

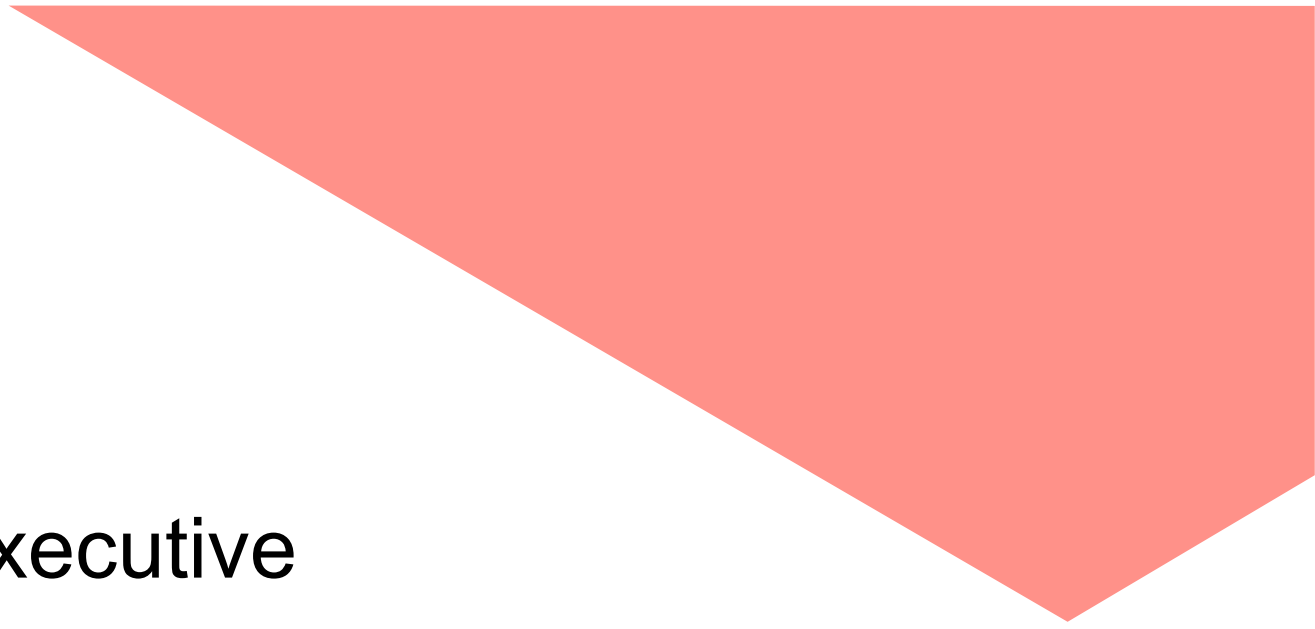


Students Union Superannuation Scheme

Annual Meeting of Members

10am on 6 March 2026, via Zoom

Timings	Agenda Item	Owner
10:00	1. Chair's Welcome	Grant Suckling, Chair of Trustees
10:05	2. Covenant Monitoring	Ben Ward (ENT)
10:10	3. Actuarial update	Chris Ramsey, Scheme Actuary
10:40	4. Legal update	Alison Kime, Legal Adviser
10:50	5. Investment Strategy Update	James Faupel, Investment Adviser
11:00	6. Principal Employer Update	Peter Robertson, NUS
11:05	7. Questions	All
11:15	8. Secretarial team	Abi Finegan, Secretarial Team
11:25	9. Chair's close	Grant Suckling, Chair of Trustees



Chair's Welcome & Executive Summary of the Year

Grant Suckling, Chair of Trustees
Annual Members' Meeting 2026

SUSS: Chair's Welcome & Executive Summary

Trustee	Accountability	Collaboration
<ul style="list-style-type: none">• Grant Suckling – Professional Trustee, Chair• Pete Shilton-Godwin – MNT• Nick Gash – MNT• Ben Ward – ENT• Graham Wright – ENT• John Valerkou – ENT• Jamie Agombar - MNT	<ul style="list-style-type: none">• 2,189 Members;• Ensure benefits are paid;• Funding position;• Investment of assets;• Legislative and regulatory requirements	<ul style="list-style-type: none">• 49 participating employers following the exit of 14 Unions; NUS – Peter Robertson; BUFDG/AHUA• Meeting with Unions• Employer covenant questionnaires• Incorporations 2026 window• Employer Website https://weareigg.com/client-docs/suss/• Support for you: IGG Secretariat Team: suss@weareigg.com

Questions

When will the new valuation be published and will the repayment window stay the same?

Following the most recent valuation are there any changes to the payment profile and/or the expected end date?

When will the June 2025 valuation be available?

Can you give an early indication of the pension revaluation impact, and if it's performing well, whether the trustees' priority will be shortening the deficit repayment term, or lowering annual payments?

Is SUSS in a better or worse position now that the valuation has been undertaken?

What are the current projections?

How many Unions have exited the plan?

Are there any risks we need to consider?

What is the timeline for expected re-valuation due last year?

How is the fee estimate for s75 exits reached?

What does the future look like, and is there security that costs won't rise to unaffordable levels?

How is the PPF Levy affected by the strength of the Employer, and does the strength of individual Unions affect how much they pay?

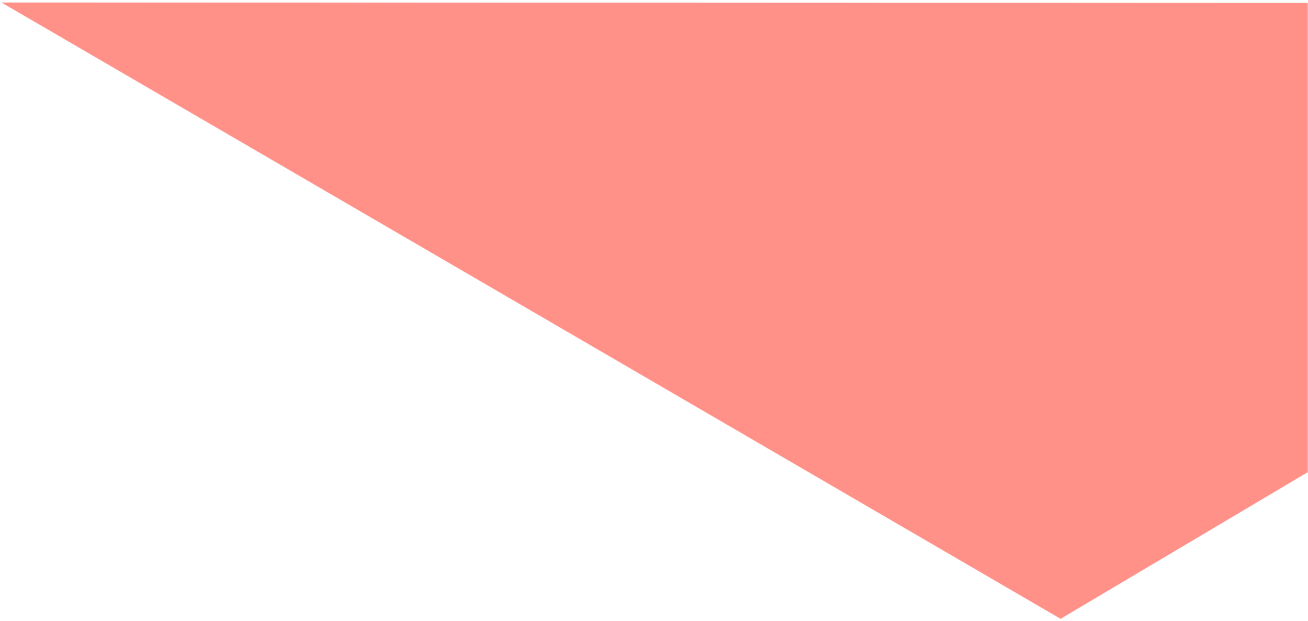
What is the tipping point for s75 exits – does it now harm the Scheme as a last man standing Scheme for Unions to exit, with the amount that have already done so?

What happens if NUS exits the Scheme?

A number of Unions are looking to leave the scheme, what will the impact of this be on the remaining Unions?

Why has the scheme not necessarily performed as well as it should have, particularly given the favorable investment environment since the last triennial valuation?

What have the Trustees decided about contributions?



Covenant Monitoring

Ben Ward (ENT)

Annual Members Meeting 2026

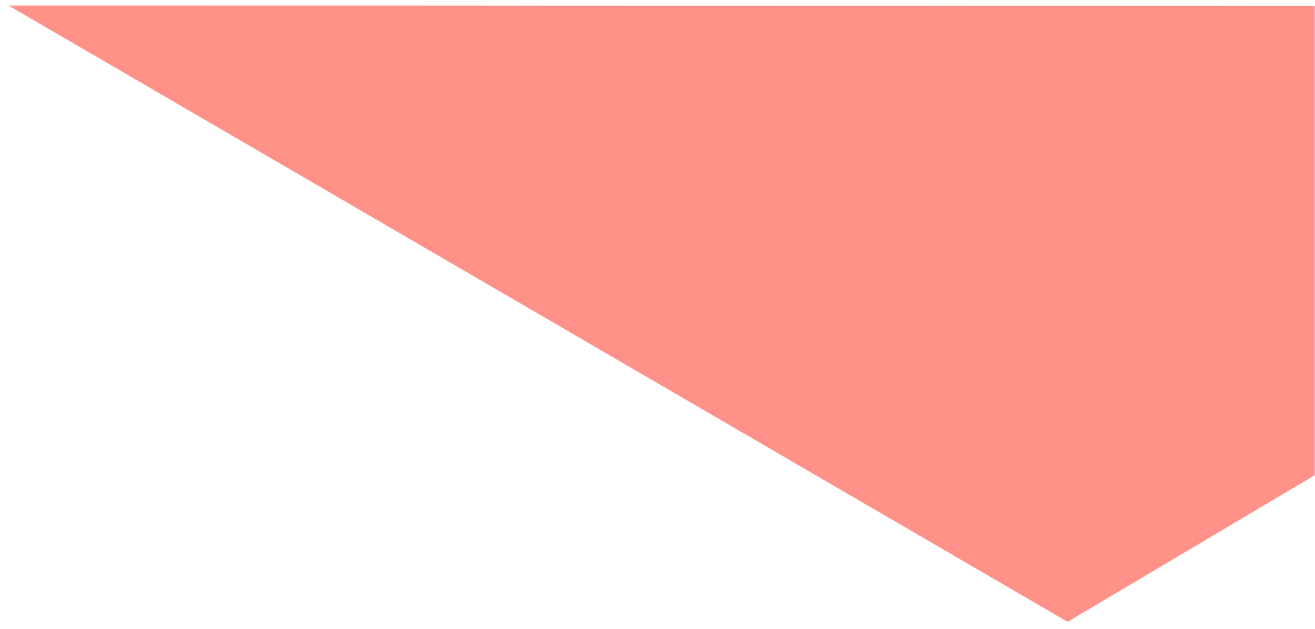


Covenant Monitoring 2025/26

Covenant Monitoring Questionnaire 2026

- Assessing affordability
- Deficit Reduction Contributions
- Reliability

The Trustees encourage the Unions to approach them with any observations they have on the higher education sector.



Actuarial update

Chris Ramsey, Scheme Actuary
Annual Members Meeting 2026



Actuarial
valuation

3



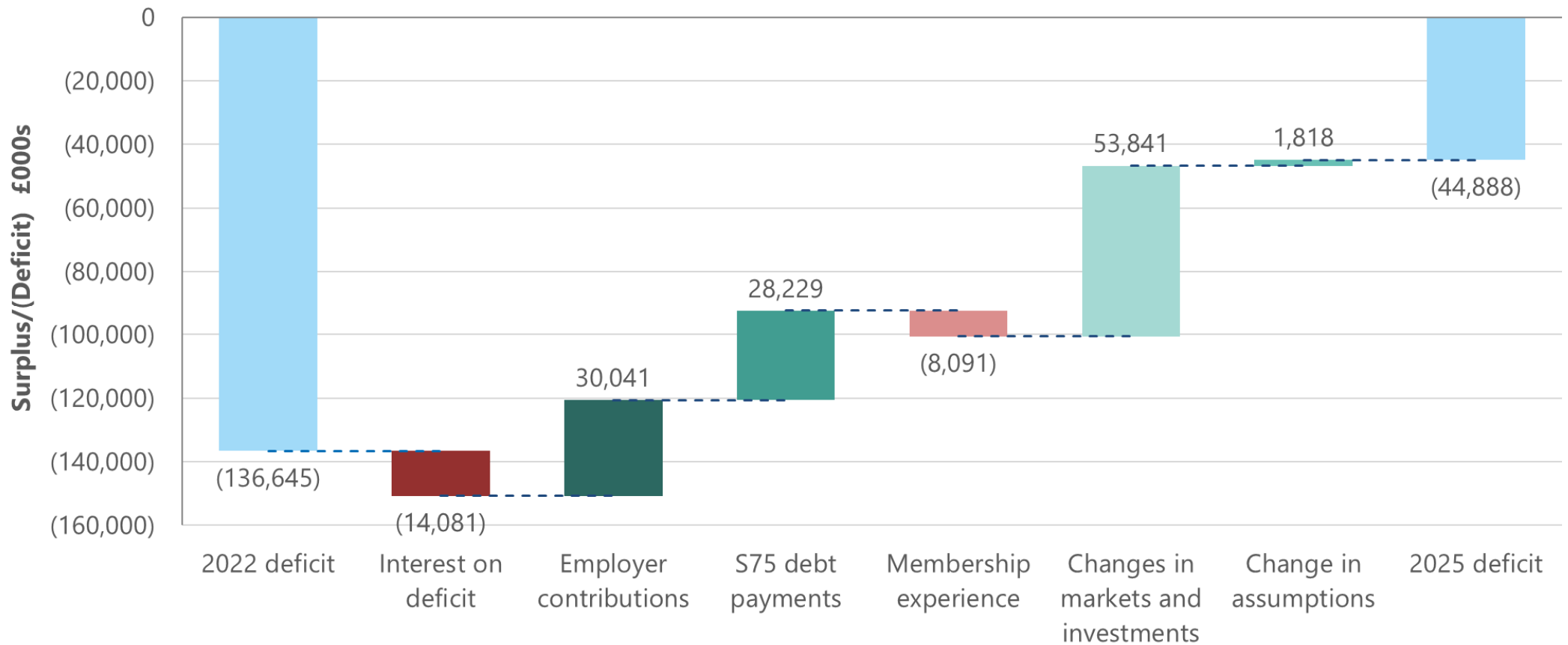
Valuation results

Scheme Funding valuation results

	30 June 22	30 June 25
Liabilities	£243.3m	£164.3m
Assets	£106.7m	£119.4m
Surplus /(deficit)	(£136.6m)	(£44.9m)
Funding level	44%	73%
Recovery plan end date	May 2037	January 2034



How did we get here?



Long term strategy

The assumptions target fully de-risking and being able to afford to “buy-out” by 2035

If the Trustees chose to buy-out an insurer would be responsible for paying member benefits

- Unions would face no further contributions
- Although not imminent, we plan to discuss how a buy-out process would work more at the next AMM

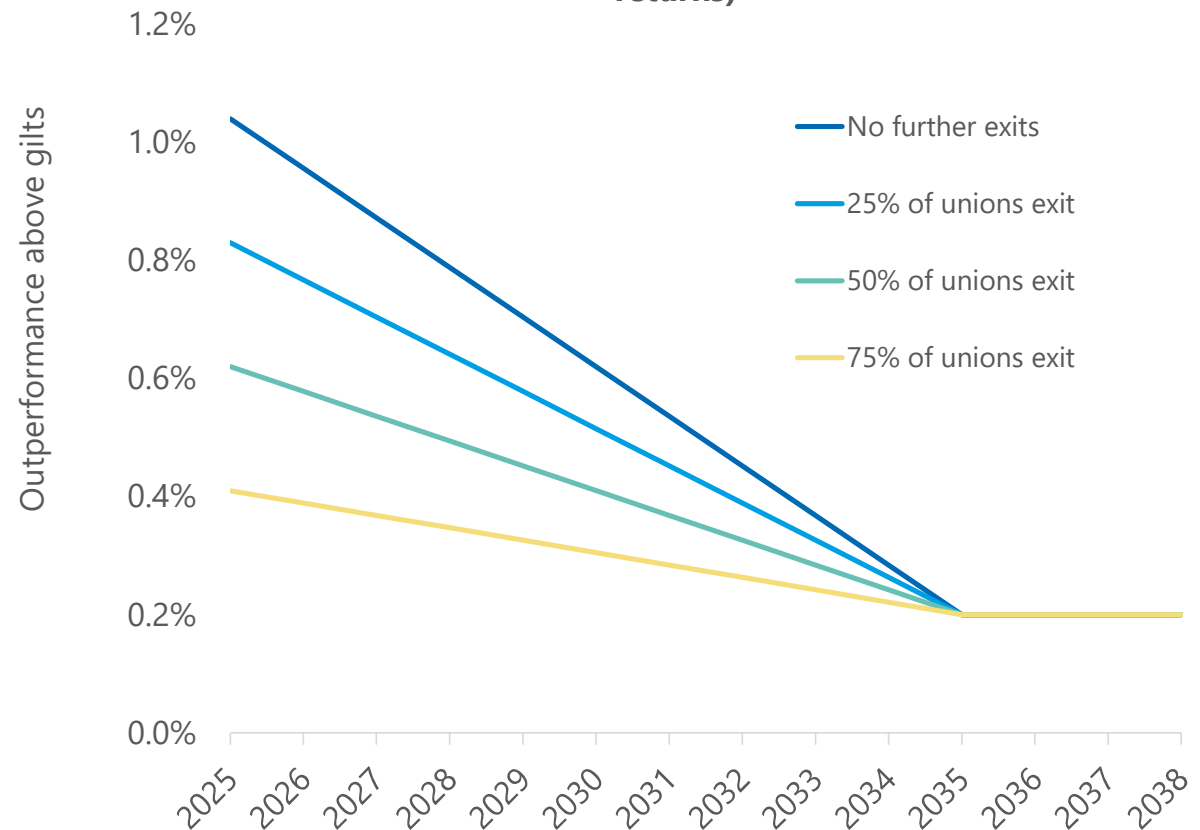
Contribution requirements are reviewed every 3 years

The proceeds from any future exits are assumed to de-risk the investment strategy...

- ...and still target being able to afford to buy-out in 2035



Example discount rates (valuation assumed investment returns)



Contributions (1)

Total contributions have been reduced by c15% vs current levels [20% reduction vs budgeted 26/27 levels]

- Contributions will then increase at 5% pa [as they do now] and continue until January 2034 [compared with May 2037 currently]

This reduction reflects the Trustees' appreciation of the financial pressure that unions and their universities are facing

However, each union will see their contributions change by a different amount due to a change in the split of the deficit contributions...

The Trustees are required to review (but not necessarily change) the split of the deficit contributions at each valuation

- The current split was originally set in 2014 with an adjustment being made in 2020.
- The Rules state the split should be based on the distribution of the liabilities between unions (i.e. the proportion of that Scheme's liabilities that relate to that union).
- This distribution can change over time (more on next slide).

Given a big change in the distribution of unions' liabilities, and to be fair to all unions, the Trustees have agreed to update the split of deficit contributions

- The new split is based on the same method used for exiting unions to settle their liabilities (which is defined in law) based on the position as at 30 June 2025



Why has the distribution changed?

Changes in market conditions

- For example, gilt yields have risen significantly since the last review
- This affects each union's liabilities differently depending on the average age of their members
- Unions with young members are affected the most (leading to a lower share vs previously)

Membership changes

- Unions with more deaths / transfers out / benefit payments than average will see their share drop
- The passage of time since the distribution was set has resulted in some big changes for some unions
- Smallest unions are particularly affected by membership changes

The change was material enough that it wouldn't have been fair to all unions to maintain the existing deficit contribution split



Contributions (2)

Individual unions will see different changes in contributions

- All 8 unions who will see a material increase in annual contributions vs expected have been contacted in advance of this presentation.
- Some other unions will see a reduction in contributions, but by less than the average.

All unions will be paying less in total over the full Recovery Plan (given it is now shorter)

Unions will be given the option to pay the first 3 years as a lump sum at a c7% discount (reflecting the early payment)

- **Note that these contributions cannot “count” towards a future Section 75 debt exit.**

An email will be sent to your usual contact shortly informing you of the relevant amounts

Revised contributions will apply from 1 October 2026



Other points to note

GMP Equalisation: Pensions have now been updated to allow for GMP Equalisation for the majority of members

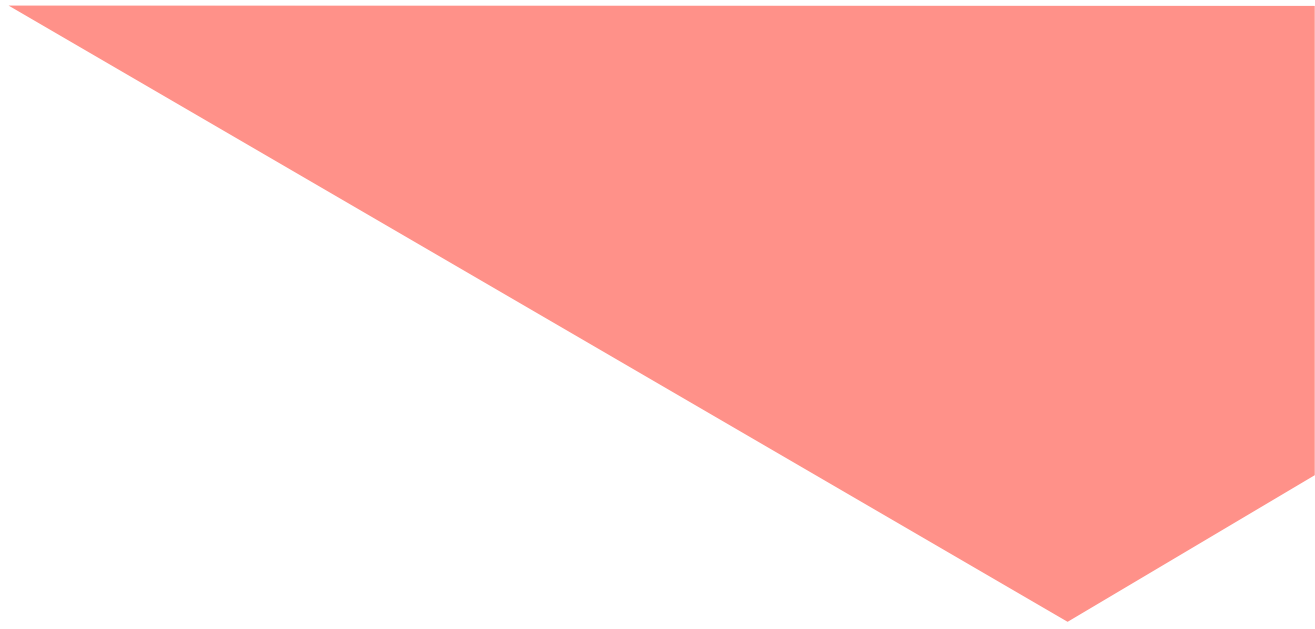
Transfer values: From 1 September 2025 the Scheme started to quote transfer values without a reduction for underfunding

Levies: Due to its overfunding, the PPF has taken a decision to stop charging a PPF levy (at least for now). This means there was no recharge for levies passed on to unions in 2025.

Exits: Since the last AMM 5 unions have exited, paying c£6.1m in total in "Section 75 debt" to settle all their liabilities in the Scheme

- **Reminder:** Section 75 debt is the assessed cost of securing annuity contracts plus the expenses of doing so.
- An updated estimate is being prepared shortly for all unions.
- Contact the IGG team for further details if you would like to consider exiting.





Legal Update

Alison Kime, Legal Adviser
Annual Members Meeting 2026





Legal issues for SUSS employers

Alison Kime

6 March 2025

Virgin Media case – good news

- This 2024 case exposed many schemes to a risk that historic documents might be invalid due to a technicality
- The government has stepped in to provide legislation which will help – the scheme actuary can provide a confirmation to resolve the risk for most schemes
- The Pension Schemes Bill is expected to receive Royal Assent this Spring (currently in draft)

Employer exits and segregation

- SUSS is a non-segregated scheme
- One scheme, one valuation, one set of Rules which apply to all employers
- What happens when a solvent employer exits:
 1. where does the s75 debt payment go? and
 2. what happens to the exiting employer's members

Options available to the Trustees

Option	Issues to consider
Bulk transfer the liabilities relating to the exiting employer to another scheme	This is unlikely to be practicable as it requires the Trustee to find another scheme willing to accept the transfer
Segregate – create a separate section of the scheme relating to members of the exiting employer	The new section may not be eligible for PPF compensation, there are practical challenges to find an insurer willing to provide a buy-in, the exit debt is used only for the segregated section i.e. does not improve SUSS funding as a whole
Trustees can decide not to segregate – liabilities for members relating to the exiting employer remain in the scheme	The exit debt payment improves the scheme funding as a whole and there are no PPF eligibility issues



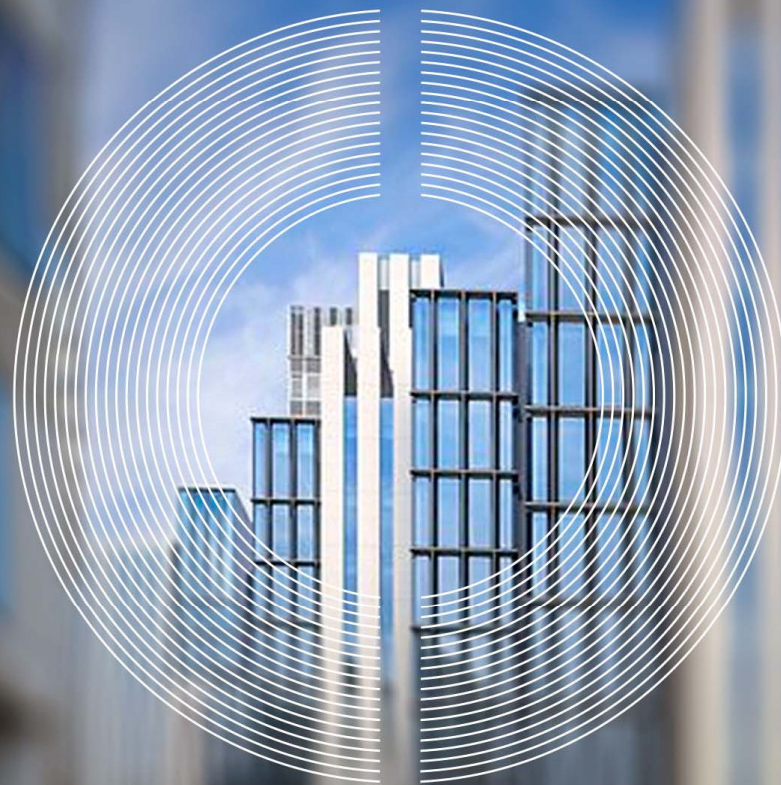
GOWLING WLG



Investment Strategy Update

James Faupel, Investment Adviser
Annual Members Meeting 2026

Schroders
solutions



SUSS Annual Members Meeting 2026

Investment Update

James Faupel

Key Themes of 2025

Market resilience punctuated by geopolitical shocks



On-risk assets had another strong year thanks to strong economic growth, policy support and strong company earnings



Global inflationary pressures eased, and major central banks continued their cutting cycles



Geopolitical events and trade policy uncertainty contributed towards the strongest year for Gold since 1979



Sovereign bond markets experienced volatility as the focus turned to the sustainability of government deficits



Valuations continue to be stretched in certain sectors, and markets became even more concentrated in certain regions and companies

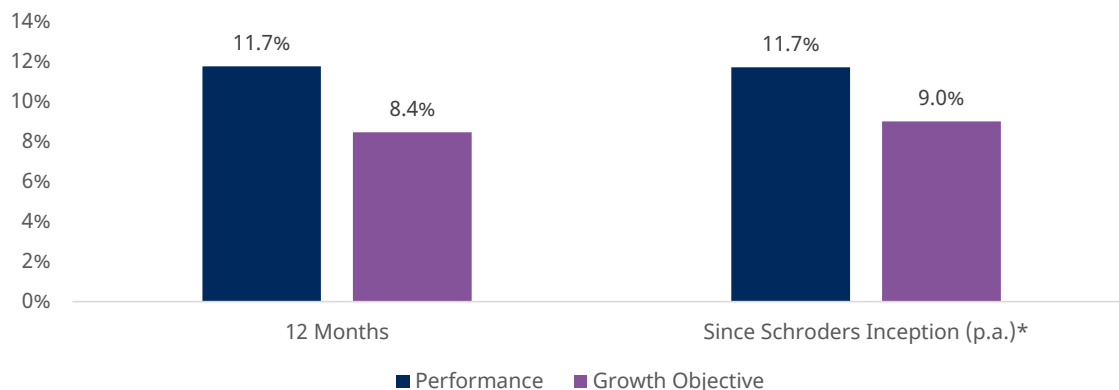


Markets broadened out, with previously “unloved” regions such as Emerging Markets and the UK performing well

Schroders
solutions

Investment performance

Growth Assets: 12 months to 31 December 2025



Contribution to the Deficit: 3 years to 30 June 2025 (Valuation Period)

Funding Deficit

30-Jun-22

£137m



Funding Deficit

30-Jun-25

£45m

+£92m

Contributions: +£58m

Investment: +£54m

Other: -£20m

Over the 12 months to 31 December 2025, **funding improvements have been driven by investment outperformance and contributions** into the Scheme (Recovery Plan and Section 75 debt).

On the investment side, both portfolios contributed positively:

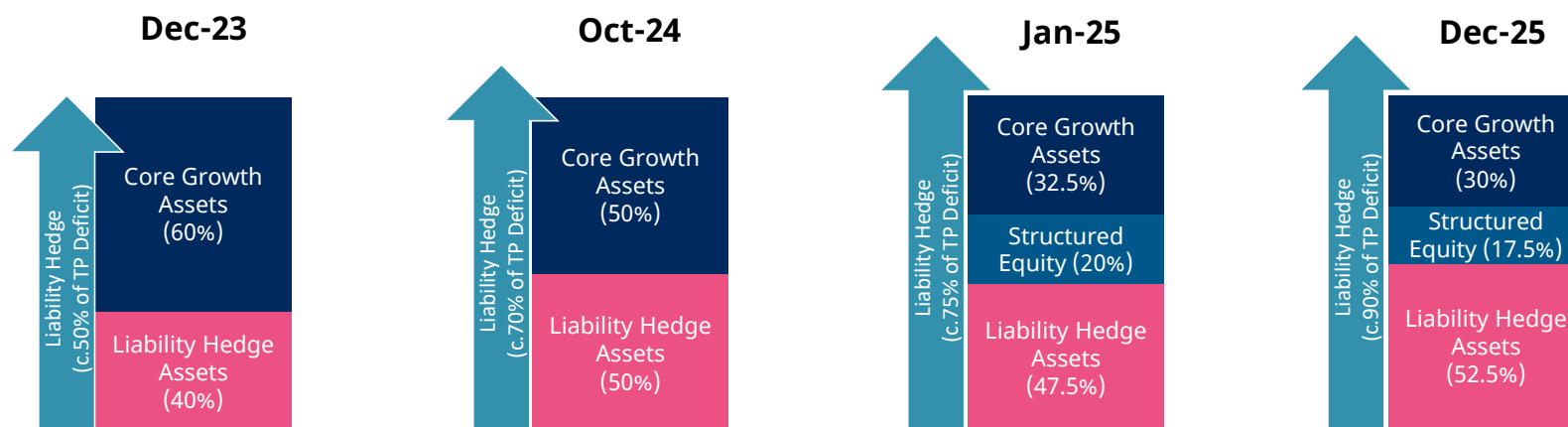
- **Growth Assets** – equity markets continued to be a key driver of outperformance as markets performed strongly through 2025 overall. +
- **Liability Hedging Assets** – small positive contribution from not fully hedging the funding deficit as interest rates rose. +

Source: Schrodgers Solutions, as at 31 December 2025. Liability information provided by Barnett Waddingham as at 30 June 2025, based on the 30 June 2025 Technical Provisions basis.

*Refers to the Scheme's formal 31 May 2023 start date of the new Fiduciary Management arrangement managed by Schrodgers.

De-risking journey

Including continued use of S75 debt contributions to reduce investment risk



Total Investment Risk

Value at Risk¹ reduced from £9.7m to £7.2m (c.25%)

Deficit Protection

Hedging levels increased from c.50% to c.90% (of TP Liabilities)
Impact of 1% fall in interest rates reduced from £24m to £3m

Source: Schroders Solutions, as at 31 December 2025. Liability information provided by Barnett Waddingham as at 31 December 2025 and rolled forward by Schroders, based on the provisional 30 June 2025 Technical Provisions basis.

¹Value at Risk (VaR) measure represents the expected minimum worsening of the deficit, which would occur at a 1-in-20 year probability. Calculated based on funding position as at 31 December 2025 to normalise for effects of changes in the value of assets and liabilities.

Sustainability & ESG

Fully integrated across the SUSS portfolio



Sustainability is embedded to improve expected risk and return over the long-term

- We remain committed to the **climate transition and Net Zero by 2050**
- Development of the growth portfolio to have a quantifiable **net positive impact on the environment and society.**



We apply minimum exclusion criteria where we manage assets directly

- **Expanded exclusions within direct equity over 2025**



Engagement is our primary tool for influencing positive change

- **85% of active managers engaged with over 2025**

-80Mt CO₂

Reduction in Greenhouse Gases¹ per \$m revenue since 2023

This equates to removing c.18 cars from the road.

Engagement Case Study



United Nations

A recent review of exposure to companies listed on the **UN Boycott, Disinvestment & Sanctions** list concluded physical holdings of <0.05% of the total portfolio – most of which was to US companies Motorola Solutions Inc and Booking.com Inc.

Schroders have engaged with both companies on the Trustees behalf.

For more information on Schroders approach to engagements and case studies please see the latest [Active Ownership Report](#).

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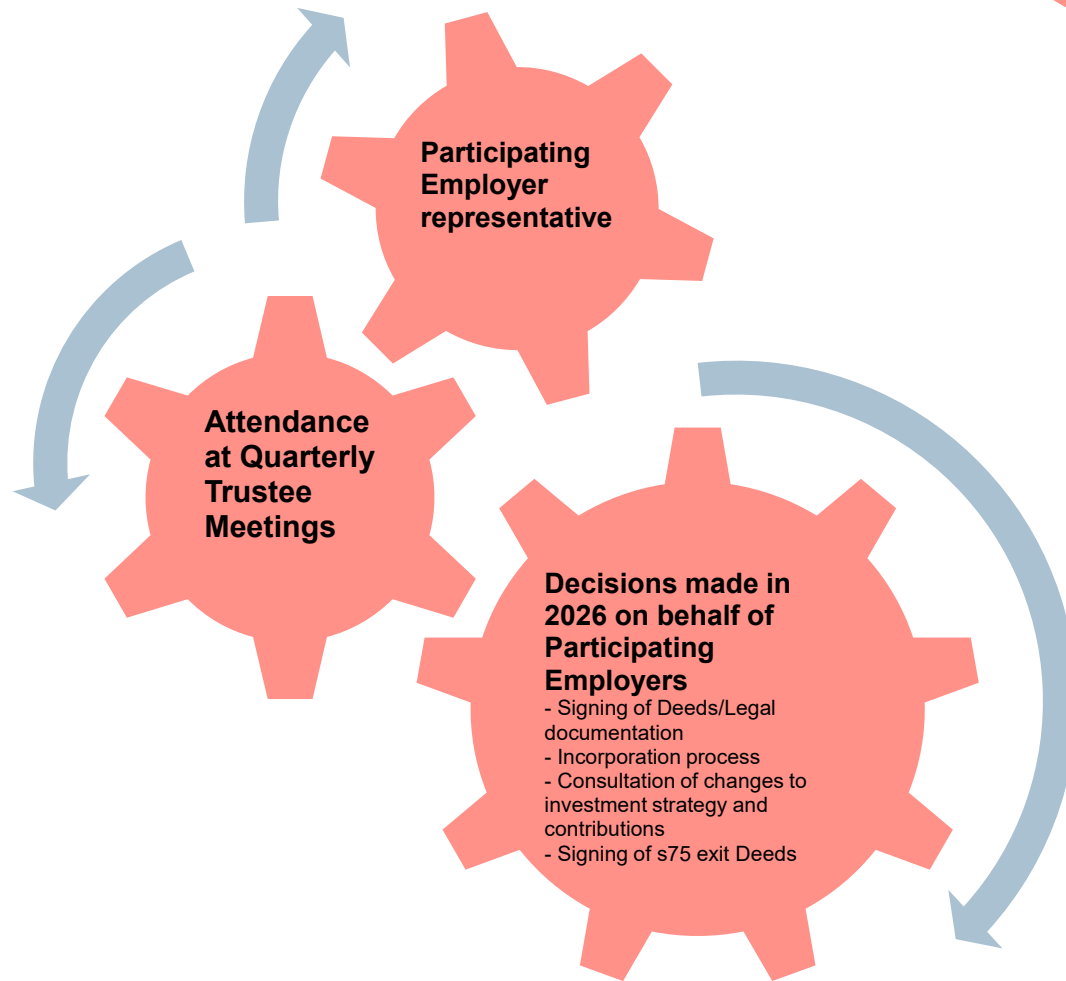


Principal Employer Update

Peter Robertson, NUS
Annual Members Meeting 2026



Principal Employer Role



Principal Employer Update

NUS UK's major asset is our **preference shares in Howden UK&I**. These are currently worth £13.2m and bring in £792k annually. They are guaranteed at the current return rate until 2029.

NUS UK's major liability is the **SUSS Pension Scheme deficit**. It is currently valued at £9.9m and costs us £787k annually.

Major assets/liabilities:

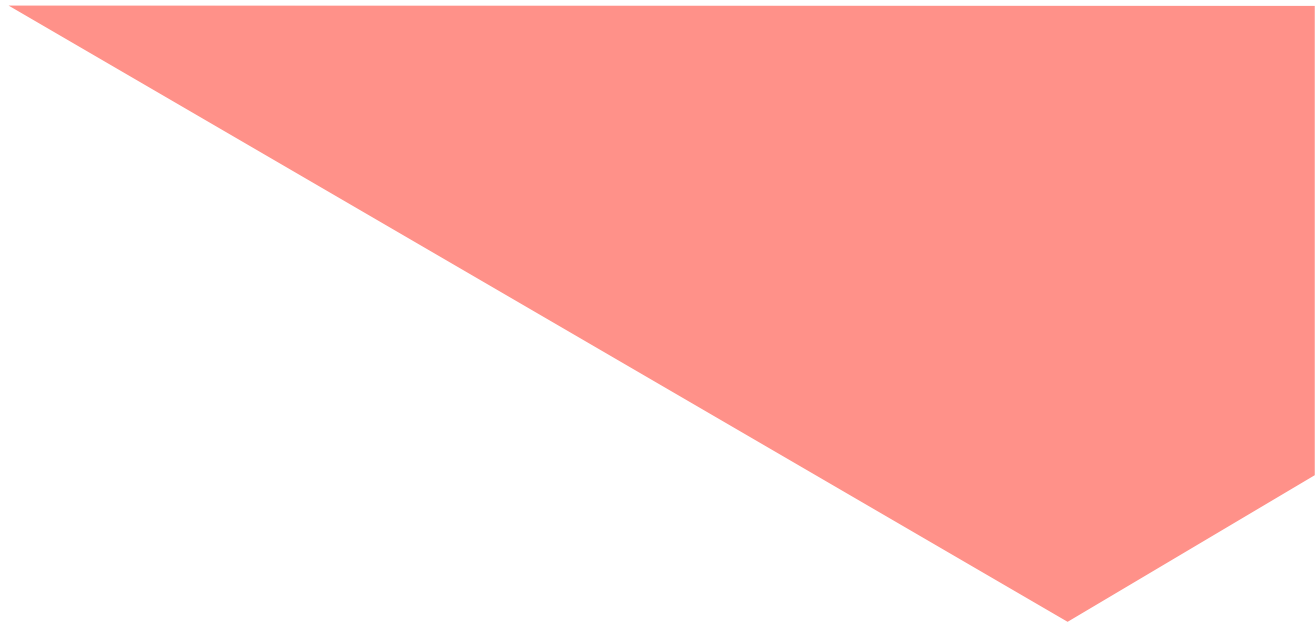
	Asset: Howden UK&I preference shares	Liability: SUSS Pension Scheme deficit	Net impact on NUS UK
Total value	£13.2m	(£9.9m)	£3.3m
Costs/income 23-24	£792k	(£787k)	£5k
End of contract	2029	2037	

Principal Employer Update (2)

Considerations

The SUSS annual costs increase by 5% each year and from 2024/25 the annual income from our Howdens shares will not cover it.

Financial Year	SUSS deficit payments	Endsleigh receipt	Financial Gap
2024/25	£826,412	£792,000	(£34,412)
2025/26	£867,733	£792,000	(£75,733)
2026/27	£911,120	£792,000	(£119,120)
2027/28	£956,676	£792,000	(£164,676)
2028/29	£1,004,510	£792,000	(£212,510)
2029/30	£1,054,735	£ -	(£1,054,735)



Questions & Answers

Annual Members Meeting 2026



SUSS – Secretariat Team



What we do

- Primary contact for all stakeholders
- Experience drives efficiency
- Operational & Strategic support
- Regulatory obligations & Risk Management
- Scheme Budget

Incorporations

- 1 Union Incorporated during 2025 window
- 3 Unions not yet incorporated:
 - Napier Students' Association
 - Robert Gordon University Students' Association
 - Worcester Students' Union
- Incorporation Window for 2026
- Availability of Briefing Note

Employer Website

- History of SUSS
- Scheme specific information
- Employer exits information and estimates
- Guidance
- Union specific – ask the Secretariat Team

Contact Details

- Right person, right time
- Crucial for global communication
- Advise of any personnel changes

Useful Info

- Contact for Secretariat Team:
 - suss@weareigg.com
- Employer Website
- Students' Union Superannuation Scheme - Independent Governance Group ([Students' Union Superannuation Scheme - Independent Governance Group](#))

Meeting close

Annual Members Meeting 2026

Please get in touch:

1. If you would like us to meet your individual union during the year
2. If you intend to incorporate
3. If you intend to pay a Section 75 debt and exit
4. If you have queries around contributions, levies or are facing financial difficulties
5. If your key personnel from a Suss perspective change

Scheme Documents can be found at www.weareigg.com/client-docs/suss/





Close

Annual Members Meeting 2026

