

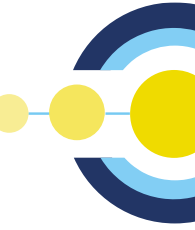


TEESSIDE PENSION FUND

Border to Coast

Teesside Pensions Committee - June 2025

YOUR INVESTMENTS WITH BORDER TO COAST



LISTED INVESTMENTS AS AT 31ST MARCH 2025

Listed Investments	Value (as at 31/03/2025)	Value % of Total Assets
UK Listed Equity	£610m	20.8%
Overseas Developed Markets	£2,087m	71.4%
Emerging Markets Equity	£228m	7.8%

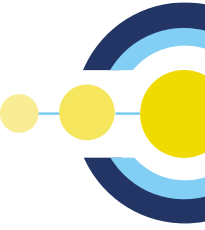
COMMITMENT TO BORDER TO COAST'S PRIVATE MARKET STRATEGIES

Sleeve	Series 1	1A	1B	1C	Series 2	2A	2B	Series 3	3A*
Private Equity	£200m	£100m	£50m	£50m	£200m	£100m	£100m	£50m	£50m
Infrastructure	£200m	£100m	£50m	£50m	£300m	£150m	£150m	£50m	£50m
Climate Opportunities	N/a	N/a	N/a	N/a	£80m	£80m	N/a	N/a	N/a

Source: Northern Trust/Border to Coast

* Effective 1st April 2025

MACRO OUTLOOK – AS AT END Q1 2025



Macro and Monetary Outlook

- Global real growth to remain resilient, however, regional divergences in inflation and policy rates could become prominent.
- Inflation has stabilised but remains above target limiting further policy rate easing in 2025.

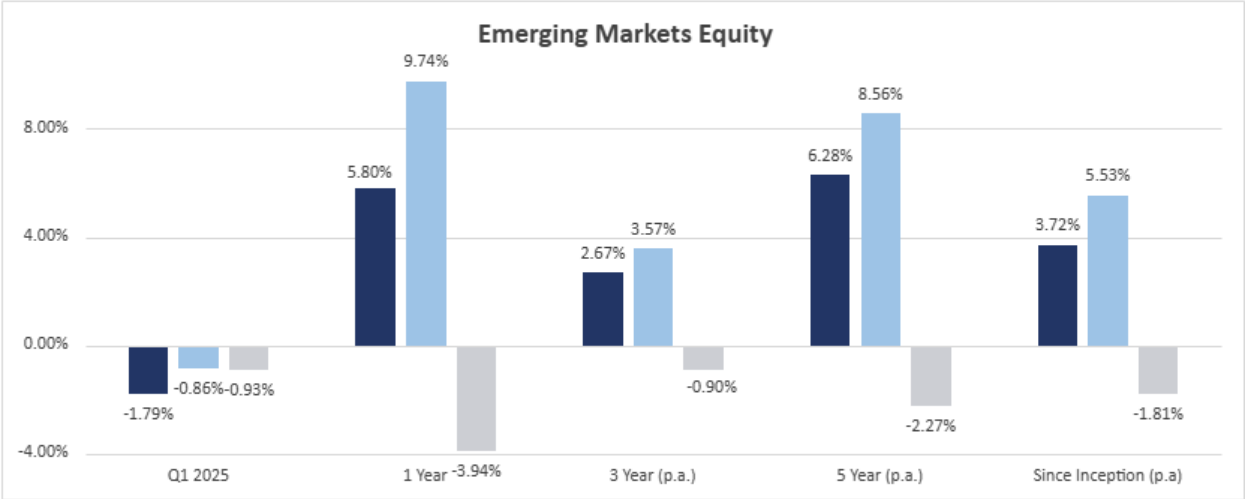
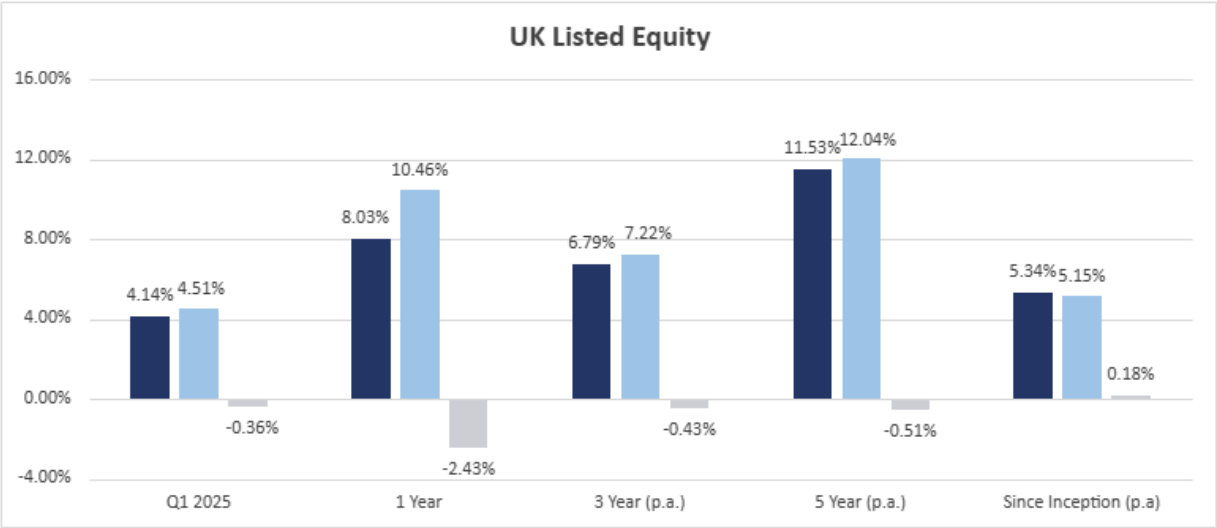
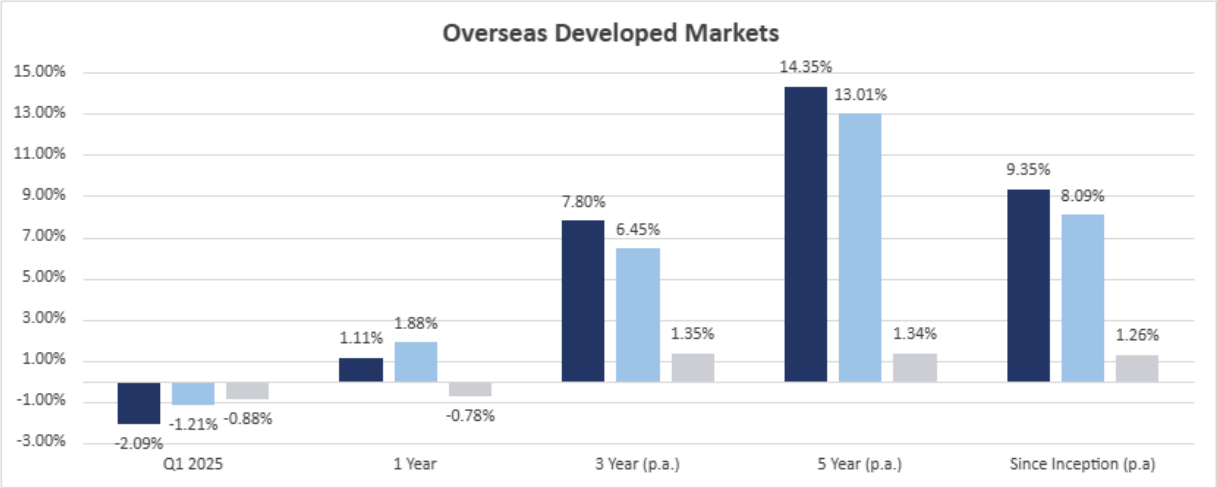
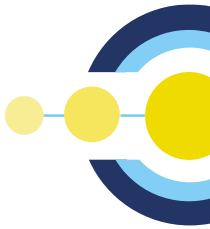
Market Outlook

- US economy expected to maintain solid growth, supported by strong consumer spending and favourable financial conditions.
- Despite recent competitive pressure from Deep-Seek, technological innovation and the broadening of the AI cycle to remain an important driver across equity markets.
- A modest re-pricing of equities in Q1 unlocked some pockets of value.

Risks

- Weaker earnings growth could undermine the positive outlook on equities and valuation expectations.
- While some of President Trump's pre-election policies were pro-growth and inflation reducing others were growth-negative and inflationary. The sequencing and severity of announcements could trigger market volatility.

LISTED INVESTMENTS – PERFORMANCE TO Q1 2025



■ Fund
■ Benchmark
■ Relative Performance

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

UK Listed Equity Market Benchmark: FTSE All Share GBP

Emerging Market Equity Benchmark¹: FTSE Emerging Markets

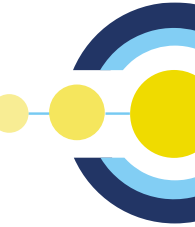
¹S&P Emerging Markets BMI (Net) between 22nd October 2018 to 9th April 2021. Benchmark equal to fund return between 10th April to 28th April 2021 (Performance holiday for fund restructure)

Source: Northern Trust, Border to Coast as at 31st March 2025

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

Border to Coast – Teesside Pensions Committee

PRIVATE EQUITY: SUMMARY



Private Equity	Key Metrics - 31 Dec 2024
Target IRR	10%
Series 1 IRR	14.2%
Series 1 TVPI	1.36x

Series 1A	31 Mar 2025	31 Dec 2024
Capital Committed	99.7%	99.7%
Capital Drawn	88.3%	87.0%
Capital Distributed ¹	29.9%	24.6%

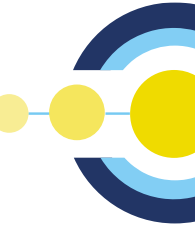
Series 1B	31 Mar 2025	31 Dec 2024
Capital Committed	99.1%	99.1%
Capital Drawn	87.9%	80.3%
Capital Distributed ¹	15.7%	10.4%

Series 1C	31 Mar 2025	31 Dec 2024
Capital Committed	100.0%	100.0%
Capital Drawn	81.4%	72.4%
Capital Distributed ¹	0.5%	0.4%

Series 2A	31 Mar 2025	31 Dec 2024
Capital Committed	99.8%	99.8%
Capital Drawn	38.2%	32.3%
Capital Distributed ¹	0.5%	0.0%

Series 2B	31 Mar 2025	31 Dec 2024
Capital Committed	99.0%	99.0%
Capital Drawn	22.2%	19.9%
Capital Distributed ¹	0.8%	0.7%

INFRASTRUCTURE: SUMMARY



Infrastructure	Key Metrics - 31 Dec 2025
Target IRR	8%
Series 1 IRR	7.8%
Series 1 TVPI	1.20x

Series 1A	31 Mar 2025	31 Dec 2024
Capital Committed	98.7%	98.7%
Capital Drawn	90.4%	89.3%
Capital Distributed ¹	27.8%	22.0%

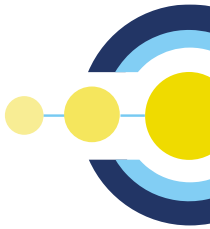
Series 1B	31 Mar 2025	31 Dec 2024
Capital Committed	98.7%	98.7%
Capital Drawn	78.4%	74.6%
Capital Distributed ¹	6.3%	5.1%

Series 1C	31 Mar 2025	31 Dec 2024
Capital Committed	100.0%	100.0%
Capital Drawn	87.9%	88.0%
Capital Distributed ¹	14.5%	13.8%

Series 2A	31 Mar 2025	31 Dec 2024
Capital Committed	99.7%	99.7%
Capital Drawn	57.2%	54.0%
Capital Distributed ¹	3.9%	3.6%

Series 2B	31 Mar 2025	31 Dec 2024
Capital Committed	99.9%	99.9%
Capital Drawn	29.4%	28.8%
Capital Distributed ¹	0.2%	0.2%

CLIMATE OPPORTUNITIES: SUMMARY

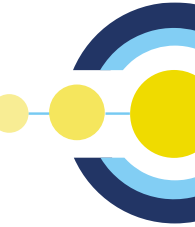


	31 Mar 2025	31 Dec 2024
Target IRR	8%	
Capital Committed	99.9%	99.9%
Capital Drawn	50.8%	45.0%
Capital Distributed ¹	6.0%	4.3%

Source: Allbourn / Private Monitor
¹Including Recallable Distributions.

NOTABLE EXITS – ENDLESS FUND V - KARNOVA

PRIVATE EQUITY SERIES 1B



Overview

Investment Date	March 2022
Realisation Date	February 2025
Business	Specialist processor and supplier
Sector	FMCG
Location	UK
Invested Amount	£20.2m
Business Overview	<p>Formerly known as Yorkshire Premier Meats, Karnova is the UK's leading specialist B2B, processor and supplier of value-add red meat ingredients.</p> <p>Karnova processes a range of proteins and supplies into producers of ready meals, canned goods and savoury pasties/pies as well as the rapidly expanding direct to consumer box meal market.</p>

Strategy and Execution

- After acquiring Yorkshire Premier Meat in March 2022, Endless executed a roll-up by adding Smithfield Murray, one of Europe's leading processors of high-quality value-add poultry products, expanding the businesses product range and enabling it to act as a "one-stop-shop" provider to its end clients.
- Post acquisition Endless worked closely with the management team to recruit additional skills and experience into the business to match the business's scale and growth ambitions.
- The aggregated business, providing prepared meat and poultry solutions for the UK's leading supermarkets, restaurant chains and home meal kit providers created an attractive opportunity to exit to trade, allowing Endless to benefit from multiple arbitrage given the larger and better developed operating business.

Exit

- Karnova was sold to OSI Group, a US, premier global supplier of custom value-added food products to the world's leading foodservice and retail food brands.

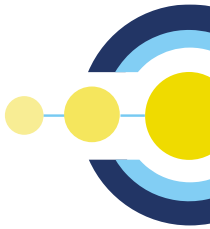
K Karnova

Source: Endless Fund V Reports, email comms

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NOTABLE EXITS – ARCUS EUROPEAN INFRASTRUCTURE II – HORIZON SMA

INFRASTRUCTURE SERIES 1A



Overview

Investment Date	November 2019 (Horizon) & May 2021 (SMA)
Realisation Date	February 2025
Business	Smart metering
Sector	Digital
Location	UK
Invested Amount	£97.5m (Horizon) & £93m (SMA)
Business Overview	<p>Horizon Energy Infrastructure Limited is a UK-based smart metering asset provider founded in 2009, with a portfolio of more than 1.57m smart meters installed in domestic and industrial & commercial premises.</p> <p>The company finances the purchase and installation of smart meters on behalf of energy suppliers, retaining ownership of the assets and collecting monthly rental payments from secured, long-term leasing contracts.</p> <p>Smart Meter Assets is another UK metering asset provider with a portfolio of 20m smart meters in domestic premises, utilising the same ownership and long-term rental model as Horizon.</p>

Strategy and Execution

- Since acquisition, Arcus has worked closely with respective management teams to transform these businesses, increasing both the scale and quality significantly.
- This was achieved through a combination of value creation initiatives, including winning new meter financing contracts with UK energy suppliers, M&A, raising debt financing, funding UK water meters and German smart meters, and expanding into adjacent green infrastructure such as heat pumps, EV chargers and solar PV systems.

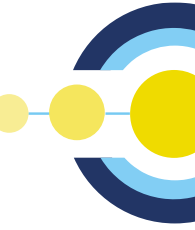
Exit

- Arcus ran a combined sales process for both businesses in Q4 2024.
- Businesses sold as a combined project named "Metranova" to KKR's Global Infrastructure fund.



Source: Arcus EIF II Reports

BORDER TO COAST UPDATE



THE FUTURE OF THE LGPS

Following a significant collaborative effort across our partnership, the Government has confirmed our Transition Plan meets expectations. Government has also indicated that not all eight pools have proposed plans that meet its requirements. Funds in Brunel and ACCESS have been instructed to join another pool by March 2026. This is a difficult time for those funds and pools, and we are working with Partner Funds to support the wider LGPS in this process as appropriate.

HOLDING OIL AND GAS TO ACCOUNT

As an active steward, AGM season is an important opportunity to hold companies to account, using the strength of our collective scale to push for meaningful change. A focal point of our efforts has been BP. We have been vocal in our concern over its backtracking on climate commitments and its transition plans.

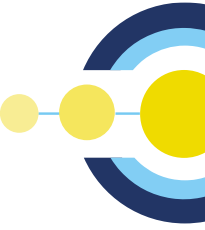
AWARDS SEASON

Border to Coast were awarded Limited Partner of the Year (Climate), at the New Private Markets Global Awards. We are also a finalist in the Professional Pensions UK Pensions Awards, shortlisted for Best Pension Scheme Investment Strategy.



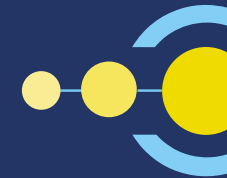
APPENDIX

PRIVATE EQUITY / INFRASTRUCTURE – IRR AND TVPI DEFINITIONS



IRR and TVPI (Pages 5 - 6)

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



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