Teesside Pension Fund

Quarterly Investment Report - Q1 2025

Contents

Executive Summary

Overall Value of Teesside Pension Fund

Value at start of the quarter	£2,949,039,051
Inflows	£0
Outflows	£0
Net Inflows / Outflows	£0
Realised / Unrealised gain or loss	£(24,333,020)
Value at end of the quarter	£2,924,706,031

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 2025

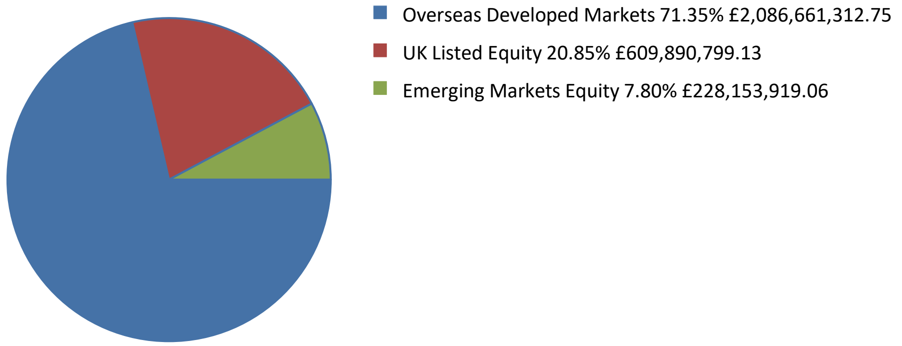
Funds Held

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	2,086,661,312.75	71.35
Emerging Markets Equity	FTSE Emerging Markets (Net)[2]	228,153,919.06	7.80
UK Listed Equity	FTSE All Share GBP	609,890,799.13	20.85

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



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 2025

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	71.35	(2.08)	(1.21)	(0.87)	(1.47)
Emerging Markets Equity	7.80	(1.79)	(0.86)	(0.93)	(0.14)
UK Listed Equity	20.85	4.14	4.51	(0.36)	0.78
Total	**100.00**	**(0.83)**			

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. For the period to 31st March 2024, performance is gross of any fees paid to Border to Coast which are set out separately within the papers supporting the Shareholder Approval of the Border to Coast Strategic Business Plan. Effective 1st April 2024, performance is net of any fees paid to Border to Coast which are paid directly through the Funds via an Annual Management Charge (AMC).

Valuation Summary
at 31 March 2025

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	2,131,089,472.44	72.26			(44,428,159.69)	2,086,661,312.75	71.35
Emerging Markets Equity	232,321,372.25	7.88			(4,167,453.19)	228,153,919.06	7.80
UK Listed Equity	585,628,206.34	19.86			24,262,592.79	609,890,799.13	20.85
Total	**2,949,039,051.03**	**100.00**			**(24,333,020.09)**	**2,924,706,030.94**	**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 2025

	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	9.35	8.09	1.26	(2.09)	(1.21)	(0.88)	1.11	1.88	(0.78)	7.80	6.45	1.35	14.35	13.01	1.34
Emerging Markets Equity	3.72	5.53	(1.81)	(1.79)	(0.86)	(0.93)	5.80	9.74	(3.94)	2.67	3.57	(0.90)	6.28	8.56	(2.27)
UK Listed Equity	5.34	5.15	0.18	4.14	4.51	(0.36)	8.03	10.46	(2.43)	6.79	7.22	(0.43)	11.53	12.04	(0.51)

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. For the period to 31st March 2024, performance is gross of any fees paid to Border to Coast which are set out separately within the papers supporting the Shareholder Approval of the Border to Coast Strategic Business Plan. Effective 1st April 2024, performance is net of any fees paid to Border to Coast which are paid directly through the Funds via an Annual Management Charge (AMC).
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 2025

	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	9.37	8.09	1.28	(2.06)	(1.21)	(0.85)	1.20	1.88	(0.68)	7.84	6.45	1.39	14.38	13.01	1.37
Emerging Markets Equity	3.89	5.53	(1.64)	(1.71)	(0.86)	(0.85)	6.12	9.74	(3.62)	2.92	3.57	(0.65)	6.50	8.56	(2.06)
UK Listed Equity	5.35	5.15	0.20	4.16	4.51	(0.35)	8.10	10.46	(2.36)	6.82	7.22	(0.40)	11.54	12.04	(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 all fees.
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 2025

Overseas Developed Markets Fund

During the first quarter the fund lost -2.10% compared to the composite benchmark that lost -1.46%; resulting in a relative underperformance of -0.64%.

The fund's overweight allocation to US and underweight to European equities was a material contributor to the underperformance over the quarter. The inauguration of President Trump triggered a significant rotation across markets as investors worried that his unorthodox policies could undermine the growth of the US economy. In Europe in sharp contrast there were a sign of growing optimism that the economy might be stabilising. This was supported by commitments to increase defence and infrastructure spending and a softening of inflation which could pave the way for further interest rate cuts by the European Central Bank.

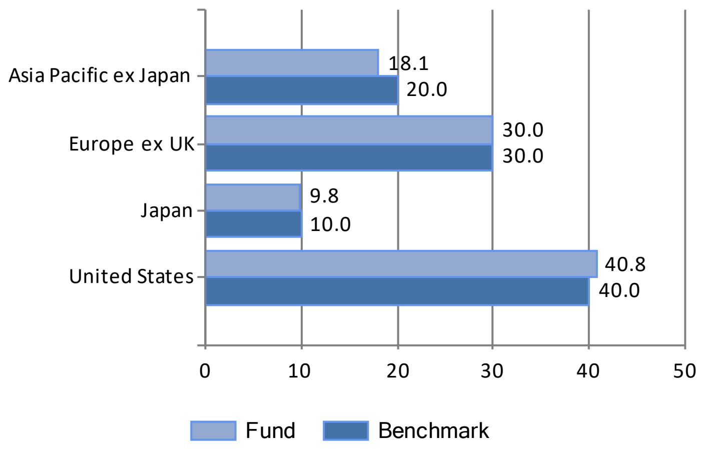
Despite strong absolute performance, the Financials sector was the largest detractor from fund performance over the quarter. This was caused by a strong resurgence in performance from European financials, especially those in the peripheral countries such as Spain and Italy as growth expectations improved. The Technology sector was the epicentre of weakness across equity markets, furthermore we underperformed within the sector. The announcement that Deep Seek, a Chinese artificial intelligence company, had managed to develop comparable technology to that of the US leaders, undermined confidence in the technological leadership of US companies such as Alphabet and Microsoft. The fact they managed to achieve their breakthrough despite restrictions on the transfer of the most advanced technology also raised concerns over potential future demand for Nvidia's latest chips.

The Trump administration has injected a new level of uncertainty into equity markets. The adjustment to the lack of predictability from the world's most influential superpower will take time and the consequences will be felt across the globe. The equity market correction has been healthy and has started to deflate some of the prior excesses in concentration and valuation. Despite a softening in investment confidence, we do not see signs that it has been undermined to such an extent as to precipitate a more material impact on global growth. Provided this remains the case we remain optimistic that this is a short-term correction, and markets should return to their positive trajectory for 2025.

Note
1) Source: Border to Coast

Overseas Developed Markets Fund
at 31 March 2025

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.

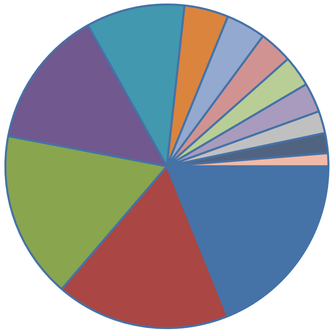
(*) The Benchmark is a composite of the following indices:
•40% S&P 500
•30% FTSE Developed Europe ex UK
•20% FTSE Developed Asia Pacific ex Japan
•10% FTSE Japan

	Inception to Date			Quarter			1 Year			3 Years			5 Years		
Fund	**Fund**	**Index**	**Relative**	**Fund**	**Index**	**Relative**	**Fund**	**Index**	**Relative**	**Fund**	**Index**	**Relative**	**Fund**	**Index**	**Relative**
Overseas Developed Markets	**9.35**	**8.09**	**1.26**	**(2.09)**	**(1.21)**	**(0.88)**	**1.11**	**1.88**	**(0.78)**	**7.80**	**6.45**	**1.35**	**14.35**	**13.01**	**1.34**
United States	13.64	12.30	1.34	(7.92)	(7.21)	(0.71)	6.41	5.52	0.89	10.99	9.28	1.71	18.41	17.11	1.30
Japan	7.03	4.45	2.59	(2.36)	(2.21)	(0.14)	(2.56)	(3.72)	1.16	8.38	6.02	2.36	11.06	7.86	3.19
Europe ex UK	7.98	6.78	1.19	7.02	7.57	(0.54)	0.81	2.88	(2.07)	9.66	7.69	1.97	13.71	12.10	1.61
Asia Pacific ex Japan	3.57	2.64	0.93	(2.03)	(1.89)	(0.14)	(7.24)	(5.90)	(1.34)	(1.92)	(1.85)	(0.07)	8.36	7.73	0.62

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 2025

Sector Portfolio Breakdown



- Technology 18.9% (18.8%)
- Industrials 17.4% (15.3%)
- Financials 16.7% (19.4%)
- Consumer Discretionary 13.9% (13.0%)
- Health Care 9.9% (10.7%)
- Consumer Staples 4.4% (5.2%)
- Telecommunications 4.0% (4.2%)
- Basic Materials 3.3% (4.0%)
- Common Funds 3.1% (0.0%)
- Energy 2.9% (3.1%)
- Utilities 2.2% (3.1%)
- Real Estate 2.0% (3.0%)
- Cash 1.3% (0.0%)

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.

Consumer Discretionary (o/w) – Long-term changing consumption patterns provide access to structural growth and the potential to benefit from exposure to differentiated investment opportunities.

Utilities (u/w) – Significant headwinds due to sizeable capital deployment needed to meet the energy transition whilst high interest rates increase the required rate of return.

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 2025

Positive Stock Level Impacts

Fund	Portfolio weight (%)	Fund return (%)	Benchmark weight (%)	Benchmark return (%)	Contribution to performance (%)
Tesla	0.23	(37.69)	0.61	(37.73)	0.20
Alphabet C	0.00	0.00	0.62	(20.33)	0.14
Deutsche Telekom	0.96	20.08	0.41	19.89	0.09
BNP Paribas	0.75	31.21	0.28	31.45	0.09
Intesa Sanpaolo	0.77	23.95	0.27	24.04	0.08

Tesla (u/w) – Investors flocked to Tesla shares in the aftermath of last year’s election, believing the company would emerge a relative winner following the new administration’s sweeping changes. This more than reversed as Elon Musk’s closer political ties caused concern overseas, and orders for Tesla electric cars plummeted. While the valuation has contracted somewhat, the shares still appear to price in some unlikely scenarios relating to autonomous vehicles, robotics and AI.

Alphabet Class C (u/w) – AI excitement died down during the quarter after indications some of the Hyper-scaler’s were reconsidering the scale of their infrastructure spending. An AI digestion period was inevitable, but the market began to fear indigestion. Alphabet is also still feeling the effects of the DOJs increased attention with a ruling over its search dominance still pending. The positive contribution from the class C underweight was more than offset by the class A overweight.

Deutsche Telekom (o/w) – The German telecoms company performed strongly following better than expected end of year results. Growth in its US subsidiary T-Mobile US saw strong subscriber growth and more home internet customers as well as strong performance from the domestic German market following the announcement of the German infrastructure plan with expectations that some of the expenditure would be allocated to the telecoms space.

BNP Paribas (o/w) – The French bank exceeded expectations with strong year-end earnings, boosting its stock. European banks performed well in Q1 due to increased confidence and sector rerating. Growth expectations improved with Germany's infrastructure plan and defence spending, enhancing economic activity and bank lending. Higher growth may keep inflation slightly elevated, slowing interest rate declines and supporting bank profitability.

Intesa Sanpaolo (o/w) – The Italian bank performed well helped by similar factors as BNP and other European banks. Intesa Is a well-run, capital light Italian bank focussed on organic growth. The group is generating excess capital which is being returned to shareholders in the form of buybacks.

Note
1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund Attribution Continued at 31 March 2025

Negative Stock Level Impacts

Fund	Portfolio weight (%)	Fund return (%)	Benchmark weight (%)	Benchmark return (%)	Contribution to performance (%)
Alphabet A	1.78	(20.70)	0.76	(20.67)	(0.27)
Broadcom	1.07	(29.72)	0.66	(29.78)	(0.18)
Rheinmetall	0.00	0.00	0.21	117.22	(0.12)
Banco Santander	0.00	0.00	0.34	40.47	(0.11)
Amazon	2.02	(15.84)	1.51	(15.85)	(0.11)

Alphabet Class A (o/w) –As above, Alphabet was dragged down by a broader calming of AI excitement, as well as the continued overhang from its outstanding DOJ investigation.

Broadcom (o/w) – After a remarkable 2024, Broadcom's shares retreated in the first quarter in line with all AI-related technology names. As the leading supplier of custom-built semiconductors for large hyperscale cloud operators, investors became fearful that an infrastructure buildout slowdown would hurt Broadcom's revenue growth. We remain confident in Broadcom's long-term position within this crucial part of overall compute infrastructure.

Rheinmetall (u/w) – The German defence company performed very strongly on the announcement of the German infrastructure spending of which a large part will be allocated to increased defence spending plus the relaxation of debt calculation rules to allow Germany to increase its spending on defence substantially over the next decade.

Banco Santander (u/w) – The Spanish bank delivered record profits for the full year and a further buyback of stock boosting the shares. It has been helped by higher interest rates boosting lending margins. Banco Santander also benefits from similar themes to BNP Paribas.

Amazon (o/w) –Amazon was caught up in the broader AI sentiment deterioration despite posting robust results.

Note
1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund
at 31 March 2025

Largest Relative Over/Underweight Stock Positions (%)

Vanguard US Mid Cap ETF	+3.09
Alphabet A	+1.03
Microsoft	+0.67
Deutsche Telekom	+0.55
Amazon	+0.51
Alphabet C	-0.62
Westpac Bank	-0.49
Exxon Mobil	-0.44
Tesla	-0.38
Zurich Insurance Group	-0.34

Top 5 Holdings Relative to Benchmark:

Vanguard Mid-Cap ETF – The 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 in the business is still overweight. Google enjoys a strong and profitable internet advertising market position while also benefitting from a fast-growing cloud computing infrastructure business. Investors are concerned that AI will disrupt the company's core search business, but we believe that is overly discounted in the share price, and that Alphabet will emerge a strong AI player.

Microsoft Corp – Microsoft is well positioned to benefit from growth within its cloud hosting business and is executing its cloud strategy well. MSFT has the flexibility to manage its capital spending plans and has demonstrated a deft touch in this regard, able to pivot rapidly when demand trends shift. Overall Microsoft is one of our favourite long-term investments.

Deutsche Telekom – Deutsche Telekom is one of the largest telecom operators in Europe. It owns a 50% stake in T-Mobile US, a US mobile network operator, which provides exposure to a market with higher growth and profitability than Europe. In addition, it is the incumbent operator in the German market which has lower price competition than other European markets enabling higher profitability.

Amazon – Amazon's AWS is the world's largest public cloud business, and with cloud transition still below 50% penetration, the company should benefit from years of future growth, whether AI continues to supercharge cloud growth or not. Additionally, the company's retail business has consistently lowered costs and expanded margins.

Bottom 5 Holdings Relative to Benchmark:

Alphabet Class C – The large holding in the A share class results in an overweight exposure overall.

Westpac Banking Corp – The Fund has a preference for the other major Australian banks, given they achieve better returns, are better provisioned, and are considered better run.

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

Tesla Inc – Tesla's shares have retraced most of the post-election gains from last year. And while the shares now reflect a slightly more realistic set of outcomes for the company, we still feel they are expensive. Tesla's governance practices remain problematic too.

Zurich Insurance – The Swiss reinsurance company trades on a high valuation relative to peers, especially considering what we believe are overly ambitious profitability targets. We prefer Munich Re, which commands a lower valuation.

Note
1) Source: Northern Trust

Summary of Performance - Funds (Net of Fees) Emerging Markets Equity Fund at 31 March 2025

	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**
Emerging Markets Equity	**3.72**	**5.53**	**(1.81)**	**(1.79)**	**(0.86)**	**(0.93)**	**5.80**	**9.74**	**(3.94)**	**2.67**	**3.57**	**(0.90)**	**6.28**	**8.56**	**(2.27)**
Border to Coast	4.89	5.69	(0.80)	(6.91)	(6.09)	(0.82)	(1.45)	(0.44)	(1.00)	4.52	3.74	0.78	--	--	--
FountainCap	(8.41)	(6.28)	(2.13)	10.70	10.93	(0.23)	24.91	36.41	(11.50)	0.14	3.43	(3.30)	--	--	--
UBS	(9.34)	(6.28)	(3.06)	9.52	10.93	(1.41)	23.51	36.41	(12.90)	(0.62)	3.43	(4.05)	--	--	--

Manager/Strategy	Benchmark	Role in fund	Target	Actual
Emerging Markets Equity	**FTSE Emerging Markets (Net)[3]**	**NA**	**100%**	**100%**
Border to Coast	FTSE Emerging ex China (Net)	Core strategy focused on Emerging Markets ex-China with a tilt towards quality companies.	69%	65%
FountainCap	FTSE China (Net)	China specialist with long term, high conviction strategy focused on three megatrends: Innovation Economy, Clean Energy, and Consumption Upgrade.	12%	14%
UBS	FTSE China (Net)	China specialist seeking to identify upcoming 'industry leaders' that will benefit from China's structural growth and transition to a services-led economy.	19%	21%

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 2025

Emerging Markets Equity Fund

The EM Equity Fund returned -1.8% through Q1 2025, 0.9% below the FTSE EM benchmark. Over one year, the Fund has returned 5.8%, underperforming the benchmark by 3.9%. Since the Fund was restructured, (April 2021), the Fund has returned an annualised -0.5%, underperforming the benchmark by an annualised 1.7%.

Over the quarter, Chinese equities significantly outperformed EM ex-China equities, with the FTSE China posting a 10.9% return in contrast to FTSE EM ex-China returning -6.1%.

Sentiment towards China improved markedly during January, driven by renewed optimism towards technology names following the release of DeepSeek's cost-effective R1 AI model seen as achieving performance comparable to market leaders, prompting investors to reassess China's innovative capabilities. The announcement triggered a sustained rally in Chinese equities, concentrated in a handful of technology related names (Tencent, Alibaba, Xiaomi & BYD) that are considered direct beneficiaries of China's AI advancements. Investor optimism was further supported by the Chinese government's increased focus on simulating domestic consumption through extending its consumer goods trade-in program to boost economic growth. President Xi Jinping sought to capitalise on the AI enthusiasm by meeting with tech leaders to re-affirm their importance towards future economic growth. This marked President Xi's first high-profile engagement with private entrepreneurs in several years and looked to ease regulatory concerns that have remained a persistent headwind towards private companies in recent years. The AI-driven rally lost steam in March as attention began to shift towards US-China trade tensions ahead of Trump's "liberation day" tariff announcements.

Both China specialist managers delivered strong absolute performance during the quarter, albeit marginally underperformed the FTSE China benchmark. The underperformance stemmed from underweight positioning towards single stock names, such as Xiaomi, which experienced outsized returns over the quarter in response to DeepSeek's AI breakthrough. Fountain Cap's overweight positioning in Pop Mart helped offset some of the underperformance, as shares were up 70% over the quarter in response to the company reporting a threefold increase in 2024 net profits, limiting Fountain Cap's relative underperformance to 0.2%. UBS underperformed by 1.4% as its overweight exposure towards consumer staples, such as Kweichow Moutai, continued to face a cautious demand outlook amid subdued consumer sentiment in China.

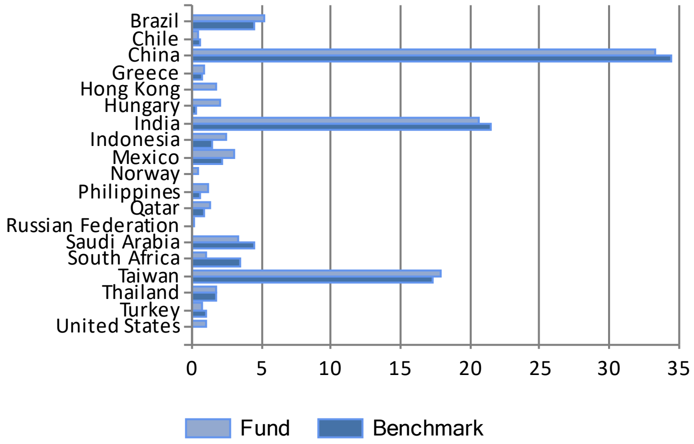
Within the ex-China region, India continued to experience some cyclical economic softness, resulting from persistent inflation outpacing wage growth, weighing on domestic consumption and corporate earnings. The region's pessimistic short-term outlook continued to sustain foreign outflows, particularly from SMID-cap names, as investors looked to book profits as well as beginning to rotate back into a rejuvenated China market. India rebounded in late March on stronger economic data and CPI inflation falling below the 4% target, boosting expectations of further rate cuts in the near term to support continued growth. Taiwan posted a negative quarter, as DeepSeek's announcement triggered a global semiconductor selloff amid concerns over the sustainability of the substantial investment Hyperscaler's are committing towards AI advancements. Given Taiwan's market concentration in semiconductors, the impact was pronounced.

The internal Border to Coast EM ex-China mandate underperformed its regional benchmark by 0.8%, attributable to the overweight exposure to Taiwan. Additionally, positioning in Globant SA was a notable drag to performance in response to weaker than expected earnings and a downward revision to full year guidance.

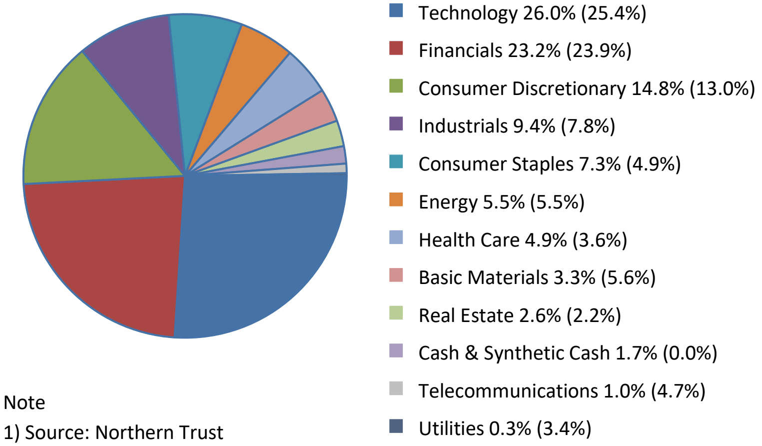
Note
1) Source: Border to Coast

Emerging Markets Equity Fund
at 31 March 2025

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 overweight several stocks (particularly in China) that are well positioned to benefit from such a tailwind.

Consumer Discretionary (o/w) – Similar to the positioning in Consumer Staples, consumption of goods is expected to increase over the long-term. The fund owns several companies across e-commerce, retail, gaming and travel industries.

Industrials (o/w) – The Fund is overweight the industrials sector, a diverse sector ranging from shipping and airports to glass manufacturing. The Fund's largest positions within this sector are towards industrial transportation names as well as electrical equipment manufacturers who should benefit from the continued urbanisation and sustained increase in middle class income across emerging markets.

Basic Materials (u/w) – The Fund is 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.

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

Telecommunications (u/w) – The Fund is 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.

Emerging Markets Equity Fund Attribution at 31 March 2025

Positive Stock Level Impacts

Fund	Portfolio weight (%)	Fund return (%)	Benchmark weight (%)	Benchmark return (%)	Contribution to performance (%)	Sector	Region
POP MART	1.44	69.12	0.18	69.11	0.64	Consumer Discretionary	China
Oncoclinicas	0.04	165.56	0.00	0.00	0.35	Health Care	Brazil
Hengli Hydraulic	0.69	47.77	0.01	47.77	0.22	Industrials	China
Netease	2.37	12.53	0.47	11.81	0.21	Consumer Discretionary	China
Itau Unibanco	1.03	23.11	0.37	23.19	0.17	Financials	Brazil

Positive Issue Level Impacts

Pop Mart International Group Ltd (o/w) – A global retailer domiciled in China. The company's latest earnings release reported a threefold increase in 2024 net profits driven by strong demand for its IP characters, leading to management guiding a further 50% revenue growth over 2025 which came in above market expectations.

Oncoclinicas do Brasil Servicos Medicos (o/w) – A Brazil based medical services company that specialises in areas of oncology, radiotherapy, haematology, complementary care and integrated care services. The company experienced a notable share price increase after a Brazilian asset manager bought a significant stake in the business.

Jiangsu Hengli Hydraulic Co Ltd (o/w) – A China-based company, principally engaged in the manufacture and sale of professional hydraulic components and hydraulic systems. The company has made advancements in components for humanoid robots – an area with significant long-term potential given its early-stage market penetration. Shares also gained support from the PBOC's recent commitment to AI and robotics development.

NetEase Inc (o/w) – A Chinese internet technology company that primarily develops and operates online PC and mobile games and content. The shares benefitted on news that the company returned to profit growth in the fourth quarter, driven by strong performance of its PC gaming segment as well as from the resumption of popular Blizzard entertainment titles in mainland China.

Itaú Unibanco Holdings (o/w) – A Brazilian based provider of diversified banking and nonbanking services and products. The company posted strong fourth quarter profits driven by an improved margin and controlled credit costs. Shares were also buoyed by renewed optimism towards Brazilian equities around expectations of peak interest rates and potential rate cuts in 2025.

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 2025

Negative Stock Level Impacts

Fund	Portfolio weight (%)	Fund return (%)	Benchmark weight (%)	Benchmark return (%)	Contribution to performance (%)	Sector	Region
Globant	0.96	(44.72)	0.00	0.00	(0.63)	Technology	United States
Alibaba	2.43	50.27	3.56	50.49	(0.48)	Consumer Discretionary	China
Xiaomi	0.13	0.00	1.38	38.15	(0.39)	Telecommunications	China
Taiwan Semiconductor	9.62	(18.67)	8.40	(18.60)	(0.29)	Technology	Taiwan
HCL Technologies	1.31	(18.93)	0.25	(18.62)	(0.25)	Technology	India

Negative Issue Level Impacts

Globant SA (o/w) – An IT and software development company. The company sold off after revenue forecasts missed expectations, overshadowing its fourth quarter earnings beat. While management highlighted strong growth in the pipeline, conversion and delivery have yet to gain momentum.

Alibaba Group Holding (u/w) – A Chinese multinational technology company, best known for e-commerce and online payment platforms. Alibaba reported a surge in fourth quarter net profit, driven by a rebound in its core e-commerce business and rapid growth in AI-powered cloud services. Investor sentiment was further boosted by news of a collaboration with Apple to support new iPhone features in China. Sentiment was further lifted by the DeepSeek announcement, which renewed confidence in China's tech sector.

Xiaomi Corporation (u/w) – A China-based company principally engaged in the research, development and sale of smartphones as well as more recently producing its own EV car range. Shares rose on investor optimism around China's nationwide subsidy program, expected to boost EV and smartphone sales. Xiaomi also beat fourth quarter revenue estimates and provided an optimistic growth outlook underpinned by strong demand for the company's EV range.

TSMC (o/w) – The leading global semiconductor manufacturer. Broader weakness across the global semi-conductor industry acted as a headwind for the company's shares in response to the release of DeepSeek's cost-effective open-source model.

HCL Technologies (o/w) – An Indian based technology company that provides software development and related engineering services. Third quarter results were in line with expectations, however the IT services sector succumbed to broad weakness on economic and tariff concerns. Broader tech sector weakness along with Nvidia's mixed outlook further weighed on sentiment.

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 2025

Largest Relative Over/Underweight Stock Positions (%)

Kweichow Moutai	+2.10
Netease	+1.91
Saudi National Bank	+1.81
Kasikornbank	+1.53
Aegis Logistics	+1.44
Xiaomi	-1.24
Alibaba	-1.13
China Construction Bank	-1.05
BYD	-0.79
Infosys	-0.76

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. Despite achieving its 2024 growth target of 15%, the company faces negative sentiment around future revenue growth due to pressured wholesale prices, subdued consumer sentiment and elevated inventory levels. However, with the PBOC likely to accelerate stimulus efforts to boost domestic consumption amid U.S. trade tensions, the company is well positioned to benefit from a potential recovery in consumer confidence in mainland China.

NetEase – Despite having faced recent headwinds in its domestic market, the company's return to profit is a sign that its online gaming services is beginning to turn a corner and should continue to witness robust sales growth over the year underpinned by a strong gaming pipeline.

Saudi National Bank – Provides commercial banking services. The bank recently held an investor day where the CEO outlined the banks strategy to sustain loan growth, enhance profitability and improve banking services. The update was well received by investors who anticipate a positive outlook for the bank.

Kasikornbank Plc – Thailand based commercial bank that offers international trade and investment banking services. The banks strategic emphasis on leveraging technological innovation to enhance operational efficiency positions it favourably for future growth.

Aegis Logistics – A major provider of port infrastructure for the import/export of LPG and industrial liquids. The company has large expansion plans and is forecast to significantly grow capacity in the near future.

Bottom 5 Holdings Relative to Benchmark:

Xiaomi Corporation – Xiaomi is a rapidly emerging technology company that has gained significant market share in a short time, supported by its entry into the EV market and China's broader AI advancements. Considering evolving market dynamics following DeepSeek's announcement, our specialist managers are actively reassessing technology names. Material Chinese index weighting although it is a portfolio holding.

Alibaba Group Holding – Alibaba represents an established player within China's cohort of technology related names, to which the Fund has been underweight. Material Chinese index weighting although it is a portfolio holding.

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

BYD Company Ltd – Despite having experienced substantial growth in recent quarters and now becoming a larger constituent within the benchmark, the company faces extreme competition among auto OEMs which is expected to pose a drag on future profitability as well as the company's recent premiumisation efforts falling short of our managers expectations.

Infosys – An Indian IT consulting and software services business. The company is held underweight with our EM ex-China manager favouring other global competitor firms which offer less discretionary services, such as moving digital infrastructure to the cloud.

Emerging Markets Equity Fund
at 31 March 2025

Major transactions during the Quarter:

Purchases:

Localiza Rent A Car *(New Position – EM ex-China)* – Brazil-based company primarily involved in the car and fleet rental. The position was added on the grounds of low valuations and expectation for a cyclical recovery in profitability.

BeiGene Ltd *(New Position – China)* – A global biotechnology company engaged in discovering and developing oncology treatments for cancer patients worldwide. Although originating in China, Fountain Cap believe BeiGene is on track to establish itself as a true global pharmaceutical player, with manufacturing and commercialization capabilities worldwide.

Bloks Group Ltd *(New Position – China)* – A Chinese investment holding company primarily engaged in the design, development and sales of assembly toys. UBS believe that the company will transform and penetrate into the teenager and the adult market, which will further improve the company's profitability and cement its long-term growth potential.

Sales:

Airports of Thailand PCL *(Exited Position – EM ex-China)* – The position was exited for better opportunities elsewhere given a challenging backdrop for their commercial property portfolio.

BYD Company Ltd *(Exited Position – China)* – Fountain Cap exited and reallocated to higher-conviction names in the auto supply chain such as Fuyao Glass. The decision was driven by the managers anticipation of intensifying competition among auto OEMs and the observation that the company's premiumization efforts have fallen short of their own expectations.

UK Listed Equity Fund - Overview
at 31 March 2025

UK Listed Equity Fund

The fund generated a total return of 4.14% during the quarter, compared to the benchmark return of 4.51%, resulting in 0.36% of underperformance.

The Fund's underperformance primarily resulted from the following:

- Stock selection in Industrials where an underweight position in BAE Systems and an overweight holding in Melrose Industries were the main detractors.
- An overweight allocation to Common Stock Funds where exposure to UK small cap focussed funds was the key driver.
- Stock selection in Financials where an underweight position in Lloyds Banking Group and overweight positions in both Herald Investment Trust and Allianz Technology Trust weighed on performance.

This underperformance was partly mitigated by the following:

- Strong stock selection in Basic Materials where an underweight position in Glencore and overweight positions in both Antofagasta and Rio Tinto were the principal drivers.
- Positive stock selection in Consumer Staples where an underweight position in Diageo and an overweight holding in Imperial Brands were the most significant contributors.

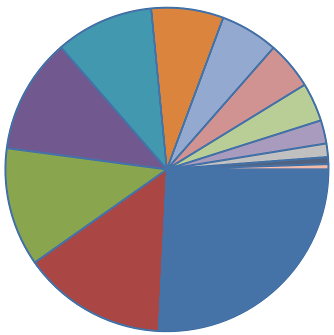
Note
1) Source: Border to Coast

UK Listed Equity Fund
at 31 March 2025

Largest Relative Over/Underweight Sector Positions (%)

Technology	+0.56
Common Stock Funds	+0.52
Basic Materials	+0.34
Health Care	+0.30
Telecommunications	+0.14
Financials	-1.23
Industrials	-0.54
Consumer Discretionary	-0.47
Energy	-0.29
Consumer Staples	-0.07

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:

Technology (o/w) – historically a small sector in theUK benchmark and previously underweight. A reclassification of RELX PLC, one of our preferred holdings, from Consumer Discretionary and the addition of a new holding in Softcat PLC, an IT re-seller and advisory business with strong growth prospects, has resulted in an overweight position within a now more material sector in the benchmark.

Common Stock Funds (o/w) – whilst one fund was exited during the quarter, the fund retains Liontrust UK Smaller Companies Fund, a specialist fund forming part of our exposure to UK smaller companies. UK small caps, in common with other geographies, have underperformed the wider market in recent years leaving current valuations increasingly attractive. Over longer periods of time, helped by their higher growth potential, small cap companies have a track record of delivering outperformance.

Basic Materials (o/w) – modest overweight sector position with diversified commodity exposure across companies principally operating at the lower end of the cost curve, providing a degree of insulation from falling commodity prices. Key commodities include copper, an enabler of energy transition and electrification and iron ore, supporting infrastructure investment & construction such as needed for onshoring of manufacturing and data centre development.

Consumer Discretionary (u/w) – the fund has moved to an underweight position following the reclassification of RELX PLC, one of our larger overweight holdings, to the Technology sector. Consumer Discretionary would be expected to underperform in a weakening consumer environment such as we are currently experiencing, with fund holdings concentrated in operationally strong and higher quality names such as Compass & Next.

Industrials (u/w) – a broad mix of idiosyncratic companies, typically with significant global market positions in specialist niche markets but often operating in cyclical end-markets, with sector positioning driven by stock-specific considerations, such as the fund’s exit from Ashtead Group during the quarter on concerns over slowing US construction trends.

Financials (u/w) – predominantly due to an underweight position in 3i Group and Lloyds Banking Group, partly compensated by overweight positions in Barclays and selective financials with Asian exposure such as Standard Chartered and Prudential where rising wealth levels provide attractive long term growth potential.

UK Listed Equity Fund Attribution
at 31 March 2025

Positive Stock Level Impacts

Fund	Portfolio weight (%)	Fund return (%)	Benchmark weight (%)	Benchmark return (%)	Contribution to performance (%)
Diageo	0.89	(19.32)	1.84	(19.43)	0.29
Glencore	0.47	(20.78)	1.40	(20.68)	0.26
Prudential	1.48	31.71	0.90	31.69	0.12
Ashtead Group	0.00	0.00	0.74	(16.00)	0.10
Standard Chartered	1.93	17.24	0.93	17.41	0.10

Diageo PLC (u/w) – global spirits markets continue to be impacted by an extended period of de-stocking alongside a number of concerns around weakening consumer trends, lower alcohol consumption by younger generations, potential impact of GLP-1's (weight loss drugs) on demand and possible US tariff implementation.

Glencore PLC (u/w) – weaker coal prices have weighed heavily during the quarter, particularly with Glencore's increased coal exposure following its recent acquisition of Teck Resources' coal mining assets. Full year results also disappointed with lowered copper output guidance due to operational challenges, weaker marketing division revenues and an impairment at its South African coal operations.

Prudential PLC (o/w) – full year results confirmed a solid trading performance and an accelerated share buyback programme facilitated by strong cash generation, raising the prospect of increased shareholder distributions going forward. Plans to IPO its Indian asset management business were well received, with proceeds also set to be returned to shareholders.

Ashtead Group PLC (u/w) – exited the holding during the period over an increasingly uncertain outlook for US local construction markets and potential for a continued slowdown in residential construction, concerns which were later confirmed by disappointing results.

Standard Chartered PLC (o/w) – Q4 results confirmed broad-based strength across the business as it continues to benefit from a broadening of intra-Asian trade, and a particularly impressive performance from its Wealth division which is generating strong growth on the back of rising Asian wealth.

Note
1) Source: Northern Trust & Border to Coast

UK Listed Equity Fund Attribution Continued
at 31 March 2025

Negative Stock Level Impacts

Fund	Portfolio weight (%)	Fund return (%)	Benchmark weight (%)	Benchmark return (%)	Contribution to performance (%)
Lloyds Banking Group	0.00	0.00	1.81	31.58	(0.33)
BAE Systems	0.93	35.88	1.94	35.79	(0.23)
Herald Investment Trust	0.61	(19.65)	0.04	(19.67)	(0.17)
Flutter Entertainment	0.59	(18.26)	0.00	0.00	(0.16)
Intercontinental Hotels	1.15	(17.11)	0.54	(17.10)	(0.16)

Intercontinental Hotels Group PLC (o/w) – travel & leisure sectorshares have underperformed on concerns over a slowdown in US domestic travel demand initially flagged by US airlines, potentially triggered by a combination of weakening consumer confidence, DOGE impact on government/corporate travel budgets and lower international travel to and from the US prompted by ongoing tariff uncertainty.

Flutter Entertainment PLC (o/w) – despite strong operational performance, in particular in the US where it has maintained leading market positions in online sports betting and gaming, shares have been weak during the quarter alongside most travel and leisure stocks on concerns growth may be impacted by softening US consumer confidence.

Herald Investment Trust PLC (o/w) – global technology and media sectors have underperformed during the quarter, compounded by widening of the discount at which the shares trade to net asset value back to around 10%, triggered by a failure of the activist (and largest shareholder) Saba to initiate changes to the board and strategy to suit their own agenda.

BAE Systems PLC (u/w) – defence sector has performed strongly during the quarter in response to significant increased national defence spending commitments including from the UK and many EU countries, with the Ukraine conflict ongoing and in order to fill the void left by the US.

Lloyds Banking Group PLC (u/w) – positive reaction to the full year results with resilient net interest income growth, further share buyback announcement and growing confidence in the revenue outlook supported by increasing interest rate hedge tailwinds. Ahead of a court ruling decision, concerns over the potential scale of motor finance redress appear to have lowered.

Note
1) Source: Northern Trust & Border to Coast

UK Listed Equity Fund
at 31 March 2025

Largest Relative Over/Underweight Stock Positions (%)

Unilever	+1.50
Barclays	+1.25
AstraZeneca	+1.14
Rio Tinto	+1.04
Standard Chartered	+1.01
Lloyds Banking Group	-1.81
Reckitt Benckiser	-1.48
3I Group plc	-1.38
GSK	-1.28
BAE Systems	-1.01

Note
1) Source: Northern Trust

Top 5 relative stock weights

Unilever PLC – attractive mix of emerging and developed market exposure, with investment now more focussed towards higher growth and margin areas, as well as benefitting from recent restructuring and improved operational performance. Despite an unexpected CEO change during the quarter, the impressive and well-regarded CFO has stepped into the role providing some comfort.

Barclays PLC – provides diversified banking exposure mix from its UK, Wealth, Investment Bank and global card business, with the group generating attractive double-digit shareholder returns. Valuation remains undemanding compared to peers and our overweight position is to partly offset not holding Lloyds Bank where ongoing motor finance redress concerns remain.

AstraZeneca PLC – one of the broadest late-stage pipelines in global pharmaceuticals alongside a number of recently launched drugs which continue to generate double-digit sales growth. An attractive mix of approved drugs with particular strengths in oncology and rare diseases where pricing supports continued margin progression.

Rio Tinto PLC – diversified mining exposure and, importantly in a cyclical sector, operating towards the lower end of the cost curve. Rio offers an attractive long term growth profile, particularly for copper, where it has the highest expected growth across diversified miners, and iron ore, important contributors to electrification/energy transition and infrastructure/construction respectively.

Standard Chartered PLC – preference over HSBC for Asian exposure given stronger growth seen in Wealth division, less China-centric business carrying lower China geopolitical risk and broad exposure to intra-Asian trade which appears not fully reflected in the valuation.

Bottom 5 relative stock weights

Lloyds Banking Group PLC – preference for NatWest, which provides similar UK banking exposure, and Barclays for broader global banking mix, with both having significantly lower risk relating to potential motor finance redress following the recent unfavourable court ruling and ongoing FCA review.

Reckitt Benckiser Group PLC – preference for Unilever given the lower revenue growth and significant litigation risk presented by the ongoing court hearings seeking damages in connection with Reckitt's infant nutrition products.

3i Group PLC – global private equity investor albeit with an unusually concentrated investment portfolio where over 70% of the current net asset value is invested in a single asset, Action, a European discount retailer. Whilst Action continues to trade strongly, the valuation of 3i appears demanding, with the premium at which the shares are trading near historic highs.

GSK PLC – preference for AstraZeneca within pharmaceuticals given its broader pipeline and scale of recent drug launches offering stronger growth. Two of GSK's vaccine products, key elements of GSK's revenue growth prospects, have also experienced headwinds to their sales.

BAE Systems PLC – preference for Qinetiq and Chemring within the defence sector which appear better placed to benefit from growing defence budgets and a likely increased allocation towards their speciality areas including cyber activities, countermeasures, intelligence and weapons/capabilities testing.

UK Listed Equity Fund
at 31 March 2025

<u>Major transactions during the Quarter:</u>

Purchases

F & C Investment Trust PLC (£37.0m) – new holding. Adding broader international equity exposure within the closed-end sub-sector and reducing the fund's large overweight exposure to UK smaller companies through a switch from Blackrock Smaller Companies Trust and Schroder Institutional UK Smaller Companies Fund.

AstraZeneca PLC (£24.6m) – increased active position within Healthcare, given its attractive portfolio mix with particular strengths in Oncology and rare diseases, one of the broadest late-stage pipelines and double-digit revenue growth driving margin progression.

BP PLC (£22.9m) – reduced the fund's underweight position and took some risk off the table following activist investor Elliot taking a significant stake and ahead of the Capital Markets Day in February where a major strategy re-set was due to be announced. We subsequently increased our underweight position as the strategy announcement failed to change our preference for Shell.

Softcat PLC (£21.9m) – new holding reducing Technology sector underweight. UK value added reseller of technology hardware, software and services with a strong track record of growth, returns and market share gains across the cycle.

Unilever PLC (£20.3m) – increased active positioning in Consumer Staples, funded by exit from Reckitt Benckiser. Unilever continues to improve operationally under new management, with a focus on premiumisation, scaling global brands and prioritising the US and India as key markets for growth.

Sales

Ashtead Group PLC (£48.2m) – exit from holding following recent earnings disappointments and growing uncertainty over the pace of recovery in US local commercial construction markets due to higher interest rates and a slowdown evident in residential property construction leading to an oversupply of rental equipment.

GSK PLC (£36.7m) – switch to AstraZeneca where we see a stronger growth profile from a broader late-stage drug pipeline and an already launched drug portfolio, whereas GSK is seeing a slowdown in revenue growth from two of its key vaccines Arexvy and Shingrix.

Shell PLC (£31.5m) – funded the temporary risk-reducing BP trade ahead of its Capital Markets Day. Post the announcement, which reinforced our preference for Shell (more consistent strategy, stronger balance sheet and more sustainable shareholder returns) we subsequently increased our overweight position in Shell.

HSBC Holdings PLC (£30.4m) – combination of raising cash to fund redemption (large index weight) and to increase active share within the Banks sector, with our preference for Standard Chartered across Asian-focussed banks.

Schroder Institutional UK Smaller Companies Fund (£26.4m) – exit from holding. Reducing significant overweight to UK small cap within collectives sub-sector and switching to F&C Investment Trust for broader international equity exposure.

Reckitt Benckiser Group PLC (£22.1m) – exited the holding during the quarter. A preference for Unilever and its stronger growth prospects, with Reckitt's also carrying material litigation risk within the infant nutrition business following a recent adverse US court ruling which is likely to remain an overhang on the shares for some considerable time.

APPENDICES

Overseas Developed Markets Fund - United States
at 31 March 2025

Positive Stock Level Impacts

Fund	Portfolio weight (%)	Benchmark weight (%)	Contribution to performance (%)
Tesla	0.23	0.61	0.20
Alphabet C	0.00	0.62	0.14
Berkshire Hathaway	1.22	0.82	0.06
Salesforce	0.00	0.22	0.05
Republic Services	0.34	0.04	0.05

Tesla (u/w) – Investors flocked to Tesla shares in the aftermath of last year's election, believing the company would emerge a relative winner following the new administration's sweeping changes. This more than reversed as Elon Musk's closer political ties caused concern overseas, and orders for Tesla electric cars plummeted. While the valuation has contracted somewhat, the shares still appear to price in some unlikely scenarios relating to autonomous vehicles, robotics and AI.

Alphabet Class C (u/w) – AI excitement died down during the quarter after indications some of the Hyperscalers were reconsidering the scale of their infrastructure spending. An AI digestion period was inevitable, but the market began to fear indigestion. Alphabet is also still feeling the effects of the DOJs increased attention with a ruling over its search dominance still pending. The positive contribution from the class C underweight was more than offset by the class A overweight.

Berkshire (o/w) – Berkshire performed well during the quarter after reporting a robust set of results. Additionally, the company's huge cash pile helped the stock perform well during a market decline.

Salesforce (u/w) – Salesforce reported Q4 earnings that missed analysts' expectations and guided to slower growth than investors were hoping for. The results – while still robust – failed to meet high expectations after the stock price had performed very strongly during the fourth quarter of 2024.

Republic Services Group (o/w) – Republic Services continues to demonstrate the defensiveness you'd expect from a domestic waste collection business as well as strong cost and price discipline, driving margin expansion.

Note
1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund - United States
at 31 March 2025

Negative Stock Level Impacts

Fund	Portfolio weight (%)	Benchmark weight (%)	Contribution to performance (%)
Alphabet A	1.78	0.76	(0.27)
Broadcom	1.07	0.66	(0.18)
Amazon	2.02	1.51	(0.11)
Vanguard US Mid Cap ETF	3.09	0.00	(0.11)
Microsoft	3.02	2.35	(0.11)

Alphabet Class A (o/w) – As above, Alphabet was dragged down by a broader calming of AI excitement, as well as the continued overhang from its outstanding DOJ investigation.

Broadcom (o/w) – After a remarkable 2024, Broadcom's shares retreated in the first quarter in line with all AI-related technology names. As the leading supplier of custom-built semiconductors for large hyperscale cloud operators, investors became fearful that an infrastructure buildout slowdown would hurt Broadcom's revenue growth. We remain confident in Broadcom's long-term position within this crucial part of overall compute infrastructure.

Amazon (o/w) – Amazon was caught up in the broader AI sentiment deterioration despite posting robust results.

Vanguard Mid-Cap ETF (o/w) –Sizeable position in this ETF to gain exposure to the medium-sized companies that populate the long tail of our benchmark – the S&P 500.

Microsoft (o/w) – While Microsoft has a strong track record of being exceptionally nimble despite its size, a potential AI growth slowdown will weigh on the company's cloud business, Azure. Investors have begun to fear an AI winter. We remain confident, however, in Microsoft's long-term prospects.

Note
1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund - United States
at 31 March 2025

Largest Relative Over/Underweight Stock Positions (%)

Vanguard US Mid Cap ETF	+3.09
Alphabet A	+1.03
Microsoft	+0.67
Amazon	+0.51
Walmart Inc	+0.48
Alphabet C	-0.62
Exxon Mobil	-0.44
Tesla	-0.38
Johnson & Johnson	-0.34
AbbVie	-0.31

Top 5 Holdings Relative to Benchmark:

Vanguard Mid-Cap ETF – The 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 in the business is still overweight. Google enjoys a strong and profitable internet advertising market position while also benefitting from a fast-growing cloud computing infrastructure business. Investors are concerned that AI will disrupt the company's core search business, but we believe that is overly discounted in the share price, and that Alphabet will emerge a strong AI player.

Microsoft Corp – Microsoft is well positioned to benefit from growth within its cloud hosting business and is executing its cloud strategy well. MSFT has the flexibility to manage its capital spending plans and has demonstrated a deft touch in this regard, able to pivot rapidly when demand trends shift. Overall Microsoft is one of our favourite long-term investments.

Amazon – Amazon's AWS is the world's largest public cloud business, and with cloud transition still below 50% penetration, the company should benefit from years of future growth, whether AI continues to supercharge cloud growth or not. Additionally, the company's retail business has consistently lowered costs and expanded margins.

Walmart – Walmart has successfully created an ecommerce business with sufficient scale to drive a higher level of sales growth. Additionally, digital revenue streams from advertising and Walmart+ membership come with much higher profit margins.

Bottom 5 Holdings Relative to Benchmark:

Alphabet Class C – The large holding in the A share class results in an overweight exposure overall.

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

Tesla Inc – Tesla's shares have retraced most of the post-election gains from last year. And while the shares now reflect a slightly more realistic set of outcomes for the company, we still feel they are expensive. Tesla's governance practices remain problematic too.

Johnson & Johnson – Johnson & Johnson's medium term growth challenges continue to weigh on the shares, and the company's attempts to finally put its talc challenges behind it keep getting rebuffed by the US courts.

AbbVie – AbbVie has suffered significant setbacks relating to its pipeline development and we lack confidence in this crucial aspect of the pharmaceutical industry. Additionally, the company faces intense biosimilar competition.

Note
1) Source: Northern Trust

Overseas Developed Markets Fund - Europe (ex UK) at 31 March 2025

Positive Stock Level Impacts

Fund	Portfolio weight (%)	Benchmark weight (%)	Contribution to performance (%)
Deutsche Telekom	0.96	0.41	0.09
BNP Paribas	0.75	0.28	0.09
Intesa Sanpaolo	0.77	0.27	0.08
Thales	0.18	0.08	0.08
ING	0.69	0.19	0.07

Deutsche Telekom (o/w) – The German telecoms company performed strongly following better than expected end of year results. Growth in its US subsidiary T-Mobile US saw strong subscriber growth and more home internet customers as well as strong performance from the domestic German market following the announcement of the German infrastructure plan with expectations that some of the expenditure would be allocated to the telecoms space.

BNP Paribas (o/w) – The French bank exceeded expectations with strong year-end earnings, boosting its stock. European banks performed well in Q1 due to increased confidence and sector rerating. Growth expectations improved with Germany's infrastructure plan and defence spending, enhancing economic activity and bank lending. Higher growth may keep inflation slightly elevated, slowing interest rate declines and supporting bank profitability.

Intesa Sanpaolo (o/w) – The Italian bank performed well helped by similar factors as BNP and other European banks. Intesa Is a well-run, capital light Italian bank focussed on organic growth. The group is generating excess capital which is being returned to shareholders in the form of buybacks.

Thales (o/w) – The French defence company reported its end of year numbers ahead of expectations helping fuel its strong year to date performance. With the US pushing for a ceasefire and an end to hostilities in Ukraine, it is expected that European countries will have to increase their defence spending, which could be potentially up to 3% of GDP. Defence spending is now being excluded in some countries such as Germany from debt to GDP calculations to facilitate this increase. The EU has also proposed extending loans to European countries to assist their increased spending on defence.

ING Groep (o/w) – The Dutch bank rallied as the shares are seen to be undervalued and are not pricing in the capital returns, we expect it to make due to its well capitalised balance sheet. The group also acquired a stake in a smaller Dutch wealth manager to expand its domestic franchise. The deal is attractive with a potential return on investment as high as 25%.

Note

1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund - Europe (ex UK) at 31 March 2025

Negative Stock Level Impacts

Fund	Portfolio weight (%)	Benchmark weight (%)	Contribution to performance (%)
Rheinmetall	0.00	0.21	(0.12)
Banco Santander	0.00	0.34	(0.11)
UniCredit	0.00	0.30	(0.09)
BBVA	0.00	0.26	(0.08)
Schneider Electric	0.89	0.41	(0.05)

Rheinmetall (u/w) – The German defence company performed very strongly on the announcement of the German infrastructure spending of which a large part will be allocated to increased defence spending plus the relaxation of debt calculation rules to allow Germany to increase its spending on defence substantially over the next decade.

Banco Santander (u/w) – The Spanish bank delivered record profits for the full year and a further buyback of stock boosting the shares. It has been helped by higher interest rates boosting lending margins. Banco Santander also benefits from similar themes to BNP Paribas.

UniCredit (u/w) – The Italian bank benefitted from similar trends to other banks in Europe. In addition, UniCredit is attempting to acquire local Italian competitors which would again support margins and earnings growth.

Banco Bilbao Vizcaya Argenta (u/w) – The Spanish bank benefitted from similar trends to other European banks. In addition, end of year results were strong and supported by a potential acquisition of a smaller Spanish competitor that could provide cost savings and help deliver earnings growth.

Schneider Electric (o/w) – The French power and electrical equipment company saw its shares fall after the announcement by the Chinese start up DeepSeek of a lower cost solution for AI. This called into question the scale of investment needed for data centres. **I**nvestors have started to reappraise the potential revenue growth for Schneider as lower demand for data centres could lead to slower growth in electricity demand. We continue to believe that the group will generate strong organic revenue growth as demand for electrical equipment rises due to the electrification of economies and datacentre demand remains robust.

Note

1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund - Europe (ex UK) at 31 March 2025

Largest Relative Over/Underweight Stock Positions (%)

Deutsche Telekom	+0.55
Intesa Sanpaolo	+0.50
ING	+0.50
TotalEnergies	+0.49
Schneider Electric	+0.48
Zurich Insurance Group	-0.34
Banco Santander	-0.34
Hermes	-0.30
UniCredit	-0.30
BBVA	-0.26

Top 5 Holdings Relative to Benchmark:

Deutsche Telekom (o/w) – Deutsche Telekom is one of the largest telecom operators in Europe. It owns a 50% stake in T-Mobile US, a US mobile network operator, which provides exposure to a market with higher growth and profitability than Europe. In addition, it is the incumbent operator in the German market which has lower price competition than other European markets enabling higher profitability.

Intesa Sanpaolo (o/w) – Intesa Sanpaolo is a well-run Italian bank and is the clear market leader in Italy with shares of 20-25% in all segments and a focus on wealth management where it is seeing strong capital inflows. It has a strong balance sheet and should return cash to shareholders. The shares remain cheap relative to history.

ING Groep (o/w) – The group is a Dutch listed bank with a strong position in its home market and the Benelux. It is well capitalised and is returning cash to shareholders through high dividends and buybacks. It has invested significantly in digitalisation which is helping to grow its offering and gain new customers.

TotalEnergies (o/w) – The French petroleum company has recently been shifting away from its core oil business and has now become the second largest player in LNG. The management team is looking to diversify further into green energy and renewables. This diversification as well as being one of the lowest cost oil producers lead us to being overweight the name.

Schneider Electric (o/w) – Schneider is 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 where growth is being driven by strong demand for Data Centres.

Bottom 5 Holdings Relative to Benchmark:

Zurich Insurance (u/w) – The Swiss reinsurance company trades on a high valuation relative to peers, especially considering what we believe are overly ambitious profitability targets. We prefer Munich Re, which commands a lower valuation.

Banco Santander (u/w) – 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. The bank's strategy to expand into investment banking remains risky, in our opinion.

Hermes (u/w) – 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.

UniCredit (u/w) – The Italian bank is not held in the portfolio as we think it is less well managed. We are concerned management are considering M&A that we believe could destroy shareholder value. We prefer its peer, Intesa Sanpaolo, as it benefits from a more diversified revenue base, strong asset gathering capability and a potential recovery in fees & trading to largely offset sector wide the margin pressures.

BBVA (u/w) – BBVA's recent acquisition of Banco Sabadell, a local competitor, adds integration and deal risk, which we believe is not adequately compensated for in the equity valuation. BBVA is also less diversified than some if its peers which the Sabadell deal does little to alleviate due to its exposure outside of Spain consisting largely of Mexico and Turkey.

Note
1) Source: Northern Trust

Overseas Developed Markets Fund - Japan
at 31 March 2025

Positive Stock Level Impacts

Fund	Portfolio weight (%)	Benchmark weight (%)	Contribution to performance (%)
Bandai Namco	0.17	0.05	0.03
Mitsubishi UFJ Financial	0.54	0.34	0.03
Asahi	0.21	0.04	0.03
Sony	0.52	0.33	0.03
Nintendo	0.32	0.16	0.03

Bandai Namco (o/w) – Solid results from Q4 2024 demonstrated that the company's strategy of mixing physical content like games and toys with digital gaming is starting to pay off. Valuations were also at attractive levels versus industry peers.

Mitsubishi UFJ (o/w) – Interest-rate sensitive stocks continued to outperform the broader market on hawkish Bank of Japan guidance and a continued upward trend in long-dated JGBs. Blue-chip stocks like MUFJ faired particularly well in recognition of their strong balance sheets and solid growth potential in a higher-rate environment.

Asahi Group (o/w) – Share price performance was lacklustre during the prior quarter on weakness in Australia, one of the Japanese beer-maker's key markets. With valuations looking attractive at the start of the quarter, the stock rebounded, as the market reassessed Asahi's longer-term potential in growth markets like Central and Eastern Europe as well as its stable revenue and earnings profile in an increasingly uncertain global trade environment.

Sony (o/w) – The shares continued to rerate following a long-period of underperformance as investors struggled to understand the growth trajectory of the company's core gaming and network services business. Sentiment began to shift late last year on news that PS5 consoles had become profit-making, as well as improving growth numbers in key network services metrics like monthly average users (MAU) and total game playtime.

Nintendo (o/w) – Investors continued to respond positively after a rare strategic update from senior management in November sparked a year-end rally. Management appears confident that the next-generation Switch gaming console can generate comparable sales and earnings to the current generation—a particularly salient point given the feast-and-famine-type volatility traditionally associated with Nintendo new console launches.

Note
1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund - Japan
at 31 March 2025

Negative Stock Level Impacts

Fund	Portfolio weight (%)	Benchmark weight (%)	Contribution to performance (%)
Recruit Holdings	0.30	0.16	(0.06)
TDK	0.19	0.04	(0.04)
DISCO Corporation	0.12	0.04	(0.03)
Softbank Group Corp	0.23	0.11	(0.02)
Shin-Etsu Chemical	0.26	0.12	(0.02)

Recruit Holdings (o/w) – Owner of popular US employment search engine Indeed.com, Recruit attracted market attention in the previous quarter as a Japanese beneficiary of the "Trump Trade." The share price corrected as sentiment around a "Trump Boom" soured amid talk of a possible US recession. In our view the company still has significant leeway to grow through ever-greater monetization of its digital properties.

TDK (o/w) – Shares corrected following very strong performance in 2024. Sentiment appeared to deteriorate on lacklustre smartphone demand and continued uncertainty around the timing of AI adoption in edge devices. We continue to rate the Japanese electronic component supplier's industry-leading battery technology highly. Management has shown itself adept at adopting to industry changes, and we believe the market will be surprised by the positive effects of its strategy in areas such as mid-sized batteries and sensors.

Disco (o/w) – Following a rally into year end, shares of this high-quality semiconductor equipment producer corrected significantly on renewed scepticism over the strength of semiconductor demand and related capex. Given the cyclical nature of the industry, semiconductor-related stocks tend to experience relatively high levels of volatility in the short term, but we continue to see value-creating opportunities in the longer term.

Softbank Group (o/w) – The company's shares derated as the market appeared to question the robustness of this telco/tech group's investments in AI-related technology, especially amid news that Chinese company DeepSeek had created a large-language model (LLM) much more efficiently than Softbank's US partners. A correction in the share price of listed subsidiary ARM also weighed on the shares.

Shin-Etsu Chemical (o/w) – The market has taken a more pessimistic view on the two most important end markets for this chemical maker: (1) semiconductor production that employ Shin-Etsu's silicon wafers, and (2) US new home starts, which are the key end market for the company's PVC. Shin-Etsu remains a core holding for the fund, however, given its dominant market share in these key products, strong profitability, and high-quality management.

Note

1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund - Japan
at 31 March 2025

Largest Relative Over/Underweight Stock Positions (%)

Mitsubishi UFJ Financial	+0.20
Sumitomo Mitsui Financial	+0.19
Takeda Pharmaceutical	+0.19
Sony	+0.18
Tokio Marine	+0.18
Mizuho Financial	-0.15
Mitsubishi Heavy Industries	-0.12
Mitsui & Co	-0.12
Fast Retailing	-0.12
Daiichi Sankyo	-0.10

Top 5 Holdings Relative to Benchmark:

Mitsubishi UFJ – As Japan's largest and highest-quality bank, MUFG is well placed to benefit from the long-awaited normalization of Japanese interest rates and the positive impact this will have on bank earnings. We are also bullish on its high-quality overseas assets, such as the investment bank Morgan Stanley.

Sumitomo Mitsui Financial Group – We maintain an overweight position on large Japanese banks. Among these we favour Sumitomo because of the success management has enjoyed in shifting the group's business model beyond traditional reliance on loan-deposit spread, as well as building a credible overseas operation.

Takeda – This large-cap Japanese pharmaceutical company is a core healthcare holding given its deep pipeline of drug development and its diverse regional and product exposures. The shares continue to trade at very attractive valuations despite strong potential for an acceleration in revenue growth and improvements in profitability.

Sony – Sony is a core holding in the consumer space for its broad range of offerings across hardware, software, entertainment, and digital content. We continue to see a long runway of growth for this company's revamped growth strategy.

Tokio Marine – We rate this non-life insurer very highly for its strong position in the Japanese home market as well as the solid portfolio of businesses it has built in overseas markets like the US. Tokio Marine has long been a leader in corporate governance and is now committed to eliminating its cross shareholdings on an accelerated timeline, which we believe will lead to an increase in shareholder returns.

Bottom 5 Holdings Relative to Benchmark:

Mizuho Financial Group – While we maintain our overweight in Financials, 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 for its successful efforts to build profitable non-lending businesses.

Mitsubishi Heavy Industries – The shares of this diversified industrial company have been attracting market attention over the last year as long-running restructuring efforts that have frustrated investors in the past have finally started to bear tangible fruit. We prefer Hitachi, however, given its better growth profile, superior industry positioning, and the fact that its portfolio restructuring has progressed far further.

Mitsui & Co – While we rate Mitsui & Co. highly, we prefer Mitsubishi Corp. and Itochu Corporation, due to their more diversified business portfolios with relatively lower weighting on resources/commodities. Mitsubishi Corp. in particular has learned the lessons of the last bull cycle and is more keenly focused on free cash flow generation.

Fast Retailing – We rate this high-quality, high-growth apparel retailer very favourably but struggle to find an attractive entry point as valuations reflect greater positive performance than we believe is feasible.

Daiichi Sankyo – Despite derating during the quarter, the current share price continues to reflect an unrealistically optimistic outlook for the company's oncology drugs, in our view.

Note
1) Source: Northern Trust

Overseas Developed Markets Fund - Asia Pacific (ex Japan) at 31 March 2025

Positive Stock Level Impacts

Fund	Portfolio weight (%)	Benchmark weight (%)	Contribution to performance (%)
Newmont Corporation	0.16	0.00	0.04
WiseTech Global	0.00	0.07	0.04
Bank of China (Hong Kong)	0.26	0.11	0.03
Samsung Electronics	1.77	1.37	0.03
Hong Kong Exchanges & Clearing	0.53	0.39	0.03

Newmont (o/w) – The largest gold producer in the world benefitted from high precious metal prices, a solid balance sheet and ongoing share buybacks.

Wisetech Global (u/w) – The provider of cloud-based logistic software solutions underperformed amid corporate governance turmoil and delays in product launches.

Bank of China Hong Kong (o/w) – Continued enjoying firm margins and resilient asset quality whilst also benefiting from rising dividends and expectations of share buybacks.

Samsung Electronics (o/w) – Outperformed on early signs of a memory cycle rebound as well as progress made in its technology roadmap in high-bandwidth memory.

Hong Kong Exchanges & Clearing (o/w) – Outperformed on setting records for both cash and derivatives trading in the context of improving equities sentiment and gradual impact from China's economic stimulus.

Note
1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund - Asia Pacific (ex Japan) at 31 March 2025

Negative Stock Level Impacts

Fund	Portfolio weight (%)	Benchmark weight (%)	Contribution to performance (%)
Hanwha Aerospace	0.00	0.10	(0.04)
Goodman	0.40	0.26	(0.04)
Samsung SDI	0.15	0.05	(0.03)
James Hardie	0.16	0.08	(0.03)
Techtronic Industries	0.31	0.13	(0.02)

Hanwa Aerospace (u/w) – The South Korean aerospace and defence company performed strongly over the quarter as Trump demanded NATO, and non-NATO allies like South Korea, spend more on defence. Hanwha also release strong results showing increasing international demand for their products helping underpin their future growth.

Goodman Group (o/w) – Underperformed as it carried out a capital raising to fund its development of data centres.

Samsung SDI (o/w) – Sluggish demand for EV batteries and concerns over US tariffs. Its performance was also undermined by the announcement of an equity issuance to fund its future growth and strengthen its balance sheet.

James Hardie Industries (o/w) – Was hurt by the slower than expected recovery in the repair and remodel residential market in the US. There were also concerns over the price paid for the acquisition of AZEK, a US decking and siding manufacturer.

Techtronic Industries (o/w) – In spite of delivering record results Techtronic was affected by expectations of slower construction activity in the US on the back of expectations of fewer and more gradual interest rate cuts by the Fed and concerns over the potential impact of US tariffs.

Note
1) Source: Northern Trust & Border to Coast

Overseas Developed Markets Fund - Asia Pacific (ex Japan) at 31 March 2025

Largest Relative Over/Underweight Stock Positions (%)

Samsung Electronics	+0.40
SK Hynix	+0.30
AIA Group	+0.24
KB Financial Group	+0.23
Amcor	+0.22
Westpac Bank	-0.49
UOB	-0.25
Samsung Electronics Prefs	-0.19
QBE Insurance	-0.15
Celltrion	-0.13

Top 5 Holdings Relative to Benchmark:

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.

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.

AIA Group – Best-in-class provider of insurance and financial services with a strong distribution franchise in Asia Pacific and sizeable potential for growth in the underpenetrated Life Insurance markets of China and ASEAN.

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

Amcor – A leading global consumer packaging manufacturer with dominant market shares in flexible packaging, PET bottle, closures and tobacco cartoons. It enjoys solid cashflows and defensives characteristics whilst could show steady growth as volumes match underlying demand. There is also the potential for margin expansion as it continues to work through cost cutting and synergies from prior acquisitions.

Bottom 5 Holdings Relative to Benchmark:

Westpac Banking Corp – The Fund has a preference for the other major Australian banks, given they achieve better returns, are better provisioned, and are considered better run.

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. DBS is the leader in terms of profitability and carries a high valuation, whilst OCBC is slightly cheaper than UOB, with similar profitability but paying a slightly higher dividend yield.

Samsung Electronics Prefs – The portfolio is overweight Samsung Electronics overall via the more liquid ordinary shares. The discount of the preferred shares to the ordinary shares has widened in recent months. Should this trend continue, we would consider some partial switching to preferred shares going forward, allowing for liquidity considerations.

QBE – Largest Australian insurer with strong revenues from its North America and international segments. The fund prefers Insurance Australia Group given its historically higher returns profile and scope for outperformance on the back of its domestic market exposure.

Celltrion – Concerns surrounding historic accounting regularities exacerbated by excess product concentration, uncertain pipeline and pricing / margins and the deteriorating competitive dynamics in the biosimilars space in pharmaceuticals.

Note

1) Source: Northern Trust

Overseas Developed Markets Fund
at 31 March 2025

Major transactions during the Quarter:

United States

Purchases:

Martin Marietta (£27.3m) – Martin Marietta is a miner, processor and seller of aggregates materials that are used in most construction sites, and manufacture of other key buildings materials such as cement and mortar. The company owns and operates quarries across the country which – due to the unique industry structure and cost of transportation – operate in an oligopolistic fashion. The company enjoys significant pricing power due to the inelasticity of aggregates, and their relatively low cost. In short, we believe that Martin Marietta has a highly visible and long runway of favourable supply and demand that should lead to attractive financial returns.

Nvidia (£10.6m) – Nvidia's results continue to impress, with the firm churning out hypergrowth rates of sales despite its size. Demand for its GPUs continues to be very strong as the world looks to rapidly build AI infrastructure. While near-term sentiment has no doubt deteriorated, we continue to believe the company is well positioned for the long run.

Netflix(£6.7m) – Netflix is a unique business which dominates the global video streaming industry due to its first mover advantage, and business model of offering an extremely broad array of content that suits all tastes. The company's distributed production capabilities mean that it can cater to local taste, while at the same time exports local hits that often become a global phenomenon. This means the company is still adding subscribers at an impressive rate and can raise prices on top. Moreover, the nascent – yet high margin – advertising opportunity should further support future growth.

Sales:

Hess (-£19.0m) – The proposed merger between Hess and Chevron Corp – which could unlock some synergies – is being held up in arbitration courts by a case brought by Exxon Mobil. Its outcome and timing are uncertain. The fund's overweight position was relatively small, and because we have a generally unfavourable view of the energy sector, we decided to exit the position and redeploy the capital elsewhere. The fund is now slightly underweight energy.

Fidelity National Information Services (-£13.3m) – After an underwhelming set of quarterly results, which surfaced a number of one-time items clouding the financial performance of the company – including certain payments related to the Worldpay acquisition – the stock price fell heavily. The results raised questions around capital allocation, so we exited the position.

Eversource Energy (-£13.1m) – Eversource has underperformed dramatically over recent years due to a number of management capital allocation missteps. The company has – for the most part – unwound these previous mistakes, but the company is in a far from enviable position. It faces the prospect of having to negotiate a price increase in its main marketplace – Connecticut – during a period of intense challenges for state residents. Ultimately, we felt there was better use of funds in other defensive area of the portfolio.

Europe (ex UK)

Purchases:

SBM Offshore (£12.0m) – SBM Offshore was a new position in the portfolio in the fourth quarter of 2024 and we have been adding to the position. It is the market leader in FPSOs (Floating Production and Storage Offshore) and is seeing demand increase. The company has a strong balance sheet with good cash generation. The long term cashflows from leasing FPSOs are undervalued and the group is developing a new business in building FPSO's for sale which is not reflected in the current valuation.

BNP Paribas (£9.3m) – Decreasing underweight to Banks sector. BNP had previously underperformed the sector due to concerns over French political turmoil and their ability to pass a budget which has now been resolved. Operationally, the group continues to do well.

Nordea Bank (£8.9m) – Decreasing underweight to the Financials sector. Nordic banks have underperformed the sector, and their valuations are lower than most peers.

Intesa Sanpaolo (£8.9m) – Decreasing underweight to Financials sector. Intesa benefits from its more diversified revenue base with gearing to asset gathering and the recovery in fees and trading will offset the margin pressures.

Sales:

ENI (£19.6m) – The position was sold as the fund is looking to consolidate positions in oil and gas. This was used to add to our holding in TotalEnergies which is our preferred large cap name in the space, with some of the capital used to add to SBM Offshore.

Kone (£9.5m) – Kone was a small position in the fund and was exited as the group is over exposed to the Chinese market where competition is fierce and there are concerns around cash generation. The group's valuation does not adequately reflect these challenges.

DHL Group (£9.3m) – DHL was also a smaller position in the fund. Volume growth has been lacklustre and price competition from peers is fierce. Tariffs from the US on goods could also pressure freight volumes.

NN Group (£5.7m) – Sold out of a small position to raise capital and reduce the underweight position in Financials. The stock is on a low valuation, but other insurers offer better growth. The concern is that the group is undercapitalised and may have to slow shareholder returns.

Asia Pacific (ex Japan)

Purchases:

None.

Sales:

Wilmar International (-£5.5m) – Despite the attractiveness of its integrated model encompassing the entire value chain and exposure to the rising volume markets of India and China, the Singaporean agri-business continued to post results below expectations affected by price competition and suggesting a deterioration in its quality proposition. Whilst valuations remained low, the lack of visibility for a meaningful recovery and expectations of corporate actions prompt the Fund to exit the position.

Japan

Purchases:

Sysmex (£7.4m) – We initiated a position in this medical device supplier. The company has leading market positions in blood testing equipment such as haematology and haemostasis, with a sizeable portion of revenue coming from recurring sales of reagents and maintenance services. Shares look especially attractive as the company regains direct distribution rights of haemostasis equipment and reagent/maintenance contract sales from Siemens in North America and Europe.

Nidec (£4.1m) – Nidec is another new position for the fund. The shares of this comprehensive manufacturer of motors looked very attractive both on a relative and absolute basis. We believe (1) that margins are set to expand as the new CEO implements tighter cost controls across the group, and (2) the company's position among the world's top motor and motor-adjacent component suppliers will provide a long runway of growth in the era of electrification.

Overseas Developed Markets Fund
at 31 March 2025

Shin-Etsu Chemical (£2.4m) – We added to this core chemical sector holding following last year's derating as valuations were at long-term lows and we believe pessimism around the company's core end markets is overdone.
Shimano (£1.6m) – We increased our position in this bicycle component manufacturer. Prolonged inventory corrections at its European retail customers have depressed earnings as well as investor sentiment. We judged valuations attractive and believe any weakness in earnings is likely to be short term.

Keisei Electric Railway (£1.6m) – We added to this railway operator amid share price weakness. The core railway asset continues to look attractive. In addition, the market appears not to be valuing the company's stake in Tokyo Disneyland owner, Oriental Land.

Sales:

Nintendo (-£3.2m) – We reduced our position in this iconic Japanese game company as a continued rally in the share price has pushed valuations to higher-than-average levels.

Panasonic (-£2.0m) – We began reducing this position ahead of an eventual exit. In our view, the company's effort to restructure this sprawling industrial and consumer business lacks urgency and coherence. In addition, strategic growth businesses continue to disappoint, and we are doubtful they will ultimately deliver on their promised potential.

Sony (-£1.6m) – We reduced our position in this consumer giant following a period of strong share price appreciation.

Mitsubishi UFG Financial Group (-£1.6m) – We reduced our position in Japan's largest banking group on strong outperformance and less attractive valuations.

Sumitomo Mitsui Financial Group (-£1.6m) – Reduced our position in this megabank to rebalance after strong outperformance.

Market Background
at 31 March 2025

The first quarter of 2025 got off to a rocky start. Global equities lost 4.8% in sterling terms. Following a near 20% gain in global equity markets last year and a strong fourth quarter to finish it off, it should come as little surprise that momentum waned in both equity markets and the US Dollar. The main contributor to the weakness this quarter was not equity markets but the reversal in the US Dollar which lost sterling investors just over 3% of their returns. The relatively modest move in global equities over the first quarter belies a period of volatility that swiftly followed Trump's second inauguration on 20th January. With a clear slate of nominees and a raft of executive orders it became clear that this administration intended to hit the ground running.

The frenzy of activity from the Trump administration has captured headlines daily. The importance of this is often overlooked, as investors and economists attempt to peer through the blizzard of news flow and focus on the underlying economy and financial markets. The very nature of the uncertainty engendered by this activity is, in and of itself, having an impact. A lack of certainty around the US administration policy agenda weighs on both corporate and consumer sentiment, slowing companies from making long term investment decisions and stopping consumers from spending as freely. This undermines economic growth even before an increase in tariffs have had a chance to bite.

With the epicentre of the uncertainty located in the US and following a strong 2024, US equities struggled at the start of the year. Business and consumer sentiment both weakened, services activity and small business investment intentions fell, and consumer confidence registered its largest decline since the surge in the Covid pandemic in August 2021. From their peak to trough over the quarter, US equities declined by ~13% in sterling terms. Both the largest and the smallest companies performed the worst during the sell off with the Russell 2000, a US index of small and mid-sized companies, and the Magnificent 7 both dropping by over 17%.

When we look through the near term and attempt to quantify the implications of the Trump administration's policies we reach two tentative conclusions. The first is that the initial implications of trade tariffs (almost irrespective of their scope and scale) are that they are inflationary in nature. The costs must be borne by the end consumer. The most visible case is the increase in car prices from cross border tariffs against Canada and Mexico as well as further reaching tariffs imposed on China. Simplistically this has been quantified as between a $6,000-$10,000 increase per vehicle (dependent largely on their power-train configuration). In an industry already operating with high levels of efficiency and wafer-thin margins, it is inconceivable that this will not be passed through. More broadly, this means that the retrenchment in inflation for consumer goods that has helped the US will gradually start to reverse, making inflation stickier and reducing the Federal Reserve's ability to cut interest rates and support growth.

This feeds into the secondary impact of tariffs. Tariffs and the resultant reciprocal tariffs by impacted trading partners, will have a negative impact on growth. We look back at Trump's first term for guidance and even with those more modest tariffs there was a notable impact. Then, as now, companies evolved, reorganised and re-shaped their supply chains to adapt to changing circumstances. This gives us some hope that the themes of reshoring or friend shoring are likely to re-assert themselves once the playing field has been more clearly defined. Until that time, softer global growth prospects appear as a central scenario.

The one area of strong performance last quarter was that of European equities. Coming from a position of low valuations, modest expectations and having experienced a long period of capital outflows, their reversal in fortunes was notable, gaining 7.1%. Germany's election in February proved a notable catalyst. Despite the conservative CDU receiving the most votes and forming a coalition with the SPD, the most notable outcome was the rise of the far-right party, AfD. Despite only gaining 21% of the votes, the AfD's rise has forced a marked change in policy by the incoming coalition and resulted in a loosening of the fiscal rules that have so far constrained Germany from supporting its ailing economy. The reaction across German equities was particularly pronounced with a 12.6% gain. We caution that the headline stimulus of close to €1trn, €500bn of which is to be spent on infrastructure and climate protection, though a clear turnaround in fiscal policy, is spread cumulatively over a 12-year period. To put this in context, the US Infrastructure and Jobs act put in place by Biden in 2022 was for $1.3trn over a 5-year period to 2026, only a part of the $4trn American Job and American Families plan.

Note
1) Source: Border to Coast

Market Background at 31 March 2025

The UK equity market held its ground over the quarter. The Labour government has continued to deliver some of the much-needed stability that was missing from the prior administration. There has been no event to excite investors or channel capital back into the UK equity market. However, Starmer has equipped himself well whilst managing thorny relationships with both Europe and the US. The economy has failed to deliver the anticipated growth and further fiscal belt tightening has been required in the Spring budget. The saving grace has been the low trade deficit with the US (a trade surplus if you include services) ensuring it is on the periphery of any confrontation on tariffs, furthermore the low valuation and high exposure to consumer staples and health care gives it defensive characteristics that proved beneficial over the quarter.

Further east, there are some signs that China's fortunes may be changing. The Chinese equity market gained 12% over the quarter. There has been little respite from the ongoing deleveraging across the property market. Inventory levels of new build apartments are slowly being worked down but this is driven by the slowdown in supply rather than resurgent demand. This continues to weigh on domestic growth. China's 5% GDP growth target remains a stretched target. The strength of exports is underpinned by a short-term inventory build ahead of US tariffs rather than anything resilient and could therefore move to become a headwind over the latter part of the year. Consumer confidence remains weak though we take some comfort from targeted government programs that have spurred demand for white goods and other targeted purchases. It is the potential to unlock long term structural growth in consumer spending that would materially change our perspective and appetite for investment into the Chinese equity market.

Sector performance over the quarter was almost as volatile as that seen across geographies. The high-flying Technology sector experienced a setback falling just under 14%. The announcement from DeepSeek, a Chinese technology company, that it had built its own AI model, sent shockwaves through the sector. US export restrictions to China have meant that DeepSeek's achievements were even more spectacular as they were done on what could only be referred to as inferior technology and resulted in not dissimilar outcomes though a more efficient process. The result raised a question mark not only on the need for Nvidia's ever more complex and expensive chipsets but also on the vast amount of capital expenditure the industry was ploughing into datacentres. As a result, chip designer Nvidia experienced a peak to trough decline of ~30% whilst datacentre provider Iron Mountain declined ~34%.
Against such an uncertain backdrop, the performance of the defensive Consumer Staples and Telecoms sectors should be highlighted. The Telecoms sector is of particular interest.

Historically returns were decimated by over investment as carriers fought to keep up with technological developments and gain or maintain market share. With a significant portion of the 5G capex already committed and 6G not expected until the next decade there is a potential window of opportunity for operators to generate a reasonable return on their infrastructure. This is further enhanced by the ongoing consolidation across the sector which has reduced competition whilst inflation has allowed carriers to pass through cost increases.
The turbulent backdrop has certainly challenged our optimistic outlook for 2025. As we enter the new quarter, it is clear that we are at a point of heightened uncertainty. Though its trajectory may have softened, we remain optimistic that the US economy will avoid a recession, although the risk has increased post-quarter end. The growth in AI and its related ecosystem has the potential to broaden out and improve productivity, furthermore, Trump's policies should favour the domestic economy. We remain less optimistic on the prospects for growth in other major markets such as Europe and Asia. Despite that we continue to find support from lower levels of concentration, lower growth expectations and lower valuations. We take comfort from our ability to differentiate between companies and our focus on investing in reasonably valued companies that have strong balance sheets, good track records and generate high and sustainable returns. This differentiation should allow us to navigate the current period of uncertainty whilst remaining invested in great companies for the long term.

Note
1) Source: Border to Coast

Disclosures

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