

Aston University Pension Scheme

Annual Report and Financial Statements
For the year ended 31 March 2025
Scheme Registration Number 10024665

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Section 1 – Trustees and their Advisers

The Trustees

The Trustees of the Aston University Pension Scheme are set out below:

Company appointed

Mr R Billingham (until 1 June 2025)

Independent Trustee Service Limited (“ITS”) (until 1 June 2025) (represented by Mr M Evans, Chair, until 1 June 2025)

Ms A Gill-Knobbs (until 1 June 2025)

Mr S Garrett (until 1 June 2025)

Trustee Company

Ross Trustees Services Limited (from 1 June 2025) - on a day-to-day basis, Ross Trustee Services Limited is represented by Dan Gilmour

Directors of the Trustee Company

D Best

P Bhardwaj

A Bradshaw

J Branagh (appointed 20 June 2025)

R Cousins

H Frisby (appointed 20 June 2025)

C Garfield

A Hardiman (appointed 25 June 2025)

C Hardingham

C Kember

H Kotecha

C Martin (appointed 20 June 2025)

R Mattingly

N Mullock (appointed 20 June 2025)

N Moore

J Myerson

A Osborne

M Sohal

G Suckling

Secretary to the Trustees

Member nominated

Mr C Crawford (until 1 June 2025)

Mr T Hooton (until 1 June 2025)

Hymans Robertson LLP

Advisers

The advisers to the Trustees are set out below:

Actuary

Laura Andrikopoulos (resigned 31 May 2025)

Hymans Robertson LLP

Graham Jones (appointed 1 June 2025)

Hymans Robertson LLP

Advisers (continued)

Administrators	Hymans Robertson LLP
Auditor	Crowe U.K. LLP (resigned 19 May 2025) Assure UK (appointed 17 July 2025)
Bankers	Barclays plc
Custodians	Citibank State Street Alter Domus
Investment Consultants	Hymans Robertson LLP
Legal Adviser	Burgess Salmon LLP
Investments Managers	Legal & General Investment Management Limited (“L&G”) Barings LLP (“Barings”) Pantheon Ventures (UK) LLP (“Pantheon”) (from 16 December 2024)
Additional Voluntary Contributions provider (“AVC”)	Aviva (formerly Friends Life Limited)
Principal Employer	Aston University

Enquiries about the Scheme generally, about member's entitlement to benefit or for information on the Scheme's dispute procedure can be made to:

Hymans Robertson
45 Church Street
Birmingham
B3 2RT
E-mail: asun10@hymans.co.uk Phone: 0121 210 4349

Section 2 – Trustees' Report

The Trustees of the Aston University Pension Scheme are pleased to present their report together with the audited financial statements and actuarial statements of the Scheme for the year ended 31 March 2025. The purpose of the report is to describe how the Scheme and its investments have been managed during the year.

Management of the Scheme

Legal Status

The Scheme is an occupational pension scheme set up under trust to provide retirement benefits for employees of Aston University on grades 1 to 6. It is governed by the Definitive Trust Deed and Rules dated 28 July 2011 and subsequent amendments.

The Scheme is a defined benefit scheme which provided benefits based on a member's salary and length of service.

Following agreement between the Trustees and the University, a deed to close the Scheme to new members and future accrual from 31 March 2018 was signed on 28 March 2018.

Members were able to make Additional Voluntary Contributions ("AVCs") to secure additional benefits; however, following the closure of the Scheme, members are no longer able to make AVCs, but their contributions remain invested with the providers.

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004.

Trustees

The Trustees have delegated the day-to-day management and operation of the Scheme's affairs to professional organisations as set out on pages 1 and 2. The Trustees have written agreements in place with each of them.

The administration and management of the Scheme are vested in the Trustees who are appointed by the University (which also has the power to appoint and remove a Trustee from office). The Trustees met on 4 occasions during the year (2024: 4), there was 1 separate GMP project meeting (2024: 3) (see page 6) and there were no separate Investment Subcommittee meetings during the year. Voting at Trustees' meetings is by a show of hands by those Trustees present at the meeting. In the case of an equality of votes the chairman of the meeting has a second or casting vote. The Trustees who served during the year are listed on page 1.

Mr Crawford and Mr Hooton were member representatives nominated by the employed-deferred and pensioner members of the Scheme and selected by the Joint Union Committee each with five-year terms.

Following the year-end, the structure of the Trustee Board changed with effect from 1 June 2025, and Ross Trustees Services Limited became the Scheme's Professional Corporate Sole Trustee ("PCST"). This change was led by the Employer, as it believes PCST model will best support the Scheme on the next stages of its journey given the increased regulation, governance, and compliance requirements, together with complex investment matters that changed the expectations and demands of the Trustees. The Trustee Directors of Ross Trustees Services Limited are listed on page 1 of this report.

Trustees' Report (continued)**Financial Development of the Scheme**

The financial statements have been prepared and audited in accordance with regulations made under Section 41(1) and (6) of the Pensions Act 1995.

The fund account shows that the net assets of the Scheme decreased from £66,437,003 at 31 March 2024 to £61,542,574 at 31 March 2025. The decrease in the net assets is accounted for by:

	2025 £	2024 £
Member related income	1,390,691	1,392,816
Member related payments	(4,126,672)	(3,742,965)
Net withdrawals from dealings with members	(2,735,981)	(2,350,149)
Net returns on investments	(2,158,448)	214,580
Net decrease in fund	(4,894,429)	(2,135,569)
Net assets at start of year	66,437,003	68,572,572
Net assets at end of year	61,542,574	66,437,003

Benefits to Members

Details of Scheme benefits are outlined in a booklet which was provided to each Scheme member at the commencement of pensionable employment. Amendments to Scheme provisions are circulated to members by the Scheme Administrator. Copies of the booklet are also available to members, at any time, on request.

The rules of the Scheme are contained in the Trust Deed and Rules which are available for inspection by arrangement with the Scheme Administrator (contact details on page 2).

In accordance with the Scheme Rules, pensions in payment in excess of the guaranteed minimum pension ("GMP") were increased by 5% per annum or the rise in the Retail Prices Index, whichever is lower. Members who joined the Scheme before 1 September 1990 also received an increase by the rise in the Retail Prices Index, 5% per annum if lower but no less than 3% for their non-GMP benefits, also in accordance with the Scheme Rules. There have been no discretionary pension increases applied during the year to 31 March 2025 (2024: nil).

Members who remain employed by the University further to the 31 March 2018 closure date are treated as "Employed Deferred Members". This means that, whilst they are no longer able to add to their pensionable service within the Scheme, their Preserved Pension will be increased as follows:

- Pension in relation to pensionable service completed since 1 January 2004 will be revalued at the end of each Scheme year in line with the Retail Prices Index up to a maximum of 5%. If a member leaves before their retirement, however, the Preserved Pension will be eligible for revaluation increases by reference to the Consumer Prices Index.
- Pension in relation to pensionable service before 1 January 2004 will be recalculated at a member's date of leaving or retirement from the University to allow for any changes to Final Pensionable Salary to that date, subject to a minimum of the increase in the Consumer Prices Index over the appropriate period. If a member leaves before their retirement, however, the Preserved Pension will be eligible for revaluation increases by reference to the Consumer Prices Index.

Trustees' Report (continued)

Benefits to Members (continued)

Deferred pensions for members who left the University prior to 31 March 2019 are increased in line with statutory requirements and in accordance with the Scheme Rules; the guaranteed minimum pension in line with statutory contracting-out requirements and, for all leavers after 31 December 1985, the balance of the pension in line with the cumulative rise in inflation since leaving service, subject to a maximum of 5% per annum compound. With effect from 2011, the Government has set the Statutory Orders used to increase deferred pensions by reference to the Consumer Prices Index.

Transfer Values

All cash equivalents (transfer values) paid during the year were calculated and verified in the manner required by Regulations issued under Section 97 of the Pensions Schemes Act 1993. None of the cash equivalents was less than the amount provided by Section 94 of the Act.

There were no discretionary benefits paid or to be paid for the year.

Since 1 October 2008 the basis for calculation of transfer values has to be agreed between the Trustees and the Scheme Actuary.

Tax Position

The Scheme is registered in accordance with the Finance Act 2004.

Investment of Scheme Resources

The Trustees confirm that the assets of the Scheme are invested in accordance with the Occupational Pension Schemes (Investment) Regulations 2005.

Actuarial Position

The Scheme Actuary carries out a valuation of the Scheme every three years. The objective of these valuations is to ensure that the Scheme's finances are adequate to meet not only the pensions currently in payment, but also the pensions which will be paid to members who retire in the future.

The latest valuation carried out on 31 March 2022 revealed that the Scheme had 101% of the funds that it needed to hold to pay members all of the benefits that had been earned by that date. Therefore, deficit removal contributions are not required.

Following the valuation effective date, financial markets underwent a period of turmoil, culminating in the 'Gilts crisis' of October 2022. This contributed to a reduction in the Scheme's funding level. The Trustees and University agreed to address this post-valuation date experience as part of the 2022 valuation.

Under the Schedule of Contributions previously in force (dated 30 June 2020 and agreed as part of the 31 March 2019 valuation) deficit contributions of £1,000,000 per annum (£83,334 per month) were due to be paid until December 2025. Following discussions with the Trustees and the University, it was agreed for the revised Schedule of Contributions approved in July 2023 to continue at this annual rate until 31 December 2031. That is, the University will pay the following deficit reduction contributions to the Scheme:

- £1,000,000 per annum (payable as monthly payments of £83,334) from 1 April 2023 to 31 December 2025; and
- £1,000,000 per annum (payable no later than annually in arrears) from 1 January 2026 to 31 December 2031.

Additional contributions of £30,000 per month are payable from the University to the Scheme in respect of the Scheme's expenses.

Trustees' Report (continued)

Actuarial Position (continued)

The formal disclosure statement given by the Scheme Actuary relating to the results of the valuation carried out as at 31 March 2022 is included on pages 42 to 43.

The next actuarial valuation is due as at 31 March 2025 and work is currently underway.

Contributions

Contributions in respect of Expenses for July 2024 were received one day late due to an administrative error.

Guaranteed Minimum Pension

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment 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 judgment arise in relation to many other defined benefit pension schemes. The Trustees of the Scheme established a working group (comprising of three of the Trustees) to progress the GMP equalisation project. New benefits were implemented for the majority of pensioner members with effect from 1 March 2025, including the payment of any back payments on that date. Revised benefits for deferred members are to be implemented in 2025.

A reserve of 0.5% of liabilities was included within the liabilities in respect of GMP Equalisation.

This is also noted under Note 17 to the Financial Statements on page 35.

In November 2020 a further High Court judgement was made in respect of GMP equalisation and historic transfer values. The judge ruled that historic transfer values would fall under the scope of GMP equalisation and that trustees of pensions schemes remain liable to members where transfer value payments reflected unequalised GMP benefits.

GMP payments to pensioners in respect of the year amounted to £277,640 (2024: £nil). Of this amount £68,000 was payable at the year-end (2024: £nil). This is included in note 6 on page 27.

Change of Auditor

During the Scheme year, the Trustees appointed Assure UK as the Scheme Auditor with the effective date from 17 July 2025. During this process, the outgoing Auditor, Crowe UK LLP, confirmed that they were not aware of any circumstances connected with their resignation which, in their opinion, affected the interest of members or beneficiaries and officially resigned on 19 May 2025.

Change of Actuary

During the Scheme year, L Andrikopoulos resigned as the Scheme Actuary with effect from 31 May 2025 and G Jones was appointed with effect from 1 June 2025. The outgoing Actuary confirmed that they were not aware of any circumstances connected with their resignation which, in their opinion, affected the interest of members or beneficiaries.

Trustees' Report (continued)

Scheme Membership

Membership of the Scheme, which is provided for University staff on grade 6 or below, became voluntary after 1 April 1988 and employees working less than 30 hours per week were permitted entry after January 1994. Employees who commenced employment with fixed term contracts of 6 months or less were excluded from membership until 1 August 2013. Since this date the Scheme has been used by the University to comply with its Auto enrolment obligations for staff on grades 6 or below.

Following the agreement between the Trustees and the University, the Scheme closed to future accrual from 31 March 2018; as a result of this decision there are now no active members of the Scheme.

The reconciliation of the Scheme membership during the year ended 31 March 2025 is shown below:

Pensioner Members (including spouses and dependants)	
As previously stated at 31 March 2024	491
Retirements	18
New Dependants	6
Deaths	(18)
Pension Ceased	(1)
Pensioner members as at 31 March 2025	496

Deferred Pensioner Members	
As previously stated at 31 March 2024	998
Prior period adjustments	(3)
As restated at 1 April 2024	995
Retirements	(18)
Full commutation	(1)
Death	(1)
Transfers Out	(2)
Deferred pensioner members as at 31 March 2025	973

Trustees' Report (continued)

Investment Policy

Investment Management

The Scheme's investment policy is determined by the Trustees in consultation with their investment adviser, Hymans Robertson, and, through them, their investment managers, Legal & General Investment Management Limited, Barings LLP, and Pantheon Ventures (UK) LLP (from Q4 2024), who also undertake the day-to-day management of the Scheme's investments. The policy is monitored and is reviewed annually, as is investment performance. The overall aim of the investment policy is to continue the steady and sound build-up of the Scheme's assets while minimising risk and the Trustees are confident that the investments are prudently managed.

Investment Performance

Performance relative to the Scheme's benchmark is examined quarterly. The figures for the Scheme year ended March 2025 show that the rate of return on the total portfolio was -4.6%. This is 0.1% lower than the overall benchmark performance of -4.5%. The overall rate of return over the three-year period ended 31 March 2025 was -15.8% per annum, compared with the benchmark performance of -19.2% per annum. The rate of return over the last five years was -6.7% per annum which exceeded the benchmark performance of -9.4% per annum. These figures reflect the rate of return on funds in which the Scheme has been invested in over the entire period to 31 March 2025. There are a number of funds in which the Scheme invested in during the one-, three-, and five-year periods to 31 March 2025 and which the rate of return for these periods does not reflect. Over the five-year period to 31 March 2025, the Scheme has been invested in the Schroders UK Real Estate Fund and the L&G Active Corporate Bond Fund although the Scheme fully disinvested from the former in August 2023. The Scheme first invested in L&G Liability Driven Investment ("LDI") funds in the year ending 31 March 2021, so these funds have not been included in the five-year rates of return, however, have been included within the three-year and one-year rates of return. The Scheme invested in the L&G Future World Equity Fund, the Barings Global High Yield Credit Strategies Fund, the L&G Maturing Buy and Maintain 2035-2039 Fund and the L&G Maturing Buy and Maintain 2040-2054 Fund during the year to 31 March 2022, so these funds have not been reflected in the five-year rates of return. The Scheme first invested in the Pantheon Private Debt PSD III fund in October 2024, so this fund has not been included in the five-year, three-year or one-year rates of return. As at 31 March 2025, the net IRR for the Pantheon fund was not available due to the fund being at such an early stage in its investment lifecycle (the initial investment was made in December 2024).

Custodial Arrangements

The Scheme invests a proportion of its assets in pooled investment vehicles with L&G. These funds are L&G Future World Global Equity Index Fund, the L&G Active Corporate Bond Fund, the L&G Maturing Buy and Maintain Credit 2040-2054 and 2035-2039 funds and a number of Gilt, Index Linked Gilt, Leveraged Gilt, and Leveraged Index Linked Gilt Funds. As such, the Trustees have not directly appointed custodians for their holdings at L&G, but instead use the custodians appointed for each pooled fund by L&G. L&G's custodian during the year were Citibank. The investment managers receive a fixed annual fee plus a variable element based on the market value of the assets.

The Scheme invests in pooled funds managed by Barings for who the custodian is State Street. The fund managed by Barings is the Barings Global High Yield Credit Strategies Fund.

The fund managed by Pantheon is the Pantheon Senior Debt III GBP Feeder Fund. Alter Domus acts as the administrator and the depository for this fund; however, the strategy invests in private assets which are not capable of being held in custody. Any cash is held with JP Morgan, under a banking model rather than custody. In the circumstance that PSD III GBP received a distribution of shares and they had to be held in custody, Alter Domus is expected to hold the physical title of these as the acting depository. Therefore, for the purposes of this report, whilst there is no specific custodian, Alter Domus would act in this capacity should it be required.

Trustees' Report (continued)**Investment Strategy**

The investment objective is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits payable under the trust deed and rules as they fall due. The Trustees set the investment strategy taking into account considerations such as the strength of the employer covenant (its ability to support the Scheme), the long-term liabilities and the funding agreed with Aston University. The investment strategy is set out in its Statement of Investment Principles.

The strategy is:

- To obtain an enhanced long-term return on investments (investments in UK Corporate Bonds, High Yield Credit, Buy & Maintain Credit, and Private Debt) whilst accepting greater short-term volatility and risk (investments in Equities).
- To monitor fund performance relative to the agreed asset allocation benchmark (Figure 1).
- To take due account of the maturity profile of the Scheme in terms of the relative proportions of liabilities in respect of pensioners and non- pensioners.

The Trustees review the strategy at least every three years following formal actuarial valuations of the Scheme, and normally review the strategy annually on at least a light touch basis. The most recent review of the strategy commenced in January 2024. In July 2024, the Trustees agreed to invest in the Pantheon Private Debt III Fund, which was implemented in the following months. The initial deployment was completed in October 2024, with subsequent capital calls expected over the next couple of years. The new strategic allocation, reflecting the full amount to be invested in the Patheon Fund once all capital calls are completed, is set out in Fig 1.

Figure 1: Asset Allocation Benchmark

Asset Class	Target Allocation (%)
Global Equities	18.0
Total Equities	18.0
Investment Grade Credit	10.0
Maturing Buy & Maintain	12.0
Multi Asset Credit	20.0
Private Debt	10.0
Total Income	52.0
LDI	30.0
Total LDI	30.0
Total	100.0

Trustees' Report (continued)

Asset Allocation

	Pooled Investment Vehicles (2025)		Pooled Investment Vehicles (2024)	
	£	%	£	%
Fixed Income:	35,002,993	57.3	33,666,646	51.1
Corporate Bonds	10,108,670	16.6	10,207,249	15.5
Multi Asset Credit	13,384,300	21.9	14,173,365	21.5
Maturing Buy and Maintain Credit	8,510,073	13.9	9,286,032	14.1
Private Debt	2,999,950	4.9	-	-
Return Seeking:	11,514,273	18.9	15,359,360	23.2
Equities (UK and overseas)	11,514,273	18.9	15,359,360	23.2
Protection:	14,556,563	23.8	17,027,927	25.7
Liability Driven Investment	14,556,563	23.8	17,027,927	25.7
Total	61,073,829	100.0	66,053,933	100.0

Changes over the year

The main changes over the year were focused on introducing the Pantheon private debt allocation, including freeing up the capital from the Scheme's other allocations in order to start meeting capital calls for this fund. The Trustees agreed in January 2024 to allocate c.10% of the Scheme's assets to the Pantheon fund, resulting in a c.£6.6m allocation based on the Scheme's June 2024 assets, which was agreed by the Trustees at the July 2024 Trustees' meeting. The allocation of 10% to private debt brings the Scheme's overall expected return on assets from gilts + 1.9% pa to gilts + 2.1% pa, taking into account the reduction in equities and other income assets in order to fund this new allocation.

Pricing Methods of Managers

Investment Manager	Pricing Method
Legal and General Investment Management Ltd	Bid
Barings LLP	Bid
Pantheon Ventures (UK) LLP	Single priced

Statement of Investment Principles

The Trustees have drawn up a Statement of Investment Principles which complies with the requirements of the Pensions Act 1995. The Statement was last updated in September 2024 principally to incorporate additional requirements relating to the Trustees Environmental, Social & Governance ("ESG") & stewardship policies. There have been no departures from the Statement of Investment Principles. A copy of this can be found on the following website: <https://www2.aston.ac.uk/about/management-structure/aston-university-pension-scheme>

Trustees' Report (continued)

Choosing Investments

The Trustees have appointed three investment managers to manage Scheme investments. The investment managers are authorised under the Financial Services and Markets Act 2000 to undertake investment business. The Trustees, after taking appropriate advice, have given the investment managers specific guidelines including, but not limited to, asset allocation and geographic spread, on how investment mandates are to be managed. The investment managers are allowed some flexibility of choice subject to their benchmarks and other guidelines and are expected to maintain diversified portfolios.

The Trustees have also decided to invest in a number of individual pooled funds. The Trustees are satisfied that the pooled funds selected are consistent with the objectives of the Scheme, particularly in relation to diversification, risk, expected return and liquidity. The Trustees also evaluate the objectives of the fund and the policies of the investment manager to ensure that they are appropriate for the needs of the Scheme on an ongoing basis.

The Trustees have appointed each of the Scheme's investment managers to deliver a specific benchmark or performance target, which overall will align to deliver the broader Scheme investment strategy. The Trustees ensure that all manager engagements have clearly defined benchmarks, objectives and management parameters.

Remuneration for each mandate is determined at the inception of each mandate based on commercial considerations and typically set on an ad valorem basis. Where appropriate to the nature of the mandate, the term of the mandate and the role the mandate plays within the investment strategy, the Trustees may agree to a fee structure where the manager is incentivised to deliver outperformance relative to an agreed benchmark, typically in conjunction with a lower ad valorem fee. The Trustees periodically review the fees paid to all of its managers against industry standards.

The Trustees review the nature of Scheme investments on a regular basis, with particular reference to suitability and diversification. The Trustees seek and consider written advice from a suitably qualified person when determining the appropriateness of each manager and mandate for the Scheme, particularly in relation to diversification, risk, expected return and liquidity. If, at any time, investment in a security or product not previously known to the Trustees is proposed, appropriate advice is sought and considered to ensure its suitability and diversification.

The Trustees recognise the long-term nature of the Scheme's liability profile and appoints managers to invest in such a way that generates long term sustainable returns. The Trustees will carry out necessary due diligence on the underlying investment decision making process, to ensure the manager makes investment decisions over an appropriate time horizon aligned with the Scheme's objective.

The duration of each mandate is determined by the Trustees at the inception of each mandate. For open-ended investments, the Trustees generally engage managers on an ongoing basis with no pre-determined term of appointment. For such mandates, the Trustees expect the minimum duration of the appointment will be three years. This being the period over which performance of the mandate can be appropriately evaluated, although all mandates are subject to ongoing review against various financial and non-financial metrics in addition to their continued appropriateness within the investment strategy.

The Trustees undertake a periodic service provider review in which the ongoing appropriateness of the Scheme's manager arrangements are considered. The Trustees review the performance of each of the Scheme's managers and mandates on a regular basis against a series of metrics, including financial performance against the benchmark and objectives of the mandate, the exercise of stewardship responsibilities (including engagement with issuers) as set out in greater detail below, and the management of risks. Material deviation from performance or risk targets is likely to result in the mandate being formally reviewed. For close-ended investments, the Trustees expect the term of the appointment to be the lifetime of the investment.

Trustees' Report (continued)

Choosing investments (continued)

The Trustees review the performance of each manager and mandate on a regular basis against a series of metrics, including financial performance against the benchmark and objectives of the mandate, the exercise of stewardship responsibilities (including engagement with issuers), and the management of risks. Material deviation from performance or risk targets is likely to result in the mandate being formally reviewed.

The Trustees monitor the managers' performance against their respective benchmarks or targets on a regular basis over a long-term time horizon. Managers are expected to provide explanation for any significant deviations away from benchmarks or targets.

Kinds of investment to be held

The Scheme may invest in quoted and unquoted securities of UK and overseas markets including equities, fixed interest and index-linked bonds, cash, leveraged and non-leveraged gilt funds either directly or through pooled funds.

The Scheme may also make use of contracts of insurance, derivatives and contracts for difference (or in pooled funds investing in these products) for the purpose of efficient portfolio management or to hedge specific risks. The Trustees consider all of these classes of investment to be suitable in the circumstances of the Scheme.

Balance between different kinds of investments

The Scheme's investment managers will hold a mix of investments which reflects their views relative to their respective benchmarks or return targets. Within each major market each manager will maintain a diversified portfolio of stocks.

Risk

The Scheme is exposed to a number of risks which pose a threat to the Scheme meeting its objectives. The principal risks affecting the Scheme are:

Funding risks

- Financial mismatch - The risk that Scheme assets fail to grow in line with the developing cost of meeting the liabilities.
- Changing demographics - The risk that longevity improves and other demographic factors change, resulting in an increase in the cost of the Scheme benefits.
- Systemic risk - The possibility of an interlinked and simultaneous failure of several asset classes and/or investment managers, possibly compounded by financial 'contagion', resulting in an increase in the cost of meeting the Scheme's liabilities. Climate change is a particular systemic risk that has the potential to cause economic, financial and demographic impacts.

The Trustees measure and manage financial mismatch in two ways. As indicated above, the Trustees have set a strategic asset allocation benchmark for the Scheme. The Trustees assess risk relative to that benchmark by monitoring the Scheme's asset allocation and investment returns relative to the benchmark. The Trustees also assess risk relative to liabilities by monitoring the delivery of returns relative to liabilities.

The Trustees keep mortality and other demographic assumptions, which could influence the cost of benefits, under review. These assumptions are considered formally at triennial valuations, and the Trustees may enter into insurance contracts (bulk annuities or longevity swaps) to reduce these demographic risks.

The Trustees seek to mitigate systemic risks through a diversified portfolio, but it is not possible to make specific provision for all possible eventualities that may arise under this heading.

Trustees' Report (continued)

Risk (continued)

Asset risks

- Concentration - The risk that a significant allocation to any single asset category and its underperformance relative to expectation would result in difficulties in achieving funding objectives.
- Illiquidity - The risk that the Scheme cannot meet its immediate liabilities because it has insufficient liquid assets.
- Currency risk - The risk that the currency of the Scheme's assets underperforms relative to Sterling (i.e. the currency of the liabilities).
- Manager underperformance - The failure by the fund managers to achieve the rate of investment return assumed in setting their mandates.
- Environmental, Social and Governance risks - The extent to which ESG issues are not reflected in asset prices and/or not considered in investment decision making leading to underperformance relative to expectations.
- Climate risk - The extent to which climate change causes a material deterioration in asset values as a consequence of factors including but not limited to policy change, physical impacts and the expected transition to a low-carbon economy.

The Trustees manage asset risks as follows. The Trustees provide a practical constraint on Scheme investments deviating greatly from the intended approach by investing in a range of investment mandates, each of which has a defined objective, performance benchmark and manager process which, taken in aggregate, constrain risk within their expected parameters.

By investing across a range of assets, including quoted equities, bonds (and possibly in the future bulk annuity policies), the Trustees recognise the need to access funds in the short term to pay benefits. The risk of manager underperformance is mitigated by the inclusion of passive investment mandates within the investment portfolio. In appointing three investment managers, the Trustees have considered the risk of underperformance by any single investment manager.

The Trustees do not expect managers to take excess short-term risk and will regularly monitor the managers' performance against the benchmarks and objectives set on a short, medium and long terms basis.

The Trustees' approach to the consideration of ESG risks and climate risk is set out in further detail below.

Other provider risk

- Transition risk - The risk of incurring unexpected costs in relation to the transition of assets among managers.
- Custody risk - The risk of loss of Scheme assets when held in custody or when being traded.
- Credit default - The possibility of default of a counterparty in meeting its obligations.
- Operational risk - The risk of loss as a result of fraud, cyber-attacks, poor advice, acts of negligence or lack of suitable process.
- Legislative risk - The risk that managers of the Scheme fail to comply with changes to legislation.

The Trustees monitor and manage risks in these areas through a process of regular scrutiny of its providers, and audit of the operations it conducts for the Scheme by the appointed investment managers as appropriate (e.g. custody risk in relation to pooled funds). When carrying out significant transitions, the Trustees seek professional advice.

Trustees' Report (continued)

Expected Return on Investments

The investment strategy aims to achieve a return on Scheme assets, which taken in conjunction with contributions is sufficient over time to match growth in the Scheme's pension liabilities.

Realisation of Investments

The majority of the Scheme's investments may be realised quickly if required. The allocation to high yield credit and private lending, which currently represent approximately 26% but are expected to comprise up to approximately 30% of the Scheme's portfolio upon completion of investment with Pantheon, may be difficult to realise quickly in certain circumstances.

Portfolio turnover

The Trustees have expectations of the level of turnover within each mandate which is determined at the inception of the mandate, based on the Trustees' knowledge of the manager, investment process and the nature of the portfolio. Whilst the Trustees expect performance to be delivered net of costs, including the costs of trading within the portfolio, the Trustees expect managers to report on at least an annual basis on the underlying assets held within the portfolio and details of any transactions over the period.

The Trustees will challenge the Scheme's managers if there is a sudden change in portfolio turnover or if the level of turnover seems excessive. The Trustees will request turnover costs incurred by the asset manager over the Scheme reporting year.

Consideration of Financially Material Factors in Investment Arrangements

The Trustees recognise that the consideration of financially material factors, including ESG factors, is relevant at different stages of the investment process. The strategic benchmark has been using appropriate economic and financial assumptions from which expected risk/return profiles for different asset classes have been derived. These assumptions apply at a broad market level and are considered to implicitly reflect all financially material factors other than climate change.

The Trustees are targeting sustainable returns over the longer-term by encouraging the managers to implement views which extend over the duration of the liabilities.

The Trustees expect its investment managers to take all financially material factors into account where relevant and the terms of the mandate permit.

In passive mandates, the Trustees recognise that the choice of benchmark dictates the assets held by the investment managers and that the minimal discretion to take account of factors that may be deemed to be financially material. The Trustees accept that the role of the passive manager is to deliver returns in line with the market and believe this approach is in line with the basis on which their current strategy has been set out.

In active mandates, the Trustees recognise that the manager has freedom to exercise discretion as to the choice of assets held. The Trustees expect the manager to take into account all financially material factors in the selection of assets within their portfolios and to be able to demonstrate their approach when challenged.

Given the inherent uncertainty associated with climate change and relatively short investment horizon of the Section, the Trustees have not sought to explicitly consider the risks of climate change in setting its strategic benchmark or implementing its strategy. However, the Trustees periodically discusses climate change with its investment adviser and investment managers to consider the potential implications for the Section's investments. More broadly, ESG factors are considered as follows:

- The Trustees acknowledge the financial risks of climate change and the expected transition to a low carbon economy, and they encourage their managers to implement views which takes these risks into account.
- Given the discretion delegated to the active investment managers, the Trustees expect that their investment managers will take account of all financially material items including the potential impact of ESG factors on their mandates.

Trustees' Report (continued)

Consideration of Financially Material Factors in Investment Arrangements (continued)

- The Trustees have discussed the extent to which ESG issues, where relevant to the investment mandate, are integrated into the investment processes of their investment managers.

Given the objectives of the Scheme, the Trustees do not impose any restrictions or exclusions to the investment arrangements based on non-financially material factors.

Stewardship and Monitoring

The Trustees have adopted a policy of delegating voting decisions on stocks to their investment managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value.

The investment managers are expected to exercise the voting rights attached to individual investments in accordance with their own house policy.

The investment managers should use engagement with company management for positive influence as opposed to divestment from companies unaligned with the Scheme's objectives.

The Trustees do not engage directly but believe it is sometimes appropriate for its investment managers to engage with key stakeholders which may include corporate management, regulators and governance bodies, relating to their investments in order to consider the management of conflicts of interest and improve corporate behaviours, improve performance and mitigate financial risks. Where necessary, investment managers are expected to notify the Trustees of any issue on which it may be beneficial for the Trustees to undertake further engagement. The Trustees will review engagement activity undertaken by their investment managers as part of its broader monitoring activity.

Responsibility for investment decisions has been delegated to the investment managers which includes consideration of the capital structure of investments and the appropriateness of any investment made. Where managers are responsible for investing in new issuance, the Trustees expect the manager to engage with the issuer about the terms on which capital is issued and the potential impact on the rights of new and existing investors.

The Trustees separately consider any conflicts of interest arising in the management of the Scheme and its investments and has ensured that each manager has an appropriate conflicts of interest policy in place.

The Trustees will regularly review engagement activity including voting undertaken by their investment managers.

Social, Environmental and Ethical Considerations

The Trustees recognise that social, environmental and ethical considerations are among the factors which investment managers will take into account, where relevant, when selecting investments for purchase, retention or sale. The managers have produced statements setting out their policy in this regard. The managers have been delegated by the Trustees to act accordingly.

Exercise of Voting Rights

The Trustees have delegated the exercise of voting rights to the investment managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. Accordingly, the managers have produced written guidelines of their process and practice in this regard. The managers are encouraged to vote in line with their guidelines in respect of all resolutions at annual and extraordinary general meetings of companies.

Where managers are responsible for investing in new issuance, the Trustees expect the manager to engage with the issuer about the terms on which capital is issued and the potential impact on the rights of new and existing investors. The Trustees encourage their investment managers to engage with key stakeholders to consider the management of conflicts of interest and improve corporate behaviours, improve performance and mitigate financial risks.

Trustees' Report (continued)

Exercise of Voting Rights (continued)

Where necessary, investment managers are expected to notify the Trustees of any issue on which it may be beneficial for the Trustees to undertake further engagement. The Trustees review engagement activity undertaken by their investment managers.

Implementation Statement

The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 introduced the requirement for an annual Implementation Statement to be prepared in which Trustees set out how and the extent to which the SIP has been followed during the year. The legislation also requires the Implementation Statement to be included in the Annual Report and Accounts from 1 October 2020 and to be made publicly available online. The Implementation Statement, which forms part of the Trustees' Report, is included in Section 10.

Employer Related Investments

There were no employer related investments during the year (2024: £nil).

Trustees' Report (continued)

Statement of Trustees' responsibilities

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

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of that year of the 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 judgments 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.

Trustees' Report (continued)

Further Information

Internal Dispute Resolution (“IDR”) Procedures

It is a requirement of the Pensions Act 1995 that the Trustees of all occupational pension schemes must have Internal Dispute Resolution procedures in place for dealing with any disputes between the Trustees and the scheme beneficiaries. A dispute resolution procedure has been agreed by the Trustees, details of which can be obtained by writing to the Scheme Secretary at the address on page 2 of this report.

Contact for Further Information

Any enquiries or complaints about the Scheme, including requests from individuals about their benefits or for a copy of Scheme documentation, should be sent to the Scheme Secretary at the address on page 2 of this report.

The Money and Pensions Advisory Service (“MaPS”)

This service is available at any time to assist members and beneficiaries with pensions questions and issues they have been unable to resolve with the Trustees of the Scheme. MaPS has launched MoneyHelper, which brings together the Money Advice Service, The Pensions Advisory Service and Pension Wise to create a single place to get help with money and pension choices. MoneyHelper is impartial, backed by the government and free to use.

The Money and Pensions Service

Bedford Borough Hall

138 Cauldwell Street

Bedford

MK42 9AB

Tel: 0800 011 3797

www.moneyhelper.org.uk

The Pensions Ombudsman

Members have the right to refer their complaint to The Pensions Ombudsman free of charge. The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) the member is complaining about happened – or, if later, within three years of when they first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

The Pensions Ombudsman can be contacted at:

10 South Colonnade

Canary Wharf

London

E14 4PU

Tel: 0800 917 4487

Email: enquiries@pensions-ombudsman.org.uk

www.pensions-ombudsman.org.uk

Members can also submit a complaint form online:

www.pensions-ombudsman.org.uk/making-complaint

Trustees' Report (continued)

Further Information (continued)

The Pensions Regulator ("TPR")

The TPR has the objectives of protecting the benefits of members, promoting good administration and reducing the risk of claims on the Pension Protection Fund. TPR has the power to investigate schemes, to take action to prevent wrongdoing in or maladministration of pension schemes and to act against employers failing to abide by their pension obligations. TPR may be contacted at the following address:

The Pensions Regulator
 Telecom House
 125-135 Preston Road
 Brighton
 BN1 6AF

www.thepensionsregulator.gov.uk

Pension Tracing Service

The Pension Schemes Registry has been replaced with the Pension Tracing Service and is now provided by the Department for Work and Pensions. Responsibility for compiling and maintaining the register of occupational pension schemes has been passed to The Pensions Regulator.

Contact details for the services are as follows:

The Pension Service
 Post Handling Site A
 Wolverhampton
 WV98 1AF
 Tel: 0800 731 0175

www.gov.uk/find-pension-contact-details

Approval of the Report by the Trustees

The investment report and implementation statement included in this annual report and financial statements forms part of the Trustees' report.

Signed for and on behalf of the Trustees of the Aston University Pension Scheme by:



Trustee

22-10-2025 | 5:51:57 PM BST

Date

Section 3 – Independent Auditor’s Report

Independent Auditor’s Report to the Trustees of The Aston University Pension Scheme

Opinion

We have audited the financial statements of the Aston University Pension Scheme (the ‘Scheme’) for the year ended 31 March 2025 which comprise the Fund Account, the Statement of Net Assets and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Aston University Pension Scheme financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 March 2025, and of the amount and disposition at that date of its assets and liabilities, other than 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 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 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 and our auditor’s statement about contributions. The 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 Aston University Pension Scheme (continued)**Other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the Trustees are responsible for the preparation of the 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 intend to wind up the Scheme, 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.

Capability of the audit in detecting irregularities, including fraud irregularities

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Based on our discussions with the Trustees, we considered the laws and regulations that have a direct impact on the preparation of the financial statements such as 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.

During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity. The engagement team remained alert to non-compliance throughout the audit from planning to completion.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of:

- enquiries of management and the Trustees as to whether the entity complies with such laws and regulations;
- enquiries with the same concerning any actual or potential litigation or claims and whether they have knowledge of any actual, suspected or alleged fraud;

Independent Auditor's Report to the Trustees of The Aston University Pension Scheme (continued)**Auditor's responsibilities for the audit of the financial statements (continued)**

- inspection of relevant legal correspondence;
- review of Trustees' meeting minutes;
- testing the appropriateness of journal entries; and
- the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of the audit report

This report is made solely to the Scheme Trustees, as a body, in accordance with 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. 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's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Assure UK

Assure UK
Chartered Accountants and Statutory Auditor
London
Date: 22-10-2025 | 6:18:45 PM BST

Section 4 – Financial Statements

Fund Account for year ended 31 March 2025

	Total 2025	Total 2024
Note	£	£
CONTRIBUTIONS AND BENEFITS		
Contributions - employer	4 1,360,008	1,360,008
Other income	5 30,683	32,808
	1,390,691	1,392,816
Benefits paid or payable	6 (3,337,869)	(3,178,760)
Payments to and on account of leavers	7 (20,424)	-
Administrative expenses	8 (768,379)	(564,205)
	(4,126,672)	(3,742,965)
Net withdrawals from dealings with members	(2,735,981)	(2,350,149)
RETURNS ON INVESTMENTS		
Investment income	10 1,038,445	1,050,357
Change in market value of investments	12 (3,107,201)	(705,551)
Investment management expenses	11 (89,692)	(130,226)
Net returns on investments	(2,158,448)	214,580
Net decrease in the Scheme during the year	(4,894,429)	(2,135,569)
Balance of the Scheme at the start of the year	66,437,003	68,572,572
Balance of the Scheme at the end of the year	61,542,574	66,437,003

The notes on pages 25 to 36 form part of these financial statements.

Financial Statements (continued)

Statement of Net Assets (available for benefits) as at 31 March 2025

		2025	2024
	<i>Note</i>	£	£
Investment assets	12		
Pooled investment vehicles		61,073,829	66,053,933
AVC investments		117,455	118,003
		61,191,284	66,171,936
Current assets	13	801,627	498,073
Current liabilities	14	(450,337)	(233,006)
Net assets of the Scheme at the end of the year		61,542,574	66,437,003

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, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities on pages 42 to 43 and in the Actuary’s certificates in Section 8 of these financial statements and should be read in conjunction therewith.

These financial statements were approved by the Trustees and signed for and on their behalf by:



Trustee

22-10-2025 | 5:51:57 PM BST

Date

The notes on pages 25 to 36 form part of these financial statements.

Section 5 – Notes to the Financial Statements

Notes to the financial statements for the year ended 31 March 2025

1. BASIS OF PREPARATION

The 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 the Republic of Ireland issued by the Financial Reporting Council and with guidance set out in the Statement of Recommended Practice “Financial Reports of Pension Schemes” (Revised November 2018).

The financial statements are prepared on a going concern basis, which the Trustees believe to be appropriate as they believe that the Scheme has adequate resources to realise its assets and meet pension payments in the normal course of affairs (continue to operate) for at least the next twelve months. In reaching this conclusion, the Trustees considered the impact of wider macro-economic factors and have taken into account plausible downside assumptions of the sponsoring employer to gain comfort that it will continue to make contributions as they fall due. This assessment, together with income and capital growth from its assets, gives the Trustees confidence to prepare the financial statements 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 Hymans Robertson LLP, 45 Church Street, Birmingham, B3 2RT.

3. ACCOUNTING POLICIES

The principal accounting policies, which have been consistently applied during the year, are set out below.

3.1 Functional and Presentational Currency

The Scheme’s functional and presentational currency is in Pounds Sterling (GBP).

3.2 Investments

Investments are included at fair value. Pooled investment vehicles are valued at bid or single price at the end of the year. The changes in investment market values are accounted for in the year in which they arise and include profits and losses on investments sold as well as unrealised gains and losses in the value of investments held at the year end.

The change in market value of investments during the year comprises all increases and decreases in market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

3.3 AVCs

AVC investments are stated at the opening market value given by the AVC provider Aviva, less surrenders and excluding bonuses.

3.4 Contributions

Employer deficit funding contributions have been accounted for on the due dates on which they are payable in accordance with the Schedule of Contributions and Recovery Plan under which they are being paid.

The expense contributions have been accounted for on an accrual basis in accordance with the Schedule of Contributions.

3.5 Benefits

Pensions payable in respect of the Scheme year are accounted for by reference to the period to which they relate. Refunds and lump sums are accounted for by reference to the later of the date of retirement or leaving the Scheme, or the date the option is exercised. Benefits taken are reported gross of any tax settled by the scheme on behalf of the member.

Notes to the financial statements for the year ended 31 March 2025 (continued)**3. ACCOUNTING POLICIES (CONTINUED)****3.6 Transfers to other plans**

Transfers out are accounted for on the date the trustees of the receiving scheme accept the liability. In the case of individual transfers, this is normally when the payment of the transfer value is made.

3.7 Investment Income

The investments held with L&G and Pantheon do not distribute income but accumulate it into the price of the units. The investments held with Barings are paid into the Trustees' bank account following a change in dividend policy whereby distributions were previously automatically reinvested for the purchase of additional shares of the same tranche.

3.8 Administrative and Investment Management expense

Expenses are accounted for an accrual basis. Investment management fees are charged quarterly and recognised in the accounts on an accrued basis.

3.9 Other income

Other income includes bank interest and is recognised in the accounts on an accrued basis.

4. CONTRIBUTIONS

	Total 2025	Total 2024
	£	£
Employer:		
Deficit funding	1,000,008	1,000,008
Contributions towards expenses	360,000	360,000
	<u>1,360,008</u>	<u>1,360,008</u>

Under the Schedule of Contributions certified by the Scheme Actuary on 28 July 2023 it has been agreed contributions will continue until 31 December 2031. The University will pay the following contributions to the Scheme:

- £1,000,000 p.a. (payable as monthly payments of £83,334) from 1 April 2023 to 31 December 2025; and
- £1,000,000 p.a. (payable no later than annually in arrears) from 1 January 2026 to 31 December 2031.
- Additional contributions of £30,000 per month in respect of the Scheme's expenses.

Notes to the financial statements for the year ended 31 March 2025 (continued)**5. OTHER INCOME**

	Total 2025	Total 2024
	£	£
Bank interest	30,683	32,808

6. BENEFITS PAID OR PAYABLE

	Total 2025	Total 2024
	£	£
Pensions	3,050,345	2,670,284
Commutations and lump sum retirement benefits	281,984	508,476
Lump sum death benefits	5,540	-
	3,337,869	3,178,760

GMP payments to pensioners in respect of the year amounted to £277,640 (2024: £nil). Of this amount £68,000 was payable at the year-end (2024: £nil).

7. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	Total 2025	Total 2024
	£	£
Individual transfers to other schemes	20,424	-

8. ADMINISTRATIVE EXPENSES

	Total 2025	Total 2024
	£	£
Administration and processing	365,560	201,952
Actuarial fees	228,310	207,688
Covenant assessment fee	20,400	-
Audit Fee	6,885	13,374
Legal and other professional fees	16,544	12,936
PPF Levy	9,566	21,172
Investment consultancy fees	121,114	107,083
	768,379	564,205

Notes to the financial statements for the year ended 31 March 2025 (continued)**9. TAX**

The Aston University Pension Scheme is a registered pension scheme for tax purposes under the Finance Act 2004. The Scheme is therefore exempt from taxation except for certain withholding taxes relating to overseas investment income. Tax charges are accrued on the same basis as the investment income to which they relate (see Note 10 below).

10. INVESTMENT INCOME

	Total 2025 £	Total 2024 £
Income from pooled investment vehicles	1,038,445	1,050,391
Interest on cash deposits	-	(34)
	<u>1,038,445</u>	<u>1,050,357</u>

All of the investments held with Legal and General and Pantheon, do not distribute income but accumulate it in the price of the units.

11. INVESTMENT MANAGEMENT EXPENSES

	Total 2025 £	Total 2024 £
Administration, Management and Custody	<u>89,692</u>	<u>130,226</u>

Notes to the financial statements for the year ended 31 March 2025 (continued)**12. INVESTMENTS****12.1 INVESTMENT RECONCILIATION**

	<i>Opening value</i>	<i>Purchase cost</i>	<i>Sales proceeds</i>	<i>Change in market value</i>	<i>Closing value</i>
	£	£	£	£	£
Pooled investment vehicles	66,053,933	8,311,580	(10,185,031)	(3,106,653)	61,073,829
AVC investments	118,003	-	-	(548)	117,455
	66,171,936	8,311,580	(10,185,031)	(3,107,201)	61,191,284

During the year to 31 March 2025, the market has come down from a high interest rate and high inflation environment. The Scheme maintained sufficient collateral levels but several rebalancing events have occurred to the Scheme's LDI portfolio, as well as additional transitions in respect of Funds being moved from across the portfolio to meet initial capital calls in respect of the Pantheon Fund. The Scheme has a clear collateral structure in place and any rebalancing events will follow the pre-determined structure. Over the period the following redemptions and investments took place:

- Disinvestment of c.£350k from the L&G Future World Equity to support the Scheme's cashflow needs.
- Disinvestment of c.£1.6m from the Barings Global High Yield Credit Strategies Fund to support the Scheme's cashflow needs and partly meet the Pantheon capital call that occurred in Q4 2024.
- Disinvestment of c.£1.2m from the L&G Sterling Liquidity Fund and c.£ 0.7m from L&G Future World Fund, which was combined with the £0.6m cash float in the Trustees' bank account (residual funds following the disinvestment from Barings) to meet Pantheon capital call in Q4 2024.
- Committed c.£6.6m to Pantheon Private Debt PSD III Fund with c.£2.5m capital drawn in Q4 2024.

12.2 INVESTMENT TRANSACTION COSTS

Transaction costs are included in the cost of purchases and sale proceeds. These are indirect costs incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the Scheme.

Notes to the financial statements for the year ended 31 March 2025 (continued)**12.3 POOLED INVESTMENT VEHICLES**

The holdings of pooled investments are analysed below:

	2025	2024
	£	£
Corporate Bonds	10,108,670	10,207,249
Cash	1,989,131	563,634
Liability Driven Investment*	12,567,432	16,464,293
Equities	11,514,273	15,359,360
Private Debt	2,999,950	-
Global High Yield Credit Strategies Fund**	13,384,300	14,173,365
Maturing Buy and Maintain Funds***	8,510,073	9,286,032
	61,073,829	66,053,933

* Comprising gilts, repurchase agreements, derivatives and other debt instruments.

** Comprising bonds, loans, special situations, equities, derivatives and cash.

*** Comprising fixed income securities including corporate bonds and other debt instruments.

12.4 AVC INVESTMENTS

The Trustees hold assets invested separately from the Scheme in the form of managed funds. These 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 31 March confirming the amounts held in their account and the movements in the year. The aggregate amounts of AVC investments are as follows:

	2025	2024
	£	£
Aviva (unit linked)	117,455	118,003

12.5 CONCENTRATION OF INVESTMENTS

The following investments had a market value in excess of 5% of the total net assets as 31 March 2025:

	2025	2025	2024	2024
	£	% of net assets	£	% of net assets
Barings Global High Yield Credit Strategies Fund	13,384,300	21.7	14,173,365	21.3
Legal & General - Global Eq Index Fd GBP Hdg	11,514,273	18.7	15,359,360	23.1
Legal & General - Active Corporate Bonds	10,108,670	16.4	10,207,249	15.4
Legal & General - Maturing B&M Credit 2040-2054	6,507,964	10.6	7,165,933	10.8
Legal & General Leveraged Index Link Gilt 2050 Fund	3,893,625	6.3	5,032,517	7.6

Notes to the financial statements for the year ended 31 March 2025 (continued)**12.6 INVESTMENTS FAIR VALUE HIERARCHY**

The fair value of financial instruments has been determined using the following fair value hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the assessment 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 hierarchy categories as follows:

As at 31 March 2025	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	58,073,879	2,999,950	61,073,829
AVC investments	-	117,455	-	117,455
	-	58,191,334	2,999,950	61,191,284

As at 31 March 2024	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	66,053,933	-	66,053,933
AVC investments	-	118,003	-	118,003
	-	66,171,936	-	66,171,936

Notes to the financial statements for the year ended 31 March 2025 (continued)**12.7 INVESTMENT RISKS**

The Scheme is exposed to specific investment risks which have been set out in the FRS102 accounting standards as follows:

Credit Risk

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

Market Risk

This comprises currency risk, interest rate risk and other price risk as defined below.

Currency Risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.

Interest Rate Risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.

Other Price Risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees determine their investment strategy after taking advice from their delegated professional investment advisor being Hymans Robertson LLP. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy which can be found in the Trustees' report on page 9. 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 (Pantheon Ventures (UK) LLP, Barings LLP and Legal and General Investment Management Limited) and monitored by the Trustees by regular reviews of the investment portfolio.

Further information on the Trustees' approach to risk management, credit and market risk is on pages 32 to 34. This does not include the AVC investments as these are not considered significant to the overall investments of the Scheme.

Notes to the financial statements for the year ended 31 March 2025 (continued)**12.7 INVESTMENT RISKS (CONTINUED)****(i) Credit Risk**

The Scheme invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Scheme is also indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

Credit risk arising on bonds held indirectly is mitigated by investing in government bonds where the credit risk is minimal, or corporate bonds which are rated at least investment grade. Credit risk arising on other investments is mitigated by investment mandates requiring all counterparties to be at least investment grade rated. This is the position at year end.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Trustees carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the operating environment of the pooled manager.

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

	2025	2024
	£	£
Unit linked insurance contracts	44,689,579	51,880,568
Open ended investment companies	13,384,300	14,173,365
Closed ended investment partnership	2,999,950	-
	61,073,829	66,053,933

(ii) Currency Risk

The Scheme is subject to indirect currency risk due to a proportion of the underlying financial instruments held within the pooled investment vehicles being denominated in overseas currencies. In particular, the bond, multi asset credit and buy and maintain mandates are subject to currency risk although the proportion is dependent on the portfolio held at the time. Currency risk is mitigated on the equity mandate through investment in share classes that hedge overseas currency exposure back to Sterling where appropriate. This may not always be possible, in particular for the Scheme's exposure to emerging market currencies and therefore currency risk is accepted in these circumstances.

This was the position at the end of the current year. At the prior year end, the Scheme also had indirect currency risk through a number of their pooled investment vehicles, however the Trustees had a benchmark limit to overseas currency exposure to which the equity funds which comprised 23.2% of the total portfolio are exposed. However, the Scheme's current equity investment is a currency hedged fund, therefore this benchmark is not applicable at the current Scheme year end with respect to the equity investments as at that date.

Notes to the financial statements for the year ended 31 March 2025 (continued)

12.7 INVESTMENT RISKS (CONTINUED)

(iii) Interest Rate Risk

The Scheme is subject to interest rate risk because some of the Scheme’s investments are held in bonds, other credit and LDI funds via pooled vehicles. The Trustees have set a benchmark for total investment in bonds, credit and LDI combined of 82% (2024: 79%) of the total investment portfolio. If interest rates fall, the value of bonds, credit and LDI will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, these mandates will likely fall in value, as will the actuarial liabilities because of an increase in the discount rate.

This was the position at the end of the current and prior year.

(iv) Other Price Risk

Other price risk arises principally in relation to the Scheme’s return seeking portfolio which includes directly held equities held in pooled vehicles. The Scheme has set a target asset allocation of 18% (2024: 21%) for return seeking investments. This was the position at year end.

The Scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

This was the position at the end of the current and prior year.

The following table illustrates the extent to which the Scheme’s investments are subject to the above risks:

	Market Value (£)	Interest rate risk	Credit risk	Other price risk	Currency risk
PIV - Equities	11,514,273	No	No	Yes	No
PIV - Bonds	10,108,670	Yes	Yes	No	Partly
PIV - Multi Asset Credit	13,384,300	Yes	Yes	No	Partly
PIV - Buy & Maintain	8,510,073	Yes	Yes	No	Partly
PIV - Private Debt	2,999,950	Yes	Yes	Liquidity risk	Partly
PIV - LDI	14,556,563	Yes	No	No	No
Total	61,073,829				

Note: PIV – Pooled Investment Vehicle

13. CURRENT ASSETS

	Total 2025	Total 2024
	£	£
Cash at bank	791,690	280,064
Pensions paid in advance	-	196,996
Sundry debtors	9,937	21,013
	801,627	498,073

Notes to the financial statements for the year ended 31 March 2025 (continued)**14. CURRENT LIABILITIES**

	Total 2025	Total 2024
	£	£
Accrued expenses	270,983	130,943
Contributions paid in advance	83,334	83,334
Benefits to be paid	96,020	18,729
	450,337	233,006

15. RELATED PARTY TRANSACTIONS

Two of the Trustees were active members of the Scheme. Their contributions were paid in accordance with the Scheme Rules and Schedule of Contributions for the relevant period. However, since the closure of the Scheme to future accrual as at 31 March 2018, there have been no further contributions from the active members or the University in respect of their future benefits.

During the year, Trustee fees of £35,255 were paid to the Trustee (2024: nil).

Except as disclosed in the Financial Statements, there are no transactions, balances or relationships that require disclosure under Financial Reporting Standard 102.

16. EMPLOYER RELATED INVESTMENTS

There were no employer related investments within the meaning of section 40(2) of the Pensions Act 1995 (2024: %nil).

17. GUARANTEED MINIMUM PENSION

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment 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 judgment arise in relation to many other defined benefit pension schemes. The Trustees of the Scheme established a working group (comprising of three of the Trustees) to progress the GMP equalisation project. New benefits were implemented for the majority of pensioner members with effect from 1 March 2025, including the payment of any back payments on that date. Revised benefits for deferred members are to be implemented in 2025.

A reserve of 0.5% of liabilities was included within the liabilities in respect of GMP Equalisation.

In November 2020 a further High Court judgement was made in respect of GMP equalisation and historic transfer values. The judge ruled that historic transfer values would fall under the scope of GMP equalisation and that trustees of pensions schemes remain liable to members where transfer value payments reflected unequalised GMP benefits.

GMP payments to pensioners in respect of the year amounted to £277,640 (2024: £nil). Of this amount £68,000 was payable at the year-end (2024: £nil). This is included in note 6 on page 27.

Notes to the financial statements for the year ended 31 March 2025 (continued)**19. CAPITAL COMMITMENT**

At the year end, the Scheme had an outstanding capital commitment to the investment in Pantheon Private Debt PSD III fund of £4,019,603 (2024: £nil).

Maximum committed	Called to date	Uncalled commitment
£6,600,000	£2,580,397	£4,019,603

Section 6 – Independent Auditor’s Statement about Contributions

Independent Auditors’ Statement about Contributions to the Trustees of the Aston University Pension Scheme

We have examined the Summary of Contributions to the Aston University Pension Scheme for the Scheme year ended 31 March 2025 which is set out on page 38.

In our opinion contributions for the Scheme year ended 31 March 2025 as reported in the Summary of Contributions 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 Scheme Actuary on 28 July 2023.

Scope of work on Statement about Contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions on page 38 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 the Auditor

As explained more fully in the Statement of Trustees’ Responsibilities, the Scheme Trustees are responsible for preparing, and from time to time reviewing and if necessary, revising, a Schedule of Contributions 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 the audit report

This statement is made solely to the Scheme’s Trustees, as a body, in accordance with Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our work on contributions 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 about contributions 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’s Trustees, as a body, for our work on contributions, for this statement, or for the opinion we have formed.

Assure UK

Assure UK
Chartered Accountants and Statutory Auditor
London
Date: 22-10-2025 | 6:18:45 PM BST

Section 7 – Summary of Contributions

Trustees' Summary of Contributions Payable under the Schedules in respect of the Scheme year ended 31 March 2025

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustees. It sets out the employer and member contributions payable to the Scheme under the Schedule of Contributions certified by the Actuary on 28 July 2023 in respect of the Scheme year ended 31 March 2025. The Scheme auditor reports on these contributions payable under the Schedules in the Auditors' Statement about Contributions.

Summary of Contributions payable in the year

During the year, the contributions payable to the Scheme were as follows:

	Employer
	£
Required by the Schedule of Contributions	
Deficit funding	1,000,008
Fixed contributions	360,000
Total	1,360,008
Total (as per Fund Account)	1,360,008

Signed for and on behalf of the Trustees of the Aston University Pension Scheme by:



Trustee

22-10-2025 | 5:51:57 PM BST

Date

Section 8 – Actuarial Statement & Certificate

Actuarial Valuation as at 31 March 2022 - Schedule of Contributions

This schedule sets out the contributions that will be paid to the Scheme. This schedule applied from 31 March 2022 until 31 December 2031. It replaces the previous schedule dated 30 June 2020.

This schedule has been prepared with the agreement of Aston University (“the University”) and after taking the advice of Laura Andrikopoulos (“the Scheme Actuary”). This schedule has been certified by the Scheme Actuary and the certificate is included in the appendix.

University deficit reduction contributions

The 31 March 2022 actuarial valuation showed that the Scheme had no funding deficit relative to the Scheme’s statutory funding objective. Therefore, based on the valuation date results the University is not required to pay regular deficit reduction contributions.

Under the Schedule of Contributions previously in force (dated 30 June 2020 and agreed as part of the 31 March 2019 valuation) deficit contributions of £1,000,000 per annum (£83,334 per month) were due to be paid until December 2025. Following discussions with the Trustees and the University, it has been agreed that contributions will continue until 31 December 2031. That is, the University will pay the following contributions to the Scheme:

- £1,000,000 per annum (payable as monthly payments of £83,334) from 1 April 2023 to 31 December 2025; and
- £1,000,000 per annum (payable no later than annually in arrears) from 1 January 2026 to 31 December 2031.

All University contributions are due to be paid to the Scheme not later than 19 days after the end of the month (for monthly contributions) to which they relate. The contributions due from 1 January 2026 should be paid no later than 31 December of the year to which they relate.

The University shall also pay to the Scheme any additional contributions required from time-to-time on the advice of the Scheme Actuary as required under the Scheme’s Trust Deed and Rules.

The Scheme closed to accrual of new benefits on 31 March 2018; therefore no member contributions or University contributions for new benefits are due to be paid to the Scheme under this schedule.

Expenses, Levies, Fees and Insurance Premiums

The University will contribute £30,000 per month towards administrative and other expenses. The following are payable by the Scheme:

- the Pension Protection Fund levy
- the Pension Protection Fund administration levy
- the Pension Regulator’s general levy
- fees payable to the Scheme’s administrators, investment managers and other professional advisors
- investment charges and expenses and
- other Scheme expenses that are reasonably incurred in the course of the Trustees performing their duties.

Actuarial Statement & Certificate (continued)

Prepared by the Trustees of the Scheme

DocuSigned by:
Mark Evans
 Signature on behalf of the Trustees
1560EPEE9F76446...
 Print name **Mark Evans** Position **Chair of Trustees**
 Date **31-Jul-2023 | 08:27 BST**

Agreed by the University

DocuSigned by:
Richard Billingham
 Signature on behalf of the University
631E33EA048F4E4...
 Print name **Richard Billingham** Position **Chief operating officer**
 Date **28-Jul-2023 | 15:52 BST**

This schedule of contributions is provided to meet the requirements of section 227 of the Pensions Act 2004.

Actuarial Statement & Certificate (continued)

Aston University Pension Scheme

Schedule of Contributions – Actuarial Certificate

Adequacy of contributions

In my opinion, the contributions shown in this schedule are such that the statutory funding objective on 31 March 2022 can be expected to be met for the period for which the schedule is to be in force.

Consistency with statement of funding principles

In my opinion, this Schedule of Contributions is consistent with the statement of funding principles dated 28 July 2023.

Please note that the adequacy of contributions statement in this certificate relates to the scheme's statutory funding objective. For the avoidance of doubt this certificate does not mean that the contributions shown in this schedule would be enough to secure the scheme's full liabilities with annuities if the scheme were to wind up.

Signature	Laura Andrikopoulos
Date	28 July 2023
Name	Laura Andrikopoulos
Qualification	Fellow of the Institute and Faculty of Actuaries
Name of Employer	Hymans Robertson LLP
Address	7 th Floor, 45 Church Street, Birmingham B3 2RT

This certificate is provided to meet the requirements of regulation 10(6) of The Occupational Pension Schemes (Scheme Funding) Regulations 2005.

Section 9 – Report on Actuarial Liabilities (Forming Part of the Trustees' Report)

As required by FRS102 - The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, the financial statements do not include liabilities in respect of promised retirement benefits.

Under section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions, which represent the present value of benefits to which members are entitled based on pensionable service to the valuation date. This is assessed at least every three years using assumptions agreed between the Trustees and the University and set out in the Statement of Funding Principles, a copy of which is available to Scheme members on request from the Scheme Administrator (see page 2).

The most recent triennial actuarial valuation of the Scheme was carried out as at 31 March 2022 and completed in June 2023. The next actuarial valuation as at 31 March 2025 is ongoing.

Valuation date:	31 March 2022
Value of technical provisions	£113.2m
Value of assets available to meet technical provisions	£114.0m
as a percentage of technical provisions	101%

The Trustees also consider as part of the triennial valuation the level of funding relative to the estimated costs of buying out the liabilities with an insurance company (known as "solvency liabilities") and equivalent:

Valuation date:	31 March 2022
Value of solvency liabilities	£147.3m
Value of assets available to meet solvency liabilities	£114.0m
as a percentage of solvency liabilities	76%

The value of technical provisions is based on Pensionable Service to the valuation date and assumptions about various factors that will influence the Scheme in the future, such as the levels of investment returns and pay increases, when members will retire and how long members will live. The method and significant actuarial assumptions used in the calculations are as follows:

Method

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit Method.

Report on Actuarial Liabilities (continued)

Significant Actuarial Assumptions

Actuarial Assumption	Derivation
Discount rate:	Assumed to be 1.9% per annum above the market implied gilt yield curve prior to 2030, and 0.5% per annum above the market implied gilt yield curve from 2030 onwards.
Price inflation (Retail Prices Index ("RPI")):	Market implied inflation curve.
Price inflation (Consumer Prices Index ("CPI")):	RPI curve with a deduction of 0.9% per annum prior to 2030, and RPI curve from 2030 onwards.
Pension increases in payment:	LPI Pension Increase curves derived from RPI, adjusted for the impact of the relevant caps and floors on each tranche of benefit. Pre-1988 GMP: 0% per annum fixed. Post-1988 GMP: CPI capped at 3% per annum. Pre-1990 joiners, excess pension: RPI with a floor of 3% per annum and capped at 5% per annum. Post-1990 joiners, excess pension: RPI capped at 5% per annum.
Salary increases:	Assumed to be 0.5% per annum in excess of CPI inflation, including an allowance for promotional pay increases.
Deferred revaluation:	CPI capped at 5% per annum.
CARE revaluation:	RPI capped at 5% per annum.
GMP Equalisation reserve:	An allowance of 0.5% of liabilities.
Post-retirement mortality:	The post retirement mortality base tables will be a suite of bespoke assumptions which reflect the characteristics of the Scheme's membership, known as "VitaCurves". The VitaCurves adopted will be based on pooled experience from occupational pension schemes as collated by Club Vita up to 2021. Future improvements in longevity are assumed to be in line with the CMI 2021 core model with an S_{κ} parameter of 7.0, an A parameter of 0% for females and males and a long-term rate of improvement of 1.5% p.a.
Pre-retirement mortality:	The pre-retirement mortality of future pensioners is assumed to be 100% of the standard S3NMA/S3NFA tables published by the CMI of the actuarial profession, with future improvements assumed to be in line with the CMI 2021 core model, with a 1.5% p.a. minimum rate of improvement.

Section 10 – Implementation Statement (Forming Part of the Trustees' Report)

Aston University Pension Scheme – Implementation Statement in line with 2019 DB Regulations and 2024 General Code of Practice

Statement of compliance with the Aston University Pension Scheme Stewardship Policy for the year ending 31 March 2025

Introduction

The Trustees have prepared this Implementation Statement in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the Pensions Regulator's General Code of Practice. It sets out how the Trustees have complied with the **Aston University Pension Scheme** Stewardship Policy as set out in the Statement of Investment Principles ("SIP") (<https://www.aston.ac.uk/about/statutes-ordinances-regulations/publication-scheme/governance-compliance/pension-scheme>) during the period from 1 April 2024 to 31 March 2025.

Overall, the Trustees are satisfied that:

- The Scheme investments have been managed in accordance with the Scheme's Stewardship Policy during the period;
- The Scheme investments have been managed in accordance with the remainder of the Scheme's Statement of Investment Principles; and
- The provisions of the Statement of Investment Principles remain suitable for the Scheme members.

Statement of Investment Principles

The Statement of Investment Principles was last reviewed in November 2024. During this review, the Statement was updated for manager appointments and the realisation of investments, as the Scheme committed to Pantheon private lending in Q4 2025. The Trustees have prepared this Implementation Statement on the basis of the Statement of Investment Principles in force throughout the period, with reporting within this document in line with the Statement of Investment Principles applicable at the relevant time.

Scheme year investments

The primary objective of the Scheme is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefits basis.

The Trustees have overall responsibility for how the Scheme investments are governed and managed, in accordance with the Scheme Trust Deed and Rules, as well as Trust Law, Pensions Law and Pension Regulations.

The Trustees monitor how well the investment adviser meets the objectives agreed with them, which are designed to align with the Trustees' own objectives and investment strategy set out in the Statement of Investment Principles. The Trustees have set the following objectives for the adviser:

- Achieve full funding on the following basis:
 - Technical Provisions by the end of the agreed recovery plan; and
 - Gilts +0.3% p.a. over the longer term.
- De-risk investment strategy to one commensurate with the long-term funding objective.

- Provide sufficient liquidity to meet liabilities as they fall due, minimizing the risk of forced disinvestment at unattractive prices.
- Cost effective and efficient implementation of the Scheme's investment strategy.
- Delivery of the Scheme's investment objectives is supported by an effective governance framework.
- Comply with relevant pensions regulation, legislation supporting guidance relating to investment.
- Develop the Trustees' Responsible Investment policy and ensure this is reflected in ongoing governance and decision-making processes.

The Trustees have carried out an evidence-based review of the investment adviser's performance against these objectives in March 2025. This involved rating the adviser against the different objectives. The Trustees were satisfied that the objectives had been achieved for the year.

The Trustees have undertaken training during the last year to ensure that their knowledge of investment matters remains up to date. Training on investment topics included:

- Insurance-linked securities training, provided by Leadenhall.
- Requirements for Pensions Dashboards and next steps
- Requirements in relation to cyber security and data protection, including:
 - Awareness of developing cyber risks that the Scheme may face
 - Understanding data protection and GDPR
 - TPR's expectations under the new Single Code
- Responsible Investment ('RI'), including:
 - Responsible Investment issues and market trends
 - What is meant by social responsibility within investment and corporate governance
 - Impact of ESG factors with respect to the Scheme's investment strategy

The Trustees have in place a set of Investment Beliefs which they use as a guide when making investment decisions. These beliefs were considered and used to help inform decision making with respect to the Scheme investments over the reporting period.

The investment risks relating to the Scheme are described in the Statement of Investment Principles on Page 3 and the expected return is described in the SIP on Page 5.

The Trustees' views on the expected levels of investment risks and returns inform decisions on the strategic asset allocation (i.e., what type of assets and areas of the world the Scheme invests in over the longer-term), and the style of management adopted by the Scheme.

The Trustees expect fund managers to invest the Scheme assets in the members' best interests. With the aim of ensuring long-term, sustainable returns to provide benefits to the Scheme members, the fund managers are expected to exercise voting power (where applicable) with the objective of preserving and enhancing long-term shareholder value. The Trustees meet regularly with the fund managers to monitor their performance and conflicts of interest, whilst asking them to evidence the implementation of environmental, social and governance risk factors into their investment decision-making, including voting rights.

The Scheme asset managers have conflicts of interest policies in place. The Trustees formally ask managers to confirm any conflicts of interest when managers meet with the Trustees. Managers have disclosed no potential or actual conflicts over the period.

Stewardship policy

The Trustees Stewardship Policy sets out how the Trustees will behave as an active owner of the Scheme assets. It includes the Trustees’ approach to:

- The exercise of voting rights attached to assets; and
- Undertaking engagement activity, including how the Trustees engage with their investment managers and other stakeholders.

The Scheme Stewardship Policy can be found within the Scheme Statement of Investment Principles, at <https://www.aston.ac.uk/about/statutes-ordinances-regulations/publication-scheme/governance-compliance/pension-scheme>.

The Scheme Stewardship Policy is reviewed in line with the Scheme Statement of Investment Principles, which was last reviewed in November 2024.

The Trustees have delegated voting and engagement activity in respect of the underlying assets to the Scheme’s investment managers. The Trustees believe it is important that their investment managers take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with the management on issues which affect a company’s financial performance.

The Trustees’ own engagement activity is focused on their dialogue with their investment managers which is undertaken in conjunction with their investment advisers. The Trustees meet regularly with their managers, and the Trustees consider managers exercise of their stewardship both during these meetings and through reporting provided by their investment adviser.

The Trustees also monitor its compliance with the Stewardship Policy on a regular basis and is satisfied that it has complied with the Scheme’s Stewardship Policy over the last scheme year.

Voting activity

The Trustees seek to ensure that managers are exercising voting rights and, where appropriate, monitors managers’ voting patterns. The Trustees also monitor votes cast by managers on particular companies or issues that affect more than one company.

The Trustees invest in listed equities through a single mandate. The Scheme investment manager has reported on how votes were cast in the mandate as set out below.

Legal & General Investment Management (“L&G”)

Future World Global Equity Index	
Proportion of Scheme assets	18.7%
No. of meetings eligible to vote at during the year	5,515
No. of resolutions eligible to vote on during the year	55,096
% of resolutions voted	99.8%
% of resolutions voted with management	81.0%
% of resolutions voted against management	17.9%

% of resolutions abstained	1.1%
% of meetings with at least one vote against management	58.6%

The resolutions which L&G voted against management the most on over the period were mainly in relation to:

- Environmental issues,
- Remuneration, and
- Director-related resolutions.

Significant votes

The Trustees have asked their managers to report on the most significant votes cast within the portfolios they manage on behalf of the Trustees. Managers were asked to explain the reasons why votes were significant, the size of the position in the portfolio, how they voted, any engagement the manager had undertaken with the company, and the outcome of the vote. From the manager reports, the Trustees have identified the following votes as being of greater relevance to the Scheme:

L&G

Date	Company	Subject (theme and summary)	Manager's vote and rationale
29 May 2024	Meta Platforms, Inc.	Corporate Governance – Resolution 1.1: Elect Director Peggy Alford	Against– A vote against is applied due to less than one-third women on the board, lack of an independent lead director when the Chair and CEO roles are combined, absence of annual shareholder approval for executive and non-executive pay, private use of corporate jets, missing clawback provisions for unjustified awards, no executive shareholding guidelines, insufficient long-term performance conditions in incentive plans, and failure to measure performance over a three-year period, while a withhold vote is applied to Peggy Alford for continued high director pay without adequate justification. L&G will continue to engage with Meta and publicly advocate their position on this issue and monitor company and market-level progress.
13 June 2024	Tesla, Inc.	Corporate Governance – Resolution 2: Advisory Vote to Ratify Named Executive Officers' Compensation	Against– A vote against is applied as L&G believes that the approved remuneration policy should be sufficient to retain and motivate executives. While most NEOs received modest or no compensation for FY23, one executive was granted an outsized, time-based stock option award upon his promotion, the magnitude and design for which are not adequately explained. The grant does not require the achievement of pre-set performance criteria in order to vest and the value is considered to be excessive.
1 May 2024	The Coca-Cola Company	Corporate Governance – Resolution 1.12: Elect Director James Quincey	Against – Joint Chair/CEO: A vote against is applied as L&G expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.

Date	Company	Subject (theme and summary)	Manager’s vote and rationale
18 April 2024	Nestlé SA	Social – Resolution 7: Report on Non-Financial Matters Regarding Sales of Healthier and Less Healthy Foods For	For – L&G is one of the co-filers of this resolution, calling for more effective targets to increase the availability of healthier food choices for consumers. There is a clear link between poor diets and chronic health conditions such as obesity, heart disease, and diabetes, which can lead to increased healthcare costs and decreased productivity—both of which L&G believe negatively impact the economy. As the largest food company in the world, L&G believe Nestlé sets an example for the industry in driving positive change and raising market standards.
5 June 2024	Walmart Inc.	Social – Resolution 7: Establish a Company Compensation Policy of Paying a Living Wage.	For – Shareholder resolution - Income Inequality: A vote in favour is applied as L&G would encourage the company to establish a compensation policy that ensures employees earn a living wage. This is because paying a living wage can help mitigate financial risks associated with low worker morale, poor health, absenteeism, presenteeism, and high staff turnover.

Barings Investment Management

Due to the nature of the Barings investment, there were no associated voting rights. In lieu of this, a Fixed Income engagement case study is included below.

Case Study: Engagement with a motor racing company

- **Scenario:** Barings holds an investment in controlling motor racing rights. The company has recently announced a change of ownership and is expected to be acquired by a larger investment group. To date, the company has had a well-regarded set of shorter-term sustainability goals including reducing emissions footprint at racing events and plans to use sustainable fuels in motor racing in coming years.
- **Actions taken:** Barings has approached senior management to request details of how environmental plans are expected to evolve under new ownership and if there will be delays to implementation.
- **Current status:** Management has acknowledged the request for disclosure, but the engagement remains open as management has not been able to provide any detailed information given the uncertainty on sustainability strategy under new ownership.

Pantheon Ventures (UK)

Due to the nature of the Pantheon investment, there were no associated voting rights. In lieu of this, an engagement case study with the underlying investment company is included below.

Case Study: Engagement with GP 1

- **Scenario:** As part of its annual engagement, Pantheon proactively shared feedback from its GP Sustainability Survey in the form of a GP Sustainability Maturity Scorecard.
- **Actions taken:** Pantheon’s Global Head of Sustainability hosted a dedicated 1:1 feedback call with the firm, providing insights on Climate Maturity and Biodiversity Essentials. Pantheon encouraged the GP to set decarbonisation targets across its portfolios and to enhance biodiversity practices, such as conducting biodiversity impact and dependency assessments.

- **Current status:** Pantheon will shortly commence its 2025 annual GP Sustainability Survey as part of its ongoing efforts to monitor the progress of its managers.

Engagement activity

The Trustees hold meetings with their investment managers on a regular basis where stewardship issues are discussed in further detail. Over the 12 months to 31 March, the Trustees met with one of the Scheme’s three managers. The Trustees discussed with them the following issues over the course of the year.

Date	Fund manager	Subjects discussed	Outcome
20 March 2025	L&G	A summary of activity across various L&G funds held by the Scheme, along with a performance update following recent market movements driven by the US election. L&G also reaffirmed its ESG stance despite recent controversies in the ESG market.	No specific outcome outside of continuing ongoing monitoring of the funds.

Summary of manager engagement activity

The Trustees receive reporting on each manager’s engagement activity.

The following table summarises the key engagement activity for the 12-month period ending 31 March 2025.

Fund	Number of engagements	Topic engaged on
L&G Equities ¹	1944	Climate Impact Pledge, Human Rights, Deforestation, Remuneration, Climate Change
L&G Corporate Bonds ¹	129	Climate Impact Pledge, Corporate Strategy, Remuneration, Climate Change, Capital Management
L&G Maturing Buy & Maintain Funds (2035-39 and 2040-54) ¹	375	Climate Impact Pledge, Climate Change, Corporate Strategy, Human Rights, Remuneration,
Barings High Yield Credit	167	Disclosure, Transparency & Reporting, Climate Change & Energy Management, Consumer Access, Health, Safety & Wellbeing
Pantheon Private Credit	43	Transparency and reporting, Climate, Biodiversity Essentials

¹ L&G also noted that engagement figures do not include data on engagement activities with national or local governments, government related issuers, or similar international bodies with the power to issue debt securities.

The main methods of engagement typically comprise management meetings, investor forums, and private collaboration with other investors.

Use of a proxy voting adviser

The Scheme’s investment managers have made use of the services of the following proxy voting advisers over the scheme year:

Manager	Proxy voting adviser
L&G	ISS – ‘ProxyExchange’

Review of Managers' Responsible Investment policies

The Trustees have committed to reviewing investment managers' Responsible Investment policies on a regular basis. This review was last undertaken in full by the Trustees on 12 May 2020, but is considered on a high level each year as part of annual stewardship updates. The review considered managers' broader approach to responsible investment issues in addition to considering any change in approach by the manager over the year. The Trustees also considered changes to their managers voting policies.

The Trustees and their investment advisers remain satisfied that the responsible investment policies of the managers and, where appropriate, the voting policies remain suitable for the Scheme.

Prepared by:

The Trustees of the Aston University Pensions Scheme

31 March 2025