

# Students' Union Superannuation Scheme

Annual report for the year ended 30 June 2020

Scheme Registration Number 10149211

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# The Trustees' Report

## Introduction

This Report relates to the operation of the Students' Union Superannuation Scheme ("the Scheme") during the year ended 30 June 2020. The Investment Report on pages 9 to 15 forms part of this report.

The Scheme was a contracted-out salary related pension arrangement and provides its members with retirement benefits. This type of arrangement is also known as a defined benefits arrangement. Up until 30 September 2003 the Scheme provided a pension of 1/60<sup>th</sup> of final pensionable earnings for each year of pensionable service. From 1 October 2003 the Scheme changed to a career average structure where members built up a slice of additional pension based on their earnings during the year. On 1 October 2011 the Scheme closed to future accrual. Normal contributions have ceased and only deficit reduction contributions continue to be paid.

Before 1 October 2011 members were able to make additional voluntary contributions (AVCs) to secure additional benefits. The Scheme also covered members for death benefits before this date.

Full details of the Scheme's benefits can be found in the member's explanatory booklet (see "Contact for further information" on page 5).

## Management of the Scheme

The names of the Trustees of the Scheme who served during the year and those serving at the date of approval of this report are as follows:

Name	Nominated / appointed by	Year of appointment / resignation
Peter David Shilton Godwin	Employer	1995 (re-appointed 2017)
Richard Hugh Orme Boyes	Member	2007 (re-appointed 2015)
Ross Trustees Services Limited	Independent	2014
David Malcolm	Employer	2014 (resigned 29 September 2020)
Nick Gash	Member	2018
Mark Frederick Crook	Employer	2020 (appointed 15 July 2020)

The Scheme Rules contain provisions for the appointment and removal of the Trustees. The Scheme requires between two and seven Trustees together with a corporate Trustee. Three Trustees must be elected from the constituent employers of the Scheme and two must be elected from the individual membership of the Scheme. The Trustees serve for a term of six years. This arrangement has been approved by a ballot of the members in accordance with the Pensions Act 1995 and operates with the agreement of the National Union of Students as the Principal Employer named in the Trust Deed.

The Trustees are responsible for the administration and investment policy of the Scheme. The Trustees held four full meetings during the year under review. Each Trustee is entitled to receive at least ten days' notice of meetings, although in practice dates are normally fixed well in advance.

The Scheme Rules provide that decisions of the Trustees may be made by a majority of the Trustees present at any meeting and the Chairman has a casting vote.

The Trustees have delegated the day-to-day management and operation of the Scheme's affairs to professional organisations.

## The Trustees' Report (Cont)

### Changes to Scheme Rules

The following changes were made to the Scheme Rules during the year:

A Deed of Amendment dated 28 January 2020.

### The Principal Employer

The Principal Employer is the National Union of Students of the United Kingdom.

### Scheme advisers

The Trustees retain a number of professional advisers in connection with the operation of the Scheme. The advisers currently appointed are as follows:

<b>Scheme Actuary</b>	Paul Hamilton FIA
<b>Advising Actuaries</b>	Barnett Waddingham LLP
<b>Independent Auditor</b>	RSM UK Audit LLP
<b>Investment Managers</b>	Standard Life Investments Janus Henderson Investors Legal and General Investment Management Ruffer LLP Baring Asset Management Insight Investment Management (Global Limited) Partners Group (Guernsey) Limited
<b>Custodians</b>	Northern Trust
<b>Legal Advisers</b>	Osborne Clarke LLP
<b>Administrator of the Scheme benefits</b>	Barnett Waddingham LLP
<b>Bankers</b>	Lloyds TSB
<b>Secretary to the Trustees</b>	Ross Trustees Services Limited

### Changes in and other matters relating to Scheme advisers

There have been no other changes to Scheme advisers during the Scheme year under review.

### Scheme Audit

The financial statements on pages 20 to 32 have been prepared and audited in accordance with regulations made under sections 41(1) and (6) of the Pensions Act 1995.

## The Trustees' Report (Cont)

### Financial development of the Scheme

During the year the value of the net assets increased by £10,203,548 to £134,840,477 as at 30 June 2020. The increase comprised net withdrawals from dealings with members of £1,719,371 together with an increase from the net return on investments of £11,922,919.

### Tax status of Scheme

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and, to the Trustees' knowledge, there is no reason why the Scheme's registered status should be prejudiced or withdrawn.

### Scheme membership

	Number as at start of year	Changes in year	Number as at end of year
Preserved pensioners	1,443		
adjustment	9		
new		2	
transferred out		(1)	
retired (trivial commutation)		(8)	
retired		(59)	
died		(5)	
		<hr/>	
		(71)	1,381
Pensioners and dependants	985		
new pensioners		59	
new dependants		8	
divorcee member		1	
died		(15)	
small lump sum		(2)	
		<hr/>	
		51	1,036
Grand total members	<hr/>		<hr/>
	2,437		2,417
	<hr/>		<hr/>

Not included within the pensioner and dependants above are 148 (2019: 148) members whose pensions are settled by annuity policies held in the name of the Trustees.

The member numbers shown above reflect the number of member records held by the Scheme.

### Transfer values

All cash equivalents (transfer values) paid during the year were calculated and verified in the manner required by the Pensions Act 1993 and subsequent amendments. No discretionary benefits are included in the calculation of transfer values.

A cash equivalent is the amount which a Scheme member is entitled under social security legislation to have applied as a transfer payment to another permitted pension arrangement or a buy-out policy.

## The Trustees' Report (Cont)

### Pension increases

During the year pensions have been increased in accordance with the Scheme Rules with no discretionary benefits provided.

#### ***Pension increases for pre 31 December 1993 pensionable service***

As mentioned in last year's accounts, a historic legal issue arose in 2019 on the pension increases to be applied to benefits accrued prior to 31 December 1993.

Following legal advice in respect of the available options and advice from its other scheme advisers, the Trustees and the NUS (as principal employer of SUSS) agreed:

- ) to honour pension increases of 7% fixed for existing members as at 1 October 1988 for periods of pensionable service from 1 October 1981 to 30 September 1988
- ) to seek affected members' informed consent to accept a compromise to receive lower pension increases going forward in respect of benefits accrued from 1 October 1998 to 31 December 1993

The consent exercise was conducted between June 2019 and January 2020. Responses were received from approximately 80% of those written to and 80% of those responding accepted the compromise. Pensioners whose benefits under the Scheme were insured at retirement were excluded from this exercise.

The Scheme's administrator has updated member records and pensions in payment for those offered the compromise. With the exception of a small number of complex cases, this process is now complete, and any necessary back-payments have been made. Any remaining affected members who were offered but have not accepted the compromise will continue to have the option to do so at any time, and will be reminded of the option at retirement. The Trustees are investigating the position of the insured pensioners to determine what further action may be necessary.

A full actuarial valuation took place as at 30 June 2019 and showed that the additional funding liabilities to date arising from this issue totalled £20.5 million after allowance had been made for the compromise exercise.

*The Trustees and the NUS have protected their position in relation to any potential negligence claim arising against the professional adviser to the Scheme at the material time (Friends Provident and associated companies) by entering into a standstill agreement with them. The Trustees and the NUS in conjunction with their respective legal advisers continue to consider the merits of any claim against Friends Provident and associated companies and also the position of (and any claim in respect of) those for whom the Trustees purchased annuities (also from Friends Provident and associated companies).*

### Codes of Practice

The Trustees are aware of and adhere to the Codes of Practice issued by The Pensions Regulator ("TPR"). The objectives of these codes are to protect members' benefits, reduce the risk of calls on the Pension Protection Fund ("PPF") and to promote good administration.

### COVID-19

From March 2020, there has been a dramatic downturn in global markets as a result of the Coronavirus (COVID-19) pandemic. The Trustees are monitoring the situation closely and liaising regularly with its investment and other advisors to consider any necessary actions for the investment strategy and other operational matters.

## The Trustees' Report (Cont)

### GMP equalisation

On 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgement arise in relation to many other defined benefit pension schemes. The Trustees of the Scheme are aware that the issue will affect the Scheme and will be considering this at a future meeting and decisions will be made as to the next steps. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. However, at this stage the Trustees and Employer have not agreed the equalisation methodology to be used and therefore the Trustees are not in a position to obtain a reliable estimate of the backdated benefits and related interest. Therefore the cost of backdating pension benefits and related interest have not been recognised in these financial statements. They will be recognised once the Trustees are able to reach reliable estimate. Further details are disclosed in Note 23 of the financial statements.

### The Pensions Regulator: Record Keeping

The Pensions Regulator issues guidance on all aspects of pension scheme data record keeping to all those responsible for the data (the trustees) and those who administer pension schemes. The guidance covers both common data and also conditional data (the data that is used to calculate benefits and is therefore scheme specific). The guidance sets out good practice in helping trustees to assess risks associated with record keeping. Improved data means that trustees and employers will be able to make a more precise assessment of their financial liabilities. Schemes are expected to keep their data under regular review and set targets for the improvement in the standard of data recorded. More information can be found at:

<http://www.thepensionsregulator.gov.uk/guidance/guidance-record-keeping.aspx>

### Contact for further information

If, as a Scheme member, you wish to obtain further information about the Scheme, including copies of the Scheme documentation, your own pension position or who to contact in the event of a problem or complaint, please write to, or telephone:

The Students' Union Team, Barnett Waddingham LLP, St James's House, St James's Square, Cheltenham, GL50 3PR

Or telephone 0333 11 11 222

Alternatively you may contact the Scheme administrators online at:

<https://logon.bwebstream.com/shared/contact>

## The Trustees' Report (Cont)

### Statement of Trustees' Responsibilities

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102) are the responsibility of the Trustees. Pension scheme regulations require, and the Trustees are responsible for ensuring, that those financial statements:

- ) show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year, and
- ) contain the information specified in Regulation 3A of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

The Trustees are also responsible for making available certain other information about the Scheme in the form of an annual report.

The Trustees also have a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities including the maintenance of an appropriate system of internal control.

The Trustees are responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the Employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.



## The Trustees' Report (Cont)

### Report on Actuarial Liabilities

Under Section 222 of the Pensions Act 2004, the Scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its Technical Provisions. The Technical Provisions represent the present value of the benefits members are entitled to at the valuation date. This is assessed using the assumptions agreed between the Trustees and the employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as at 30 June 2019. This showed that on that date:

The value of the Technical Provisions was: £260.0 million

The value of the assets was: £119.1 million

Therefore the Scheme had a funding deficit of £140.9 million corresponding to a funding level of 46%.

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles):

#### **Method**

The actuarial method to be used in the calculation of the Technical Provisions is the Projected Unit Method.

#### **Actuarial assumptions – The key assumptions used are:**

##### **Inflation**

By looking at the cost of investing in Government bonds with payments linked to inflation compared to the cost of investing in Government bonds not linked to inflation, it is possible to arrive at a figure for the average market view of future price inflation. This will then be compared to the latest Treasury targets for inflation in the UK, when deriving the assumption to use.

The assumed rate of pension increases is set taking into account the inflation assumption and also any limit on the rate of increase.

##### **Discount rate**

The discount rate will normally be determined by the Trustees taking into account professional advice in relation to market indicators available at the valuation date, the long-term strategic asset allocation, the liability profile of the Scheme, and the perceived strength of the employer covenant. However, if the Trustees have material concerns over the strength of the employer covenant the discount rate may need to be determined looking solely at the yield available on gilts and other low risk asset classes.

The return on Government bonds will be taken as a suitable market index yield.

As a proportion of the Scheme's funds are invested in assets such as equities which would be expected to outperform Government bonds over the long term, an allowance will be made for this in the discount rate. The allowance will be determined by the Trustees based on information provided by their professional advisers.

##### **Mortality**

The rates of mortality assumed will reflect information published by the Continuous Mortality Investigation deemed most relevant to the membership of the Scheme, with allowance for expected future improvements in longevity.

This assumption may be adjusted on the advice of the Scheme Actuary or in the light of evidence relating to the actual mortality experience of the Scheme, the industry in which the members work, or the distribution of pension payment amounts.

## The Trustees' Report (Cont)

### Retirement

Members will be assumed to retire at the earliest age at which they can take their benefit without an actuarial reduction applying.

### Member options

If the Trustee considers it to be appropriate, allowance may be made for member options such as commuting pension for cash at retirement or taking early retirement.

### Dependant details

Assumptions regarding the proportion of members with a dependant at death and the age difference between males and females will be set taking into account advice from the Scheme Actuary and the experience of the Scheme.

The financial statements on pages 20 to 32 do not take into account liabilities which fall due after the year end. As part of the triennial valuation, the Scheme Actuary considers the funding position of the Scheme and the level of contributions payable.

## Approval of Trustees' Report (including Investment Report)

Further disclosures required by legislation are provided in the Investment Report.

This Report and the accompanying Investment Report were approved by the Trustees on

Date:

\_\_\_\_\_

Signed on behalf of the Trustees:

\_\_\_\_\_

Trustee

\_\_\_\_\_

Trustee

# The Investment Report

## Investment managers

The Scheme's trust deed and rules permit the Trustees to delegate the task of investment management to outside experts. Standard Life Investments, Janus Henderson Global Investors, Legal and General Investment Management, Ruffer LLP, Barings Asset Management, Partners Group and Insight Investment Management are professional external investment managers and have taken full responsibility for investing the Scheme's assets. The Trustees set the investment strategy for the Scheme after taking advice from the Scheme's investment adviser. The Trustees have put in place a mandate with their investment managers which implements this strategy. The investment managers are remunerated by fees based on a percentage of funds under management, and these fees are met by the Scheme. The Scheme's investment with Partners Group is subject to a performance-related fee. There are no performance-related fee arrangements who charge a percentage of the difference between the NAV per unit and a specified 'high water mark'.

When choosing investments, the Trustees and the fund managers (to the extent delegated) are required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 (regulation 4). Regulation 2 of the Occupational Pension Schemes (Investment) Regulations 2005 requires that the Trustees' duties also include:

- Taking into account social, environmental or ethical considerations in the selection, retention and realisation of investments.
- Voting and corporate governance in relation to the Scheme's assets.

## Statement of Investment Principles

The Trustees have produced a Statement of Investment Principles (SIP) in accordance with Section 35 of the Pensions Act 1995. The main priority of the Trustees when considering the investment policy is to ensure that the promises made about members' pensions may be fulfilled.

A copy of the SIP is available on request or online at <https://schemedocs.com/SUSS-statement-investment-principles.html>.

## Departures from investment principles

There were no significant departures from the stated principles during the year under review. Small deviations from the benchmark allocation are to be expected as a result of fluctuations in asset prices.

## Investment strategy

### Strategy at 30 June 2020

The investment objective of the Scheme is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits of the Scheme payable under the Trust Deed and Rules as they fall due.

The Trustees set the investment strategy for the Scheme taking into account considerations such as the strength of the employer covenant, the long term liabilities of the Scheme and the funding agreed with the Employer. The investment strategy is set out in the Scheme's Statement of Investment Principles (SIP) and dated September 2019.

## The Investment Report (Cont)

The current strategy is to hold:

- J 40% in investments that move broadly in line with the value of the long-term liabilities of the Scheme. Part of this investment is in LDI and comprises of UK government bonds (gilts), gilt repurchase agreements, interest rate swaps and cash instruments. The purpose of these assets is to hedge against the impact of interest rate movement on long term liabilities. This part of the portfolio also incorporates holdings in a Multi-Asset Credit Fund, Global Asset Backed Securities Fund and an Absolute Return Bond Fund.
- J 60% in return seeking investments comprising UK and overseas equities, UK property, Absolute Return Funds, Diversified Growth Funds and alternatives.

In December 2019, the Scheme fully disinvested its £4.5m holding in the was the Insight Bonds Plus 400 Fund and re-invested £4m of the proceeds into the Insight Global Asset Backed Securities (ABS) Fund, with the balance being used to meet Scheme cashflow.

Following a review of the investment strategy over the beginning of 2020 after the conclusion of the 2019 Actuarial Valuation, the Trustees agreed to make a number of changes to the Scheme's investment strategy. These changes have been summarised below:

- J Make a complete disinvestment from the Standard Life Property Fund and the Ruffer Absolute Return Fund.
- J Make new investments into the Baillie Gifford Multi Asset Growth Fund and the Partners Long-Term Entrepreneurial Ownership Fund.
- J Restructure the equity portfolio by disinvesting from the current passive equity funds with L&G and investment in L&G's range of Future World Equity Funds.
- J Increase the level of interest rate and inflation hedging from 39% to 45% by the end of 2020. The Trustees aim to effect the increase with regular monthly increases of 1% to the end of 2020. The first of this monthly increases took place in June 2020.

The Trustees are currently in the process of rearranging the portfolio in line with the above changes with a target to have all changes completed by the end of 2020.

## The Investment Report (Cont)

### Performance

The Scheme's portfolio returned 9.1% over 12 months to 30 June 2020. The table below sets out the investment returns of the Scheme's asset over 1 and 3 year periods to 30 June 2020:

	1 Year (% p.a.)		3 Years (% p.a.)	
	Fund	Benchmark	Fund	Benchmark
L&G Equities	-2.1	-2.1	3.4	3.4
Standard Life UK Property	-3.7	-2.6	0.8	3.4
Ruffer Absolute Return	9.0	0.4	2.0	0.5
Barings Dynamic Asset Allocation Fund	-5.3	4.7	0.0	4.7
Henderson Multi Asset Credit Fund	-0.8	5.8	2.0	5.7
Insight Bonds Plus 400*	2.6	2.2	n/a	n/a
Insight Global ABS**	-2.8	1.9	n/a	n/a
Insight LDI	53.3	53.4	27.7	28.8
Partners Fund**	3.7	8.2	n/a	n/a
Total	9.1	n/a	6.7	n/a

\* Performance shown to full disinvestment on 13 December 2020. Periods less than one year not annualised.

\*\* The Scheme has not been invested in this fund for a period of 3 years.

### Policy on financially material considerations

The Trustees believe that Environmental, Social and Governance ("ESG") factors, including but not limited to climate change, are financially material – that is, they have the potential to impact the value of the Scheme's investments over the lifetime of the Scheme.

The Trustees have received training from their investment advisor on ESG factors. The Trustees considered the research findings presented at this training to form their views on the financial materiality of ESG factors as they apply to the Scheme's current investments.

The Trustees assessed the current ESG integration process for each of their investment managers, based on the information collated by their investment consultant and provided by the managers. The Trustees are satisfied that the managers have suitable processes to consider ESG factors and take them into account, where relevant, in the selection, retention and realisation of the underlying investments within the funds.

The Trustees delegate the consideration of all financially material factors in relation to determining the underlying holdings within the pooled funds, including ESG factors, to the investment managers as part of their day-to-day management.

The Trustees take into account how ESG factors are integrated into the investment managers' fund management processes when appointing, monitoring, engaging with and replacing funds and managers, as follows:

## The Investment Report (Cont)

### Appointing funds and managers

When selecting new investments, the Trustees will request information on ESG integration credentials as part of the proposals. However, an investment manager's excellence in this area will not necessarily take precedence over other factors, including (but not limited to) historical performance or fees.

### Monitoring and engagement with managers

The Scheme's investment managers have their own ESG policy, ESG integration process and ESG resources as part of their wider management processes and capability.

Further to the initial report provided to the Trustees setting out the ESG integration credentials for the Scheme's current investment managers, the Trustees will continue to monitor and assess these from time to time. Also from time to time, the Trustees may ask an investment manager to attend meetings and provide updates on the funds, which the Trustees may request to include an update on ESG considerations.

If, as part of this regular monitoring process or based on any ad hoc updates provided by the investment consultant, any issues specifically related to the ESG factors are identified, the Trustees may request further information from the investment manager and engage with them in relation to these matters either directly or through their investment consultant.

### Replacing funds and managers

If any significant ESG integration related issues are identified with any of the investment managers, the Trustees may choose to replace them. However, as per the appointment of funds and managers, the investment manager's shortcomings in this area will not necessarily be seen as sufficient reason for replacement and will not necessarily take precedence over consideration of other factors.

The Trustees appreciate that the method of incorporating ESG in the investment strategy and process will differ between asset classes. A summary of the Trustees' view for each asset class in which the Scheme invests is outlined below:

### Passive equities

The Trustees believe that ESG issues have the potential to be financially material to the risk-adjusted returns achieved by the Scheme's passive equities.

The Trustees accept that the fund manager must invest in line with the specified index and, therefore, may not be able to disinvest if they have concerns relating to ESG. The Trustees therefore require that the fund managers take into account ESG considerations by engaging with companies and by exercising voting rights. However, the process for incorporating ESG issues should be consistent with, and proportionate to, the rest of the investment process.

The Scheme's current passive equity manager, LGIM, is a large and long-term investor, and engages with companies (including those in the indices that the Scheme invests in) on matters including wider ESG factors and climate change on a regular basis.

## The Investment Report (Cont)

### LDI and cash funds

The Trustees does not believe there is significant scope for ESG issues to improve risk-adjusted returns within the Scheme's LDI and cash holdings.

### Actively managed funds

The Trustees believe that ESG factors have the potential to be financially material to the risk-adjusted returns achieved by the Scheme's active holdings. The managers are expected to therefore consider all financially material considerations, including but not limited to ESG factors, when managing the funds.

### Policy on the exercise of voting rights and engagement activities

The Trustees believe that good stewardship and positive engagement can lead to improved governance and better risk-adjusted investor returns. The Trustees delegate the exercise of the rights (including voting rights) attaching to the Scheme's investments to the investment managers, who are signatories to the UK Stewardship Code or equivalent. The sole exception to this are Partners Group, who are not a signatory to the UK Stewardship Code, but do have policies in place that serve a similar purpose and they view as appropriate to the markets in which they invest.

The Trustees also delegate undertaking engagement activities, which include entering into discussions with company management in an attempt to influence behaviour, to the investment managers. The Trustees assessed the current stewardship approaches of its investment managers, based on information collated by the investment consultant and provided by the investment managers, and consider these to be of a high standard.

The Trustees will monitor and engage with the investment manager in relation to stewardship activities as follows:

- The Trustees will, with support from the investment consultant, request and review the stewardship policies, voting and engagement activities of the Scheme's investment managers from time to time.
- The Trustees will also ask their investment managers to attend meetings as required to present and discuss their stewardship activities, including details of any voting rights exercised.

When selecting investment managers, where appropriate and applicable, the Trustees will consider the policies of investment managers on stewardship and engagement, and how these policies have been implemented.

### Policy for taking into account non-financial matters

The Trustee does not take into account the Scheme members' and beneficiaries' views on ethical considerations, social and environmental impacts, or present and future quality of life of members and beneficiaries in the selection, retention and realisation of investments.

However, the Trustee does expect its' investment managers to select investments that would have a beneficial impact on each of the above factors, all other considerations being equal.

## The Investment Report (Cont)

### Economic and market conditions over the year to 30 June 2020

#### Economic environment

Largely positive returns from most asset classes over the 12 months to 30 June 2020 mask an incredibly volatile and uncertain period for markets during which the global economy fell into recession. This uncertainty was reflected in government bond yields which fell to new all-time lows in March 2020. Corporate bonds also generally produced positive absolute returns, although widening spreads meant that they lagged behind government bonds. Overall, global equities also produced a positive return over the period.

Global growth was already slowing before the pandemic took hold. The IMF estimate of global growth in 2019, 2.9% in its January 2020 report, was the slowest rate of expansion since 2009. This led markets to fear that continuing rate rises would exacerbate slowing growth. The US Federal Reserve ("the Fed"), provided relief when it announced a 0.25% rate cut in August 2019, the first cut since 2008, followed by two further cuts in September and October. Over the same period, the European Central Bank ("ECB") announced that asset purchases of €20bn per month would resume in November 2019. As a result of looser monetary policy and slower growth, bond yields fell around the world. In Germany the entire yield curve moved into negative territory, with even the longest German Bunds (30 years) yielding -0.1% at the end of the September 2019.

Trade tensions between the US and China also contributed to volatility in markets in 2019. However, on 15 January 2020 the two countries signed a "Phase One" agreement preventing further escalation. In December 2019, Boris Johnson led the Conservative Party to the largest parliamentary majority since 2001 and as a result the UK left the EU on 31 January 2020 to begin a transition period and further negotiations.

In January 2020, China reported an outbreak of a previously unknown virus in the city of Wuhan. The virus, SARS-CoV-2, could not be contained and spread around the world in the following months, forcing governments to impose lockdowns on their own citizens. Markets took notice on 19 February, when major outbreaks were reported outside China for the first time.

However, the steepest falls came in the second and third weeks of March, following the imposition of a nationwide lockdown in Italy on 9 March, the first major lockdown outside Asia. This was followed by further lockdowns across the developed world and by 23 March, markets had fallen 33% peak-to-trough. By 26 March, 2.6 billion people, around a third of the global population, had been placed in lockdown to prevent the spread of the disease.

Reduced economic activity resulting from the lockdowns has been reflected in 2020 growth forecasts. The IMF revised down its estimate for growth in 2020 from 2.9% in January to -4.9% at the end of June. The damage can be seen in US unemployment which rose to 14.7%, the highest level since the Second World War.

As the first response, the Bank of England (BoE) and the Fed cut rates to just above zero in mid-March. The next stage was to restart asset purchase programmes on a grand scale. The BoE announced £300bn, and the ECB announced €1.7 trillion, of asset purchases between March and June 2020. The Fed promised to provide "unlimited" asset purchases and included corporate bonds and high yield bonds for the first time, in line with other major central banks. Governments also increased fiscal policy support to unprecedented levels. The US committed to a fiscal stimulus worth around \$4 trillion over the course of 2020. This included direct payments of \$1,200 to most citizens. Other countries launched similarly large stimulus packages; in the UK the government committed to paying 80% of worker's salaries, subject to a cap, in a furlough scheme.



## The Investment Report (Cont)

The combined stimulus measures appeared to have the desired effect in financial markets. Global equities staged a remarkable comeback, rising by 35% from their trough in March to the end of the period, ending the first half of 2020 only 5% down. Corporate bond markets, which had seen spreads widen dramatically also responded to the intervention by policymakers. The spread on US investment grade corporate bonds fell from 4.0% at its peak on 23 March to 1.6% at 30 June 2020.

The 12 months to 30 June 2020 saw the all major central banks loosen monetary policy:

- ) The European Central Bank kept its main lending rate at 0.0% throughout the period. However in September 2019 it cut one of its other rates (the deposit facility rate) from -0.4% to -0.5%, the bank's first cut since 2016. It also announced that asset purchases of €20bn per month would resume in November 2019. However, it dramatically expanded the pace of asset purchases in March and June, taking its total projected purchases for 2020 to €1.7 trillion.
- ) The Bank of England maintained the base rate at 0.75% until 11 March 2020 when it cut rates to 0.25% in its first emergency meeting since 2008. This was followed by a further emergency cut to 0.1% on 19 March. UK CPI continued to fall over the period, from 2.0% in June 2019 to 0.6% in June 2020. In March and June, the BoE announced it would purchase a total of £300 billion of government and corporate bonds.
- ) The Federal Reserve loosened monetary policy, cutting rates by 2% over the 12 months to 30 June 2020. At the end of the period the Federal Funds Rate was set within the range 0.00% to 0.25%. The Fed initially reduced its balance sheet over the period, shrinking its assets by around \$67 billion. However, the size of the balance sheet reductions bottomed-out at the end of August and rose by around \$3.25 trillion between September 2019 and June 2020 as the Fed intervened, first to provide short-term liquidity to the US financial system and then in response to the COVID-19 pandemic.

## Market Performance

Against this backdrop, market returns from traditional asset classes were largely positive in absolute terms over the year to 30 June 2020.

- ) **Equities:** Overall, global equities produced positive total returns over the year to 30 June 2020, rising by 3.6% in local currency terms. There were stark differences in performance between geographic regions over the period. The best performing region (in local currency terms) was North America (7.9%) and worst was the UK (-13.0%). The Scheme is exposed to equities through its investments with L&G, Ruffer, Barings and Partners.
- ) **Bonds:** Over the year to 30 June 2020, UK gilt yields fell across all maturities. The net impact was a strong positive return (11.2%) for UK fixed interest gilts (all stocks). Inflation expectations also decreased across all maturities, meaning that UK index-linked gilts (all stocks) delivered a lower return (10.6%) over the year. UK corporate bond spreads (all stocks) widened by around 0.2% over the year. The Scheme is exposed to bonds through its investments with Ruffer, Barings, Henderson and Insight.
- ) **Property:** The MSCI UK All Property Index fell by 2.6% over the 12 months to 30 June 2020. This number is likely to overstate property performance over the year because of the illiquid nature of the asset class. The high level of uncertainty resulted in most property funds closing to redemptions as they were unable to provide an accurate valuation during the pandemic. The Scheme is exposed to property through its investment in Standard Life, Ruffer, and Barings.

# Independent Auditor's Report to the Trustees of the Students' Union Superannuation Scheme

## Opinion

We have audited the financial statements of the Students' Union Superannuation Scheme for the year ended 30 June 2020 which comprise Fund account, the Statement of Net Assets (available to members) and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ) show a true and fair view of the financial transactions of the Scheme during the year ended 30 June 2020, and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year;
- ) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ) contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ) the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ) the Trustees have not disclosed in the financial statements any identifiable material uncertainties that may cast significant doubt about the Scheme's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Scheme's Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement in the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 6, the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Scheme's Trustees as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirements to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**RSM UK Audit LLP**  
**Statutory Auditor**  
**Chartered Accountants**  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

**Date:**

## Summary of contributions payable in the year

During the year, the contributions payable to the Scheme by the Employer under the Schedule of Contributions were as follows:

	£
Employer deficit funding contributions	5,843,715
PPF Levy	1,128,137
<b>Contributions payable under the Schedule of Contributions</b>	<b>6,971,852</b>
<b>Contributions not payable under the Schedule of Contributions</b>	
Additional contributions	10,934
Total contributions paid in the year in accordance with the Schedule of Contributions as reported on by the Scheme auditor and as reported in the accounts	<b>6,982,786</b>

Signed on behalf of the Trustees:

\_\_\_\_\_

Trustee

\_\_\_\_\_

Trustee

Date: \_\_\_\_\_

## Independent Auditor's Statement about Contributions, under Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, to the Trustees of the Students' Union Superannuation Scheme

### Statement about contributions payable under Schedule of Contributions

We have examined the Summary of Contributions payable to the Students' Union Superannuation Scheme on page 18, in respect of the Scheme year ended 30 June 2020.

In our opinion, the contributions for the Scheme year ended 30 June 2020 as reported in the attached Summary of Contributions on page 18 and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the actuary on 28 June 2017.

### Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported on page 18 in the attached Summary of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedule of Contributions.

### Respective responsibilities of Trustees and auditor

As explained more fully on page 6 in the Statement of Trustees' Responsibilities, the Scheme's Trustees are responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme. The Trustees are also responsible for keeping records in respect of contributions received in respect of active members of the Scheme and for monitoring whether contributions are made to the Scheme by the Employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedule of Contributions and to report our opinion to you.

### Use of our statement

This statement is made solely to the Scheme's Trustees as a body, in accordance with the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustees those matters we are required to state to them in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's Trustees as a body, for our audit work, for this statement, or for the opinions we have formed.

**RSM UK Audit LLP**  
**Statutory Auditor**  
**Chartered Accountants**  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

**Date:**

# The Financial Statements

## Fund Account

for the year ended 30 June 2020

	Note	30 June 2020 £	30 June 2019 £
<b>Contributions and benefits</b>			
Employer contributions		6,982,786	6,463,761
<b>Total contributions</b>	4	6,982,786	6,463,761
<hr/>			
Benefits paid or payable	5	(6,390,619)	(6,197,200)
Payments to and on account of leavers	6	(49,435)	(32,308)
Administrative expenses	7	(2,262,103)	(1,892,071)
		(8,702,157)	(8,121,579)
<hr/>			
<b>Net withdrawals from dealings with members</b>		(1,719,371)	(1,657,818)
<hr/>			
<b>Returns on investments</b>			
Investment income	8	5,809,065	4,761,249
Change in market value of investments	9	6,496,923	3,912,428
Investment management expenses	10	(379,399)	(257,744)
Taxation	11	(3,670)	(12,042)
<b>Net returns on investments</b>		11,922,919	8,403,891
<hr/>			
<b>Net increase in the fund during the year</b>		10,203,548	6,746,073
<hr/>			
<b>Net assets of the Scheme</b>			
<b>At 1 July</b>		124,636,929	117,890,856
<b>At 30 June</b>		134,840,477	124,636,929

The notes on pages 22 to 32 form part of these financial statements.

## The Financial Statements (Cont)

### Statement of Net Assets

available for benefits as at 30 June 2020

	Note	30 June 2020	30 June 2019
		£	£
<b>Investment assets:</b>	9		
Equities	9	2,600,906	5,053,125
Bonds	9	4,253,228	2,805,343
Pooled investment vehicles	12	112,910,322	107,910,344
Derivatives	13	-	4,422
Insurance policies	15	5,425,124	5,198,749
AVC investments	14	256,111	378,999
Cash	9	8,675,078	3,877,442
Other investment balances	9	15,467	7,566
		134,136,236	125,235,990
<b>Investment liabilities:</b>			
Derivatives	13	(68,154)	(1,818)
<b>Total net investments</b>		134,068,082	125,234,172
<b>Current assets</b>	19	998,186	1,584,380
<b>Current liabilities</b>	20	(225,791)	(2,181,623)
<b>Net assets of the Scheme at 30 June available for benefits</b>		134,840,477	124,636,929

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme is dealt with in the Report on Actuarial Liabilities on pages 7 to 8 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 22 to 32 form part of these financial statements.

These financial statements were approved by the Trustees on

Date: \_\_\_\_\_

Signed on behalf of the Trustees:

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

# Notes to the Financial Statements

## 1. Basis of preparation

The individual financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the guidance set out in the Statement of Recommended Practice (Revised 2018).

In June 2018, a revised SORP was issued which is applicable to accounting periods commencing on or after 1 January 2019. The Trustee has adopted the revised SORP for the first time in these financial statements. The adoption of the revised SORP has had no material impact on the financial statements, although it has required certain additions to, or amendments of, disclosures in the financial statements.

## Conclusion of Going Concern

The Trustees have prepared the financial statements on a going concern basis however it is acknowledged that a material uncertainty has been identified by the directors of the principal employer, National Union of Students (NUS) of the UK, in their most recent accounts for the period ending 30 June 2019. This material uncertainty relates to the fall in revenue and resultant liquid working capital following a reduced income from the sale of discount cards to students, as of the autumn 2018 term. However, following a strategic review, resulting in an organisational restructuring the NUS have a reasonable expectation that the Group and Company will have adequate resources to continue in operational existence for the foreseeable future. Further, the Trustee notes that at the time of preparing this Assessment, no University has failed during the Covid pandemic, and as such, all Unions continue to pay the increased level of deficit contributions. The Trustee is mindful that these are unprecedented times; it's not clear whether possible for a University to suffer a traditional insolvency event, the Trustee believes it is reasonable to assume that these institutions will continue to support their student unions for the foreseeable future. For these reasons they prepared the accounts on a going concern basis.

In addition the Trustees acknowledge that Covid-19 has had an impact on the higher education sector and whilst the position of the 65 participating employers is not uniform; the potential insolvency of one employer, even the Principal Employer, would not mean that the Scheme would fail. The Scheme funding remains at around 46% on a technical provision basis at 30 June 2019, corresponding to a deficit of £140,907,000, as of the 21st September 2020 a new Recovery Plan and Schedule of Contributions was agreed between the Trustees and the NUS, with no participating employer taking advantage of a deficit reduction contribution suspension. On this basis the financial statements for the Scheme are prepared on a going concern basis.

## 2. Identification of the financial statements

The Scheme is established as a trust under English law. The address for enquiries to the Scheme is included in the Trustees' Report.

## 3. Accounting policies

The principal accounting policies of the Scheme which are applied consistently are as follows:

### Contributions

- ) Employer deficit funding contributions are accounted for on the due dates on which they are payable under the Schedule of Contributions or on receipt if earlier with the agreement of the Employer and Trustees.
- ) Employer additional contributions are accounted for in accordance with the agreement under which they are payable. This include contributions in respect of the PPF levy.

### Payments to members

- ) Pensions in payment are accounted for in the period to which they relate.
- ) Benefits are accounted for in the period in which the member notifies the Trustees of his decision on the type or amount of benefit to be taken, or if there is no member choice, on the date of retiring or leaving.
- ) Individual transfers out of the Scheme are accounted for when member liability is discharged which is normally when the transfer amount is paid.



## Notes to the Financial Statements (Cont)

### 3. Accounting policies (Cont)

#### Expenses

- ) Expenses are accounted for on an accruals basis.
- ) Investment management expenses are accounted for on an accruals basis. Transaction costs are included in the cost of purchases and sale proceeds.

#### Investment income

- ) Income from bonds is accounted for on an accruals basis and includes interest bought and sold on investment purchases and sales.
- ) Dividends from quoted securities are accounted for when the security is declared ex-dividend.
- ) Income from pooled investment vehicles is accounted for when declared by the fund manager.
- ) Income from cash and short term deposits is accounted for on an accruals basis.
- ) Investment income arising from the underlying investments of the pooled investment vehicles is reinvested within the pooled investment vehicles and reflected in the unit price. Thus, it is reported within "Change in market value".
- ) Receipts from annuity policies are accounted for as investment income on an accruals basis.

#### Investments

- ) The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.
- ) Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager.
- ) Bonds are valued by valuation techniques that use observable market data.

#### Investments (Cont)

- ) Quoted securities in active markets are usually valued at the current bid prices as at 30 June 2020, or at the valuation date nearest to the year-end.
- ) Accrued interest is excluded from the market value of bonds and is included in investment income receivable.
- ) With profit insurance & AVC policies are reported at the policy value provided by the insurance company based on the cumulative reversionary bonuses declared and the current terminal bonus.
- ) Annuities have been valued by the Scheme Actuary at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date. No allowance for movements in annuitant membership is provided for in valuation updates other than in a triennial valuation year.
- ) Over the counter (OTC) derivatives are valued using the following valuation techniques:
  - i. Forward foreign exchange (Forward FX) – the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.

#### Currency

- ) The Scheme's functional and presentational currency is pounds sterling. Monetary items denominated in foreign currency are translated into sterling using the closing exchange rates at the Scheme year-end. Foreign currency transactions are recorded in sterling at the spot exchange rate at the date of the transaction.

## Notes to the Financial Statements (Cont)

### 4. Contributions

	2020	2019
	£	£
Employer contributions		
Deficit funding	5,843,715	5,565,450
PPF Levy	1,128,137	898,311
Additional contributions	10,934	-
	6,982,786	6,463,761

Deficit funding contributions are being paid by the employers for a period of 16 years from 28 June 2017 in accordance with recommendations from the Scheme Actuary in order to improve the Scheme's funding position.

### 5. Benefits paid or payable

	2020	2019
	£	£
Pensions	4,540,325	3,937,276
Commutation of pensions and lump sum retirement benefits	1,813,602	1,169,407
Lump sum death benefits	36,692	6,262
Backdated pension increases	-	1,084,255
	6,390,619	6,197,200

The backdated pension increases balance is in respect of the resolution of issues relating to historic pension increases.

### 6. Payments to and on account of leavers

	2020	2019
	£	£
Individual transfers to other schemes	64,604	33,542
Payments for members joining the state scheme.	(15,169)	(1,234)
	49,435	32,308

### 7. Administrative expenses

	2020	2019
	£	£
Administration and processing	285,296	227,378
Actuarial fees	287,809	238,395
Audit fee	11,404	15,080
Legal and other professional fees	272,832	271,061
Trustee indemnity insurance	14,560	12,320
Fees paid to Corporate Trustee	231,757	163,886
Trustees expenses	1,703	1,838
Other fees	36,584	86,242
PPF Levy	1,120,158	875,871
	2,262,103	1,892,071

The Scheme bears all the costs of administration.

## Notes to the Financial Statements (Cont)

### 8. Investment income

	2020	2019
	£	£
Dividends from equities	169,978	146,819
Income from bonds	65,373	46,102
Income from pooled investment vehicles	5,187,590	4,220,126
Interest on cash deposits	10,160	3,202
Annuity income	375,000	345,000
Other investment income	964	-
	<u>5,809,065</u>	<u>4,761,249</u>

The income from pooled income from investment vehicles includes an amount of £5,156,203 (2019: £4,161,472) in respect of income from the Insight Liquidity Fund.

### 9. Reconciliation of investments

	Value at 30 June 2019 £	Purchases at cost and derivative payments £	Sales proceeds and derivative receipts £	Change in market value £	Value at 30 June 2020 £
Equities	5,053,125	2,554,420	(4,265,283)	(741,356)	2,600,906
Bonds	2,805,343	8,091,489	(7,154,591)	510,987	4,253,228
Pooled investment vehicles	107,910,344	18,205,937	(19,828,593)	6,622,634	112,910,322
Insurance policies	5,198,749	-	-	226,375	5,425,124
Derivatives	2,604	196,271	(130,042)	(136,987)	(68,154)
AVC investments	378,999	-	(138,158)	15,270	256,111
	<u>121,349,164</u>	<u>29,048,117</u>	<u>(31,516,667)</u>	<u>6,496,923</u>	<u>125,377,537</u>
Cash deposits	3,877,442				8,675,078
Other investment balances	<u>7,566</u>				<u>15,467</u>
	<u>125,234,172</u>				<u>134,068,082</u>

Transaction costs are included in the cost of purchases and deducted from sale proceeds. Direct transaction costs include costs charged to the Scheme such as fees, commissions and stamp duty.

Transaction costs analysed by main asset class and type of cost are as follows:

	Fees £	Commission £	Taxes £	2020 Total £
Equities	150	2,563	4,525	7,238
Pooled investment vehicles	-	-	-	-
Total	<u>150</u>	<u>2,563</u>	<u>4,525</u>	<u>7,238</u>

  

	Fees £	Commission £	Taxes £	2019 Total £
Equities	1,036	2,225	2,665	5,926
Pooled investment vehicles	-	20	-	20
Total	<u>1,036</u>	<u>2,245</u>	<u>2,665</u>	<u>5,946</u>

## Notes to the Financial Statements (Cont)

### 9. Reconciliation of investments (Cont)

In addition to the transaction costs disclosed above, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles. The amount of indirect costs is not separately provided to the Scheme.

### 10. Investment management expenses

	2020	2019
	£	£
Administration, management and custody	196,989	193,061
Investment consultancy fee	182,410	64,683
	<u>379,399</u>	<u>257,744</u>

### 11. Taxation

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax. The tax charge in the Fund Account represents irrecoverable withholding tax arising on investment income.

### 12. Pooled investment vehicles

The Scheme's investments in pooled investment vehicles at the year-end comprised:

	2020	2019
	£	£
Equities	23,202,059	25,221,730
Bonds	11,469,113	16,015,857
Commodities	1,331,613	1,277,259
Cash	45,152	15,043
Derivatives	492,177	188,030
LDI	46,580,695	33,419,684
Multi-asset	15,120,602	17,073,592
Property	7,591,063	7,857,064
Hedge	7,077,848	6,842,085
	<u>112,910,322</u>	<u>107,910,344</u>

### 13. Derivatives

#### OBJECTIVES AND POLICIES

The Trustees have authorised the use of derivatives by their investment managers as part of their investment strategy for the Scheme as follows:

Forward FX – in order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in GBP (sterling), a currency hedging programme, using forward FX contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.

## Notes to the Financial Statements (Cont)

### 13. Derivatives (Cont)

At the year end the Scheme had the following derivatives:

	2020		2019	
	Asset £	Liability £	Asset £	Liability £
Forward FX contracts	-	(68,154)	4,422	(1,818)
	-	(68,154)	4,442	(1,818)

A summary of the Scheme's outstanding derivative contracts at the year-end aggregated by key characteristics is set out below:

#### Forward FX contracts

Contract	Settlement date	Currency bought	Currency sold	Asset value £	Liability Value £
Forward FX	3 months	USD	GBP	-	(68,154)
<b>Total 2020</b>				-	(68,154)
Total 2019				4,422	(1,818)

### 14. AVC investments

The Trustees hold assets invested separately from the main investments to secure additional benefits on a money purchase basis for those members electing to pay Additional Voluntary Contributions. Members participating in this arrangement each receive an annual statement made up to the Scheme year-end confirming the amounts held to their account and the movements in the year. The aggregate amounts of AVC investments are as follows:

	2020 £	2019 £
Friends Provident (With-profits)	117,626	192,545
Friends Provident (Unit-linked)	138,485	186,454
	256,111	378,999

### 15. Insurance policies

The Scheme held insurance policies at the year-end as follows:

	2020 £	2019 £
Annuities with Friends Life	5,425,124	5,198,749

### 16. Fair value determination

The fair value of financial instruments has been estimated using the following fair value determination:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

## Notes to the Financial Statements (Cont)

### 16. Fair value determination (Cont)

The Scheme's investment assets and liabilities have been fair valued using the above determination levels as follows:

As at 30 June 2020				
	Level 1 £	Level 2 £	Level 3 £	Total £
Equities	2,600,906	-	-	2,600,906
Bonds	4,253,228	-	-	4,253,228
Pooled investment vehicles	-	105,832,475	7,077,847	112,910,322
Insurance policies	-	-	5,425,749	5,425,749
Derivatives	-	-	(68,154)	(68,154)
AVC investments	-	138,485	117,626	256,111
Cash	8,675,078	-	-	8,675,078
Other investment balance	7,631	-	-	7,631
	15,536,843	105,970,960	12,553,068	134,060,871

  

As at 30 June 2019				
	Level 1 £	Level 2 £	Level 3 £	Total £
Equities	5,053,125	-	-	5,053,125
Bonds	2,805,343	-	-	2,805,343
Pooled investment vehicles	-	101,068,259	6,842,085	107,910,344
Insurance policies	-	-	5,198,749	5,198,749
Derivatives	-	-	2,604	2,604
AVC investments	-	186,454	192,545	378,999
Cash	3,877,442	-	-	3,877,442
Other investment balances	7,566	-	-	7,566
	11,743,476	101,254,713	12,235,983	125,234,172

### 17. Investment risk disclosures

FRS102 requires the disclosure of information in relation to certain investment risks as follows:

Credit risk – one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk – comprises the following three types of risk:

1. Interest rate risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market interest rates
2. Currency risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in foreign exchange rates
3. Other price risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market prices (other than those due to interest rates and currency).

The Trustees determine their investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustees by regular reviews of the investment portfolio.

## Notes to the Financial Statements (Cont)

### 17. Investment risk disclosures (Cont)

Further information on the Trustees' approach to risk management, credit and market risk is set out below. This does not include AVC investments or legacy insurance policies as these are not considered significant in relation to the overall investments of the Scheme. The following table summarises the extent to which various classes of investments are affected by financial risks:

Asset Type	Credit risk	currency risk	interest rate risk	other price risk	2020 £	2019 £
L&G Equities	1	2	1	3	23,230,190	23,707,017
Standard Life UK Property	1	1	2	3	7,591,063	7,857,065
Ruffer Absolute Return	2	2	2	3	17,250,052	15,819,143
Barings DAAF	2	2	2	3	15,120,602	15,938,442
Henderson MAC	3	2	3	1	11,469,112	11,620,494
Insight BP400	3	2	3	1	-	4,395,362
Insight Global ABS	3	2	3	1	10,971,495	6,064,171
Insight LDI	2	1	3	1	35,609,190	27,355,513
Partners Fund	3	3	3	3	7,077,848	6,842,085
Liquid Assets - Cash	3	2	1	1	585,254	49,577
<b>Total</b>					<b>128,904,806</b>	<b>119,648,869</b>

In the table on the previous page, a risk rating '1' is deemed none/hardly any risk, '2' is partial and '3' is significant

#### Market risk: Interest rates

The Scheme is subject to interest rate risk because some of the Scheme's investments are held in bonds, leveraged gilt repos, interest rate swaps and cash through pooled investment vehicles. Specifically, the Scheme has exposure to interest rates through its investments with Insight.

Generally speaking, if interest rates fall, the value of the Scheme's bond investments will rise to help offset a portion of the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the bond investments are more likely to fall in value, as will the actuarial liabilities because of an increase in the discount rate. As at 30 June, through their investments in bonds and LDI, the Scheme has hedged approximately 40% of the impact of interest rate movements on the liabilities. That is, if interest rates move, the LDI portfolio will experience approximately 40% of the movement of the liabilities.

#### Market risk: Currency

The Scheme is exposed to currency risk because some of its investments are held in overseas markets. These include the overseas equity portfolio with LGIM, Barings and Ruffer in their diversified growth fund and target return fund respectively, the multi-asset credit manager Henderson, Partners Group and Insight may also gain exposure to currency movements through their holdings of overseas assets.

The Scheme's liabilities are denominated in sterling and currency hedging is employed with overseas equities to manage the impact of exchange rate fluctuations on the Scheme's investments. Specifically, the Trustees took steps to hedge 75% of the non-sterling exposure in the equity mandate managed by L&G back into Sterling.

The Scheme's other managers, Ruffer, Barings, Henderson, Partners Group and Insight take active decisions as to whether or not they hedge currency exposure back into Sterling.

## Notes to the Financial Statements (Cont)

### 17. Investment risk disclosures (Cont)

#### Market risk: Other price

Other price risk arises principally in relation to the Scheme's return seeking portfolio which includes directly held equities, private equity, equities held in pooled vehicles, property and diversified growth funds.

The Scheme manages this exposure by investing in funds that invests in a diverse portfolio of instruments across various markets. According to the Scheme's Statement of Investment Principles (SIP), each investment manager is expected to manage broadly diversified portfolios and to spread assets across a number of individual shares and securities. In addition, the asset allocation is detailed in the Appendix of the SIP document and is monitored on a regular basis by the Trustees.

#### Credit risk

The Scheme is subject to credit risk because the Scheme directly invests in bonds, derivatives, has cash balances, enters into repurchase agreements, private debt and holds units in pooled investment vehicles. The Scheme has indirect exposure to credit risks from the underlying investments held by the pooled investment vehicles.

The credit risk arising on bonds is mitigated via Henderson and Insight's active management of the bond funds held by the Scheme. There may be additional exposure through assets held by Barings and Ruffer in their diversified growth fund and absolute return portfolio respectively.

The exposure to credit risk through private debt is managed by the Partners Group as it forms a proportion of a broadly diversified portfolio of alternative investments.

The instruments used in the pooled LDI funds held with Insight are not necessarily guaranteed by a regulated exchange, so there is the risk of a counterparty defaulting on its payment. The risk is reduced through collateral arrangements. It must be emphasised that although the instruments used by Insight in the pooled LDI funds carry various risks, the aim of these investments is to hedge against the changing actuarial value placed on the liabilities of the Scheme.

Credit risk arising on other derivative contracts is mitigated by investment mandates requiring all counterparties to be at least investment grade credit rated.

Cash is held within financial institutions which are at least investment grade rated.

Pooled investment arrangements used by the Scheme comprises of authorised unit trusts. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and the ongoing due diligence of the pooled manager.

Indirect credit risk arises in relation to the underlying investments of pooled investment vehicles. This risk is mitigated as set out above.

A summary of pooled investment vehicles by type of arrangement is as follows:

<b>Fund arrangement</b>	<b>2020</b>	<b>2019</b>
Unit linked insurance contracts	30,281	31,587
Authorised unit trusts	18,547	18,463
Open ended investment companies	15,201	15,988
Irish Qualifying Alternative Investment Fund	46,686	37,862
<b>Total</b>	<b>111,255</b>	<b>103,900</b>

\*This table does not include the Scheme's allocation to Ruffer as this is a segregated mandate



## Notes to the Financial Statements (Cont)

### 17. Investment risk disclosures (Cont)

The Trustees monitor the performance of each of the Scheme's investment managers on a regular basis in addition to having meetings with each manager from time to time as necessary. The Trustees have a written agreement with each investment manager, which contains a number of restrictions on how each investment manager may operate.

### 18. Concentration of investments

The following investments each account for more than 5% of the Scheme's net assets at the year-end:

	2020		2019	
	£	%	£	%
Insight Longer Real Fund	19,484,291	14.5	16,705,831	13.4
Barings Alpha Funds Dynamic Assets	15,120,602	11.2	15,938,442	12.8
Henderson Multi Asset Credit Fund	11,469,113	8.5	11,620,494	9.3
Standard Life Property Fund	7,591,063	5.6	7,857,065	6.3
Partners Group Fund	7,077,848	5.2	6,842,085	5.5
Ruffer Cash Investment	8,000,015	5.9	-	-
Insight IIFIG Global Abs Fund	10,971,495	8.1	-	-
Insight LDI Longer Nominal Fund	8,473,799	6.3	-	-

### 19. Current assets

	2020	2019
	£	£
Contributions due from Employer in respect of:		
Employers	492,842	469,376
Prepayments	44	4,605
Cash balances	505,300	1,110,399
	998,186	1,584,380

Contributions due to the Scheme at the year-end have been paid subsequent to the year-end in accordance with the Schedule of Contributions.

### 20. Current liabilities

	2020	2019
	£	£
Unpaid benefits	(47,984)	(34,925)
Accrued expenses	(177,807)	(262,443)
Backdated pension increases	-	(1,884,255)
	(225,791)	(2,181,623)

### 21. Related party transactions

The key management personnel of the Scheme are considered to be the Trustees. Fees and expenses paid directly to the Trustees by the Scheme for their services during the year were £233,460 (2019: £165,724) and are disclosed in Note 7 to the accounts. All of the transactions were made in accordance with the Scheme Rules.

The following Trustees of the Scheme are preserved members.

PD Shilton Godwin  
RHO Boyes  
N Gash

## Notes to the Financial Statements (Cont)

### 22. Employer-related investments

There were no direct employer-related investments at the year-end. Contributions are normally received by the Trustees in the subsequent month to that in which they are due. Under the accruals basis of accounting, these contributions are therefore shown as outstanding. However, as the contributions were received in line with the Schedule of Contributions after the year end, they do not become employer-related investments.

### 23. Contingent liabilities

As explained on page 5 in Trustees report, on 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgement arise in relation to many other defined benefit pension schemes. The Trustees of the Scheme are aware that the issue will affect the Scheme and will be considering this at a future meeting and decisions will be made as to the next steps.

Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. However, at this stage the Trustees and Employer have not agreed the equalisation methodology to be used and therefore the Trustees are not in a position to obtain a reliable estimate of the backdated benefits and related interest. Therefore the cost of backdating pension benefits and related interest have not been recognised in these financial statements. They will be recognised once the Trustees are able to reach reliable estimate.

## Certificate of Adequacy of Contributions

### Certification of the schedule of contributions

#### Students' Union Superannuation Scheme

##### Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected, on 30 June 2016, to be met by the end of the period specified in the recovery plan dated 28 June 2017.

##### Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 28 June 2017.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were to be wound up.

Signature:



Date:

28 June 2017

Name:

Paul Hamilton

Qualification:

Fellow of the Institute and Faculty of Actuaries

Address:

St James's House  
St James's Square  
Cheltenham  
Gloucestershire  
GL50 3PR

Employer:

Barnett Waddingham LLP

## Students' Union Superannuation Scheme

### Certification of the Schedule of Contributions

#### Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the Statutory Funding Objective could have been expected, on 30 June 2019, to be met by the end of the period specified in the Recovery Plan dated 21 September 2020.

#### Adherence to Statement of Funding Principles

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 21 September 2020.

The certification of the adequacy of the rates of contributions for the purpose of securing that the Statutory Funding Objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound up.

Signature:



Date:

21 September 2020

Name:

Paul Hamilton

Qualification:

Fellow of the Institute and Faculty of Actuaries

Address:

St James's House  
St James's Square  
Cheltenham  
Gloucestershire  
GL50 3PR

Employer:

Barnett Waddingham LLP

## Schedule of Contributions

### Students' Union Superannuation Scheme Schedule of contributions

#### Status

This schedule of contributions has been prepared by the Trustees of the Students' Union Superannuation Scheme ("the Scheme"), after obtaining the advice of the Scheme Actuary appointed by the Trustees.

#### Contributions to be paid by the participating unions from 28 June 2017 to 30 June 2033

<p>In respect of the shortfall in funding as set out in the Recovery Plan dated <u>28 June 2017</u>:</p>	<p>Each participating employer will contribute an amount as set out in the attached Appendix 1.</p> <p>The amounts commencing 1 October 2017 will be increased each subsequent 1 October by 5% or such greater amount as is agreed between the Trustees and the Principal Employer.</p> <p>These contributions are payable monthly in arrears, within 19 days of the end of each month. A participating employer may, at their discretion, pay all or part of the contributions in advance.</p> <p>The Trustees have given the participating employers the option of paying a single lump sum contribution instead of their monthly contributions from October 2017 to September 2020. These lump sum contributions are set out in Appendix 2. If a participating employer chooses to pay this lump sum (which they are under no obligation to do) then they will not pay any contributions set out in Appendix 1 for the period from 1 October 2017 to 30 September 2020. Contributions payable under Appendix 1 for periods outside these dates remain payable by participating employers taking up this offer. Participating employers taking up the offer must pay the lump sum contribution by 19 November 2017, and may at their discretion pay all or part of the lump sum contribution in advance.</p>
<p>In respect of expenses:</p>	<p>The amounts set out in the appendices include an allowance of £400,000 pa in respect of the ongoing administrative and operational expenses of running the Scheme.</p>
<p>In respect of the Pension Protection Fund levy:</p>	<p>The amount of the PPF levy as shown in the levy invoice, plus associated expenses, will be payable in addition to the contributions set out in the appendices. Once the PPF levy has been paid by the Trustees, the amount due from each participating employer will be determined by the Trustees and notified to each participating employer for payment within 30 days.</p>



## Implementation Statement

### Students' Union Superannuation Scheme

#### Purpose of the Implementation Statement

The Implementation Statement has been prepared by the Trustees of the Students' Union Superannuation Scheme ("the Scheme") and sets out:

- )] How the Trustees' policies on exercising rights (including voting rights) and engagement policies have been followed over the year.
- )] The voting behaviour of the Trustees, or that undertaken on their behalf, over the year to 30 June 2020.

#### How voting and engagement policies have been followed

The Scheme invests almost entirely in pooled funds, and, as such, delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers on the majority of their investments. The sole exception to this is the Ruffer Target Return Portfolio, which is segregated.

The Trustees undertook an initial review of the stewardship and engagement activities of the current asset managers at their 10 June 2019 meeting, and were satisfied that their policies were reasonable and no remedial action was required at that time.

Annually, the Trustees receive and review voting information and engagement policies from both the asset managers and our investment advisors, which we review to ensure alignment with our own policies. This exercise was undertaken in November 2020 in respect to the asset managers voting behaviours over the year to June 2020.

Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the asset managers is in alignment with the Scheme's stewardship policies.

No asset managers have attended Trustees meetings over the year.

The Trustees appointed Baillie Gifford as a new manager for a diversified growth fund mandate over the year and stewardship and voting policies were considered as part of the manager selection exercise, alongside all other material factors. The new manager is rated high conviction by our investment advisors for stewardship and voting, and the Trustees are comfortable that the manager is suitable across all criteria considered.

The Trustees has also appointed the Partners Long-Term Entrepreneurial Ownership Fund over the year. As this fund invests in private markets, there is no voting on publicly held shares in this fund.

The Trustees also made the decision to restructure their passive equity portfolio held with LGIM over the year. LGIM is rated high conviction by our investment advisors for stewardship and voting, and the Trustees are comfortable with retaining LGIM as the passive equity manager for the Scheme.

## Voting Data (over a one year period ending on 30 June 2020)

The voting data collated for Scheme is given over the year to 30 June 2020. Legal & General and Barings have provided their figures on a firm wide level and Partners and Ruffer have provided fund specific figures.

Manager	Legal & General	Barings	Ruffer	Partners Group
<b>Fund name</b>	Passive equity funds	Dynamic Asset Allocation Fund	Target Return portfolio	Partners Fund
<b>Structure</b>	Pooled	Pooled	Segregated	Pooled
<b>Ability to influence voting behaviour of manager</b>	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	The segregated mandate allows the Trustees to engage with the manager and influence their voting behaviour.	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.
<b>Number of resolutions the manager was eligible to vote at over the year</b>	59,858	6,520	564	1196
<b>Percentage of resolutions the manager voted on</b>	99.4%	96.3%	84.4%	98%
<b>Percentage of resolutions the manager abstained from</b>	0.6%	3.7%	0.9%	2%
<b>Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on</b>	82.5%	90.5%	86.1%	93%
<b>Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on</b>	17.5%	5.8%	13.9%	5%
<b>Percentage of resolutions voted <i>contrary</i> to the recommendation of the proxy advisor</b>	<i>Data not provided (please see the below paragraph for an explanation of the use of proxy voting services)</i>			14%

Legal & General employ the use of Institutional Shareholder Services (ISS) as a proxy voting service. Legal & General have stated that they only employ this proxy voting advisor for research purposes, and therefore do not keep a record of when they vote against the advice of these advisors because they maintain their own custom voting policy.

Ruffer and Barings did not provide any information on their use of a proxy voting advisor.

There are no voting rights attached to the other assets held by the Scheme, multi asset credit, global asset backed securities, and liability driven investments.



## Significant votes

Data on significant votes was requested from the asset managers. However, this has not been provided in a usable format. The Trustees' investment advisors are liaising with the asset managers to improve the delivery of this data in future, and we understand that the asset managers are working to improve their disclosures on significant votes.

## Fund level engagement

The asset managers may engage with their investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each asset manager during the year for the relevant funds.

Please note these figures relate to the year ended 31 March 2020 as the asset managers have not yet prepared this information to the year period ending on 30 June 2020.

Manager	Legal & General	Barings	Ruffer	Partners Group
<b>Fund name</b>	Passive equity funds	Barings Dynamic Asset Allocation Fund	Absolute Return Portfolio*	Partners Fund
<b>Does the manager perform engagement on behalf of the holdings of the fund</b>	Yes	Yes	Yes	Yes
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	<i>The manager tracks engagement at a firm level only.</i>	<i>Data not provided</i>	16	<i>The manager tracks engagement at a firm level only.</i>
<b>Number of engagements undertaken at a firm level in the year</b>	1,110	<i>Data not provided</i>	23	59

\*This information was not available for the Ruffer segregated fund. Data has been provided for the Ruffer Absolute Return Portfolio, which is a similarly managed fund.

## Summary

Based on the information received, the Trustees believe that the asset managers have acted in accordance with the Scheme's stewardship policies. The Trustees are supportive of the key voting action taken by the applicable asset managers over the period to encourage positive governance changes in the companies in which the managers hold shares.

The Trustees and their investment advisor are working with the asset managers to provide additional information in the future, in particular in regards to significant votes and engagement, in order to enhance their ability to assess the asset managers' actions.

**Prepared by the Trustees of the Student Unions Superannuation Scheme November 2020**