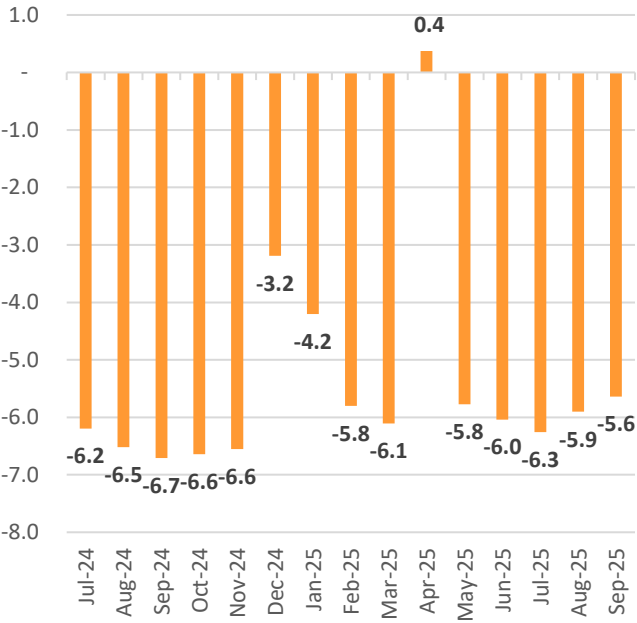
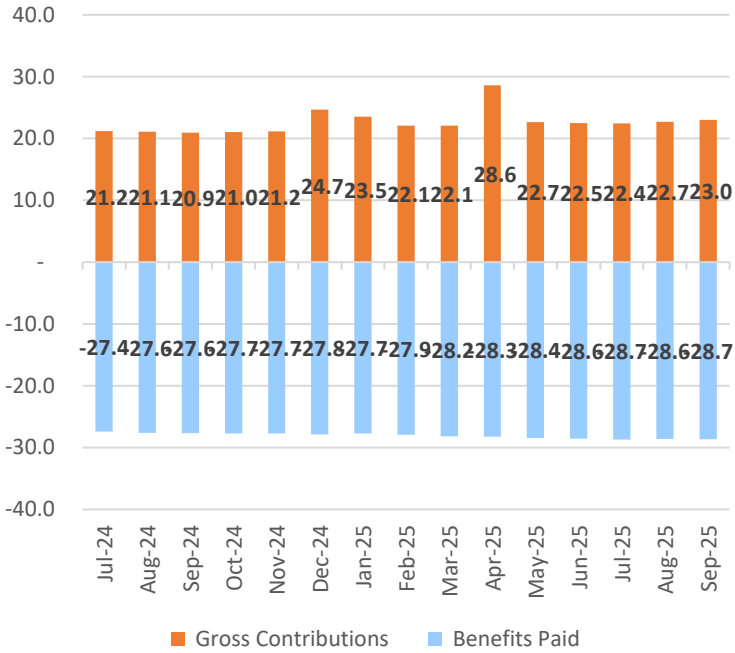


QUARTERLY REPORT TO 30 SEPTEMBER 2025

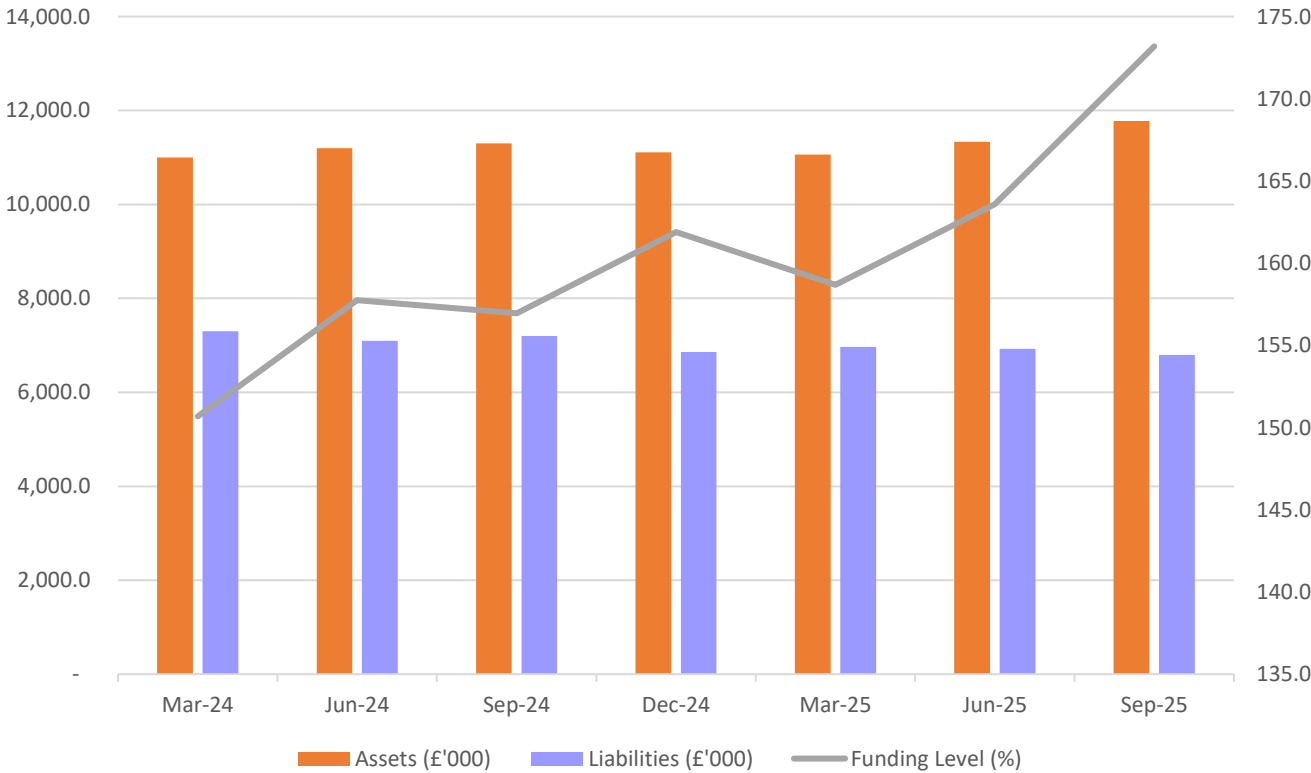
NET CONTRIBUTIONS



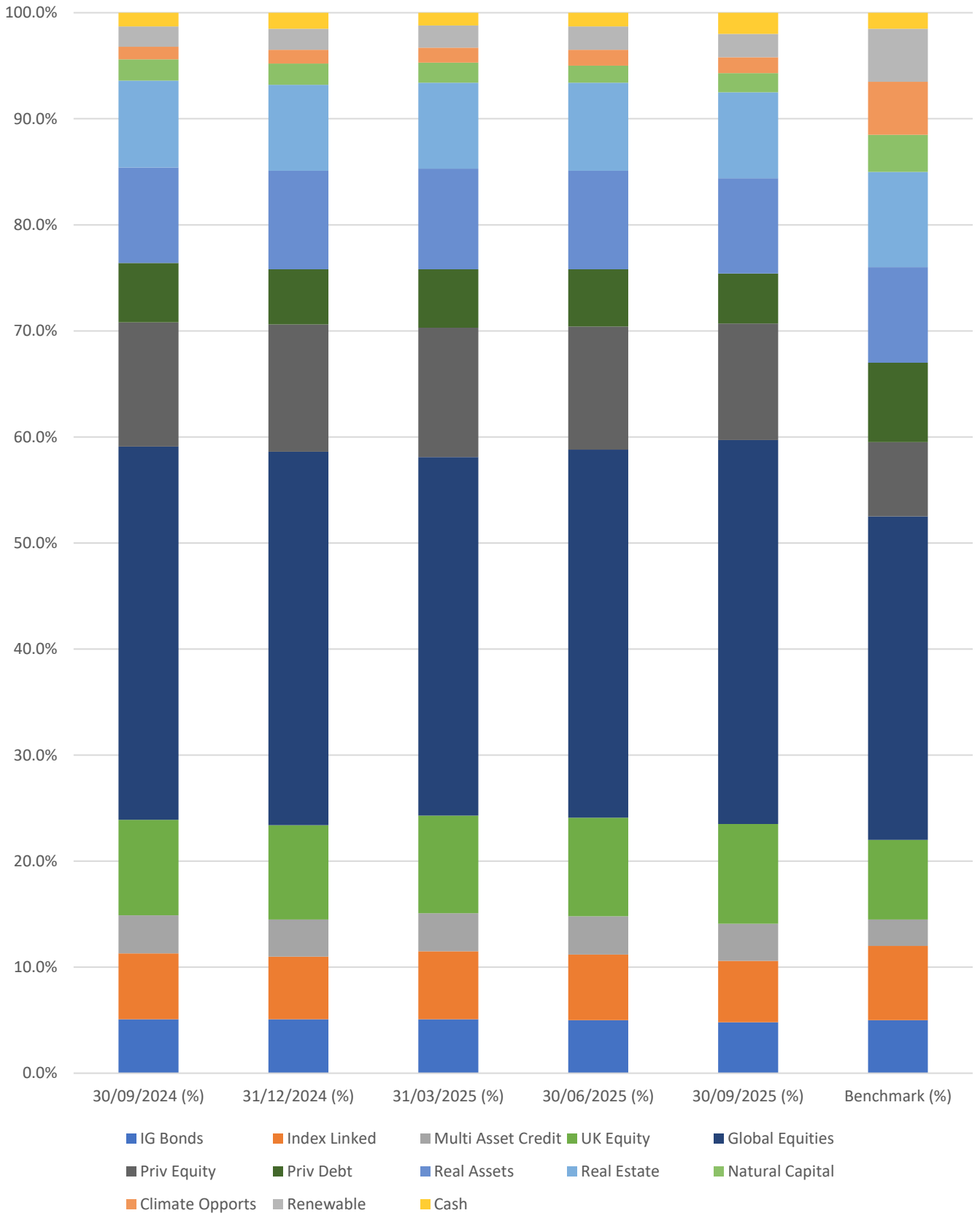
BREAKDOWN OF NET CONTRIBUTIONS



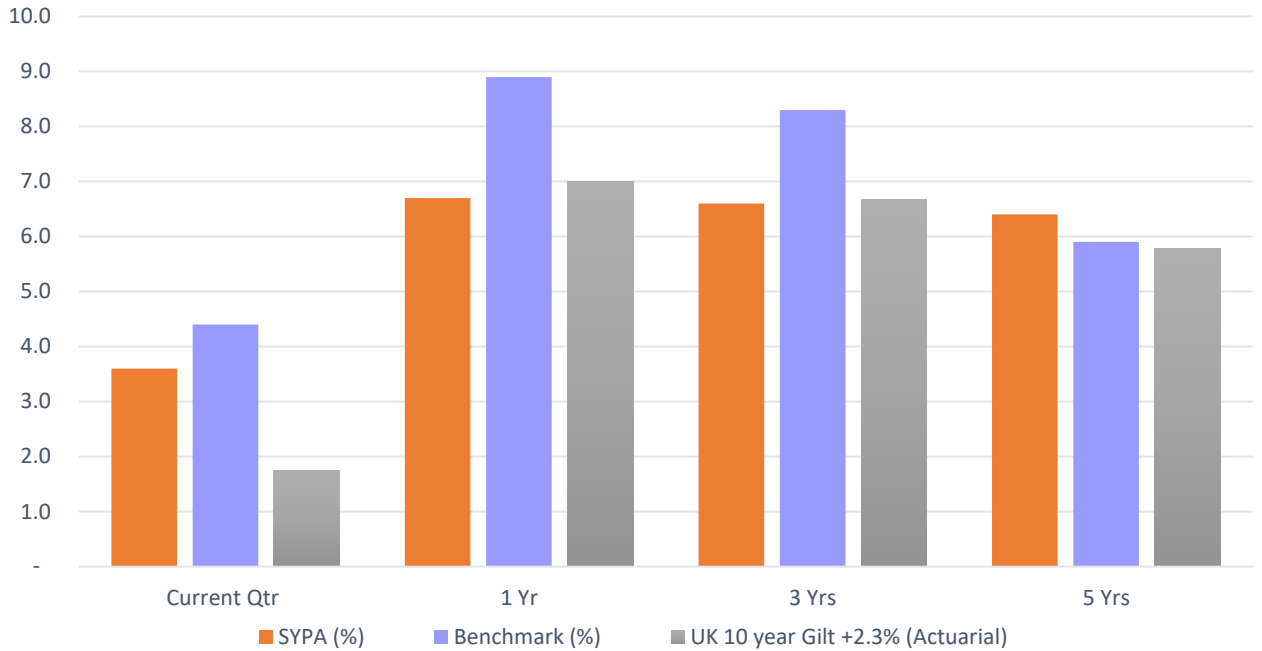
FUNDING LEVEL



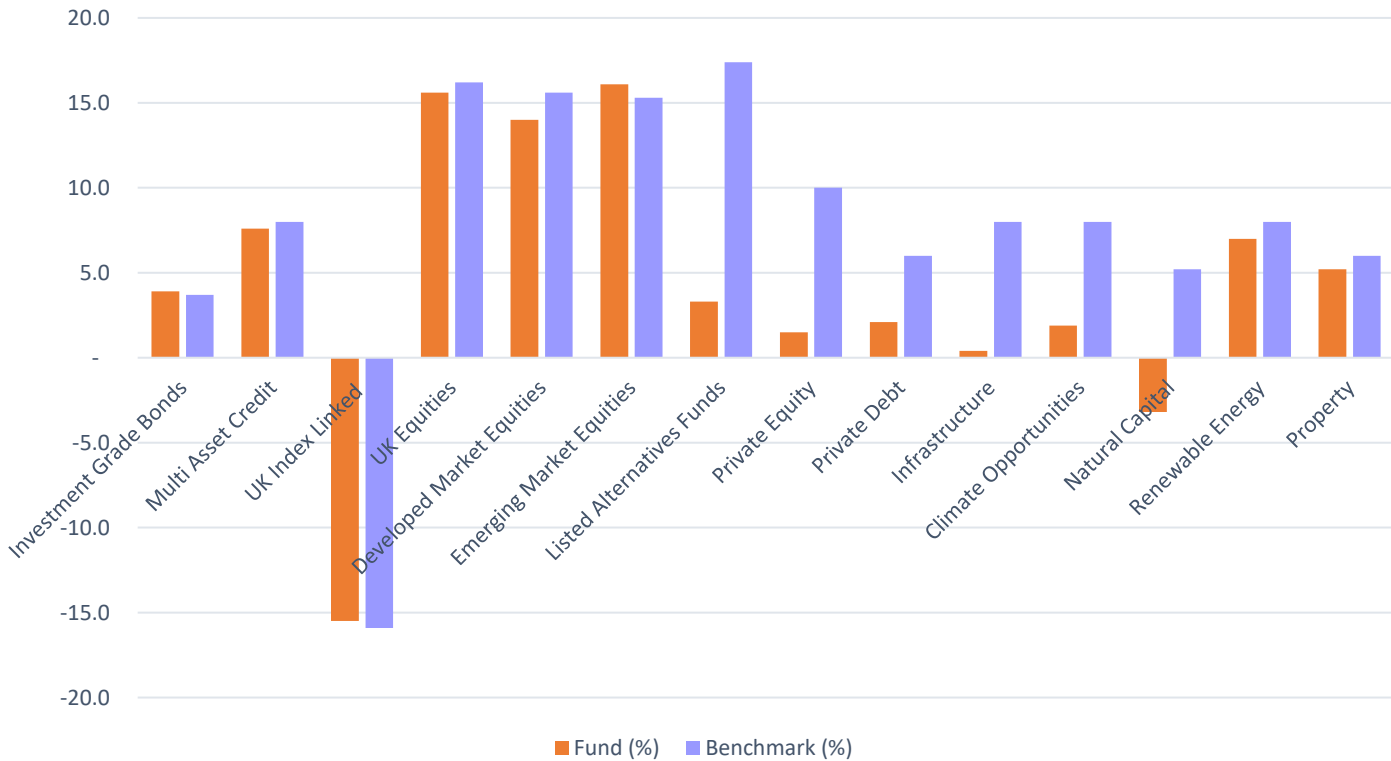
ASSET ALLOCATION



TOTAL FUND RETURN



ASSET PERFORMANCE BY TOTAL ASSET CLASS - 12 MONTHS TO SEPTEMBER 2025



Market background

Despite the threat of increasing volatility, we saw another strong quarter for equity markets. The global index returned over 9.5% for the quarter in sterling terms, with Emerging Markets (12.5%), Japan (10.4%) and the US (10.0%) the strongest performing regions. Solid performance also came from both UK and European equity markets, producing 5-7% returns over the quarter. Multiple equity market indices have reached all-time highs, which perhaps papers over some of the underlying economic and geopolitical risks.

It has been well publicised how concentrated the US S&P 500 index has become, with the Magnificent 7 now accounting for 35% of this and almost 25% of MSCI's global index. The S&P 500 itself is now trading at levels unseen since the dot.com bubble. It is worth noting, however, that SYPA's allocation to the Border to Coast Overseas Developed Equity Fund caps US exposure at a much lower level than the market exposure, which should help to protect the portfolio in the event of AI euphoria turning sour.

The US economy grew during the quarter, driven by consumer spending as well as AI investment. However, the Purchasing Managers Index (PMI) indicated a slowing expansion. Inflation in the US increased to 3% in September, as the Fed projects two further rates cuts before the end of the year. Inflation also rose in the Eurozone to 2.2% but the ECB decided to keep rates stable, as this remained within the permitted range.

In the UK, inflation remained sticky at 3.8% although core inflation slowed down to 3.5%, allowing the Bank of England to cut the base rate of interest to 4%; with one further cut expected for this year. However, the UK economy is in a precarious position, as the jobless rate rose to 5% at the end of September (a benchmark target of around 4% is usually considered to be a peak). With the annual growth rate slowing to 1.4% from the previous quarter and the current Government Debt to GDP ratio at around 95.9%, this added pressure to Rachel Reeves' Budget, particularly in relation to fiscal sustainability. However, we now know that the Chancellor's announcements have managed to keep the skittish UK government bond market quite calm.

Within fixed income assets, credit spreads have generally tightened (meaning that the additional yield available for lending to a company over a sovereign has reduced). This has contributed to positive performance for our investments in Border to Coast's Multi-Asset Credit Fund and Sterling Investment Grade Corporate Bond Fund over the quarter.

The SYPA Fund has continued to benefit from these increases in asset value and our upcoming investment strategy review is intended to keep us in a robust position.

Fund Valuation

as at 30 September 2025

	Jun-25 £m	%	Quarterly Net Investment	Sep-25 £m	%
FIXED INTEREST					
Inv Grade Credit - BCPP	572.2	5.0	0.0	569.9	4.8
UK ILGs - BCPP	708.3	6.2	0.0	686.2	5.8
MAC - BCPP	405.3	3.6	-4.9	412.0	3.5
TOTAL	1685.8	14.8	-4.9	1668.1	14.1
UK EQUITIES	1055.3	9.3	-10.0	1111.4	9.4
INTERNATIONAL EQUITIES					
Developed Market - BCPP	3141.7	27.6	-10.0	3353.5	28.5
Emerging Market - BCPP	807.2	7.1	0.0	906.7	7.7
Emerging Market - SYPA	0.4	0.0	0.0	0.4	0.0
TOTAL	3949.3	34.7	-10.0	4260.5	36.2
LISTED ALTERNATIVES -BCPP	168.5	1.5	-10.0	162.0	1.4
PRIVATE EQUITY					
BCPP	471.2		2.0	458.9	
SYPA	680.3		-34.7	655.7	
TOTAL	1151.5	10.1	-32.7	1114.6	9.6
PRIVATE DEBT FUNDS					
BCPP	270.0		22.4	272.9	
SYPA	342.0		-59.4	285.7	
TOTAL	612.0	5.4	37.0	558.6	4.7
INFRASTRUCTURE					
BCPP	660.2		-8.3	673.1	
SYPA	393.7		27.1	385.2	
TOTAL	1053.9	9.3	18.8	1058.4	9.0
RENEWABLE ENERGY	248.0	2.2	4.2	253.5	2.2
CLIMATE OPPORTUNITIES	165.6	1.5	14.3	174.4	1.5
NATURAL CAPITAL	187.4	1.6	32.9	215.4	1.8
PROPERTY	945.9	8.3	7.9	958.8	8.1
CASH	155.9	1.3		241.2	2.0
TOTAL FUND	11379.1	100.0		11776.9	100.0

Asset Allocation Summary

Strategic vs Current Asset Allocation					
Asset Class	SAA Target	Range	Current Asset Allocation		
	%	%	£m	%	OW/(UW)
Equities	38.0	+/- 5%	5371.9	45.6	7.6
Private Equity	7.0	+/- 2%	1114.5	9.6	2.6
Listed Alternatives			162.0	1.4	1.4
Total Growth	45.0		6648.5	56.6	
Multi Asset Credit	2.5	+/- 2%	412.0	3.5	1.0
Infrastructure	9.0	+/- 3%	1058.4	9.0	-
Private Debt	7.5	+/- 2%	558.6	4.7	-2.8
Property	9.0	+/- 2%	958.8	8.1	-0.9
Natural Capital	3.5	+/- 2%	215.4	1.8	-1.7
Climate Opportunities	5.0	+/- 2%	174.4	1.5	-3.5
Renewable Energy	5.0	+/- 2%	253.5	2.2	-2.8
Total Income	41.5		3631.1	30.8	
UK Index Linked Gilts	7.0	+/- 2%	686.2	5.8	-1.2
Corporate Bonds	5.0	+/- 1%	569.9	4.8	-0.2
Cash	1.5	+/- 1%	241.2	2.0	0.5
Total Protection	13.5		1497.3	12.6	
Total	100.0		11,776.9	100.0	

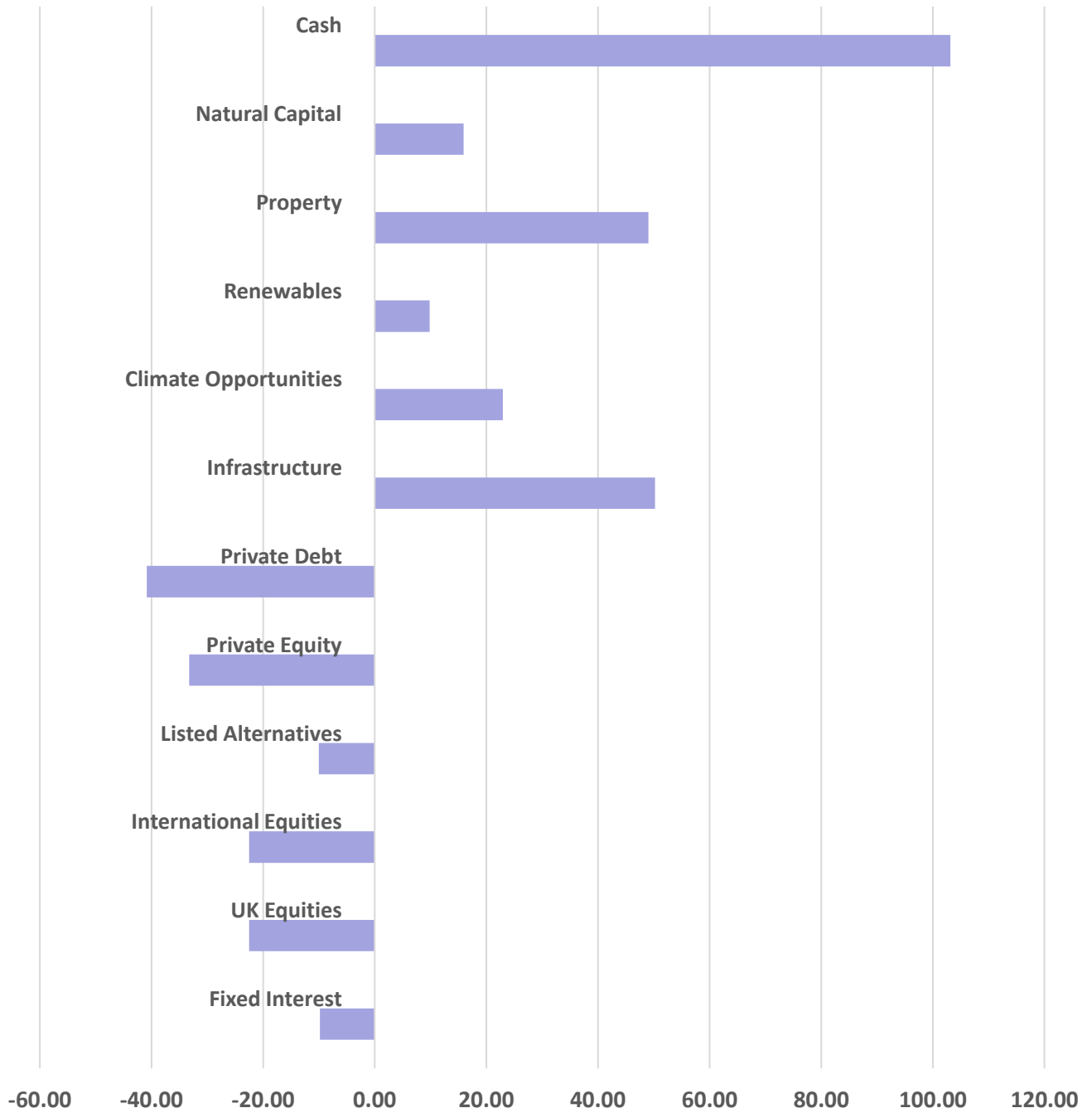
OW/UW 'RAG' ratings

Green ratings indicate that current asset allocation is within agreed tolerances

Red ratings indicate that current asset allocation is out of range

Asset Allocation Summary

Net Investment over the financial year to 30.09.25
£m



Asset Allocation Summary

Given the current strategic asset allocation target, the aim is to reduce our current overall exposure to **growth assets**, in particular equities. The proceeds would be used to gradually increase our allocations towards **income assets** - such as Private Credit, Climate Opportunities and Renewable Energy – which all remain underweight relative to our long-term strategic asset allocation.

Net positive drawdowns have been made into asset classes such as Property and Infrastructure during this timeframe, with redemption cashflows from our legacy Private Equity and Private Debt funds more than offsetting drawdowns made by Border to Coast's private market offerings.

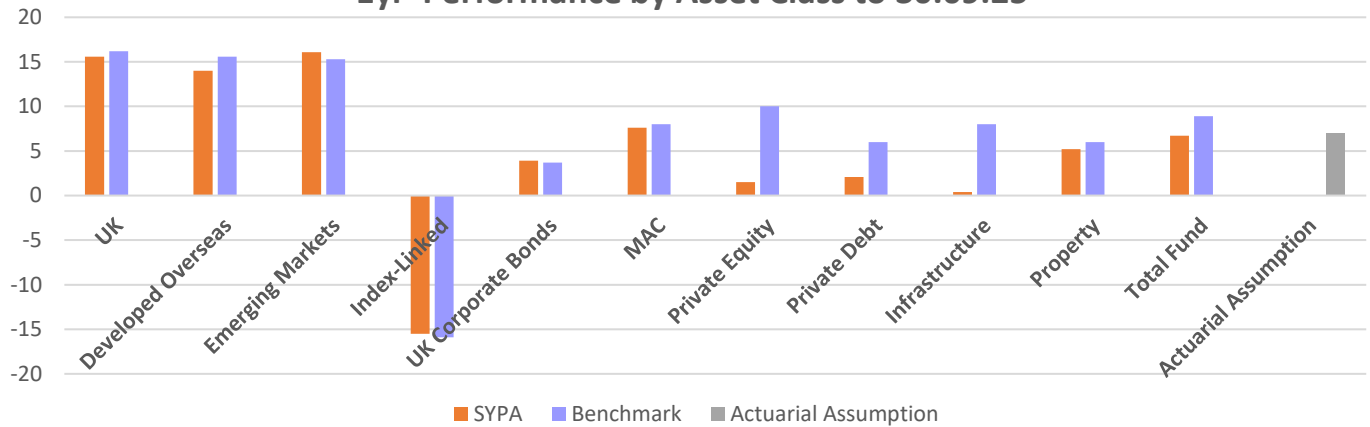
Over the period shown, our cash balance appears to have increased materially. However, this is partly due to the accounting system used by our new custodian, Northern Trust, in which certain balances show up as “cash” when the money involved has very recently been allocated to other asset classes.

Performance: as at 30 September 2025

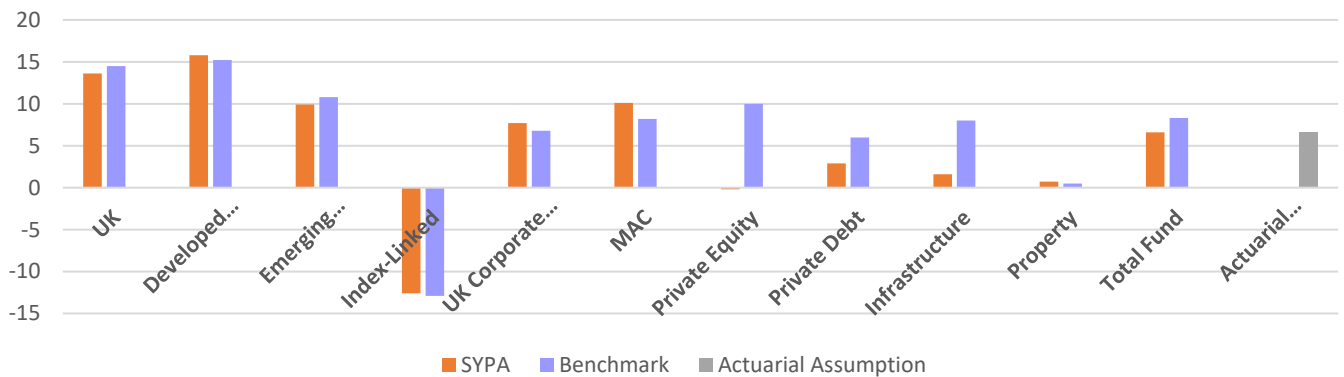
	Qtrly Performance		Performance last 12 months	
	SYPa	Benchmark	SYPa	Benchmark
	%	%	%	%
FIXED INTEREST				
Investment Grade Credit - BCPP	0.7	0.7	3.9	3.7
UK ILGs	-3.1	-3.3	-15.5	-15.9
Multi Asset Credit - BCPP	2.9	1.9	7.6	8.0
UK EQUITIES	7.2	6.9	15.6	16.2
INTERNATIONAL EQUITIES				
Developed Market - BCPP	7.9	8.4	14.0	15.6
Emerging Market	12.3	12.5	16.1	15.3
TOTAL	8.8	9.3	14.4	15.7
PRIVATE EQUITY	-0.3	2.4	1.5	10.0
PRIVATE DEBT FUNDS	-1.7	1.5	2.1	6.0
INFRASTRUCTURE	-0.8	1.9	0.4	8.0
RENEWABLES	0.7	1.9	7.0	8.0
CLIMATE OPPORTUNITIES	-2.7	1.9	1.9	8.0
PROPERTY	1.4	1.5	5.2	6.0
NATURAL CAPITAL	-2.3	1.3	-3.2	5.2
CASH	0.6	1.0	3.3	4.5
TOTAL FUND	3.6	4.4	6.7	8.9

Performance-Medium term

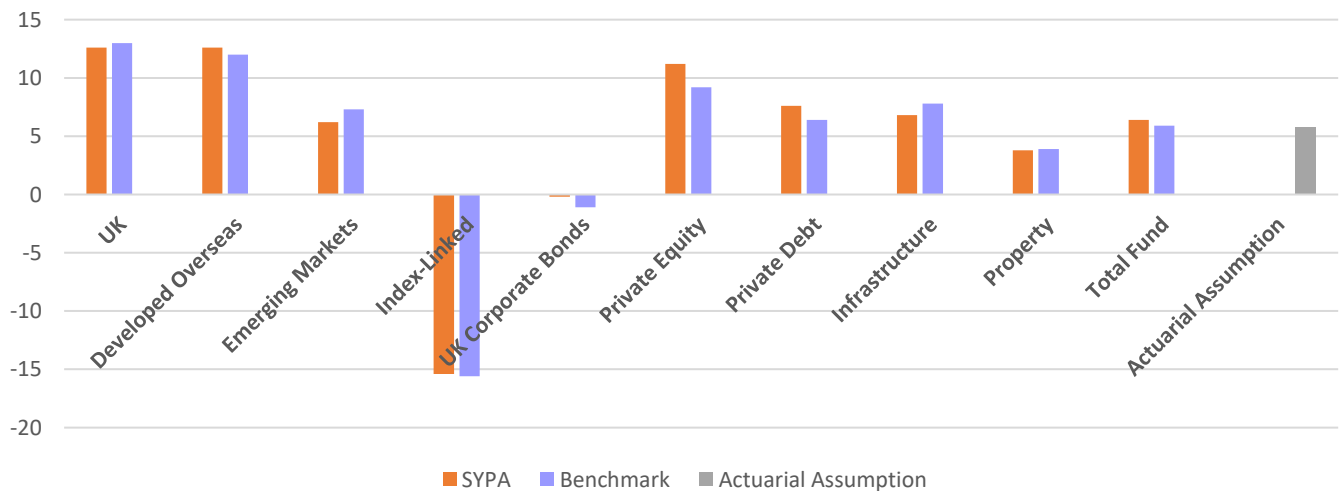
1yr Performance by Asset Class to 30.09.25



3yr Performance by Asset Class to 30.09.25



5yr Performance by Asset Class to 30.09.25



Performance – Border to Coast Funds

The **UK Listed Equity Fund** generated a total return of 7.1% during the quarter, outperforming the benchmark return of 6.9%. The Fund's aim is to generate outperformance principally through stock picking, rather than overweighting specific industrial sectors or other factors.

Internationally exposed companies fared better than their domestic facing equivalents this quarter, particularly given UK growth and pre-Budget concerns. Babcock International, a new addition to the portfolio last quarter, has continued to perform well. Balfour Beatty has also benefitted from its exposure to growing infrastructure markets. Longer-term performance of the Fund is mixed – it remains above benchmark but below its long-term 1% p.a. outperformance target since inception.

The **Overseas Developed Markets Equity Fund** generated a return of 7.9% over the quarter, which was below the benchmark of 8.4%. All four underlying regions of the Fund produced positive absolute returns, with markets returns of around 10% in each of Japan, the United States and Asia Pacific ex Japan. Europe lagged with a still very respectable 5% over this 3-month period.

The Asia Pacific ex Japan sleeve was the only component of the Fund to outperform its benchmark over the quarter. This was driven by strong performance from Korea through receding trade concerns, and strong semiconductor demand. The US sleeve underperformed due to the Trump administration backlash impacting key entertainment names, plus a strong performance by Tesla (which the Fund is underweight in). In Europe, political turmoil in France impacted performance, and regional IT firms struggled with the impact of AI. The Japanese sleeve – the best relative performer since inception – underperformed by 3% over the quarter, with underperformance from industrials and a relative absence of companies linked to AI supply chains.

Although relative performance has disappointed over the past twelve months, the overall Fund remains ahead of its 1% p.a. outperformance target since inception.

The **Emerging Markets Equity Fund** benefitted from strong market returns over the quarter, although the Fund's performance was modestly below that of the benchmark (12.3% vs 12.5%). Chinese equities were a significant contributor to the absolute performance, with the FTSE China Index posting an impressive 23.2% return. This was largely driven by technology firms, supported by government policies promoting innovation and self-sufficiency in semiconductors and advanced manufacturing. The Taiwanese equity market, home of many key AI infrastructure companies, also performed well.

Of the underlying managers in this Fund, Border to Coast's Emerging Markets ex China sleeve underperformed by 0.9% (Brazilian industrials being a key factor), whereas FountainCap outperformed by 3.4% in China (with a strong contribution from renewable energy) and UBS (also China) underperformed by 0.5% - consumer staples struggled due to a ban on alcohol at government-related events.

The Emerging Market Equity Fund's long-term performance remains below benchmark.

Performance – Border to Coast Funds

The **Listed Alternatives** Fund delivered a return of 2.1% over the quarter, materially below its representative global equity benchmark. This was largely due to the continuing exceptional strength of global equity markets. Despite the Fund's long-term investment horizon, recent political events – such as French government instability and the seemingly traditional US government shutdown – have acted as headwind to infrastructure and private equity, respectively. Alternative credit holdings within the portfolio also struggled during the quarter, with the bankruptcy of First Brands hurting confidence.

The Fund's performance remains materially below its main benchmark and secondary comparator since inception.

For **Multi Asset Credit**, the Fund delivered a return of 2.9% in Q3, with almost all of the six underlying managers contributing positively to relative performance. The Fund outperformed both its primary benchmark (SONIA +3.5%) and its secondary blended benchmark by +1.0% and +0.2% respectively, over the quarter. Fixed income and credit markets generated strong returns over this period, with the easing interest rate environment in the US providing a tailwind to performance. Emerging market debt and high yield corporate bonds were the best performing sub asset classes in the Fund over this period.

The Fund's performance has materially improved over more recent years (1.8% p.a. above its primary benchmark over the past 3 years). However, difficult market conditions during the Fund's early days mean that it remains materially below target since inception.

Sterling investment grade The Fund returned 0.7% over the quarter, marginally outperforming the iBoxx Sterling Non-Gilts Index. Since inception (March 2020), the Fund continues to consistently outpace its 0.6% p.a. performance target, with a relative return of 0.9% p.a.

Positive absolute performance during the quarter was driven by attractive yield levels and further credit spreads reducing to multi-year tights. Moderate interest rate increases across longer-dated holdings offset some of the positive performance.

Of the underlying managers, the relative outperformance was driven by RLAM, with its portfolio outperforming by 0.4% thanks to an overweight exposure to collateralised debt and financials..

Performance – Border to Coast Funds

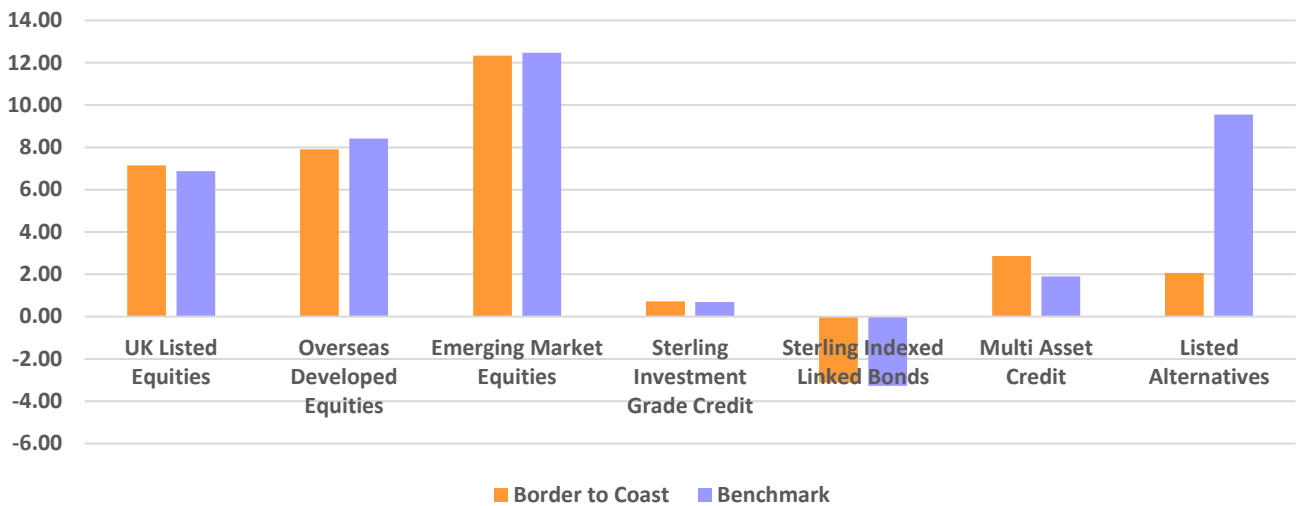
The **Sterling Index-Linked Bond** Fund returned -3.1% over the quarter, outperforming the benchmark by 0.15%. Positive contributions came from the Fund's off-benchmark holdings in corporate bonds and its overweight position in ultra-long-dated gilts. As an asset class, index-linked gilts have experienced a very difficult period since 2022, with increasing real yields (in excess of inflation) causing these bonds to fall in value. Border to Coast's portfolio managers have continued to meet their relative performance objectives though, with the Fund 0.3% p.a. above its benchmark since inception.

Although we provide overall performance figures in this report, the long-term nature of Border to Coast's **private markets (AKA alternatives) capabilities** mean that we need to wait multiple years before reasonably assessing the performance. This is because managers of asset classes such as private equity, private credit and infrastructure tend to spend the first few years of their programs identifying investments and gradually drawing down commitments to develop and enhance these assets. It is only in later years that we expect these investments to bear fruit in the form of positive long-term investment returns.

The earliest Border to Coast investments ("Series 1") are now beginning to show some promising performance figures, particularly in private equity and private credit. As time progresses, we will continue to update the Authority with more information on these investments.

Performance-Border to Coast Funds

Border to Coast Funds - Quarter to Sep 25

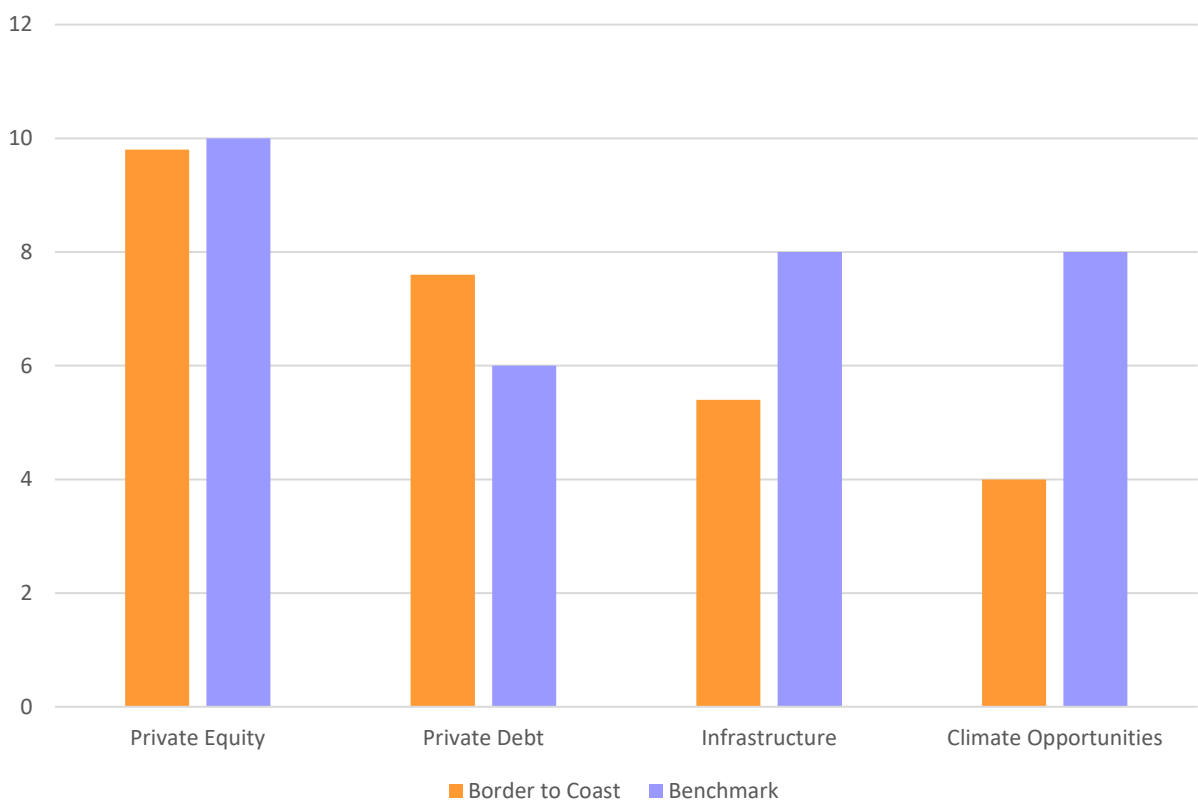


Border to Coast Funds - Since Inception



Performance-Border to Coast Alternative Portfolios

Border to Coast Alternative Funds - Since Inception (% p.a.)



(*) Performance is from inception up to the end of Q2 2025, which is the most recent available reporting date for the Alternative Portfolios.

Funding Level

SYPA's funding level as at 30 September 2025 is estimated to be c173%:

The breakdown is as follows:

Fund's Assets at 30 September:	£11,777
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Fund's estimated Liabilities at 30 September:	£6,800
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Caveat:

The estimated liabilities are calculated on a roll-forward basis. This means that no allowance is made for any actual member experience since the last formal valuation on 31 March 2022. This will be updated once the 31 March 2025 valuation process is formally concluded and signed-off.

Investment Strategy Review

Our current strategic asset allocation was set following the 31 March 2022 actuarial valuation. Following the 31 March 2025 valuation, we are now working with our advisors on an investment strategy review to refresh that strategic allocation.

The key areas we will be focussing on in our work are:

- The risk and return profile for the potential asset allocations we are considering.
- Ensuring that we are generating enough money to pay our pensioners on an ongoing basis.
- Making sure our portfolio is robust in a rapidly changing world (climate impact is the most significant single risk in SYPA's risk register).