an interest income slowdown as Europe's rate-hike cycle ends. Spanish banks tend to have a higher proportion of variable loans to retail clients, meaning they have been some of the largest beneficiaries of tightening monetary policy and higher interest rates. The bank also announced a new share buyback programme.

Infineon Technologies (o/w) – Infineon cut its sales forecasts with demand for its personal electronics chips – used in computers and smartphones – expected to remain weak for months. Additionally, the Chinese government has asked electric-vehicle makers in the country to increase chip purchases from local manufacturers.

Hermes (u/w) – the French luxury-handbag maker posted a significant increase in earnings and maintained its medium-term revenue guidance supported by expectations of significant price increases in 2024.

Note
1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund - Europe (ex UK)
at 31 March 2024

Largest Relative Over/Underweight Stock Positions (%)

Novo Nordisk	+0.63
ASML	+0.46
Schneider Electric	+0.45
TotalEnergies	+0.45
Siemens	+0.42
Hermes	-0.30
Banco Santander	-0.27
Zurich Insurance Group	-0.27
BBVA	-0.24
Mercedes-Benz	-0.24

Note
1) Source: Northern Trust

Top 5 Holdings Relative to Benchmark:

Novo Nordisk – has a strong market position in Type-2 diabetes and has branched out into treatment of obesity. Wegovy, the firm's flagship GLP-1 obesity drug, is seeing demand far outstrip supply.

ASML – the Dutch hardware company is the sole supplier of lithography equipment to the semiconductor/chip makers globally.

Schneider Electric – a highly regarded and well-managed electrical power equipment company that enjoys a strong global position in the structural growth markets of Energy Management and Industrial Automation.

TotalEnergies – the French petroleum company has recently been shifting away from their core oil business and has now become the second largest player in liquefied natural gas ("LNG").

Siemens – has transformed from being a large conglomerate to a focused niche player, focusing on three main areas: DI (Digital Industries), SI (Smart Infrastructure) and Mobility.

Bottom 5 Holdings Relative to Benchmark:

Hermes – trades on a higher valuation and has a less diversified portfolio than some of its peers. The portfolio has an overweight position in LVMH, which trades at a lower valuation despite its best-in-class characteristics.

Banco Santander – Santander's balance sheet is considered one of the weakest in the sector, and its end markets are especially vulnerable to the impact of higher interest rates.

Zurich Insurance Group – the Swiss reinsurance company trades on a high valuation relative to peers, especially considering potentially overly-ambitious profitability targets. We prefer Munich Re.

Banco Bilbao Vizcaya Argentaria – BBVA has made some questionable strategic choices. The sale of the US business and the increase in exposure to Turkey has increased earnings volatility for the bank.

Mercedes-Benz Group – the German luxury auto manufacturer trades on a high valuation at a time when we believe there is a risk of peaking profitability.

Major transactions during the Quarter

Purchases:
EssilorLuxottica (£4.0m) – the company is a quality investment operating across the value chain in the attractive eyecare sector.

Sales:
Neste (£4.8m) – exited the holding after disappointing guidance. Competition for Sustainable Aviation Fuel is heating up, with major integrated oil companies looking to increase their exposure to this part of the market.

Teleperformance (£4.7m) – exited position due to growing competition and a more uncertain growth outlook.

Overseas Developed Markets Fund - Japan
at 31 March 2024

Positive Stock Level Impacts

Fund	Portfolio weight (%)	Benchmark weight (%)	Contribution to performance (%)
DISCO Corporation	0.29	0.07	0.08
Tokyo Electron	0.45	0.25	0.07
Mitsubishi	0.32	0.19	0.04
Hitachi	0.40	0.17	0.04
Mitsubishi Estate	0.23	0.04	0.04

Disco (o/w) – semiconductor production equipment (SPE) manufacturers have enjoyed a robust rerating for the past 12 months as the market prices in an upswing in the chipmaker capex cycle. Disco has prospered more than other related companies due to its exposure to back-end processing equipment, which is benefitting from the AI-driven large-scale buildout.

Tokyo Electron (o/w) – as with Disco, Tokyo Electron has enjoyed a strong rerating as a key player supporting the buildout of the chipmaking industry. Tokyo Electron dominates its core verticals in front-end processing and has long been the best managed of the Japanese semiconductor supply chain players. As such, it is a natural choice for investors wanting exposure to Japanese tech, in our opinion.

Mitsubishi Corporation (o/w) – trading house shares have been broadly rerated since last spring after favourable commentary by noted investors such as Warren Buffet. Mitsubishi Corp's shares attracted particular interest during the quarter, following management's announcement of its biggest-ever share buyback (¥500 billion or 10% of outstanding shares) as well as sale of the controlling stake in Japan's number two convenience store chain, Lawson.

Hitachi (o/w) – the market looked very favourably on the company's better-than-expected quarterly earnings, while positive exposure to popular themes like IT/AI and energy distribution buildout supported demand for the shares.

Mitsubishi Estate (o/w) – global equity investors have shunned major property developers over the last few years on concerns that post-Covid city-centre vacancies will pressure rental income and higher interest rates reduce the net present value of property holdings. Investors began to change their view on Mitsubishi Estate, which owns some of the most expensive prime property in Japan, as Tokyo bucks the trend among major global financial centres by maintaining exceptionally high occupancy rates. Rental income has even begun to show signs of growth, a rare event during the deflationary era.

Note

1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund - Japan
at 31 March 2024

Negative Stock Level Impacts

Fund	Portfolio weight (%)	Benchmark weight (%)	Contribution to performance (%)
Daikin Industries	0.19	0.08	(0.03)
Keisei Electric Railway	0.13	0.01	(0.03)
Mitsui & Co	0.00	0.15	(0.02)
Mitsubishi Heavy Industries	0.00	0.06	(0.02)
Ballie Gifford Shin Nippon	0.03	0.00	(0.02)

Daikin Industries (o/w) – the market took a cautious approach to the company's deteriorating short-term earnings in the face of slowdowns in the market for air conditioners in China and Western Europe. Investors also appear to be reassessing the long-term attractiveness of the market for the company's other core product, heat pumps, as many European countries reduce related green-energy subsidies.

Keisei Electric Rail (o/w) – Keisei Electric was targeted by activist investors during the final quarter of 2023, and investors hoped for a quick sale of non-core assets such as the company's stake in Oriental Land – the operator of Tokyo Disneyland. Management's initial announcement on asset sales and increased payouts to shareholders, while significant, appeared to undershoot the high expectations that had buoyed the share price at the start of the year.

Mitsui & Co. (u/w) – Mitsui shares have re-rated strongly in line with the broader group of major trading houses, although we note they continue to lag performance of our top pick in the sector, Mitsubishi Corp.

Mitsubishi Heavy (u/w) – we do not have exposure as we consider management to be insufficiently attentive to shareholder interests, and its business portfolio too deeply cyclical to satisfy our quality threshold. However, the shares were buoyed by robust orders for industrial equipment in such areas as nuclear power and defence, two of the company's more competitive businesses.

Baille Gifford Shin Nippon (o/w) – this well-balanced small-cap growth fund underperformed the market as smaller and mid-sized companies lagged the overall Japanese equity universe.

Note
1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund - Japan at 31 March 2024

Largest Relative Over/Underweight Stock Positions (%)

Hitachi	+0.23
DISCO Corporation	+0.22
Shin-Etsu Chemical	+0.21
Tokyo Electron	+0.21
Sumitomo Mitsui Financial	+0.20
Mitsui & Co	-0.15
Honda Motor	-0.13
Daiichi Sankyo	-0.13
Mizuho Financial	-0.11
Fast Retailing	-0.10

Note
1) Source: Northern Trust

Top 5 Holdings Relative to Benchmark:

Hitachi – now shifting its attention from restructuring to growth, led by world-class technology and industrial integration, as well as electric distribution and traditional industrial verticals like rolling stock.

Disco – we have a positive view on this SPE manufacturer due to its dominant position in back-end semiconductor production processes.

Shin-Etsu Chemical – arguably one of Japan's best-managed companies, broad capabilities extend from world-leading PVC operations to advanced tech materials like silicon wafers.

Tokyo Electron – well positioned to support the buildout of the Japanese chipmaking industry. Has long been considered the best managed of the Japanese semiconductor supply chain players, in our opinion.

Sumitomo Mitsui Financial Group – we like the company because of the success management has enjoyed in shifting the group's business model beyond traditional reliance on loan-deposit spread.

Bottom 5 Holdings Relative to Benchmark:

Mitsui & Co – we prefer Mitsubishi Corp. and Itochu Corporation, due to their more diversified business portfolios with relatively lower weighting on resources/commodities.

Honda Motor – we prefer Toyota for its EV/hybrid strategy and growth prospects; we also like Subaru with the resilience of its US sales and possibility that Toyota may increase its stake.

Daiichi Sankyo – despite a recent derating after disappointing clinical trial results, the current share price continues to reflect an unrealistically optimistic outlook for the company's oncology drugs, in our view.

Mizuho Financial Group – we prefer MUFG for the higher quality of its domestic franchise as well as its blue-chip overseas assets like Morgan Stanley. We also prefer to hold Sumitomo Mitsui Financial Group.

Fast Retailing – we like this company's management and business model, but we have struggled to find an entry point at acceptable valuations.

Major transactions during the Quarter

Purchases:
Zozo (£2.4m) – we invested further in this high-quality ecommerce leader at attractive relative valuation levels.

Sales:
Baillie Gifford Shin Nippon (£10.9m) – we began to shift the fund's small and mid-cap stock exposure away from collective investment vehicles and toward individual stocks.
Tokyo Electron (£4.0m) – judged to have less robust risk-return potential over the next 12 months. Although still a core position for the fund, we used the opportunity of a strong share price to reallocate capital to laggards.

Overseas Developed Markets Fund - Asia Pacific (ex Japan) at 31 March 2024

Positive Stock Level Impacts

Fund	Portfolio weight (%)	Benchmark weight (%)	Contribution to performance (%)
SK Hynix	0.84	0.49	0.05
Goodman	0.50	0.28	0.04
KB Financial Group	0.36	0.13	0.04
Celltrion	0.00	0.16	0.02
HPSP	0.09	0.00	0.02

SK Hynix (o/w) – amid early signs of strong recovery in the memory market, Hynix shares continued to benefit from expectations for improved profitability given its leadership position in high bandwidth memory products for AI and data centre applications.

Goodman Group (o/w) – the company is well positioned to take advantage of rising data centre development demand given its existing landbank and a clean balance sheet capable of supporting further project origination.

KB Financial Group (o/w) – expectations of improved shareholders' returns, with the highest level of excess capital in the sector, hence ample room for re-rating if the government-sponsored Corporate Value-Up programme in Korea gains momentum.

Celltrion (u/w) – recovered after a positive market response to US FDA approval of a biosimilar anti-inflammatory drug, as well as an announced merger with subsidiary Celltrion Healthcare.

HPSP Co (o/w) – continued to outperform due to exposure to an improving semiconductor industry and expectations of rising profits from mainstay high-pressure hydrogen annealing tools that facilitate the technological transition to smaller chips.

Note
1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund - Asia Pacific (ex Japan) at 31 March 2024

Negative Stock Level Impacts

Fund	Portfolio weight (%)	Benchmark weight (%)	Contribution to performance (%)
AIA Group	0.72	0.52	(0.09)
NAVER	0.29	0.13	(0.05)
SK Innovation	0.17	0.03	(0.04)
Hong Kong Exchanges & Clearing	0.41	0.25	(0.04)
BHP Group	1.08	0.98	(0.03)

AIA Group (o/w) – the market was disappointed by the lack of further share buybacks, despite better-than-expected earnings, healthy growth, and a low valuation.

Naver (o/w) – performance remained lacklustre given no meaningful sign of recovery in the advertising market in Korea.

SK Innovation (o/w) – weakened amid ongoing concerns over the outlook for the EV industry, despite improving refining and petrochemical businesses, and scope for rising profitability in EV batteries as production yields improve.

Hong Kong Exchanges & Clearing (o/w) – negatively impacted by weak market sentiment in Hong Kong and resulting depressed trading volumes, as well as lower IPO revenue. This is despite strong investment income, an improving IPO pipeline, and ongoing initiatives aimed at boosting connectivity with China.

BHP Group (o/w) – BHP's shares gave back most of the previous quarter's gains as sentiment in the commodity sector soured amid fading hopes for a China recovery and clouding outlook in key materials like iron ore.

Note
1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund - Asia Pacific (ex Japan) at 31 March 2024

Largest Relative Over/Underweight Stock Positions (%)

Samsung Electronics	+0.59
SK Hynix	+0.35
Techtronic Industries	+0.30
Samsung SDI	+0.26
KB Financial Group	+0.23
Westpac Bank	-0.40
Samsung Electronics Prefs	-0.28
UOB	-0.18
Celltrion	-0.16
Kia	-0.13

Note
1) Source: Northern Trust

Top 5 Holdings Relative to Benchmark:

Samsung Electronics – exposed to structural growth in the memory chip market, including high bandwidth applications. The overweight in the ordinary shares is partly offset by not owning the preference shares.

SK Hynix – a leader in semiconductor memory with high teens global market share in both NAND (storage) and DRAM (processing) chips, benefitting from structural demand growth with improving penetration and increasing number of applications (including AI) for its technologically leading high bandwidth memory.

Techtronic Industries – technology-leading focus on the cordless power tools market should lead to improving margins and market share as global penetration continues to rise – thanks to innovative, easy-to-use products. The company's focus on the higher-margin professional market in the US should also benefit.

Samsung SDI – a leading Korean diversified producer of energy solutions with a premium offering in lithium-ion batteries, energy storage systems, and electronic materials.

KB Financial Group – largest financial group in Korea, with sector-high return on equity, strong capital position, and increasing focus on improving shareholder returns.

Bottom 5 Holdings Relative to Benchmark:

Westpac Banking Group – the Fund has a preference for the other major Australian banks, given they achieve better returns, are better provisioned, and are considered of a higher quality in their operations.

Samsung Electronics Prefs – the portfolio is overweight Samsung Electronics overall via the more liquid ordinary shares.

UOB – while Singaporean banks tend to be highly correlated, the portfolio prefers competitors DBS and OCBC – both enjoy stronger capital positions and more differentiated profiles.

Celltrion – exited the position in early 2022 as reports of accounting regularities emerged as well as concerns over margins and the deteriorating competitive dynamics in the biosimilars space in pharmaceuticals.

Kia Corp – the portfolio retains its preference for Hyundai Motor and Hyundai Mobis. Kia has made great strides in profitability, along with brand development and awareness. We are monitoring Kia for possible investment.

Major transactions during the Quarter

Purchases:
Lynas Rare Earths (£5.7m) – Lynas is the largest and most fully integrated rare earths producer outside China, and trades at attractive levels vs. longer term price expectations for rare earths materials.

Sales:
Westpac Banking (£19.9m) – exited to concentrate major Australian banking holdings in peers with higher-quality execution and fewer IT infrastructure investment needs going forward.

Market Background at 31 March 2024

Propelled by the tailwind of an exceptionally strong end to 2023, global equities gained 8.3% in US dollar terms for the first quarter. Sterling's weakness – in contrast to fourth-quarter strength – added a little over 1%, taking global equity market returns in sterling to 9.5% for the period.

Considering the long list of current equity market risks, that return is no mean feat, and has been surpassed just twice in the last 25 years. Interestingly, those years – 2012 and 2019 – were also characterised by elevated risks. In 2012 markets were in the grip of a Euro debt crisis, and in 2019 President Donald Trump's impeachment rumblings and trade spat with China were serious causes for concern. Today's "wall of worry" is no less steep, with investors having to contend with sticky inflation, slowing economic growth concerns and intense geopolitical tensions. Just as in 2012 and 2019, though, equity markets have continued to climb it all the same.

The question is whether the foundations are sound enough to justify the market's strength. Let's start with the state of the global economy. Across the Atlantic, the US is in good shape. The Federal Reserve (the Fed) paused its aggressive rate-hiking programme in July last year with interest rates at a two-decade high of 5.5%. The speed of the rate hikes – which triggered a mini banking crisis around this time last year – sparked widespread fears of a US recession. So far, though, those fears have been misplaced. Higher interest rates haven't resulted in the rapid fall of capital availability, slower loan growth, company defaults, rising unemployment and plunging economic growth that many had predicted. That's mostly down to the fact that around 90% of US households benefit from low-rate mortgages locked in for 30 years. That, together with cash-rich corporate balance sheets, has meant that the interest rate transmission mechanism has been much more muted than expected, allowing the US economy to record GDP growth of 3.1% in 2023. The side effect of strong economic growth, of course, is stubborn inflation, and the "last mile" of the journey to the Fed's much-vaunted 2% inflation target is proving to be challenging terrain. Strong first quarter economic data has pushed forecasts for US rate cuts further out, with just three cuts now expected in 2024.

The US economy's strength is not reflected uniformly across the globe. Travel east from the US and cracks start to appear. Europe narrowly avoided a recession in the fourth quarter, growing at just 0.1% after contracting -0.1% in the third quarter. Germany is at the centre of the Eurozone's problems. The bloc's biggest economy is export driven, meaning it is vulnerable to economic weakness elsewhere, particularly China. And after two quarters of stagnating, German GDP dipped 0.3% in the final quarter of the year. News from the UK is no better either, as its economy entered a technical recession – measured as two quarters of declining GDP. No surprise, then, that while the Fed is now telegraphing a wait and see approach to interest rate cuts, both the ECB and the Bank of England are sending signals that they might be looking to lower interest rates to support their economies.

Further east, China continues to plough a lonely furrow. The Chinese Communist Party ("CCP") held its National People's Congress in early March and announced another ambitious 5% growth target for this year. China's official economic growth did clear its 2023 5% hurdle, but underlying economic weakness belies that achievement. The country is grappling with a dangerous deflationary spiral, with PPI (a measure of factory gate prices) contracting by 2.7%, falling house prices, and broad money supply growing at an ever-slower rate. Domestic consumer confidence is low, and with a "tough on China" stance the only common ground between the two US political parties in an election year, it seems unlikely an export boom will ride to the rescue. China's challenges are reminiscent of the 2014/15 property downturn. The path out of that crisis was a massive domestic stimulus package, something that is looking ever likelier today.

Japan's fourth-quarter momentum continued into 2024 with the Japanese equity market rising broadly in line with the US market. After months of speculation, the Bank of Japan finally raised interest rates for the first time in almost 20 years, ending an era of yield curve control aimed at keeping interest rates artificially low. The prospect of higher interest rates and deflation's defeat has brought hope of lasting corporate governance change. That, and a relatively attractive valuation has taken Japanese equites back to levels last seen during the property frenzy days of the late 1980s.

Note
1) Source: Border to Coast

Market Background
at 31 March 2024

Against this backdrop, it should come as little surprise to hear that the US, with its resilient economy, and Japan were the best performing markets over the quarter. Europe, helped by rate cut expectations posted a more-than-respectable 7% gain in sterling terms. The UK lagged its European peers, posting a small gain and while China recovered early year losses, it still closed slightly negative for the quarter.

Turning to valuations, the US is now approaching expensive territory, with the S&P 500 trading on 21x its expected 2024 earnings. The index has traded at a higher multiple only twice before: during the late 1990s dot-com bubble and in the Covid period, when earnings were depressed. What's more, the assumptions underpinning that multiple don't appear conservative. Profit margins are forecast to expand to a near record 13%, and S&P 500 earnings per share is expected to grow by just over 10% this year. That's despite inflation-driven cost pressures (wages, in particular) and higher interest expense on debt. While some commodity-linked cost pressures have eased as the overall level of inflation has cooled, the cost outlook is highly uncertain, especially given the US's retreat from cheap Chinese imports and the politically palatable reshoring drive. All that said, it should be noted that the S&P 500's structure has dramatically changed in recent years, making historical profitability and valuation comparisons less useful. The index today is dominated by highly profitable, cash-generative sustainable-growth companies like Apple and Microsoft. That's very different to past market highs, where cyclical industry giants like General Electric and Exxon Mobil, along with less profitable companies like Walmart reigned. That reduces the chances of profit margin and valuation mean reversion, but it doesn't preclude it.

It's important to highlight that the differences in regional performance were equalled by sector divergence. Last year's technology sector dominance continued into 2024, with Nvidia, the designer of high-end graphics processors and undisputed leader of the AI revolution, continuing its effortless glide higher. In March, Nvidia announced a new, faster processing, less energy-hungry chip to much fanfare and investors lapped it up, sending its stock price to new highs. That said, not all the so-called Magnificent Seven have fared as well. Tesla has continued to be weighed down by slowing electric vehicle demand and increasingly fierce competition. Apple too has struggled with slower iPhone demand and closer regulatory scrutiny. Neither stock delivered a positive return over the quarter. Expectations for the Magnificent Seven remain high, though, highlighted by analyst forecasts for S&P 500 earnings excluding the group to grow at just 6%. That's around half the pace of the index including the group. Technology continues to lead equity markets outside the US too. In Japan, Disco and Tokyo Electron both jumped over 50% in the quarter. In Taiwan, TSMC, the semiconductor manufacturer that produces chips on behalf of leading designers like Nvidia, gained over 30%. And in South Korea, Hynix, a manufacturer of high bandwidth memory, rallied 20%.

Where the digital economy is firing on all cylinders, driving technology stock prices ever higher, the old economy is faring less well. The myriad of challenges faced by China – a big consumer of commodities – is weighing on the share prices of a host of mining companies from metals producers like BHP and Rio Tinto, to Lynas Rare Earths, producer of vital energy transition materials. The Consumer Staples sector has continued to struggle too. Consumers continue to feel squeezed despite easing inflation, and investors are wary of the impact the explosive popularity of obesity-busting GLP-1 drugs will have on certain packaged foods and beverages. Clearly Unilever is feeling the heat. The company's announced spinoff of its high-profile Ben & Jerrys ice cream division drew criticism as a mere valuation justifying piece of financial engineering.

In last quarter's report we highlighted the unprecedented election schedule this year. The first notable election on the calendar was in Taiwan, where victory for William Lai of the DDP, risked further inflaming tensions with China. Thankfully, the waters around Taiwan have remained remarkably calm since his win. Let's hope the rest of this years' elections pass in such a tranquil fashion, though we suspect that's unlikely. The US looks to be heading for a Biden/Trump rematch that, according to polls, few voters want. And while election results haven't historically had any lasting impact on stock markets, the run up to November could prove to be tumultuous. As an aside, if history is any guide to the future, since 1776 only an economic downturn, ill health or death has caused an incumbent president to lose.

Note
1) Source: Border to Coast

Market Background at 31 March 2024

In conclusion, we are encouraged by the resilience of the US economy, the moderation in inflation and the momentum displayed by global equity markets. We note that the last few years have been about as challenging as we remember, and yet profit growth has held up well (especially in the US). We believe that this resiliency is an underappreciated equity market dynamic. That said, valuation levels are concerning (again, particularly in the US) and it's likely that global economic growth will slow at some point. Political and geopolitical risk, of course, is heightened right now, and while it has rarely caused lasting equity market damage, there's evidence of some complacency. Equity investing is never without risk, so we take comfort in our approach of investing in high-quality companies for the long term. Ultimately, we believe investing in these types of companies should provide insulation from a passing squall, whilst allowing us to share in the returns as they benefit from growth and innovation over the long term.

Note
1) Source: Border to Coast

Border to Coast News

People:

- It's with regret, but incredible gratitude for all the service she has given to the LGPS, that later this year we will be saying goodbye to Jane Firth in her role as Head of RI. Jane joined Border to Coast from South Yorkshire when we launched in 2018. Working alongside Partner Funds to embed RI into our business has been fundamental to our role as a long-term investor. Industry recognition, including awards, are testament to the quality of her leadership and the team she has built – and who are set up for continued success. To name but a few achievements, Jane led on agreeing a common approach to RI with Partner Funds, the development of our priority engagement themes, our Stewardship and Climate Change reporting, achievement of the highest PRI ratings and FRC signatory status, and ensuring that RI is embedded within our own internal investment approach and that our external managers are held to the highest standards.
- Andrew Glessing, joined in January to support Border to Coast while a permanent Chief Risk Officer is recruited, following Richard Charlton's departure. Andrew has undertaken a range of risk and regulatory supervisory roles in a career spanning the Life and Pensions sector, the FSA and, most recently, Alpha FMC, a leading global provider of specialist consultancy services to asset owners and asset & wealth managers, where he was their Head of Regulatory Compliance & Risk Practice.

Investment Funds:

- Several years in the making, we are delighted that 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.

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.
- Border to Coast has retained our status as a signatory to the UK Stewardship Code. We take our role as an active steward of our Partner Funds' assets seriously and to maintain our signatory status is testament to both the work of the team at Border to Coast and the support given by Partner Funds in the development of our capabilities and ongoing challenge and interest in this area.

Other News:

- We were delighted to win 'Active Manager of the Year' at the 2024 Pensions Age Awards. The award sought evidence of performance and innovation, and we were up against established names in the asset management industry. Our entry focused on our largest internally managed equity fund, Overseas Developed, which was launched in July 2018. Having reached its 5th anniversary, it is a great example of how Partner Fund support has enabled the delivery of performance at a low-cost ratio.
- We are pleased to share our 2024-27 Strategic Plan has achieved unanimous approval from Partner Funds. The period is expected to see us complete our original strategy (to build a sustainable organisation that can support Partner Funds in implementing investment strategy).
- We are also continuing to work with Partner Funds to develop the next phase, our 2030 Strategy, which will establish our collective longer-term priorities for delivering on our purpose of making a difference for the LGPS.

Disclosures

Border to Coast Pensions Partnership Ltd is authorised and regulated by the Financial Conduct Authority (FRN 800511).
Registered in England (Registration number 10795539) at the office 5th Floor, Toronto Square, Leeds, LS1 2HJ

The information contained herein is strictly confidential and is intended for review by the intended parties, their advisors and legal counsel only. It is not marketing material. The value of your investments may fluctuate. Past performance is not a reliable indication for the future. All reasonable care has been taken to ensure that the information contained herein is clear, fair and not misleading.

Fund List and Inception Dates

Fund	Inception Date
Global Equity Alpha	24/10/2019
Overseas Developed Markets	26/07/2018
Emerging Markets Equity	22/10/2018
Emerging Markets Equity Alpha	31/07/2023
UK Listed Equity	26/07/2018
UK Listed Equity Alpha	14/12/2018
Listed Alternatives	18/02/2022
Sterling Investment Grade Credit	18/03/2020
Sterling Index-Linked Bond	23/10/2020
Multi-Asset Credit	11/11/2021