Students' Union Superannuation Scheme

Annual report for the year ended 30 June 2025

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 2025.

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 benefit arrangement. Up until 30 September 2003 the Scheme provided a pension of 1/60th 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 4).

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
Peter David Shilton Godwin	Member	1995 (re-appointed as MNT 2021)
Ross Trustees Services Limited t/a Independent Governance Group (IGG) Chair	Corporate	2014
Nick Gash	Member	2018 (re-appointed as MNT 2024)
Mark Frederick Crook	Employer	2020 (resigned 24 November 2025)
Ben Ward	Employer	2021
Graham Wright	Employer	2025
John Valerkou	Employer	2025
Jamie Agombar	Member	2025

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 Member Nominated 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 Chair 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

No changes were made to the Scheme Rules during the year.

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:

Scheme Actuary	Chris Ramsey
Advising Actuaries	Barnett Waddingham LLP
Independent Auditor	RSM UK Audit LLP
Investment Managers	Partners Group (Guernsey) Limited (until March 2025) Schroders Investment Management
Custodians	CACEIS
Annuity Provider	Aviva
AVC Provider	Aviva
Legal Advisers	Gowling WLG
Administrator of the Scheme benefits	Barnett Waddingham LLP
Bankers	Lloyds Bank Plc
Secretary to the Trustees	Ross Trustees Services Limited t/a Independent Governance Group (IGG)

Changes in and other matters relating to Scheme advisers

Other than those shown in the table above, there have been no further changes to Scheme advisers during the Scheme year.

Scheme Audit

The financial statements and notes to the financial statements on pages 19 to 34 have been prepared and audited in accordance with regulations made under sections 41(1) and (6) of the Pensions Act 1995.

Financial development of the Scheme

During the year the value of the net assets increased by £13,634,729 to £122,671,742 as at 30 June 2025. The increase comprised net additions from dealings with members of £19,037,603 together with a decrease from the net return on investments of £5,402,874.

The Trustees' Report (Cont)

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	1,071		
adjustment		(6)	
new		4	
retired (trivial commutation)		(2)	
retired (serious ill-health)		(1)	
retired		(70)	
died		(1)	
		(76)	995
Pensioners and dependants	1,143		
adjustment		6	
new pensioners		70	
new dependants		8	
died		(29)	
		55	1,198
Grand total members	2,214		2,193

Not included within the pensioner and dependants above are 118 (2024: 118) 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. The adjustments referred to in the table above are in respect of late notifications of movements.

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.

Pension increases

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

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.

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.

On 20 November 2020, the High Court handed down a further judgement on the GMP equalisation case in relation to the Lloyds banking group pension schemes. This follows from the original judgement in October 2018 which confirmed that schemes need to equalise pensions for the effect of unequal GMPs between males and females. This latest judgement confirms that defined benefit schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised 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 have been discussing this with their advisors. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. The Trustees and Employer have agreed the equalisation methodology to be used and full calculations are in progress, although the process has taken longer than was first anticipated. Until these calculations are completed, the Trustees are not in a position to obtain a reliable estimate of the backdated benefits and related interest so these costs have not been recognised in these financial statements. The Trustees expect to be able to confirm these costs when GMP equalisation is implemented during the next Scheme year.

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 scheme specific 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:

https://www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/record-keeping

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 Square House, St James Square, Cheltenham, GL50 3PR

Or telephone: 0333 11 11 222

Alternatively you may contact the Scheme administrators online at:
https://account.claritybw.co.uk/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 and Republic of Ireland (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 2022. This showed that on that date:

The value of the Technical Provisions was:	£243.3 million
The value of the assets was:	£106.7 million

Therefore the Scheme had a funding deficit of £136.6 million corresponding to a funding level of 44%.

In years where there is no actuarial valuation, the Scheme Actuary produces an estimate of the funding position known as an actuarial report. The actuarial report carried out at 30 June 2023 revealed that the estimated funding level had risen to 49%. The most recent actuarial report carried out at 30 June 2024 revealed that the estimated funding level had risen further to 58%.

The method and significant actuarial assumptions used to determine the Technical Provisions are as follows (all assumptions adopted are set out in the Statement of Funding Principles dated 1 August 2023):

Method

The actuarial method used in the calculation of the Technical Provisions as at 30 June 2022 is the Projected Unit Method.

Actuarial assumptions – The key assumptions used as at 30 June 2022 are:

Discount rate	Gilts curve + 1.5% pa, linearly changing over a term of 13 years to gilts + 0.25% pa
Retail Prices Index (RPI) inflation	Merrill Lynch swap-implied inflation curve
Consumer Prices Index (CPI) inflation	RPI inflation less 0.7% pa pre 2030; RPI inflation less 0.1% pa thereafter
Pension increases in payment	A model of each increase, allowing for insurers' relative pricing of different caps and collars
Mortality table	95% of the S3PA tables
Mortality projections	CMI_2019 projections using a long-term improvement rate of 1.75% p.a. The initial addition is 1.0% p.a.

The Trustees' Report (Cont)

Investment managers

Investment wording provided by Schroders Solutions

The Scheme's Deed and Rules permit the Trustees to delegate the task of investment management to outside experts. The Trustees have entered into an Investment Management Agreement with Schroders Solutions Investments Limited ('Schroders Solutions') as the investment manager of the portfolio of the Scheme's assets and investments, from 25 January 2023.

The Trustees have chosen to implement their investment strategy through Schroders Solutions' Fiduciary Management service, an implemented solution which allows trustees to retain ownership of those decisions which have the greatest importance to the Scheme's investment strategy – framing objectives, allocations to on-risk/off-risk assets, risk tolerance – whilst delegating other decisions to Schroders Solutions.

In addition, the Trustees have appointed CACEIS as custodian of the Scheme's assets.

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) as amended by the Occupational Pension Schemes (Investment) (Amendment) Regulations 2010, Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, and Occupational Pension Schemes (Investment and Disclosure) (Amendments) Regulations 2019.

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; and
- voting and corporate governance in relation to the Scheme's assets.

The Trustees' policies in relation to these duties are set out in the Scheme's Statement of Investment Principles (SIP). Although these are the Trustees' duties in the first instance, the Trustees have delegated these duties to the Scheme's investment managers.

Statement of Investment Principles

In accordance with the Pensions Act 1995, the Trustees have prepared a Statement of Investment Principles, which sets out its policy on investment issues, including risks, diversification of investments and details of the key elements of the investment arrangements of the Scheme.

The Statement of Investment Principles ("SIP") sets out how the Scheme takes into account financially material considerations, including Environmental, Social and Governance ("ESG") factors, in its investment decision making process.

A copy of the statement is available online at (weareigg.com/client-docs/suss/)

The statement in effect at the date of these accounts was dated August 2023. This Statement incorporates the recent regulations regarding the Trustees' policies on Environmental, Social and Governance (ESG) considerations, including climate change, voting rights and investment manager incentives.

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Departures from investment principles

Over the Scheme year ending 30 June 2025, the portfolio allocations were aligned with overall strategic allocations and within the agreed ranges at a sub-asset class level within each portfolio.

Investment strategy

The Trustees' long-term objective for the Scheme is to target an investment return objective of approximately 1.85% per annum (net of fees) in excess of the returns on the Liability Benchmark Portfolio ("LBP").

In addition to framing the investment objective, the Trustees are responsible for setting the split of assets between return-seeking assets (the Growth Assets) and liability-matching assets (known as the Liability Hedging assets).

Based on consideration of the Scheme's liabilities and the desired investment objective, the Trustees have adopted a 31% Growth Assets/51.5% Liability Hedging Assets/17.5% Discretionary Structured Equity split. The Investment Manager has discretion to implement the Trustees' investment strategy to meet the objective, as described below.

Liability Hedging Assets ("LHA")

The LHA is invested in a portfolio of directly held gilts, which is expected to move closely in line with the rise and fall in liability values, thus providing a degree of protection to the Scheme's funding position.

The LHA also contains OTC derivatives, which extend the liability matching provided by the gilts to changes in interest rate and inflation expectations.

Discretionary Structured Equity (DSE)

The aim of the DSE is to provide the Scheme with exposure to potential equity market rises, whilst providing protection against falls in the equity market. The DSE creates a synthetic exposure to UK equity.

Growth Assets ("GA")

The GA holds a diverse portfolio of assets that are expected, in the longer term, to exceed the growth in the value of the Scheme's liabilities. The objective for the GA is to achieve a return of at least 4.125% per annum in excess of the return of cash, after the deduction of fees, over rolling three year periods.

During the year, the GA has been invested in a diversified portfolio of equities, global government, high yield, and emerging market bonds, and alternative assets such as hedge funds and leveraged loans.

The following table shows the asset class restrictions of the GA as well as the asset allocation as a proportion of the GA at the current and prior year end:

The Trustees' Report (Cont)

Growth Assets ("GA") (Cont)

Asset Class	Min (%)	Max (%)	30 June 2025 (%)	30 June 2024 (%)
Equities	20	65	46.8	48.0
Property	0	20	5.0	0.0
Return Seeking Credit	0	45	20.6	23.1
Commodities	0	15	2.6	1.3
Alternatives	0	40	16.0	12.1
Cash & Sovereign Bonds	0	40	9.0	15.5

All restrictions are expressed as a proportion of the Growth Assets. Currency hedging is not included in the figures above.

Investment performance

Performance of the Scheme's assets against the objectives is shown below:

Portfolio Section	12 Months	Since Inception
Growth Assets	7.2%	10.1%
Objective	8.9%	9.1%
Relative	-1.7%	1.0%
Total Portfolio	**-5.3%**	**0.8%**
Objective	-6.0%	-0.4%
Relative	**0.7%**	**1.2%**

Past performance is not a guide to future returns. The value of investments and the income from them can fall as well as rise and you may not get back the full amount originally invested.

Performance is shown net of fees to the extent that fees are paid from assets. 3-Year and 5-Year performance is not available due to the strategy inception date being 01/06/2023.

Financially material investment considerations

These considerations which include the below "Risks" can affect the long-term financial performance of investments and can (but do not have to) include Environmental, Social and Governance factors (otherwise known as "ESG") where relevant. All references to ESG also include climate change. The Trustees recognise climate change as a systemic, long-term material financial risk to the value of the Scheme's investments. The Trustees are supportive of the Paris Agreement and will aim to achieve a carbon neutral portfolio by 2050 or sooner.

The Trustees policy is to delegate consideration of financially material factors, including ESG to the Investment Manager who considers these when constructing the portfolio, including looking at Underlying Managers. All references to ESG relate to financial factors only. As part of their ongoing monitoring, the Trustees review some key metrics on a regular basis that are provided by the Investment Manager covering ESG which enable them to engage with the Investment Manager and understand the impact of ESG on the portfolio. ESG factors and stewardship are considered, in the context of long term performance, by the Investment Manager as part of the manager selection criteria. This review occurs before they are approved for investment in the portfolio. Once an Underlying Manager is appointed, the Investment Manager monitors the ESG implementation and ongoing compliance with other factors, such as stewardship, as a part of overall engagement.

The Trustees’ Report (Cont)

Financially material investment considerations (Cont)

Risks

The Trustees recognise a number of risks involved in the investment of the assets of the Scheme. These risks, and how they are measured and managed, include:

Funding and asset/liability mismatch risk – the risk that the funding level is adversely affected due to a mismatch between the assets and liabilities. This risk is managed in the following ways:

- A liability benchmark ‘LB’ is used as a proxy for the liabilities in order to measure the approximate changes in the liabilities (due to changes to the relevant gilt yields only). The Trustees monitor this change relative to the change in asset values on a quarterly basis. The LB is reviewed following each actuarial review, or when significant market or Scheme events (e.g. a significant change in inflation expectations) imply that an amendment may be appropriate.

- The Trustees also recognise the risk of a negative impact on the funding level due to changes in the actuarial assumptions used to calculate the liabilities and variation in experience. This is managed by aiming for a higher overall investment return than implied by the liability discount rate.

- When setting and reviewing investment strategy, the Trustees examine how the investment strategy impacts on downside risk. Downside risk of the investment strategy is also measured by reference to the LB and can therefore also be assessed as part of the quarterly review process.

- This risk is also monitored through regular actuarial and investment reviews.

Underperformance risk – the risk of underperforming the benchmarks and objectives set by the Trustees. This risk is minimised using the following techniques:

- Appropriate diversification across asset classes, within sectors and between individual stocks to minimise the effect of a particular stock or sector performing badly.

- The use of instruments and strategies designed to control the extent of downside exposure.

- The selective use of active management when appropriate given market conditions, the asset class considered and where the benefits (risk and/or return) are expected to outweigh the additional costs/fees.

- Regular monitoring of the managers’ performance, processes and capabilities with respect to their mandate and by the diversification across multiple Underlying Managers by the Investment Manager.

Cash flow risk – addressed through the monitoring of the cash flow requirement of the Scheme to control the timing of any investment/disinvestment of assets.

Concentration risk – the risk of an adverse influence on investment values from the concentration of holdings is reduced by the diversification of the assets.

The Trustees' Report (Cont)

Financially material investment considerations (Cont)

Risks (Cont)

Counterparty risk – the risk of a counterparty to an agreement not carrying out their side of the deal. Where derivatives are used, the risk of counterparty default is reduced through the requirement in the relevant documentation that regular collateral or margin payments be made. It is also considered in the selection of counterparties and the incorporation of protection mechanisms in the documentation in the event of a downgrade in credit quality of an existing counterparty.

Country risk – the risk of an adverse influence on investment values from political intervention is reduced by diversification of the assets across many countries. Specific risks are further mitigated via monitoring and engagement with underlying companies as appropriate, for example those impacted by UN Boycott, Divestment and Sanctions initiatives

Currency risk – the risk that fluctuations in the value of overseas currencies affect the total return of the Scheme's investments when compared to a Sterling benchmark. The Trustees mitigate this risk by electing to allow the Investment Manager to use currency hedging.

Default risk – the risk of income from assets not being paid when promised. This is addressed through restrictions for the Investment Manager and Underlying Managers, e.g. a minimum credit rating of the bonds they are allowed to buy and also a high proportion of the bonds held are government bonds which have little default risk.

ESG risk – the risk of adverse performance due to ESG related factors including climate change. This is addressed by the Investment Manager's ESG assessment at the point of investment with Underlying Managers. A summary of the overall ESG characteristics in the portfolio in the quarterly governance report.

Mismanagement risk – the risk of unsuitable investment activity by the Investment Manager. This is addressed in the agreement with the Investment Manager, and in turn by the Investment Manager with the Underlying Managers, which contain restrictions on the proportion and type of asset classes that the Investment Manager or Underlying Managers may invest in.

Organisational risk – the risk of inadequate internal processes leading to problems for the Scheme. This is addressed through regular monitoring of the Investment Manager and Advisers by the Trustees, and of the Underlying Managers by the Investment Manager.

Sponsor risk – the risk of one or more of the Employers ceasing to exist which, for reasons of prudence, has been taken into account when setting the asset allocation strategy. The Trustees regularly review the covenant of the Employers and the feasibility of the Employers continuing to pay contributions to the Scheme. The Trustees will keep these risks and how they are measured and managed under regular review.

The Trustees appointed Schroders as Fiduciary Manager for the Scheme's investment portfolio. From an Environmental, Social and Governance ("ESG") perspective, Schroders is a global asset manager with a long history of company engagement and is well regarded in this area. As a firm, it has a commitment to be Net Zero by 2050 over all the assets it manages and has a detailed Climate Transition Action Plan which sets out its plan for achieving this. Schroders approach is designed to enhance risk adjusted returns in a way that aims to improve the security of members' benefits and drives real world change in the longer term. Schroders has a structured framework for evaluating ESG factors of underlying managers, assigning each an ESG rating which determines their eligibility for inclusion in portfolios and identifies areas for ongoing and targeted engagement.

The Trustees’ Report (Cont)

Financially material investment considerations (Cont)

The Trustees have also received training on the latest regulation and guidance on ESG requirements for UK pension schemes and remain fully compliant. Trustees are now required to set ESG engagement priorities for the year ahead, and with assistance and training from Schroders have agreed Climate Change, Natural Capital & Biodiversity, and Human Rights as being areas of focus for the year ahead. The Trustees believe these themes are issues material to the long-term value of the investments, and hence should benefit the Scheme’s members and beneficiaries. These priorities will be reviewed on an ongoing basis, and engagement examples are provided in the Implementation Statement appended to the annual accounts.

Economic and market conditions over the year to 30 June 2025

Expectations of interest rate cuts and positive earnings momentum saw global equities gain ground over the summer months, despite pronounced volatility during the third quarter. Emerging markets performed strongly, supported by the announcement of new stimulus measures in China. In Q4, US shares advanced following Donald Trump’s victory in the Presidential election, but other regional markets came under pressure amid concerns over potential US trade tariffs.

During the opening quarter of 2025, US shares weakened with technology stocks posting steep declines while Europe outperformed as Germany announced substantial spending plans, raising optimism that the new government would pursue a pro-growth agenda. In early April, the announcement of “Liberation Day” tariffs by President Trump sparked significant volatility in equity markets. However, global shares advanced over Q2 after the temporary suspension of most tariffs until early July while trade talks took place. US shares were supported by encouraging first quarter earnings reports.

In the bond markets, softer inflation data over the summer months of 2024 boosted expectations of interest rate cuts, particularly in the US, although the November elections sparked a sell-off.

Over the 12-month period, the 10-year US Treasury yield declined from 4.29% to 4.23%. Weaker labour market data prompted the Fed to sanction interest rate cuts in the autumn although guidance for 2025 was more cautious. Subsequently, the Trump administration’s trade tariffs fuelled fears of higher inflation, while proposed tax changes were viewed as worsening the budget deficit.

Germany’s 10-year bond yield rose from 2.53% to 2.60% despite consecutive ECB interest rate cuts as the newly elected German government announced plans to substantially raise borrowing to fund defence expenditure. Despite the Bank of England reducing interest rates on four occasions, the 10-year gilt yield rose from 4.13% to 4.49% as the Labour government announced a £28bn annual increase in borrowing.

In the property market, there was evidence of a nascent recovery as both valuations and transaction prices continued to stabilise. However, transaction volumes have remained subdued, despite signs of an upturn in the final quarter of 2024, given the prevailing economic uncertainty triggered by shifts in US trade policy.

The Trustees' Report (Cont)

Approval of Trustees' Report

This Report was approved by the Trustees on

Date: 27/01/26

Signed on behalf of the Trustees:

Trustee

Trustee

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 2025 which comprise the fund account, the statement of net assets (available for benefits) and notes to the financial statements, including 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 2025, 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

In auditing the financial statements, we have concluded that the Scheme’s Trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Scheme’s Trustees with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Trustees of the Students' Union Superannuation Scheme (Cont)

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 5, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Independent Auditor's Report to the Trustees of the Students' Union Superannuation Scheme (Cont)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the environment, including the legal and regulatory framework that the Scheme operates in and how the Scheme is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are Pensions Act 1995 and 2004 and regulations made under them and FRS 102, including the Financial Reports of Pension Schemes 2018 (the Pensions SORP). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgements and estimates.

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

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
4th Floor, G1,
5 George Square
Glasgow
G2 1DY

Date: 27/01/26

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	7,011,459
PPF Levy	235,433
Contributions payable under the Schedule of Contributions	**7,248,892**
Contributions not payable under the Schedule of Contributions	
Additional contributions	444,291
Section 75 debt payments	20,936,000
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	**28,627,183**

Signed on behalf of the Trustees:

Trustee

Trustee

Date: 27/01/26

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 17, in respect of the Scheme year ended 30 June 2025.

In our opinion, the contributions for the Scheme year ended 30 June 2025 as reported in the attached Summary of Contributions on page 17 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 14 August 2023.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported on page 17 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 5 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

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
4th Floor, G1,
5 George Square
Glasgow
G2 1DY

Date: 27/01/26

The Financial Statements

Fund Account

for the year ended 30 June 2025

	Note	30 June 2025	30 June 2024
		£	£
Contributions and benefits			
Employer contributions		28,627,183	18,768,817
Total contributions	4	28,627,183	18,768,817
Benefits paid or payable	5	(7,743,462)	(7,147,016)
Payments to and on account of leavers	6	(3,196)	22,439
Administrative expenses	7	(1,842,922)	(1,497,143)
		(9,589,580)	(8,621,720)
Net additions from dealings with members		19,037,603	10,147,097
Returns on investments			
Investment income	8	2,033,040	1,890,577
Change in market value of investments	9	(7,013,641)	2,760,360
Investment management expenses	10	(422,273)	(218,962)
Net returns on investments		(5,402,874)	4,431,975
Net increase in the fund during the year		13,634,729	14,579,072
Net assets of the Scheme			
At 1 July		109,037,013	94,457,941
At 30 June		122,671,742	109,037,013

The notes on pages 21 to 34 form part of these financial statements.

The Financial Statements (Cont)

Statement of Net Assets

available for benefits as at 30 June 2025

	Note	30 June 2025	30 June 2024
		£	£
Investment assets:			
Pooled investment vehicles	13	31,263,010	50,606,562
Bonds	9	82,926,257	53,364,990
Insurance policies	16	3,119,000	3,284,000
AVC investments	15	125,267	141,674
Cash	9	98,082	882,211
Derivatives	14	3,145,321	3,004,764
Other investment balances	11	414,933	1,742,497
		121,091,870	113,026,698
Investment liabilities			
Derivatives	14	(5,196,409)	(2,569,879)
Other investment balances	11	(4,101)	(2,982,692)
		(5,200,510)	(5,552,571)
Total net investments		115,891,360	107,474,127
Current assets	20	7,165,575	1,777,616
Current liabilities	21	(385,193)	(214,730)
Net assets of the Scheme at 30 June available for benefits		122,671,742	109,037,013

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 page 6 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 21 to 34 form part of these financial statements.

These financial statements were approved by the Trustees on

Date: 27/01/26

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).

Conclusion of Going Concern

The Trustees have prepared the financial statements on a going concern basis.

The Trustees are aware that the Principal Employer, National Union of Students (NUS), accounts dated 30 June 2024, concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements remains appropriate. Based on the work that has been performed, the NUS Group has not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's and Group's ability to continue as a going concern for a period of as least twelve months from when the financial statements were authorised for issue.

The Scheme funding was around 75% on a technical provision basis (2025 valuation basis) at 30 June 2025, corresponding to a deficit of £39,088,000. As of the 2022 valuation 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. At the time of this assessment, all Unions continue to pay the increased level of deficit contributions, and there have been no late payments received to date that the Trustees have been made aware of.

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 includes contributions in respect of the PPF levy.
- Section 75 debt payments are accounted for on the due dates on which they are payable following the issuing of the Section 75 debt certificates.

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 their 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.

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.

Notes to the Financial Statements (Cont)

3. Accounting policies (Cont)

Investment income

- Income from bonds is accounted for on an accruals basis and includes interest bought and sold on investment purchases and sales.
- 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.
- Accrued interest is excluded from the market value of bonds and is included in investment income receivable.
- Bonds are valued by valuation techniques that use observable market data.
- 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.
- Receipts or payments under swap contracts, representing the difference between the swapped cash flows, are included in investment income.
- Swaps are valued at the net present value of future cash flows arising therefrom.
- Forward exchange contracts are valued at the gain or loss that would arise from the closing date of the contract at the reporting date before entering into an equal and opposite contract date.
- Options are valued at their mark to market value, if a quoted market price is not available on a recognised exchange their fair value is calculated using pricing models such as Black-Scholes, where inputs are based on market data at the year end.
- 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.
- Accrued interest is excluded from the market value of bonds but is included in other investment balances.

Currency

- The Scheme's functional presentational currency is pounds sterling.

Critical accounting judgements and estimation uncertainty

- Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.
- There are no critical judgements in applying the accounting policies.
- Key accounting estimates and assumptions - the Trustees make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the Scheme, the Trustees believe that only those investments falling within Level 3 of the fair value hierarchy (see note 17) have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Notes to the Financial Statements (Cont)

4. Contributions

	2025	2024
	£	£
Employer contributions		
Deficit funding	7,011,459	18,449,381
PPF Levy	235,433	309,109
Section 75 (s75) debt payments	20,936,000	-
Additional contributions	444,291	10,327
	28,627,183	18,768,817

As per the Schedule of Contributions certified by the Scheme Actuary on 14 August 2023, deficit funding contributions are to be paid by the employers until 1 May 2037.

During the year ten participating employers withdrew from the Scheme. The s75 debts paid were in respect of the following:

- The Students' Union at Manchester Metropolitan University
- The Oxford Brookes Students' Union Limited
- The University of Leicester Students' Union
- Loughborough Students' Union
- Warwick Students' Union
- Membership Solutions Limited
- Derby Students' Union
- Liverpool John Moores University Students' Union
- University of Greenwich Students' Union
- Cardiff Union Services Limited

5. Benefits paid or payable

	2025	2024
	£	£
Pensions	5,969,813	5,572,970
Commutation of pensions and lump sum retirement benefits	1,752,843	1,492,846
Lump sum death benefits	20,806	81,200
	7,743,462	7,147,016

6. Payment to and on account of leavers

	2025	2024
	£	£
Refunds to members leaving service	-	(1,790)
Payments to members joining state schemes	-	(20,649)
Individual transfer to other schemes	3,196	-
	3,196	(22,439)

Notes to the Financial Statements (Cont)

7. Administrative expenses

	2025	2024
	£	£
Administration and processing	302,750	184,004
Actuarial fees	592,576	317,194
Audit fee	23,968	19,720
Legal and other professional fees	194,162	179,548
Trustee indemnity insurance	44,240	44,240
Corporate Trustee fees	487,459	453,654
Trustees expenses	591	669
Other fees	3,820	8,227
PPF Levy	193,356	289,887
	1,842,922	1,497,143

The Scheme bears all the costs of administration. The increase in the administration and legal fees and corporate Trustee fees has resulted from work undertaken in respect of the s75 exits, GMP equalisation, GDPR work, work on the pension dashboard and additional valuation work.

8. Investment income

	2025	2024
	£	£
Income from derivatives	187,565	236,271
Income from bonds	1,129,963	821,825
Income from pooled investment vehicles	296,168	415,095
Interest on cash deposits	88,344	86,386
Annuity income	331,000	331,000
	2,033,040	1,890,577

9. Reconciliation of investments

	Value at 30 June 2024	Purchases at cost and derivative receipts	Sales Proceeds and derivative payments	Change in market value	Value at 30 June 2025
	£	£	£	£	£
Pooled investment vehicles	50,606,562	17,862,024	(40,697,019)	3,491,443	31,263,010
Bonds	53,364,990	112,239,383	(77,662,183)	(5,015,933)	82,926,257
Derivatives	434,885	10,176,571	(7,320,237)	(5,342,307)	(2,051,088)
Insurance policies	3,284,000	-	-	(165,000)	3,119,000
AVC investments	141,674	-	(16,624)	217	125,267
	107,832,111	140,277,978	(125,696,063)	(7,031,580)	115,382,446
Cash deposits	882,211				98,082
Other investment balances	(1,240,195)			17,939	410,832
	107,474,127			(7,013,641)	115,891,360

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.

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

	2025	2024
	£	£
Administration, management and custody	422,273	218,962

11. Other investment balances

	2025	2024
	£	£
Accrued income	410,832	347,795
Pending purchases	-	(2,982,692)
Pending sales	-	1,394,702
	410,832	(1,240,195)

12. 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.

13. Pooled investment vehicles

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

	2025	2024
	£	£
Equities	20,886,532	29,782,188
Bonds	6,891,692	12,654,494
Cash	41,799	3,428,004
Hedge	1,701,044	4,741,876
Property	1,741,943	-
	31,263,010	50,606,562

Notes to the Financial Statements (Cont)

14. Derivatives

OBJECTIVES AND POLICIES

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

Swaps – the Trustees aim is to match as far as possible the Liability Driven Investment (LDI) portfolio and the Scheme's long term liabilities, in particular in relation to their sensitivities to interest rate movements. The Trustees entered into OTC interest rate swaps during the prior year that extend the duration of the fixed income portfolio to match more closely the long term liabilities of the Scheme.

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. At the year end the Scheme had the following derivatives:

	2025		2024	
	Asset	Liability	Asset	Liability
	£	£	£	£
OTC Swaps	79,722	(3,723,066)	678,882	(1,121,071)
Forward FX contracts	97,045	(7,021)	207,558	-
Options	2,968,554	(1,466,322)	2,118,324	(1,448,808)
	3,145,321	(5,196,409)	3,004,764	(2,569,879)

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

i. OTC Swaps

Nature	Notional amounts £'000	Expires	Asset value £	Liability value £
Inflation rate swaps	(2,705)	0-5 years	-	(42,600)
Inflation rate swaps	5,800	0–5 years	45,238	-
Total return swaps	57,170	<1 year	34,484	(3,680,466)
Total 2025	60,265		79,722	(3,723,066)
Total 2024	89,552		678,882	(1,121,071)

The Fund held collateral of £1.3m (2024: £0.4m) consisting of cash and bonds and pledged collateral of £3.2m (2024: £2.2m) constituted of bonds in respect to the Swaps as at 30 June 2025.

ii Forward FX

Contract	Settlement date	Currency bought	Currency sold	Asset value £	Liability value £
Forward FX	25 July 2025	GBP	EUR	-	(3,004)
Forward FX	25 July 2025	GBP	JPY	2,814	-
Forward FX	25 July 2025	GBP	USD	94,231	(389)
Forward FC	25 July 2025	USD	GBP		(3,628)
Total 2025				97,045	(7,021)
Total 2024				207,558	-

iii Options

Equity Derivative Overlay -The objective of the overlay is to provide some liability hedge when the gilt performance may diverge from the benchmark cash index. The Scheme had outstanding option contracts within the Equity Derivative Overlay at the year-end as follows:

Notes to the Financial Statements (Cont)

14. Derivatives (Cont)

iii Options (Cont)

Nature	Notional amounts	Expires	Asset value	Liability value
	£		£	£
European Put SX5E index	117	1 year	204,064	-
European Call SX5E index	(105)	1 year	-	(4,810)
European Call SX5E index	(117)	1 year	-	(150,677)
European Call SX5E index	72	1 year	90,679	
European Put SX5E index	(75)	1 year	-	(2,012)
European Put SX5E index	(1,869)	1 year	-	(97,605)
European Put SX5E index	(1,869)	1 year	-	(159,476)
European Put SX5E index	(113)	1 year	-	(8,460)
European Put SX5E index	(72)	1 year	-	(57,876)
European Call SX5E index	79	1 year	50,914	-
European Call SX5E index	60	1 year	31,473	-
European Call SX5E index	(117)	1 year	-	(48,171)
European Call SX5E index	1,495	1 year	791,221	-
European Call SX5E index	1,495	1 year	589,711	-
European Call SX5E index	(72)	1 year	-	(22,253)
European Call SX5E index	(79)	1 year	-	(30,048)
European Call SX5E index	136	1 year	44,537	-
European Call SX5E index	(60)	1 year	-	(9,865)
European Call SX5E index	117	1 year	10,373	-
European Call SX5E index	(1,495)	1 year	-	(139,152)
European Call SX5E index	72	1 year	4,296	-
European Call SX5E index	(136)	1 year	-	(13,767)
European Call SX5E index	(1,495)	1 year	-	(166,673)
European Put FTSE 100 index	(55)	1 year	-	(623)
European Call FTSE 100 index	44	1 year	40,115	-
European Call FTSE 100 index	(44)	1 year	-	(12,283)
European Put UKX index	(83)	1 year	-	(1,451)
European Put UKX Index	(75)	1 year	-	(3,549)
European Put UKX index	(901)	1 year	-	(41,987)
European Put UKX index	(901)	1 year	-	(78,302)
European Put UKX index	(73)	1 year	-	(7,464)
European Call UKX index	67	1 year	53,497	-
European Call UKX index	(720)	1 year	500,520	-
European Call UKX index	58	1 year	37,765	-
European Call UKX index	(67)	1 year	-	(32,519)
European Call UKX index	58	1 year	30,402	-
European Call UKX index	720	1 year	378,889	-
European Call UKX index	(58)	1 year	-	(16,535)
European Call UKX index	(720)	1 year	-	(125,382)
European Call UKX index	(58)	1 year	-	(14,284)
European Call UKX index	(720)	1 year	-	(146,659)
European Put NIKKEI index	(2,350)	1 year	-	(6,642)
European Put NIKKEI index	(1,721)	1 year	-	(3,782)
European Call NIKKEI index	1,767	1 year	65,838	-
European Call NIKKEI index	1,291	1 year	44,260	-
European Call NIKKEI index	(1,767)	1 year	-	(40,864)
European Call NIKKEI index	(1,291)	1 year	-	(23,151)
		Total 2025	**2,968,554**	**(1,466,322)**
		Total 2024	2,118,324	(1,448,808)

Notes to the Financial Statements (Cont)

15. 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:

	2025	2024
	£	£
Aviva (with-profits)	60,887	72,090
Aviva (unit-linked)	64,380	69,584
	125,267	141,674

16. Insurance policies

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

	2025	2024
	£	£
Annuities with Friends Life	3,119,000	3,284,000

17. 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.

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

	As at 30 June 2025			
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	7,855,112	19,974,566	3,433,332	31,263,010
Bonds	82,926,257	-	-	82,926,257
Derivatives	-	(2,051,088)	-	(2,051,088)
Insurance policies	-	-	3,119,000	3,119,000
AVC investments	-	64,380	60,887	125,267
Cash	98,082	-	-	98,082
Other investment balances	410,832	-	-	410,832
	91,290,283	17,987,858	6,613,219	115,891,360

Notes to the Financial Statements (Cont)

17. Fair value determination (Cont)

	As at 30 June 2024			
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	49,743,034	863,528	50,606,562
Bonds	53,364,990	-	-	53,364,990
Derivatives	-	434,885	-	434,885
Insurance policies	-	-	3,284,000	3,284,000
AVC investments	-	69,584	72,090	141,674
Cash	882,211	-	-	882,211
Other investment balances	(1,240,195)	-	-	(1,240,195)
	53,007,006	50,247,503	4,219,618	107,474,127

18. 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.

Credit risk

The Scheme is subject to credit risk because the Scheme directly invests in bonds, OTC derivatives and has cash balances. The Scheme also invests in pooled investment vehicles and is therefore indirectly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Trustees' policy for managing credit risk is detailed in the Statement of Investment Principles.

The Scheme holds £82.9m in directly held bonds, -£2.1m in OTC derivatives and £0.1m in directly held cash balances. The Scheme also holds £6.9m bonds and cash through underlying pooled fund investments.

Credit risk arising on derivatives held directly depends on whether the derivative is exchange traded or over the counter (OTC). The Scheme holds OTC derivative contracts which are not guaranteed by any regulated exchange and therefore the Scheme is subject to risk of failure of the counterparty. Credit risk for OTC derivative contracts is mitigated by placing restrictions on Schroders Solutions which ensure that new contracts are only entered into with counterparties that are investment grade. The credit risk in respect of OTC swaps is further reduced by collateral arrangements.

Notes to the Financial Statements (Cont)

18. Investment risk disclosures (Cont)

Credit risk (Cont)

Credit risk arising on bonds held directly is mitigated by Schroders Solutions choosing to only invest in government bonds, where the credit risk is minimal, or corporate bonds which are rated at least investment grade.

Directly held cash balances are at financial institutions which are at least investment grade credit rated. This is the position at the year-end. In all above instances, "investment grade" is defined as being rated at least BBB- by Standard & Poor's or Baa3 by Moody's.

Indirect credit risk arises in relation to underlying investments held in bond and cash pooled investment vehicles. This risk is mitigated by the Trustees mandating Schroders Solutions that the underlying investment in sub-investment grade debt may not exceed 30% of the GA.

Both direct and indirect credit risk is mitigated by holding a diversified portfolio to minimise the impact of default by any one issuer. The Trustees monitor the investment strategy adopted by Schroders Solutions to ensure that the arrangement remains diversified.

Direct credit risk arises in respect of pooled investment vehicles. The Scheme's GA is invested across a large number of different pooled funds which have various legal structures in various domiciles (e.g. open-ended investment companies, unit trusts, limited partnerships etc.).

The direct credit risk associated with these managers is also mitigated by:

- the regulatory environments in which those managers operate;
- diversification amongst a large number of pooled arrangements; and
- due diligence checks by Schroders Solutions on the appointment of new pooled managers, and monitoring on an ongoing basis for any changes to the operating environment of each manager.

Market risk: Currency

The Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets via pooled investment vehicles. The Trustees' policy for managing this risk is detailed in the Statement of Investment Principles.

Currency risk is mitigated by delegating management of currency exposures at total portfolio level to Schroders Solutions. Schroders Solutions implement currency hedging through the use of hedged shared classes of pooled funds (where available) and the use of FX forward contracts.

Net of currency hedging, 3.4% of the Scheme's holdings were exposed to overseas currencies as at year-end (2024: 4.2%).

Market risk: Interest rate risk

The Scheme's assets are subject to interest rate risk because some of the Scheme's investments are held in bonds, interest/inflation rate swaps for the purpose of liability hedging. Under this strategy if interest rates fall the value of these investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise these investments will fall in value as will actuarial liabilities because of an increase in the discount rate.

Notes to the Financial Statements (Cont)

18. Investment risk disclosures (Cont)

Market risk: Interest rate risk (Cont)

At the year-end, the assets subject to interest rate risk comprised of:

£'000	30 June 2025 £	30 June 2024 £
Direct		
Bonds	82,926	53,365
Swaps	(3,643)	(422)
Indirect		
Bond PIVs	6,891	14,636
Cash PIVs	42	3,418

Please note clean values have been used where applicable.

Other price risk

Other price risk arises principally in relation to the Scheme's return seeking portfolio which may include various asset classes (i.e. alternatives, bonds, equities, cash and investment properties) held in pooled vehicles. The Scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

At the year end, the Scheme's exposure to investments subject to other price risk was:

£'000	30 June 2025 £	30 June 2024 £
Direct		
S&P/Call Options	197	670
Equity Options	1,305	-
Indirect		
Equity PIVs	15,724	26,506
Property PIVs	1,742	-
Commodities PIVs	915	860
Alternatives PIVs	5,627	5,176

Notes to the Financial Statements (Cont)

18. Investment risk disclosures (Cont)

Other price risk (Cont)

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

Fund arrangement	**2025 (£'000)**	2024 (£'000)
Investment company with variable capital	1,985	2,051
Authorised unit trusts	24	3,974
Open ended investment companies	6,891	10,795
Limited partnerships	1,180	1,298
Exchange Traded Fund	7,379	12,633
Mutual Fund	9,739	15,580
Société d'Investissement à Capital Variable	3,468	3,417
Fonds Commun de Placement (FCP)	85	858
Cayman Island Exempted Company	512	-
Total	**31,263**	50,606

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.

19. Concentration of investments

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

	2025		2024	
	£	%	£	%
UK Treasury 0.125% 22 March 2029	9,422,144	7.7	-	-
BNY Mellon (Schroders Solutions) Global Equity Fund	7,997,551	6.5	15,580,051	14.3
UK Treasury 0.625% 22 Nov 2042	6,294,746	5.1	-	-
UK Treasury 1.5% 22 Jul 2047	-	-	7,746,246	7.1
UK Treasury 1.75% 07 Sep 2037	-	-	6,005,340	5.5

20. Current assets

	2025	2024
	£	£
Contributions due from Employer in respect of:		
Employers	6,430,758	623,186
Prepayments	46,776	48,158
Cash balances	688,041	1,106,272
	7,165,575	1,777,616

Notes to the Financial Statements (Cont)

20. Current assets (Cont)

Included within the Employers contributions due is an amount of £5,806,000 in respect of the s75 contributions. All of which were received shortly after the year end.

21. Current liabilities

	2025	2024
	£	£
Unpaid benefits	(17,875)	(74,853)
Accrued expenses	(367,318)	(139,877)
	(385,193)	(214,730)

22. Related party transactions

The key management personnel of the Scheme are considered to be the Trustees. Fees and expenses paid directly to the Corporate Trustee by the Scheme for their services during the year were £487,459 (2024: £453,654) and are disclosed in Note 7 to the accounts. Included within the accrued expenses (note 21) is £75,228 (2024: £16,729) owed to the Corporate Trustee.

All of the transactions were made in accordance with the Scheme Rules.

The following Trustees of the Scheme are pensioner members.

PD Shilton Godwin
N Gash

The following Trustee of the scheme is a preserved pensioner member.

J Agombar

23. 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.

24. Subsequent events

Following the year end, Strathclyde Student's Association exited the Scheme, which triggered a Section 75 debt payment.

24. Contingent liabilities

As explained on page 4 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.

On 20 November 2020, the High Court handed down a further judgement on the GMP equalisation case in relation to the Lloyds banking group pension schemes. This follows from the original judgement in October 2018 which confirmed that schemes need to equalise pensions for the effect of unequal GMPs between males and females. This latest judgement confirms that defined benefit schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. The issues determined by the judgement arise in relation to many other defined benefit pension schemes.

24. Contingent liabilities (Cont)

Under the rulings 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.

Ruling on amendment of Contracted-Out Salary-Related pension schemes

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023, considered the implications of section 37 of the Pension Schemes Act 1993. In a judgement delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court and the case has the potential to cause significant issues in the pensions industry. The Trustees will investigate the possible implications with its advisers in due course, but it is not possible at present to estimate the potential impact, if any, on the Scheme.

In June 2025, the Government announced that they will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

On 1 September 2025, the Government published a series of draft amendments to the Pension Schemes Bill 2025. These amendments include new clauses implementing the Government's promised remedy following the Court of Appeal decision. The relevant amendments are due to come into force two months after the Pension Schemes Bill receives Royal Assent.

Certificate of Adequacy of Contributions

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 can be expected to be met by the end of the period specified in the Recovery Plan dated 1 August 2023.

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 1 August 2023.

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:	14 August 2023
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 Employer from 1 October 2023 to 1 May 2037

In respect of the shortfall in funding as set out in the Recovery Plan dated 1 August 2023:	Each participating employer will contribute an amount as set out in the attached Appendix 1. The amounts commencing on 1 October 2023 will be increased by 5% as at 1 October 2024 and each subsequent 1 October or such greater amount as is agreed between the Trustees and the Principal Employer. 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. The Trustees have given the participating unions the option of paying a single lump sum contribution instead of their monthly contributions from October 2023 to either September 2026, September 2029 or September 2032. These lump sum contributions are set out in Appendix 2. If a participating union 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 2023 to either 30 September 2026, 30 September 2029 or 30 September 2032, although if the results of the 2025 valuation reveal an increase in the Scheme funding deficit, the Trustees reserve the right to require an increase in contributions from October 2026 to reflect this. Participating employers taking up the offer must pay the lump sum contribution by 19 November 2023, and may at their discretion pay all or part of the lump sum contribution in advance. Any participating employer which takes up the offer and pays a lump sum by 19 November 2023 in accordance with Appendix 2 will remain liable to pay the contributions due under Appendix 1 in respect of the period after that covered by the initial lump sum.
In respect of expenses:	The amounts set out in the appendices include an allowance of £536,038 pa from 1 October 2023, increasing at 5% pa each subsequent 1 October, in respect of the ongoing administrative and operational expenses of running the Scheme. The amounts also allow for an expense reserve included in the Technical Provisions of £3,000,000.

In respect of the Pension Protection Fund levy:	The amount of the PPF levy as shown in the levy invoice, plus associated expenses,(such as fees incurred for advice on the PPF levy) 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 union will be determined by the Trustees and notified to each participating union for payment within 30 days.

This schedule has been agreed by the Trustees and the Princ pal Employer

20.07.2023

.... Date

Signed on behalf of the Trustees of the Students' Union Superannuation Scheme

Signed on behalf of NUS

Date

Implementation Statement

1. Introduction

The Trustees are required to make publicly available online a statement ("the Implementation Statement") covering the Students' Union Superannuation Scheme (the 'Scheme') in relation to the Scheme's Statement of Investment Principles (the "SIP").

The SIP was not amended during the year ended 30 June 2025 as there were no changes required to the statement over the Scheme year. Post year end, the SIP has been amended to reflect the transition of the investment strategy to allocate to a Responsible Growth portfolio. These changes were effective in January 2026.

A copy of the current SIP dated January 2026 can be found here: https://weareigg.com/client-docs/suss/

This Implementation Statement covers the period from 1 July 2024 to 30 June 2025 (the "Scheme Year"). It sets out:

– how the Trustees' policies on stewardship have been followed over the Scheme Year; and

– the voting by or on behalf of the Trustees during the Scheme Year, including the most significant votes cast and any use of a proxy voter during the Scheme Year.

The latest guidance ("**the Guidance**") from the Department for Work and Pensions ('**DWP**') aims to encourage the Trustees of the Scheme to properly exercise their stewardship policy including both voting and engagement which is documented in the Scheme's SIP. With the help of the Scheme's Fiduciary Manager, to whom the Trustees delegated the implementation of their Stewardship policy, this Implementation Statement has been prepared to provide the details on how the Trustees have complied with the DWP's statutory guidance.

The Trustees use the Fiduciary Management service of Schroders IS Limited as their Investment Manager and Adviser (referred to as the '**Fiduciary Manager**' in the Implementation Statement). The Fiduciary Manager can appoint other investment managers (referred to as '**Underlying Investment Managers**') to manage part of the Scheme's assets, and investments with these managers are generally made via pooled funds, where the Scheme's investments are pooled with those of other investors.

A copy of this Implementation Statement is available on the following website: https://weareigg.com/client-docs/suss/

2. How the Trustees' policies on stewardship have been followed over the Scheme Year

As described in the SIP, the Trustees' approach to stewardship is to delegate the voting and engagement activities to the Fiduciary Manager. The Trustees take responsibility for regularly reviewing the approach and stewardship policies of the Fiduciary Manager to ensure they are aligned with the Trustees' priorities and objectives. A copy of the Scheme's SIP has been provided to the Fiduciary Manager, who is expected to follow the Trustees' investment (including stewardship) policies when providing Fiduciary Management services.

The Fiduciary Manager aligns its own stewardship activities with Schroders' Engagement Blueprint, which identifies six broad themes for their active ownership: Climate Change, Natural Capital & Biodiversity, Human Rights, Corporate Governance, Human Capital Management, and Diversity & Inclusion. From these, the Fiduciary Manager has chosen **Climate Change**, **Natural Capital & Biodiversity**, and **Human Rights** as its focus for the stewardship actions it performs on behalf of the Scheme. The Trustees expect that the Fiduciary Manager's stewardship activities will result in better management of ESG and climate related risks and opportunities, which is expected to improve the long-term financial outcomes of the Scheme. While delegating stewardship activities to the Fiduciary Manager, the Trustees have their own priority themes of Climate Change, Natural Capital Biodiversity, Human Rights, Corporate Governance, Human Capital Management, and Diversity Inclusion. The Trustees will monitor and, where necessary, engage with the Fiduciary Manager to ensure alignment with these priorities.

The Fiduciary Manager is a signatory to the *UK Stewardship Code* which sets high standards for those investing money on behalf of UK pensioners and savers. The UK Stewardship Code describes stewardship as "*the responsible allocation, management and oversight of capital to create long-term value … leading to sustainable benefits for the economy, the environment and society.*" Thus, the Fiduciary Manager's stewardship activities on behalf of the Trustees encompass a variety of tools, including portfolio ESG integration, manager research and selection, portfolio ESG metric monitoring and voting and engagement.

As part of ongoing monitoring of how the Fiduciary Manager (FM) has exercised the Trustees' stewardship policy, the Trustees reviewed quarterly FM ESG updates and the FM Annual ESG Report during the Scheme Year. The quarterly ESG updates allow the Trustees to monitor the ESG characteristics of the Scheme's portfolio and thereby assess the Fiduciary Manager's allocation, management and oversight of the Scheme's capital. In addition, the quarterly report also details stewardship activities including both voting and engagement the Fiduciary Manager carried out on behalf of the Trustees. The FM Annual ESG Report details various areas concerning the Fiduciary Manager's ESG integration within the investments and stewardship activities over the previous calendar year.

The Trustees are satisfied that the stewardship policy outlined in the SIP has been implemented well over the year, with the Fiduciary Manager taking the Trustees' stewardship policy and priorities into account as part of its stewardship activities and manager selection over the Scheme Year. Examples of how this has been evidenced include:

- The Fiduciary Manager continues to integrate ESG and climate factors via MSCI and SustainEx scores and apply exclusions to its core equity offering (BNY Mellon Equity Fund) during the security selection process as per the Schroders Group criteria which includes UNGC Global Norms Violators, controversial weapons and thermal coal. This ensures a closer alignment of the Scheme's investments with the Trustees' stewardship priorities, as these excluded investments are generally viewed as causing significant harm to the environment and society.
- ESG integration throughout the portfolio, with Underlying Investment Manager and counterparty engagement carried out in the Scheme's Growth, Structured Equity and LDI portfolios.
- Manager research identified a hedge fund with sustainability objectives which has been included in the liquid alternatives portfolio. This fund goes beyond simply considering sustainability risks and actively promotes environmental and social objectives.
- Working with the core active credit manager to enhance their mandate to have a specific climate transition focus. This involved the introduction of a net zero target at the strategy level.
- Annual assessment of Underlying Investment Managers' ESG ratings against a comprehensive internal ESG assessment framework. Lower-rated managers are categorised as either Red-Engagement or Red-Exclusion,

requiring further engagement to improve their rating, or exclusion on the grounds of poor ESG credentials. The ESG ratings were also used to identify the areas of engagement with Underlying Investment Managers across the engagement priorities.

- Regular investment and operational due diligence on the Underlying Investment Managers to monitor voting and engagement policies concerning the Scheme's investments.
- In addition to regular reporting, the Fiduciary Manager has developed its ESG reporting to provide voting and engagement examples to the Trustees, facilitating a more regular review throughout the year of the Fiduciary Manager and Underlying Investment Managers' stewardship activities. In addition, the quarterly ESG reporting also includes "spotlight" pages to provide Trustees with ESG related hot topics and educational material such as ESG integration for particular asset classes.
- Development of biodiversity metric NatCapEx to be used as an engagement tool and to provide a greater understanding of exposure to nature related risks.

Considering the voting statistics and behaviour set out in this Implementation Statement, along with the engagement activity that took place on the Trustees' behalf during the Scheme Year within the growth , Structured Equity and LDI portfolios, the Trustees are pleased to report that the Fiduciary Manager and the Underlying Investment Managers have demonstrated high levels of voting and engagement in line with their stewardship policy.

Specifically, the Trustees noted that:

- Each manager demonstrated high levels of voting rights being acted on, where voting is relevant.
- Where the holdings did not have voting rights attached, the Underlying Investment Managers showed they carried out a good level of engagement activity with the underlying companies over the Scheme Year.
- Challenge to management was demonstrated through votes by the Underlying Investment Managers against management.
- The Fiduciary Manager has carried out a high level of engagement activities with the Underlying Investment Managers, focussing on laggards and material allocations across three different engagement priorities.
- The Fiduciary Manager has also carried out a high level of engagement with different governing bodies for the Liability Hedging mandate to ensure that the Scheme's liability hedging programme remains robust following the events of the Gilt Crisis of Autumn 2022. Moreover, the Fiduciary Manager provided inputs to those governing bodies to ensure they continue to deliver even better outcomes for their clients, including the Scheme.

Given the activities carried out during the Scheme Year and by preparing this Implementation Statement, the Trustees believe that they have acted in accordance with the DWP Guidance over the Scheme Year.

3. Voting During the Scheme Year

The Trustees have delegated responsibility for voting on their behalf to the Fiduciary Manager and Underlying Investment Managers. Most voting rights associated with the Scheme's investments pertain to the underlying securities within the pooled funds managed by the Underlying Investment Managers. In a general meeting of a company issuing these securities, the Underlying Investment Managers exercise their voting rights according to their own policies, which the Fiduciary Manager may have influenced.

The pooled funds themselves often confer certain rights around voting or policies. These rights are exercised by the Fiduciary Manager on behalf of the Trustees, in line with the Trustees' stewardship policy.

Voting by the Fiduciary Manager

Over the year to 30 June 2025, regarding clients' pooled fund investments[1], the Fiduciary Manager voted on 120 resolutions across 17 meetings. The Fiduciary Manager voted against management on 12 resolutions (10.0% of total resolutions) and abstained on 47 resolutions (39.2% of the total resolutions). The voting topics covered a range of areas, including executive board composition, investment management processes, fund documentation, auditor tenure and fund costs. The Trustees noted that the voting conducted by the Fiduciary Manager shown in this section is in relation to the management of the pooled funds themselves rather than the underlying portfolio securities, whereas the voting statistics of the BNY Mellon Equity Fund, conducted by the Schroders Active Ownership team are in relation to the underlying securities where voting rights are attached.

Voting by the Underlying Investment Managers

Most Significant Votes

The following criteria must be met for a vote to be considered 'significant':

1. Must relate to the **BNY Mellon (Schroder Solutions) Global Equity** Fund
2. Must be defined as significant by the Fiduciary Manager; and
3. Must relate to the Trustees' stewardship priority themes

The **BNY Mellon (Schroder Solutions) Global Equity Fund** constitutes a significant proportion of the Scheme's Growth Asset portfolio and thus constitutes the majority of the Scheme's investments in equity assets – with equity being the main asset class that holds voting rights. Additionally, within the Scheme's Growth Asset portfolio, this is the only fund for which the Fiduciary Manager has responsibility over security selection. For these reasons, the voting activity associated with the securities in this fund holds particular significance for the Scheme.

Schroders Active Ownership team exercises the voting rights, in line with the Schroder's Global Voting Guides (shown in the appendix), which is guided by the Schroders' **Engagement Blueprint**. The Fiduciary Manager believes that all resolutions voted against the board's recommendations should be classified as a significant vote. Generally, the Fiduciary Manager does not communicate their voting intentions to companies regarding shareholder resolutions. Regarding next steps after a vote, in the instance that votes are successful, the Schroders team will typically monitor progress closely. If the votes are unsuccessful, Schroders will typically look to engage with the companies before the next AGM takes place.

Of the votes that satisfy the above criteria, the Trustees have selected one vote relating to each of the priority themes that they deem most material to the long-term value of the investments. These votes are hereby defined as 'most significant votes', and as per DWP guidance, the Trustees have communicated this definition of 'most significant votes' to the Fiduciary Manager. All of the most significant votes over this Scheme Year have been reported below.

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[1]The voting statistics provided pertain to the Fiduciary Manager's Model Growth portfolio which we believe are a suitable proxy for the pooled fund investments held by the scheme.

CLIMATE CHANGE – At Meta Platforms Inc.'s AGM on 29 May 2025, Schroders supported a shareholder proposal calling for alignment of lobbying activities with the company's net zero emissions commitment by 2030. This vote, cast against management, reflected Schroders's belief that shareholders benefit from understanding how lobbying supports long-term climate goals. The proposal was not approved, consistent with other ESG proposals at Meta that have gained significant independent shareholder backing but failed due to the company's dual-class share structure, which grants Mark Zuckerberg majority voting control.

NATURAL CAPITAL AND BIODIVERSITY - At Amazon.com Inc.'s AGM on 21 May 2025, Schroders voted for a proposal requesting disclosure on the company's use of unrecyclable flexible plastic packaging, a material widely criticized for its environmental impact, especially on marine ecosystems. Amazon is believed to be one of the largest users of flexible plastic packaging globally, yet it does not disclose the tonnage used. Schroders viewed expanded reporting as beneficial for transparency and reducing environmental risks, particularly to marine ecosystems. Management opposed the proposal, arguing existing reporting was sufficient. While the resolution did not pass, Schroders noted Amazon has reported reduced plastic packaging by more than 25% in 2024.

HUMAN RIGHTS – At Johnson and Johnson's AGM on 24 May 2025, Schroders supported a shareholder resolution led by Mercy Investment Services, a socially responsible investor, calling for a human rights impact assessment (HRIA) on operations related to access to medicines. Although J has due diligence processes in place, concerns were raised that its lobbying activities may undermine commitments on access. Schroders supported the proposal, which is aligned to international human rights standards, believing it would improve transparency, reduce reputational and regulatory risks, and protect long-term shareholder value. Unfortunately, the resolution was not passed.

CORPORATE GOVERNANCE – At Meta Platforms Inc.'s AGM on 29 May 2025, Schroders co-filed a shareholder resolution requesting disclosure of voting results by share class. Given Meta's dual-class structure, with Class B shares carrying 10 times the voting power of class A shares and Zuckerberg controlling most of them, shareholder concerns are often obscured. Schroders believes that separating results by share class would improve accountability and more clearly delineate the concerns of independent shareholders. The proposal was not successful, however the proposal built support on the prior year.

HUMAN CAPITAL MANAGEMENT – At Amazon.com Inc.'s AGM on 21 May 2025, Schroders supported a shareholder proposal requesting an independent report on warehouse working conditions. Despite acknowledging Amazon's investments in workforce management, Schroders saw value in third-party oversight, given reputational risks, and ongoing scrutiny of labour practices. Management opposed the proposal, which was not approved.

DIVERSITY AND INCLUSION – At NVIDIA Corp's AGM on 25 June 2025, Schroders voted against the re-election of Stephen C. Neal due to insufficient gender diversity on the Executive Committee. This was consistent with Schroders's broader voting policy, which saw opposition to directors at over 570 companies in 2025 on diversity grounds. The resolution was not approved, but Schroders continues to engage with NVIDIA on diversity, noting the company's stated commitments in this area.

Summary Voting Statistics

Only the Scheme's equity and some alternative (hedge fund) holdings invest in assets with voting rights attached. Below are the voting statistics over the 12 months to 30 June 2025 for the most material funds held on behalf of the Trustees that had voting rights during the period.

Some of the Scheme's equity holdings are invested via Exchange Traded Funds (ETFs) where voting is also relevant. However, given they are not strategic asset allocations within the Scheme's growth portfolio, and the Trustees have little influence on the ETF providers' voting and engagement approach, the Trustees have elected to not include the voting statistics of the ETFs in this Implementation Statement. Instead, the ETF providers' voting and engagement policies are included in the Appendix.

Equity Funds	BNY Mellon (Schroder Solutions) Global Equity Fund	Artisan Global Value Fund	GMO Quality Investment Fund	JPM Europe Dynamic (ex-UK) Fund	Lazard US Small Cap Equity Fund	Morant Wright Fuji Yield Japanese Fund	FSSA All China Fund	Redwheel TM UK Equity Income Fund

Total meetings eligible to vote	**541.0**	36	44	72	427	58	79	40
Total resolutions eligible to vote	**7,202**	687	741	1,268	3,753	696	735	702
Of resolutions eligible to vote, % of resolutions voted on	**94%**	100%	100%	92%	99%	100%	100%	100%
Of voted resolutions, % vote with management	**87%**	95%	94%	95%	85%	88%	95%	98%
Of voted resolutions, % vote against management	**13%**	5%	6%	4%	15%	12%	5%	2%
Of voted resolutions, % abstained	**0%**	0%	0%	1%	0%	0%	0%	0%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	**10%**	10%	7%	2%	7%	N/A	6%	4%
Proxy voting service used	GL & ISS	ISS, GL & ZD	ISS	ISS	GL & ISS	N/A	GL	ISS

Note:

- Proxy voting services used are Glass Lewis ("GL"), Institutional Shareholder Services ("ISS") and ZD Proxy Shareholder Services Ltd. ("ZD").
- Schroders Investment Management (when exercising voting rights for the BNY Mellon Global Equity Fund) use Glass Lewis ("GL") for proxy voting services and receive ISS's Benchmark research. Alongside ISS's research, Schroders receives recommendations from GL in line with their own bespoke guidelines. This is complemented with analysis by their in-house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.
- Morant Wright do not subscribe to any shareholder advisory services, and their portfolio managers are directly responsible for proxy voting decisions.
- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of 'Abstain' is also considered a vote against management.
- The new equity funds namely Artisan Global Value Fund, GMO Quality Investment Fund, Lazard US Small Cap Equity Fund and JPM Europe Dynamic (ex-UK) Fund were introduced to the Growth portfolio over the Scheme

Year, although the voting data is for the 12 months period to 30 June 2025, sourced from the investment managers per PLSA guidance.

Alternative Funds	**Lumyna Marshall Wace - TOPS (Market Neutral) Fund**	**Lumyna Marshall Wace - TOPS Environmental Focus (Market Neutral) Fund**	**Lumyna Marshall Wace – TOPS Fund**	**North Rock Fund**	**JP Morgan Europe Equity Absolute Alpha Fund**	**BlackRock Systematic Total Alpha Fund**
Total meetings eligible to vote	171	171	171	449	175	1,852
Total resolutions eligible to vote	4,769	2,490	18,909	Data not provided	3,034	17,375
Of resolutions eligible to vote, % of resolutions voted on	100%	100%	99%	100%	98%	94%
Of voted resolutions, % vote with management	80%	60%	83%	100%	96%	93%
Of voted resolutions, % vote against management	6%	5%	6%	0%	4%	7%
Of voted resolutions, % abstained	14%	35%	11%	0%	0%	0%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	5%	5%	5%	0%	1%	0%
Proxy voting service provider	GL	GL	GL	GL	ISS	BlackRock Investment Stewardship team (BIS) and ISS.

Note:

- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- Lumyna Marshall Wace have included votes withheld in votes abstained (in order to be in line with the PLSA template which other managers have used), although there are differences between votes withheld and votes abstained.

- Figures have been rounded but may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of 'Abstain' is also considered a vote against management.

Four new liquid alternative funds, **JP Morgan European Equity Absolute Alpha**, **BlackRock Systematic Total Alpha**, **AQR Apex Fund** and **AQR Alternative Trend Fund** were introduced to the Growth portfolio over the Scheme Year, although the voting data of JP Morgan and BlackRock funds is for the 12 months period to 30 June 2025, sourced from the investment managers per PLSA guidance. AQR do not allow voting data to be publicly shared.

The Trustees are satisfied that the voting and engagement activities undertaken by both the Fiduciary Manager and the Underlying Investment Managers align with the stewardship priorities determined during the Scheme Year, hence the Trustees believe that they have satisfactorily implemented the Stewardship Policy stated in the Scheme's SIP.

Appendix 1 – ESG, Voting and Engagement Policies

Links to the voting and responsible investment policies for both the Fiduciary Manager and Underlying Investment Managers of the Scheme's holdings can be found here:

Investment Manager & Underlying Investment Manager	Voting & Engagement Policy
Schroders Solutions	https://mybrand.schroders.com/m/6197143c263420f5/original/Schroders-Group-Sustainable-Investment-Policy.pdf https://mybrand.schroders.com/m/75fa1cd8dd188c3b/original/613798_SC_Listed-Assets-Blueprint-Report-_Digital_16_9_V12.pdf
Morant Wright	voting_policy_2023_0.pdf
FSSA	https://www.fssaim.com/uk/en/private/sustainability/our-approach-to-sustainability.html
Redwheel	https://www.redwheel.com/uk/en/institutional/?kurtosys_download=17626
AQR	https://www.aqr.com/-/media/AQR/Documents/ESG/AQR-Proxy-Voting-Policy.pdf?sc_lang=enhash=7FFEB296D71C2EE923DC5D1F3EC01024
Vanguard (Vanguard ETFs)	Global proxy voting policy A guide to engaging with Vanguard
DWS Group (Xtrackers ETFs)	https://www.dws.com/AssetDownload/Index?assetGuid=4f6b86d3-a8a8-42a0-b10c-a87585398cb7consumer=E-Library https://download.dws.com/download?elib-assetguid=e609c46cc03148eead59178e865d9fed
GMO	https://www.gmo.com/globalassets/documents---manually-loaded/documents/legal/proxy-voting---gmo.pdf https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo-engagement-policy.pdf
Artisan	https://www.artisanpartners.com/content/dam/documents/legal/proxy-voting/Proxy-Voting-Policy.pdf Sustainability/ESG | Artisan Partners Asset Management Inc
Lazard	Sustainable Investment and ESG Integration Policy
Lumyna Marshall Wace	https://cdn.mwam.com/download/MW_Engagement_Policy_Jan_2022.pdf
JP Morgan	https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/institutional/communications/lux-communication/corporate-governance-principles-and-voting-guidelines.pdf Engagement-and-proxy-voting-statement.pdf
BlackRock (including iShares ETFs)	https://www.blackrock.com/corporate/literature/publication/blackrock-active-investment-stewardship-engagement-and-voting-guidelines.pdf
SCOR	SCOR_IP_Engagement_Policy_052024_EN_0.pdf
T Rowe Price	https://www.troweprice.com/content/dam/trowecorp/Pdfs/esg/proxy-voting-guidelines-TRPA.pdf

Neuberger Berman	https://www.nb.com/handlers/documents.ashx?id=aba155d6-e78e-4668-800f-fa69f05d45d0name=Stewardship%20and%20Engagement%20Policy
Oaktree	https://www.oaktreecapital.com/docs/default-source/default-document-library/esg-policy-2024.pdf
CBRE	https://www.cbreim.com/-/media/project/cbre/bussectors/cbreim/home/about-us/sustainability/cbreim-global-esg-policy.pdf