

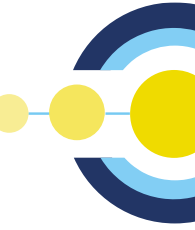


TEESSIDE PENSION FUND

Border to Coast

Teesside Pensions Committee - September 2025

YOUR INVESTMENTS WITH BORDER TO COAST



LISTED INVESTMENTS AS AT 30TH JUNE 2025

Listed Investments	Value (as at 30/06/2025)	Value % of Total Assets
UK Listed Equity	£641m	20.7%
Overseas Developed Markets	£2,213m	71.5%
Emerging Markets Equity	£240m	7.8%

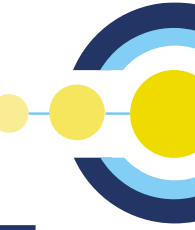
COMMITMENT TO BORDER TO COAST'S PRIVATE MARKET STRATEGIES

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

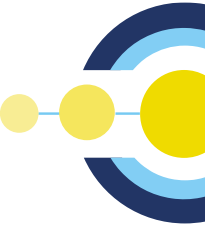
FUND EXPOSURE TO DEFENCE AND TOBACCO

AS OF 30TH JUNE 2025



	Number of Fund Holdings	Fund Exposure (£m)	Fund Exposure (%)	Benchmark Exposure (%)
Defence				
UK Listed Equity	5	46.4	7.3	6.3
Overseas Developed	4	45.2	2.1	2.5
Emerging Markets Equity	1	2.1	0.9	0.6
Tobacco				
UK Listed Equity	2	29.1	4.6	3.6
Overseas Developed	0	0	0	0.4
Emerging Markets Equity	1	2.4	1.0	0.2

MACRO OUTLOOK – AS AT END Q2 2025



Macro and Monetary Outlook

- Global growth slowed in Q2 amid intensifying tariff conflicts and geopolitical instability.
- Inflation stayed elevated, fuelled by energy costs and supply disruptions. The ECB and BoE cut rates to support demand, while the Fed held firm.
- Despite macro headwinds, global equities remained resilient—supported by dovish policy moves, sector rotation, and bargain-hunting in oversold markets.

Market Outlook

- The era of U.S. exceptionalism is facing headwinds, with early signs of labour market softening rising continuing claims and slowing wage growth challenging its resilience.
- Meanwhile, fiscal pressures are mounting across developed economies, where persistently high deficits and rising debt-to-GDP ratios are raising sustainability concerns.
- Asset valuations remain stretched across both equities and credit markets, leaving little margin for error.

Risks

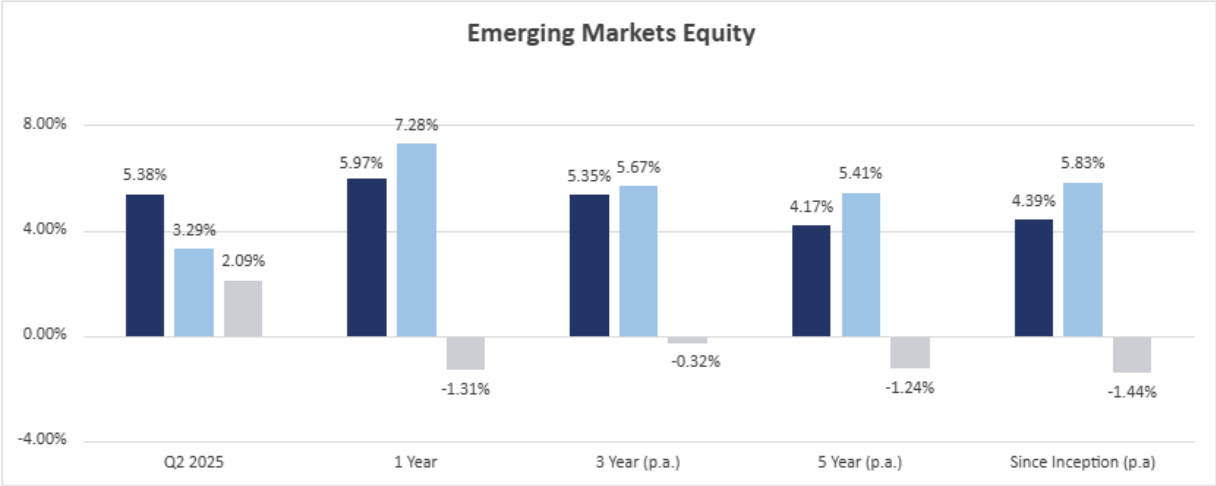
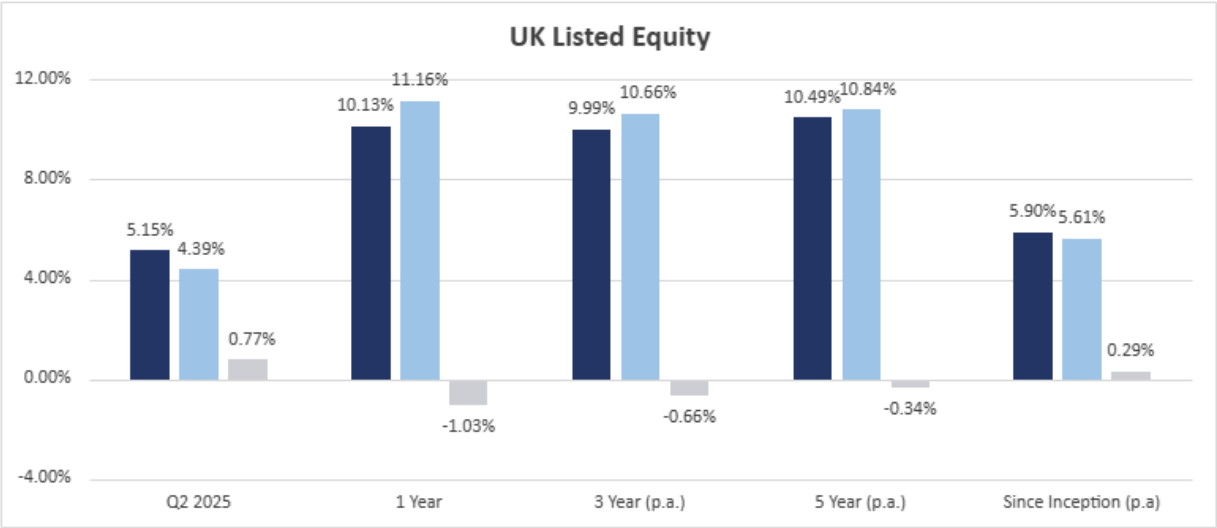
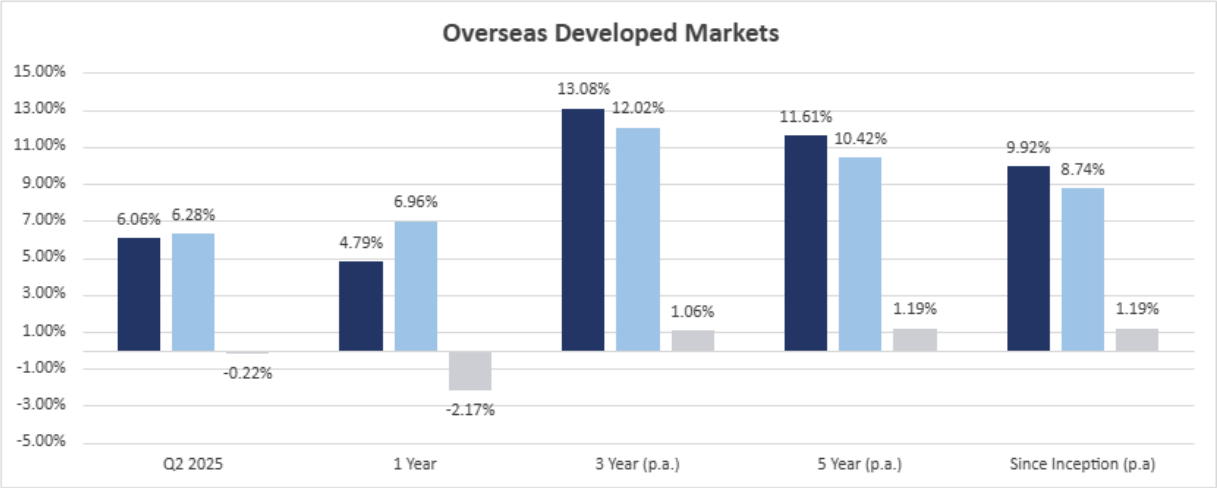
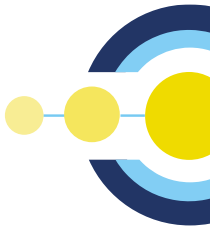
- Higher-yielding credit assets may continue outperforming cash if global economies stay in a steady state, encouraging investors to chase yield and extend risk exposure longer than expected.
- On the other hand, signs of a hard landing or recession could trigger a sharp drop in long-term rates, supporting long duration fixed income but reflecting deeper economic vulnerability.

Source: Border to Coast, Global Market Outlook, Q2 2025

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INTERNAL

LISTED INVESTMENTS – PERFORMANCE TO Q2 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

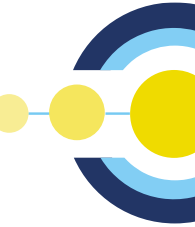
¹S&P Emerging Markets BMI (Net) between 22nd October 2018 to 9th April 2021. Benchmark equal to fund return between 10th April to 28th April 2021 (Performance holiday for fund restructure)

Source: Northern Trust, Border to Coast, as at 30th June 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 Mar 2025
Target IRR (Series 1)	10%
Series 1 IRR	12.7%
Series 1 TVPI	1.34x

Series 1A	30 Jun 2025	31 Mar 2025
Capital Committed	99.7%	99.7%
Capital Drawn	90.5%	88.3%
Capital Distributed ¹	31.8%	29.9%

Series 1B	30 Jun 2025	31 Mar 2025
Capital Committed	99.1%	99.1%
Capital Drawn	89.2%	87.9%
Capital Distributed ¹	21.5%	15.7%

Series 1C	30 Jun 2025	31 Mar 2025
Capital Committed	100.0%	100.0%
Capital Drawn	84.4%	81.4%
Capital Distributed ¹	0.6%	0.5%

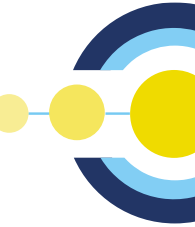
Private Equity	Target IRR
Series 1	10%
Series 2	10%
Series 3	10%

Series 2A	30 Jun 2025	31 Mar 2025
Capital Committed	99.8%	99.8%
Capital Drawn	45.8%	38.2%
Capital Distributed ¹	0.5%	0.5%

Series 2B	30 Jun 2025	31 Mar 2025
Capital Committed	99.0%	99.0%
Capital Drawn	27.6%	22.2%
Capital Distributed ¹	1.1%	0.8%

Series 3A	30 Jun 2025	31 Mar 2025
Capital Committed	39.6%	N/A
Capital Drawn	0.0%	N/A
Capital Distributed ¹	0.0%	N/A

INFRASTRUCTURE: SUMMARY



Infrastructure	Key Metrics - 31 Mar 2025
Target IRR	8%
Series 1 IRR	7.3%
Series 1 TVPI	1.20x

Series 1A	30 Jun 2025	31 Mar 2025
Capital Committed	98.7%	98.7%
Capital Drawn	92.0%	90.4%
Capital Distributed ¹	29.4%	27.8%

Series 1B	30 Jun 2025	31 Mar 2025
Capital Committed	98.7%	98.7%
Capital Drawn	80.5%	78.4%
Capital Distributed ¹	6.8%	6.3%

Series 1C	30 Jun 2025	31 Mar 2025
Capital Committed	100.0%	100.0%
Capital Drawn	90.9%	87.9%
Capital Distributed ¹	15.2%	14.5%

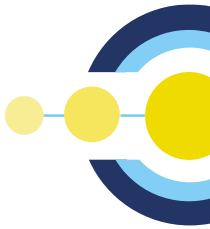
Infrastructure	Target IRR
Series 1	8%
Series 2	8%
Series 3	8%

Series 2A	30 Jun 2025	31 Mar 2025
Capital Committed	99.7%	99.7%
Capital Drawn	59.7%	57.2%
Capital Distributed ¹	4.7%	3.9%

Series 2B	30 Jun 2025	31 Mar 2025
Capital Committed	99.9%	99.9%
Capital Drawn	35.7%	29.4%
Capital Distributed ¹	0.3%	0.2%

Series 3A	30 Jun 2025	31 Mar 2025
Capital Committed	37.8%	N/A
Capital Drawn	20.8%	N/A
Capital Distributed ¹	0.0%	N/A

CLIMATE OPPORTUNITIES: SUMMARY

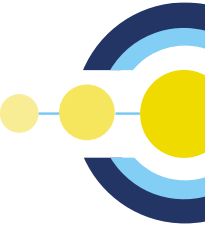


	30 Jun 2025	31 Mar 2025
Target IRR	8%	
Capital Committed	99.9%	99.9%
Capital Drawn	56.4%	50.8%
Capital Distributed ¹	7.2%	6.0%

Source: Albourne / Private Monitor
¹Including Recallable Distributions.

NOTABLE EXITS – ENDLESS FUND V – THE KTC GROUP

PRIVATE EQUITY SERIES 1B



Overview

Investment Date	May 2022
Realisation Date	April 2025
Business	Manufacturer and distributor of branded edible oils, fats and world foods
Sector	FMCG
Location	UK
Invested Amount	£45m
Business Overview	<p>Established in 1972 as an independent family-owned retail store.</p> <p>Today, KTC is a fully integrated business that expertly sources, blends, packs and distributes a wide array of oils to manufacturers, retailers and wholesalers throughout the UK and globally.</p> <p>KTC products are enjoyed by over 50 million people each year, and the business is a key supplier to the UK restaurant industry.</p>

Strategy and Execution

- Endless acquired KTC in May 2022 after a failed trade process had occurred with the family owners looking to exit.
- Despite having a market leading position and key expertise in the industry, the business lacked key management information and governance. It had also lacked investment in both equipment and personnel.
- Endless worked to appoint an experienced board as well as an experienced C-Suite to work alongside the CEO. Sites have been modernised, improving output and creating a better working environment for KTC employees.

Exit

- KTC was sold to Whitworths Food Group Ltd, a dried fruit, nuts, home baking and snack products company.

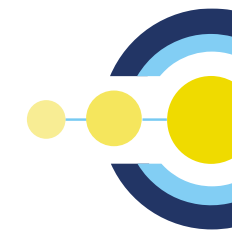
The **KTC** Group

Source: Endless Fund V Reports, email comms

Border to Coast – Teesside Pensions Committee

NOTABLE EXITS – I SQUARED (ISQ) III – HYDROGEN TECHNOLOGY & ENERGY CORPORATION (HTEC)

INFRASTRUCTURE SERIES 1B



Overview

Investment Date	September 2021
Realisation Date	May 2025
Business	Hydrogen
Sector	Power & Utilities
Location	Canada
Invested Amount (m)	\$124,467
Business Overview	<p>HTEC is a vertically integrated green hydrogen business focused on three core verticals:</p> <ol style="list-style-type: none">1. Hydrogen fuelling stations: For light duty & heavy-duty vehicles across Canada.2. Clean Fuels: Build, own and operate green hydrogen production facilities.3. Transportation Solutions: designs and implement heavy-duty hydrogen projects.

Strategy and Execution

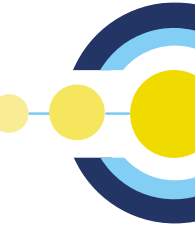
- Under ISQ's ownership, HTEC underwent a significant transformation into a scalable and strategically anchored hydrogen infrastructure platform.
- ISQ supported a vertically integrated strategy forced on 3 core verticals: fueling stations, hydrogen production and mobility solutions.
- ISQ led a major build out effort, securing long term partnerships, developing SPVs for risk isolation, and launching new hydrogen stations across British Columbia. During the hold period, HTEC's workforce grew from 42 to 144 employees and key infrastructure including electrolyzers, fuelling stations, and the liquefier was advanced through both development and construction stages.

Exit

- ISQ successfully exited its full stake in HTEC to an undisclosed buyer achieving the first realisation for ISQ GlobalFund III.



BORDER TO COAST UPDATE



WELCOMING OUR NEW CHAIR: JOHN LISTER

We are incredibly grateful for all Chris Hitchen has done for the organisation. We wouldn't be where we are today without his valuable insight, support and leadership. Chris Hitchen's term as our Chair has now come to an end. Our new Chair, John Lister joined us on 1st September. John has extensive experience having spent over 30 years as an executive with Aviva Group and almost a decade at Phoenix Group Life Companies as a non-executive director, most recently as Chair.

OUR AGM AND ANNUAL REPORT

In July Partner Funds joined us for our Annual General Meeting (AGM). All motions were passed, including the receipt by shareholders of our 2024/25 Annual Report and Accounts. Highlights from the last year include more than £55bn of Partner Fund assets overseen or managed, a cumulative £178m in cost savings to date, and the launch of innovative propositions such as UK Opportunities and Climate Opportunities II. You can read the full document on our website.

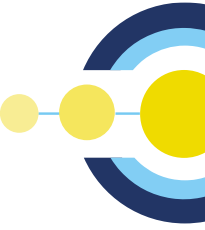
THE LEEDS REFORMS

The Leeds Reforms highlight financial services as a real success story for the UK and its regions. We welcome wider recognition of the need to support good, skilled jobs in the sector. It is not only good for the economy, but key to supporting savers and pension members far into the future. It is why at Border to Coast we have launched apprenticeships, continue to invest in our long-running graduate programme, and foster a focus on learning throughout the organisation.



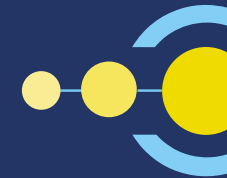
APPENDIX

PRIVATE EQUITY / INFRASTRUCTURE – IRR AND TVPI DEFINITIONS



IRR and TVPI (Pages 6 - 7)

- **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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