Scheme Registration Number 101147703

University of Cambridge Assistants' Contributory Pension Scheme

Trustee's Report and Financial Statements

For the year ended 31 July 2024

Contents

Scheme Management and Advisers

Trustee:

CU Pension Trustee Ltd

The Trustee Directors during the year were:

Appointed by the Finance Committee

Mr. H Jacobs Chairman (until 29 February 2024)
Dr. I Iceton Chairman (from 1 March 2024)

Appointed by Council

Mr. M Pratten
Mr. S Hutson
Mr. A Odgers
Ms. V McPhee

Elected by a ballot of active members

Mr. S Miah

Elected by a ballot of retired members

Mr. D Newton

Appointed by Trades Unions

Mr. G Cross – UNISON (until 28 August 2023)
Ms. Y Marcus – UNISON (from 1 June 2024)
Mr. P Stokes – Department of Materials Science and Metallurgy – Unite the Union

The Investments Committee members during the year were:

Appointed by the Trustee

Mr. M Pratten – Chairman
Mr. H Jacobs (until 29 February 2024)
Dr I Iceton (from 1 March 2024)
Mr. S Hutson
Mr. N Cumming
Mrs. N Landell-Mills
Mr. S Sturge

Advisers and Service Providers

The Scheme's professional advisers during the year were as follows:

Legal Advisers: Mills & Reeve LLP

Bankers: Barclays Bank plc

Actuarial Advice: Cartwrights Consulting Ltd

Scheme Actuary: Mr. R J Sweet FIA

Auditors: Crowe U.K. LLP

Investment Managers:

Aegon Asset Management
State Street Global Advisors
Genesis Asset Management
Black Rock Alternative Advisors
PIMCO
Reams
Copenhagen Infrastructure Partners
CVC Credit Partners
Aikya (from May 2024)
ARGA (from May 2024)
Adams Street (from November 2024)

Investment Consultant:
Redington Limited

Trustee's Report

The audited financial statements for the year ended 31 July 2024, a copy of which is included with this report, show that the Scheme's net assets now stand at £918.7m. These financial statements on pages 23 to 36 have been prepared and audited in accordance with the Regulations made under Section 41 (1) and (6) of the Pensions Act 1995.

Trustee of the Scheme

The Cambridge University Assistants' Contributory Pension Scheme ("Scheme") was established under the authority of the Oxford and Cambridge Act 1923.

The Trustee of the Scheme is CU Pension Trustee Ltd. The procedures for appointment and removal of Directors can be obtained, on request, from the Pensions Office.

The Trustee has prepared a Statement of Investment Principles in accordance with the Pensions Act 1995 and copies are available, on request, from the Pensions Office.

The Trustee is also responsible for the working and control of the Scheme.

Scheme Registration

The Scheme is registered with The Pensions Regulator. The Scheme's registration number is 101147703.

Actuarial Position and Contributions

The actuarial valuation as at 31 July 2021 was finalised on 31 October 2022 and a revised Schedule of Contributions was certified by the Scheme actuary on 31 October 2022. The formal actuarial certificate required by statute to be included in this Annual Report appears on page 41. In addition, as required by FRS102, the Trustee has included the Report on Actuarial Liabilities on page 16, which forms part of the Trustee's Report.

Investment management

The Investment Committee monitors the investment portfolio and met four times during the year to determine policy and monitor performance.

The Fund's day-to-day management is carried out by several appropriately qualified external investment managers, Aegon Asset Management, State Street Global Advisors, Genesis Asset Management, Black Rock Alternative Advisors, PIMCO, Reams, Copenhagen Infrastructure Partners and CVC. These investment managers report regularly to the Investments Committee, which is advised by the Investment Consultant, Redington Limited.

The total investments of the Scheme (excluding AVC investments) were £916.4m on 31 July 2024 compared with £830.7m at the previous year-end. During the year the net return on the Scheme's investments amounted to £93.9m. After deducting the net deficit from dealings with members of £18.6m the net return on investment during the year was £75.3m.

All the investments are made via pooled funds and therefore the Scheme does not have direct agreements with any custodians. The custodians are appointed by the investment managers for the pooled fund.

Investment objectives

To achieve the overall financial and investment objective of the Portfolio, which is to meet the pension liabilities of the Scheme's Members, the Trustee has adopted:

• "funding objective" - to ensure that the Scheme is fully funded using assumptions that contain a modest margin for prudence. Where an actuarial valuation reveals a deficit, a recovery plan will be put in place which will take into account the financial covenant of the employer;

• "stability objective" – to have due regard to the likely level and volatility of required contributions when setting the Scheme's investment strategy; and

• "security objective" – to ensure that the solvency position of the Scheme (as assessed on a gilt basis) is expected to improve.

Investments Committee Report

The table below shows the asset allocation in pooled investment vehicles during the year.

Investment Committee Report

The table below shows the asset allocation in pooled investment vehicles during the year.

	31.7.2023	30.9.2023	31.12.2023	31.03.2024	31.07.2024	
	%	%	%	%	%	£
Equity	**60.2**	**59.8**	**60.8**	**62.5**	**62.7**	**574.6m**
UK	14.3	14.5	14.4	14.4	14.9	136.4m
Global	37.6	37.1	38.3	40.1	40.4	370.1m
Emerging Markets	8.3	8.2	8.1	8.0	7.4	68.0m
Property	**8.2**	**8.3**	**7.8**	**7.5**	**7.4**	**67.9m**
Bonds	**19.5**	**19.8**	**19.6**	**18.7**	**17.7**	**161.7m**
Alternatives	**10.6**	**10.8**	**11.3**	**11.1**	**12.1**	**110.6m[1]**
Cash	**1.5**	**1.3**	**0.5**	**0.2**	**0.1**	**0.9m**
TOTAL ASSETS	**100**	**100**	**100**	**100**	**100**	**915.6m**

[1]CVC's asset value is as at 30th June 2024.

Manager Allocations and Performance

The asset classes are managed by 10 different fund managers to provide additional diversification benefits.

A summary of the managers' activities is as follows:

State Street Global Advisors

The assets held with State Street are invested across three passive funds that are designed to track the benchmark, a UK Equity Index (£136.4m), a Global Equity Fund (£107.4m) and a Fundamental Index (£262.7m). The Scheme redeemed from SSGA's Emerging Markets Fund in May 2024.

Aikya Investment Management

The assets held with Aikya are invested in their Aikya Global Emerging Markets Fund, which had a market value of £34.7m as at 31st July 2024. Since the Scheme first invested in May 2024, Aikya returned 0.7%, underperforming the benchmark by -1.5%.

Aikya's benchmark is the MSCI Emerging Market Index, and their aim is to generate absolute returns with strong downside protection over the long-term.

ARGA Investment Management

The assets held with ARGA are invested in their ARGA Emerging Market Equity Fund, which had a market value of £33.3m as at 31st July 2024. Since the Scheme first invested in May 2024, ARGA returned -4.5%, underperforming the benchmark by -6.7%.

ARGA's benchmark is the MSCI Emerging Market Index, and their aim is to generate long-term capital appreciation by investing in Emerging Market companies trading at a discount to their intrinsic value.

Aegon Asset Management

The assets held with Aegon are invested in their Property Fund, which had a market value of £67.9m as at 31st July 2024. Any foreign currency exposure in this fund is not hedged back to Sterling.

Aegon's benchmark is the MSCI/AREF UK Quarterly All Balanced Property Funds Index and its target is to outperform the benchmark by 0.5% p.a. over a rolling three-year period. Over the year (to June 2024), Aegon achieved a return of 0.6%, outperforming the benchmark by 0.5%.

BlackRock Alternative Advisors

Approximately £53.6m is invested in the BlackRock Capital Appreciation Strategy which aims to provide returns commensurate with the long-run return of global equity markets, with less volatility. Over the year, BlackRock returned 10.2%, outperforming the benchmark of by 4.0%.

PIMCO

The Scheme has £48.6m invested with PIMCO in their Diversified Income Fund. During the year, PIMCO returned 9.3%, outperforming the benchmark by 0.9%.

Reams

The assets held with Reams are invested in the Reams Unconstrained Bond Fund. As at 31st July 2024, the market value was £62.3m and returned 7.4%, outperforming the benchmark by 2.0%.

BlackRock

The Scheme made an allocation to the BlackRock Aquila Life Up To 5 Years UK Gilt Index Fund in June 2024 funded by a partial redemption from the Reams Unconstrained Bond Fund. As at 31st July 2024, the market value was £50.7m and returned 6.2%, outperforming the benchmark by 0.1%.

Copenhagen Infrastructure Partners

The Scheme has £16.6m invested with Copenhagen Infrastructure Partners in their infrastructure IV SCSp fund a. This investment is still being funded with approximately EUR 17.2m in unfunded commitments as at 31st July 2024.

CVC

The Scheme has £40.4m invested with CVC in their Direct Lending Fund as at 30th June 2024. This investment is still being funded with approximately £11.7m in unfunded commitments as at 30th June 2024.

Statement of Investment Principles

The Trustee is required under The Occupational Pension Schemes (Investment) Regulations 2005 to prepare and maintain a Statement of Investment Principles (the Statement or SIP) as described by Section 35 of the Pensions Act 1995. A statement has been prepared in accordance with these regulations, approved by the Trustee. A copy of the Statement can be found at https://tinyurl.com/Statement-of-I-P

In setting the Scheme's investment strategy, the Trustee's primary concern is to act in the best financial interests of the Scheme and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk.

The Trustee believes that to fulfil this commitment and to protect and enhance the value of the Scheme's investments, it must act as a responsible steward of the assets for which it is responsible. The Trustee recognises the need to ensure high standards of governance and corporate responsibility in the underlying entities in which its investments reside. The Trustee recognises that ultimately this protects the financial interests of the Scheme.

The Trustee therefore expects the Scheme's investment managers and Investment Consultant to follow industry best practice with regards to stewardship and encourages them to abide by the principles set out in the UK's Stewardship Code.

Environmental, Social, and Governance considerations

The Trustee acknowledges that environmental, social and governance ("ESG") factors including climate change can impact the value of investments held both positively and negatively, and it is important that these factors are understood and evaluated properly. The Trustee considers ESG by taking advice from their Investment Consultant when setting the Scheme's asset allocation, when selecting managers and when monitoring their performance.

The Trustee also recognizes its role as an asset owner, acting through its asset managers, in influencing positive change on ESG issues through effective stewardship and engagement (as detailed below).

As part of their delegated responsibilities, the Trustee expects the Scheme's investment managers to take into account ESG considerations (including long-term risks posed by sustainability concerns including climate change) in the selection, retention and realisation of investments.

Stewardship - Voting and Engagement

Although the Trustee retains oversight of the stewardship process, as part of their delegated responsibilities, the Trustee expects the Scheme's investment managers, as major institutional investors, to:

- Have robust ESG (including climate change, and stewardship policies and processes in place.
- Engage with investee companies, where appropriate, with the aim to protect and enhance the long-term value of assets taking material ESG factors, including climate risks, into account. Where initial engagement has made little progress, we expect our investment managers to escalate engagement accordingly.
- Implement voting policies that reflect the Trustees' SIP to ensure directors at investee companies are held for long-term and responsible behaviour, taking into account material ESG factors, including climate risks.

Expected reporting on these activities is outlined below under "Monitoring managers".

The Trustee understands good stewardship to be the responsible allocation, management, and oversight of capital to create long-term value leading to sustainable benefits for the economy, the environment and society. The Trustee will aim to use their influence as an owner of assets to ensure that best practices are reflected in terms of ESG factors and will hold our investment managers to account for the effective use of their influence acting on our behalf as owners of assets.

To best channel our stewardship efforts, the Trustee believes it should focus on key themes. Initially, the Trustee have chosen to focus efforts on climate change. The Trustee sees this as a financially material risk and an area that the Scheme can and should use its influence to promote positive change.

From time to time, the Trustee will consider the methods by which, and the circumstances under which, they would monitor and engage directly with an issuer of debt or equity, an investment manager or another holder of debt or equity, and other stakeholders. The Trustee may engage on matters concerning performance, strategy, risks, social and environmental impact and corporate governance, the capital structure, and management of actual or potential conflicts of interest.

Members' Views and Non-Financial Factors

In setting and implementing the Scheme's investment strategy, the Trustee does not explicitly consult with Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life matters (defined as "non-financial factors").

The Trustee has not set non-financial or ethical objectives or constraints on the investment strategy. The focus on ESG integration into the delegated managers' investment processes and stewardship work is to protect and enhance long-term capital, in line with members' financial interests. In setting the expectations in this regard, the Trustee draws on expertise from within the Investment Committee as well as from its Investment Consultant and additional external expertise where required to inform its consideration of non-financial factors.

Collaborative initiatives

The Trustee expects the Scheme's investment managers to support collaborative efforts that are in the interests of the Scheme's beneficiaries, as permitted by the relevant legal and regulatory codes.

Selection of managers

In addition to steps outlined under Choosing Investments above, the Trustee expects to receive, prior to their appointment and annually thereafter, a copy of each manager's Responsible Investment policy, including details of how they integrate ESG into their investment process and fulfil their stewardship responsibilities through engagements and voting at the underlying investee companies as well as any collaborative efforts.

Before the appointment of a new investment manager, the Trustee reviews the governing documentation associated with the investment and will consider the extent to which it aligns with the Trustee's policies.

The Trustee will share the policies of the Scheme, as set out in this SIP and request that the investment manager reviews and confirms whether their approach is in alignment with the Trustee's policies, prior to their appointment and annually thereafter.

Any conflicts of interest that exist that could impact on the manager's ability to fulfil the required investment and stewardship activities should be declared to the Trustee and assessed.

Where necessary, the Trustee will seek to amend that documentation so that there is more alignment. Where it is not possible to make changes to the governing documentation, for example if the Scheme invests in a collective vehicle, then the Trustee will seek written confirmation of alignment from the investment manager (such as through a side letter).

Monitoring managers

The Trustee monitors the Scheme's investments to consider the extent to which the investment strategy and decisions of the investment managers are aligned with the Trustee's policies, including those on ESG and stewardship matters. The Trustee is supported in this monitoring activity by the Investment Consultant.

To facilitate this monitoring, the Trustee receives regular reports and verbal updates from the Investment Consultant on various items including the investment strategy, performance, integration of ESG considerations, and longer-term positioning of the portfolio. The Trustee is focused on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Scheme objectives. The Trustee assesses the investment managers' performance over 3 - to - 5-year periods.

The Trustee reviews the stewardship activities of their investment managers at least annually, covering both engagement and voting actions. The Trustee expects the Scheme's investment managers to provide:

- Confirmation of ongoing alignment with the Trustee's policies, as set out in this SIP.
- Confirmation that they abide by the principles set out in the UK's Stewardship Code, and if they are not signatories an explanation as to why not.
- A report on the implementation of their Responsible Investment policy, including;

i. the integration of ESG considerations (including climate risk) into the investment process;

ii. the impact this has had on investment decision-making;

iii. engagements over the period and their outcomes

iv. and the voting record with analysis of how it supports long-term stewardship in line with the Trustee's policies.

Manager incentive alignment and accountability

The Trustee believes that having appropriate governing documentation and regular monitoring of investment managers' performance and investment strategy, as outlined above, is in most cases sufficient to incentivise the investment managers to deliver long-term investment decisions, taking ESG factors into account, that align with the Trustee's policies.

If an incumbent manager is found to be falling short of the standards the Trustee has set out in their policy, the Trustee will raise this with the manager. In the event performance is not adequately improved, the Trustee will consider a range of possible sanctions from fee reductions to replacing the manager. These sanctions help to reinforce alignment with the Trustee's policies.

There is typically no set duration for arrangements with investment managers, although the continued appointment for investment managers will be reviewed periodically, and at least every three years.

Cost Monitoring and Evaluation of Investment Managers' Performance and Remuneration

The Trustee is aware of the importance of monitoring its investment managers' total costs and the impact these costs can have on the overall value of the Scheme's assets. The Trustee recognises that in addition to annual management charges, there are a number of other costs incurred by the Scheme's investment managers that can increase the overall cost incurred by their investments.

Prior to appointing an investment manager, the Trustee will seek a full disclosure of costs according to the relevant template. Where this information is not forthcoming, the Trustee may prescribe a time frame for achieving the necessary disclosure or may decide not to appoint the investment manager.

The Trustee understands that transaction costs will vary across asset classes and by manager and investment strategy. In both cases, a high level of transaction costs may be acceptable as long as it is consistent with the asset class characteristics, investment strategy and the Trustee's policies to promote long-term stewardship. Where the Trustee's monitoring identifies a lack of consistency the mandate will be reviewed.

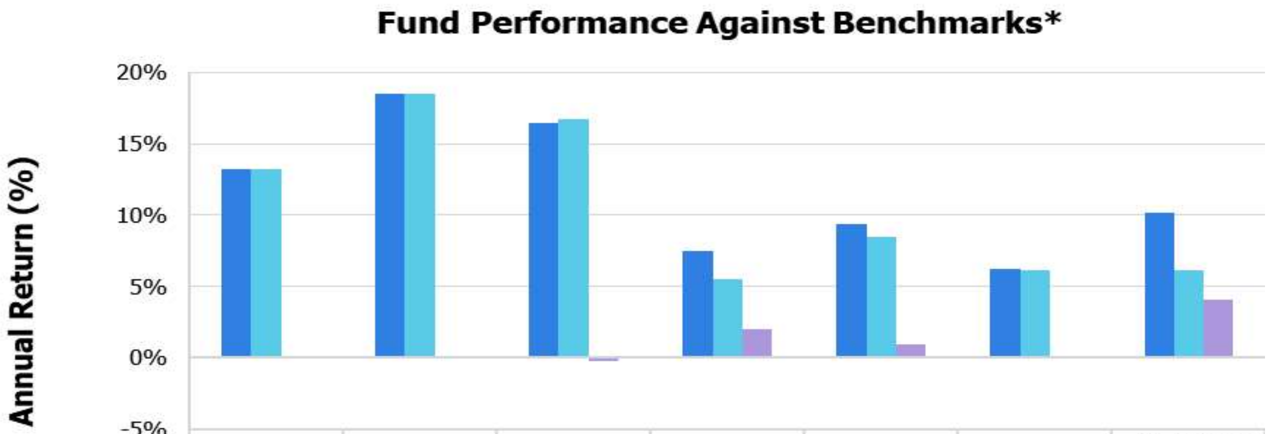
The Trustee benchmarks the Scheme's investment managers' cost and performance data against the industry on a triennial basis to assess the value for money being provided. Above average costs may be acceptable where there is a verifiable track record of delivering expected performance. The Trustee recently carried out a detailed review of

Investment Managers' costs and portfolio turnover and negotiated fee reductions with managers whose costs were identified as above expectation. Moving forward, the Trustee will continue to monitor all costs in the portfolio with help from the Investment Consultant.

The Trustee is currently undergoing a full Strategic Asset Allocation review with its Investment Consultant and portfolio costs and turnover will be looked at in detail across the asset allocation.

Investment Performance

The table below shows the Pooled Investment Vehicles performance compared to their benchmark.



	State Street UK Equity	State Street Global Equity	State Street Fundamental	Reams	PIMCO	BlackRock Aquila Life	BlackRock Capital Appreciation
Fund Performance	13.2%	18.5%	16.4%	7.4%	9.3%	6.2%	10.2%
Benchmark	13.2%	18.5%	16.7%	5.5%	8.4%	6.1%	6.2%
Relative	0.0%	0.0%	-0.3%	2.0%	0.9%	0.1%	4.0%

*Both the ARGA Emerging Market Equity Fund and Aikya Global Emerging Markets Fund have been excluded given the Scheme first invested in May 2024, hence an annual return is not available.

Following the Scheme's transition to a new investment consultant, the Trustee conducted a comprehensive SAA review. This examination covered both the fundamental aspects of the investment strategy and the performance of investment managers.

Market Commentary

Despite a "higher for longer" inflationary environment and continued restrictive monetary policy from central banks, the global economy showed unexpected resilience in the second half of 2023. Later in the year, slowing inflation expectations and a positive outlook for economic growth in the US, led to a rally in many risk assets.

This continued into 2024 where Artificial Intelligence ("AI") stocks, or notably the "Magnificent Seven" US big technology companies, continued to drive positive performance across developed market equities. However, in mid-July, after reaching all-time highs we began to see the first signs of a stock rotation away from the largest stocks in favour of smaller companies.

The performance of individual markets over the period is summarised below:

- Global equity markets returned c.19% over the period. Due to its smaller exposure to the technology stocks that drove returns elsewhere, the performance of UK markets was more muted – the UK's FTSE 100 rose c.9% in over the period, whilst, the S&P 500 index rose c.18% over the same period.
- The resilient economic environment and expectations of interest rate cuts supported corporate bond markets with credit spreads tightening and default rates remaining subdued.

- After multiple interest rate hikes in the last reporting period with the aim of bringing down persistently high inflation, the Bank of England kept interest rates stable over the period with the Base Rate constant at 5.25%. Elsewhere, the US Federal Reserve and European Central Bank also kept their benchmark rates stable for most of the period with the latter becoming the first major central bank to cut rates in June 2024 as inflation continued to ease.
- Despite volatility in the exchange rate in late 2023, Sterling remained flat against the US dollar over the period. Sterling slightly appreciated against the Euro over the period; primarily driven by the Eurozone beginning to ease interest rates ahead of the UK.

The table below shows the Scheme's investment performance against the Retail Price Index (RPI).

	2020 %	**2021 %**	**2022 %**	**2023 %**	**2024 %**
Total Return	-5.4	19.1	-4.3	3.9	10.3
RPI	1.6	1.8	14.5	10.9	3.6
Total Real Return	**-7.0**	**17.3**	**-18.8**	**-7.0**	**6.7**

Transfer Values

Transfer values are calculated and verified in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 1985 and no discretionary benefits have been included in the calculation of transfer values. None of the cash equivalent transfer values paid was less than the full value of the member's preserved benefits.

With effect from 1 January 2013 the Scheme only accepts transfers at the discretion of the Principal Employer.

Pension Increases

With effect from 1 August 2023, the pensions in payment for members, who joined the Scheme before 1 January 2013, as at 1 August 2023 were increased by 11.3% (RPI). Pensions in payments for members who joined the Scheme after 1 January 2013 were increased by 5% (maximum under Scheme rules). For retirements effective between 1 August 2022 and 30 June 2023 the increase was proportionate.

Increases in recent years have been as follows: -

	2019 %	**2020 %**	**2021 %**	**2022 %**
Pre 2013 Joiners	3.0	1.0	3.3	11.7
Post 2013 Joiners	2.0	1.0	2.1	5.0

Revaluation of deferred pensions		
Date of leaving	**Guaranteed Minimum Pension**	**Excess over Guaranteed Minimum Pension**
Prior to Jan 1986	lesser of 5% and increase in National Average Earnings	N/A
Jan 1986 - Jul 1990	lesser of 5% and increase in National Average Earnings	lesser of 5% and increase in Retail Prices Index
Aug 1990 - Jul 1993	lesser of 5% and increase in National Average Earnings	Annual increase in the Retail Prices Index (guaranteed up to 12%)
Aug 1993 -31 Dec 2012	Annual increase in the Retail Prices Index, guaranteed up to 12%	
1 Jan 2013 onwards	Pre 2013 members: Annual increase in the Retail Prices Index, guaranteed up to 5% Post 2013 members: Annual increase in the Consumer Prices Index, guaranteed to 5%	

Taxation Status

The University of Cambridge Assistants' Contributory 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.

Trustee's Report

Membership Statistics

Active Members		
Active members at 31 July 2023		4,990
Adjustment for late notification		-53
Active members at 31 July 2023 restated		4,937
New members during the year		907
		5,844
Less:		
Leavers before retirement age (excluding Death in Service)	347	
To Preserved status	377	
Died in service	7	
Active members fully commuting	1	
Active Pensioners Retiring	70	
		802
Active members at 31 July 2024		5,042

Preserved Pensioners		
Preserved pensioners at 31 July 2023		5,639
Adjustment for late notification		40
Preserved Pensioners at 31 July 2023 restated		5,679
New preserved pensioners		377
		6,056
Less:		
Preserved pensioners retired	124	
Preserved pensioner deaths	10	
Preserved pensioners fully commuting	4	
Members transferring their preserved benefits	14	
		152
Preserved pensioners at 31 July 2024		5,904

Pensioners		
Pensions in payment at 31 July 2023		3,739
Adjustment for late notification		6
Pensions in payment at 31 July 2023 restated		3,745
Active members retiring	70	
Preserved pensioners retiring	124	
New Child Pensioners	3	
Widow/ers of pensioners dying	52	
		249
Less:		
Pensioners dying during the year	116	
Pensioners fully commuting	2	
Child pensioners ceasing	1	
		119
Pensions in payment at 31 July 2024		3,875

General Data Protection Regulation

In order to manage the Scheme and pay correct benefits at the right time to members and their dependents, some personal data is required. This data includes name, address, date of birth and National Insurance number.

The Trustees and their advisers have reviewed how these requirements affect the way in which personal data is held and processed and have produced a privacy statement and data protection policy document.

Equalisation of Guaranteed Minimum Pensions (GMPs)

The Actuary has examined any GMP equalisation liability as part of the Valuation as at 31 July 2023 and concluded that the total liability would not be material so that no allowance has been set aside to cover this. Any liabilities will be accounted for in the year they are determined.

Report on Actuarial Liabilities

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. The technical provisions represent the present value of the benefits members are entitled to, based on pensionable service to the valuation date. This is assessed using assumptions agreed between the Trustee and the University and set out in the Statement of Funding Principles, which is available to Scheme members on request.

At the time these accounts are prepared the full actuarial valuation as at 31 July 2024 is underway.

The most recent full actuarial valuation of the Scheme was carried out as at 31 July 2021. This showed that on that date:

	£'000
Value of the Technical Provisions	738,260
Value of the assets at that date	814,650

The method and significant actuarial assumptions used to determine the technical provisions are as follows:

Method

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

Significant actuarial assumptions

Retail Price Inflation (RPI): The RPI assumption will be determined at the valuation date based on the Bank of England Implied Inflation yield curve. This rate will then be adjusted by an allowance for the Inflation Risk Premium, which for the purposes of the 2021 valuation the Trustee has determined should be:

- 0.2% per annum to 2030;
- 1.2% in 2031; and then
- Reducing by 0.1% per annum back to 0.2% per annum in 2041 and thereafter.

Consumer Price Inflation (CPI): The Trustee has agreed that CPI should be equal to the assumption for future RPI increases less:

- 1.0% per annum to 2030;
- 0.1% per annum from 2031 onwards.

Discount Interest Rate: Technical provisions are determined using a single rate of interest for all pre- and post-retirement benefits. The discount rate is based on the yield curve for inflation linked bonds yield curve (derived as below) plus a margin.

The Trustee has determined that for the purposes of the actuarial valuation as at 31 July 2021 the margin to be used is 1.9% per annum.

Salary Increases: Pay increases are expected to exceed CPI increases by 1.5% per annum compound in the long term but an allowance has been made for pay increases of 4.5% in 2021/2022. This relationship with CPI is monitored for accuracy and may be subject to change in future valuations.

Pension Increases in payment: Pension increases in payment are defined in the Rules and are based on annual increases in the RPI and CPI as derived above, subject to certain maxima and a minimum of nil confirmed within the Rules.

Pension Increases in Deferment: For all pension earned prior to 2013, the Trustee main revaluation assumption is set to be the same as the assumption for future increases in the RPI. There is also a revaluation underpin based on statutory revaluation. Statutory revaluation on the pension in excess of any GMP is in line with increases in the CPI, whilst the GMP is revalued in line with statutory requirements.

Report on Actuarial Liabilities

For pension earned on or after 1 January 2013, increases to pensions accrued in service and after leaving service are to be calculated by reference to the RPI (or CPI for joiners on or after 1 January 2013) capped at a maximum of 5% per annum compound.

Mortality: Currently the Trustee is using S2NA base tables produced by the Continuous Mortality Investigation Bureau based upon mortality experience of Self-Administered Pension Schemes centred on 2007 but then projected to allow for subsequent improvements in longevity. After carrying out a mortality investigation on Scheme experience on data between 1 August 2011 and 31 July 2017 during 2018 the Actuary recommended, and the Trustee agreed to adjust the S2NxA base tables for males and females by 121% and 90% respectively.

In addition, the Actuary recommended, and the Trustee agreed to make allowance for future longevity improvements using the CMI 2017 projection table, with long term rates of improvement of 1.25% per annum.

New Entrants: The Scheme is open to new entrants. The Trustee does not allow explicitly for new entrants. However, by adopting the Projected Unit Method, to give a stable normal contribution rate, they are implicitly assuming that the active membership average age remains relatively constant – i.e., that new entrants will continue to join the Scheme.

Commutation: On retirement, no allowance is made for Members who commute part of their pension for a cash lump sum at retirement.

Retirement: The Scheme Normal Retirement Age is 65 although members who joined prior to 1 December 2009 have the right to retire without actuarial reduction at age 60. The Trustee wishes to fund benefits to the average expected age of retirement of such members.

Investigations of the pattern of retirements between 1 August 2011 and 31 July 2017 (investigated as in 2018) suggest that, on average, active males currently retire at age 63 and females retire at age 62, whilst deferred males retire at age 61 and females retire at age 61. These average retirement ages will be reviewed by the actuary at each subsequent triennial valuation to ensure that they remain in line with actual Scheme experience.

Members who joined on or after 1 December 2009 are assumed to retire at age 65.

Age Difference of Dependants: Husbands are assumed to be 3 years' older than their wives.

Percentage with Dependant's Benefits at Death: 85% of male and female members are assumed to be married at death.

Expenses: Expenses of administering the Scheme are borne by the Scheme. Part of the expenses relates to past service and part relates to current and future service.

The Trustee's policy is for the actuary to review the allowance for expenses at each valuation and make a recommendation for both elements.

The current assumption is for a past service reserve of 1% of the Technical Provisions and a future allowance of 0.9% of Pensionable Salaries. This is to cover all expenses and levies of administering the Scheme.

Statement of Trustee 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 Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making 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 Trustee is 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 Trustee is also responsible for making available certain other information about the Scheme in the form of an Annual Report.

The Trustee also has 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 Trustee board met three times in the year. Attendance figures for individual directors at board meetings are below.

Director	**Board Meetings**
Mr. H Jacobs (until February 2024)	1
Dr. I Iceton (from February 2024)	3*
Mr. M Pratten	3
Mr. S Hutson	2
Mr. G Cross (until August 2023)	0
Ms. Y Marcus (from June 2024)	1
Mr. P Stokes	3
Mr. A Odgers	3
Ms. V McPhee	2
Mr. S Miah	2
Mr. D Newton	3

*Attended as an observer.

Trustee Knowledge and Understanding

The provisions of the Pensions Act 2004 require Trustee Directors of occupational pension schemes to have knowledge and understanding of the law relating to pensions and trusts and the principles relating to the funding of occupational schemes and the investment of scheme assets. Trustee Directors are also required to be conversant with their own scheme's policy documents. The Pensions Regulator has taken the phrase 'conversant with' to mean having a working knowledge of those documents such that the Trustee Directors are able to use them effectively when carrying out their duties.

The Trustee Directors have agreed that they will undertake the e-learning package introduced by the Pensions Regulator which aims to equip Trustee Directors with the knowledge and understanding they need to effectively carry out their duties and the Trustee regularly monitors progress. The Trustee Directors have also agreed that if there are any areas of concern the Scheme's professional advisers will be asked to provide additional training, or when an appropriate training course becomes available, they will attend this.

On appointment each Trustee Director is issued with a 'trustee pack' which includes all the relevant documentation relating to the Scheme and updated copies are provided as required. Copies are also available from the Scheme's webpage.

Contact Details

Any enquires about the information contained in this report or a member's entitlement to benefits should be addressed to Pensions Administration, Greenwich House, Madingley Rise, Cambridge, CB3 0TX or by emailing to the following address, pensionsonline@admin.cam.ac.uk.

Internal Controls

The Pensions Act 2004 requires the Trustee to have adequate internal controls in place to help monitor the management and administration of the Scheme. In order to assist with this the Trustee receives reports from the Scheme Office at each meeting as follows:

- Details of the amounts of any late payment or incorrect payments plus details of any action taken by the Scheme Office in respect of late or incorrect payment of contributions.
- Reports on outstanding work in the Scheme Office and the reasons for the work being outstanding.

This report was approved by the Trustee and were signed on behalf of the Trustee by:

Dr I Iceton	Signed by: Ian Iceton FD0F94FAD06E408...	Chairman	26 February 2025 | 3:19 PM GMT
Mr S Hutson	Signed by: S. F Hutson 40D8A904A21C427...	Director	26 February 2025 | 3:31 PM GMT

Independent Auditor's Report to the Trustee of the Cambridge University Assistants' Contributory Pension Scheme

Opinion

We have audited the financial statements of the Cambridge University Assistants' Contributory Pension Scheme for the year ended 31 July 2024 which comprise the Fund Account, the Statement of Net Assets (available for benefits) and the related 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 financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 July 2024, 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;
- 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 Trustee's 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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

As explained more fully in the statement of Trustee's responsibilities set out on page 18, the Trustee is responsible for the preparation of the financial statements, for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is 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 Trustee either intends to wind up the Scheme or has 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

We set out below the key areas which, in our opinion the financial statements are susceptible to material misstatement by way of irregularities including fraud and the extent to which our procedures are capable of detecting these.

- Management override of controls. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities and the review of journals and accounting estimates for bias.
- Misappropriation of investment assets owned by the Scheme. This is addressed by obtaining direct confirmation from the investment fund managers of investments held at the Statement of Net Assets (available for benefits) date.
- Diversion of assets through large investment transactions. A sample of transactions are agreed to supporting documentation testing the authorisation of the amount to Trustee approval.
- Non-receipt of contributions due to the Scheme from the employer. This is addressed by testing contributions due are paid to the Scheme in accordance with the schedule of contributions agreed between the employer and Trustee.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion, or the provision of intentional misrepresentations.

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

Use of our report

This report is made solely to the Scheme's Trustee, as a body, in accordance with Regulation 3 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 Trustee 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 Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP.

Crowe U.K. LLP
Statutory Auditor
London

Date: 27 February 2025

Financial Statements for the year to 31 July 2024

Fund Account

	Note	2024	2023
		£	£
Contributions and benefits			
Employer contributions receivable	3	17,779,852	28,825,366
Employee contributions receivable	3	297,706	308,031
Other Income	4	-	1,738
		18,077,558	29,135,135
Benefits payable	5	34,652,979	32,934,841
Payments to and on account of leavers	6	561,362	282,295
Administrative expenses	7	1,505,080	1,764,496
		36,719,421	34,981,632
Net additions from dealings with members		(18,641,863)	(5,846,497)
Returns on investments			
Investment income	8	6,877,828	4,228,099
Change in market value of investments	9	87,747,086	30,262,889
Investment management expenses		(323,440)	(426,674)
Investment consultant expenses		(393,012)	(365,370)
Net return on investments		93,908,462	33,698,944
Net increase in fund during the period		75,266,599	27,852,447
Net Assets of the Scheme at 1 August 2023		843,429,081	815,576,634
Net Assets of the Scheme at 31 July 2024		918,695,680	843,429,081

Statement of Net Assets (available for benefits)

	Note		2024 £		2023 £
Investments					
Pooled Investment Vehicles	9.1		916,252,299		830,757,965
AVC Investments - cash	9.2		443,715		434,495
Cash			9,315		10,000,000
Other Investment Values			162,829		187,532
			916,868,158		841,379,992
Current Assets					
Cash at Bank		933,878		2,088,994	
Debtors	12	2,349,247		4,318,708	
		3,283,125		6,407,702	
Less Current Liabilities					
Creditors	13	1,455,603		4,358,613	
Net Current Assets			1,827,522		2,049,089
Net Assets of the Scheme at 31 July 2024			918,695,680		843,429,081

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. 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 page 16 of this Annual Report and these financial statements should be read in conjunction with them.

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

These financial statements were approved by the Trustee and were signed on behalf of the Trustee by:

Dr I Iceton — Signed by: Ian Iceton FD0F94FAD06E408... — Chairman — 26 February 2025 | 3:19 PM GMT

Mr S Hutson — Signed by: S. F Hutson 40D8A904A21C427... — Director — 26 February 2025 | 3:31 PM GMT

Notes to the Financial Statements

1 Basis of preparation

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

2 Accounting policies

The principal accounting policies of the Scheme are as follows:

a) Investments

Investments are included at fair value as follows:

i. Pooled investment vehicles are stated at bid price for funds with bid/offer spreads, or single price where there are no bid/offer spreads, as provided by the investment manager.

ii. Annuities purchased which provide the benefits for certain members that are in the name of the Trustee are not included as assets of the Scheme as the Trustee consider these to be not to be material in relation to the financial statements as a whole.

b) Investment income

i. Interest is accrued on a daily basis.

ii. Investment income is reported net of attributable tax credits but gross of withholding taxes which are accrued in line with the associated investment income. Irrecoverable withholding taxes are reported separately as a tax charge.

iii. Income from pooled investment vehicles is accounted for on an accruals basis on the date when declared by the fund manager.

iv. Income arising from annuity policies is included in investment income on an accruals basis.

c) Foreign currencies

The functional and presentational currency of the Scheme is Sterling. Balances denominated in foreign currencies are translated into Sterling at the rate ruling at the year-end date. Asset and liability balances are translated at the bid and offer rates respectively. Transactions denominated in foreign currencies are translated at the rate ruling at the date of the transaction. Differences arising on investment balance translation are accounted for in the ‘Change in Market Value’ of investments during the year.

d) Contributions

i. Employee normal contributions are accounted for when deducted from pay. Employer normal contributions which are expressed as a rate of salary are accounted for on the same basis as employees’ contributions, otherwise they are accounted for in the period they are due under the Schedule of Contributions.

ii. Employer deficit funding contributions are 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.

Notes to the Financial Statements

e) Payments to members

i. Benefits are accounted for in the period in which they fall due for payment. Where there is a choice, benefits are accounted for on the later of the date of retirement or when the member notifies the Trustee of his decision on the type or amount of benefit to be taken or, if there is no member choice, they are accounted for on the date of retirement or leaving.

ii. Individual transfers in or out are accounted for when paid or received which is normally when member liability is accepted/discharged.

f) Expenses

Expenses are accounted for on an accruals basis. The Scheme bears all the costs of administration.

g) Identification of the financial statements

The Scheme is established as a trust under English Law. The address for enquiries to the Scheme is included in the Trustee's Report under the heading Trustee Knowledge and Understanding on page 19.

h) Taxation

The Scheme is a registered pension schemed 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.

Notes to the Financial Statements

3 Contributions

	2024	2023
	£	£
From Members:		
Normal contributions[1]	200,651	195,818
Additional voluntary contributions (Added years)	89,699	104,217
Additional voluntary contributions (CBS)	7,356	7,996
	297,706	308,031
From Employer:		
Normal contributions	17,779,852	14,230,366
Deficit funding contributions	-	14,595,000
	17,779,852	28,825,366

Following a review of the Scheme funding levels at 31 March 2023 by the Scheme Actuary, deficit funding contributions ceased on 31 July 2023.

4 Other Income

	2024	2023
	£	£
Fees for CETV's provided	-	1,738
	-	1,738

5 Benefits Payable

	2024	2023
	£	£
Pension payments to retired members	28,993,181	25,552,058
Commuted to lump sum payments	4,305,694	6,626,323
Cash payment on death	1,354,104	756,462
	34,652,979	32,934,843

6 Payments to and on account of leavers

	2024	2023
	£	£
Refunds of contributions to members	5,476	2,769
Payments to HM Revenue & Customs	906	4,618
Transfers out to other schemes for individuals	554,980	272,098
	561,362	279,485

Notes to the Financial Statements

7 Administrative expenses

	2024	2023
	£	£
Actuarial fees	243,925	167,393
Chairman honorarium	15,000	10,000
Investment committee chairman fees	18,000	24,532
Investment committee fees	5,400	5,400
Legal fees	17,463	20,857
Medical reports	80	-
Salaries and other payroll costs	253,560	225,529
PLSA subscription	3,711	917
PPF levy	779,780	1,030,595
Pensions regulator levy	18,699	51,872
Printing costs	17,202	23,211
PS Pension administration support costs	30,320	34,053
Audit fee	33,220	28,851
Bank charges	573	222
Member tracing	2,837	3,130
Trustee expenses	6,654	4,797
Member communications	29,400	63,000
Investment consultant transition	-	36,720
Recruitment costs	12,000	24,552
Employer covenant review	11,400	-
Other expenses	5,856	8,865
	1,505,080	1,764,496

8 Investment Income

	2024	2023
	£	£
Income from pooled investment vehicles	6,830,688	4,165,676
Tax reclaims	35,695	56,802
Interest on building society deposits	11,445	5,621
	6,877,827	4,228,099

9 Investments

	1 August 2023 £	Purchases £	Sale proceeds £	CIMV £	31 July 2024 £
Pooled investment vehicles (see Note 9.1	830,757,965	265,735,115	(267,987,867)	87,747,086	916,252,299
AVC Investments	434,495	18,801	(9,581)		443,715
	831,192,460	265,753,916	(267,997,448)	87,747,086	916,696,014
Cash	10,000,000				9,315
Accrued investment Income	187,532				162,829
	841,379,992				916,868,158

Pooled investment vehicle sale proceeds relate to the switch out from the State Street Passive Equity - Global Equity Fund (£89,455,840) and the switch out from the BlackRock Appreciation Strategy Fund, Ltd. Class L (GBP) Shares 2023 (50,814,502) , the disinvestment from Genesis Emerging Market Fund (£342.251,710), the sale of the SSGA Emerging Market Fund (33,316,886), the withdraw from the Reams Unconstrained Bond Fund (£50,000,000) and the return of capital from the CIP - Renewable Infrastructure fund (£2,148,928). In addition to the State Street Passive Equity - Global Equity Fund and the BlackRock Appreciation Strategy Fund, Ltd. Class L (GBP) Shares 2023 switch, other purchases include investment in the Aikya Emerging Markets fund (£34,992,000), ARGA Emerging Market Equity fund (£34,992,000), BlackRock Aquila Life Up to 5 Yrs UK Gilt fund (£50,000,000) and the continued funding from the Scheme bank account of the CIP - Renewable Infrastructure fund (£1,993,330) and the CVC Credit Partners European Direct Lending fund (£3,487,442)

9.1 Pooled Investment vehicles

	2024 £	2023 £
UK equity funds	136,424,283	120,490,970
Overseas equity funds	438,125,907	386,560,599
Alternatives	70,307,403	64,337,784
Bond funds	203,671,871	190,211,336
Property funds	67,722,835	69,157,276
	916,252,299	830,757,965

[1]Alternative funds hold a variety of investments including bonds, equities, real estate and derivatives.

Notes to the Financial Statements

9.2 Cambridge Building Society AVCs

Movement in value of the AVC account is shown below

	2024 £	2023 £
INCOME		
Contributions	7,356	7,996
Interest receivable	11,445	5,621
	18,801	13,617
EXPENDITURE		
AVC balances transferred to Fund Account	9,581	53,618
Net increase from dealings with members	9,220	(40,001))
Balance of members' Voluntary Contributions at 31 July 2023	434,495	474,496
Balance of members' Voluntary Contributions at 31 July 2024	443,715	434,495

Money Purchase Additional Voluntary Contributions represent contributions invested in a special account at the Cambridge Building Society on behalf of the individuals concerned to provide additional benefits within the overall limits laid down by the HM Revenue and Customs.

10 Concentration of Investment

As at 31 July 2024, the following investments represented greater than 5% of the Scheme's Net Assets

	2024 £	2024 %	2023 £	2023 %
State Street Passive Equity - UK Equity Fund	136,424,283	14.8%	120,490,970	14.3%
State Street Passive Equity - Fundamental Index Fund	262,676,920	28.6%	225,511,519	26.7%
Kames Property Income Fund	67,722,835	7.4%	69,157,276	8.2%
PIMCO – Multi Asset Credit Fund	48,605,838	5.3%	44,451,205	5.3%
Reams – Unconstrained Bonds	62,339,124	6.8%	105,410,848	12.5%
State Street Passive Equity - Global Equity Fund	107,439,497	11.7%	90,632,305	10.7%
BlackRock Absolute Return Strategies Fund	53,583,781	5.8%	48,622,654	5.8%
BlackRock Aquila Life Up to 5 Yrs UK Gilt fund	50,715,821	5.5%	-	-

11 Self-Investment

The Scheme has no funds held on deposit with the University.

Notes to the Financial Statements

12 Debtors

	2024	2023
	£	£
Contributions due for July 2024*	1,229,148	3,545,104
Investment Income	1,109,389	773,604
Other Debtors	10,710	-
	2,349,247	4,318,708

*Contributions due at current and prior year end were received in line with the Schedule of Contributions

13 Creditors

	2024	2023
	£	£
Pension payments due for July 2024	398,757	2,188,019
Deficit Recovery payment	-	1,154,063
Investment Manager Fees	42,810	39,221
Benefit Payments	394,791	510,014
Audit Fees	20,000	16,000
Actuary Fees	21,234	-
SEI contributions due to the University	2,402	2,194
Staff Costs	304,560	152,390
Cash payment on death	41,471	
Tax due on Refunds	77	224
PPF Levy	229,501	284,488
Trustee expenses	-	12,000
	1,455,603	4,358,613

14 Transaction costs

Transaction costs are borne by the Scheme in relation to transactions within the investment portfolio managed by the Investment Managers, comprising fees, commissions and stamp duty. Such costs are considered in calculating the bid/offer spread of these investments and are not separately reported.

Notes to the Financial Statements

15 Investment fair value hierarchy

Financial instruments held at fair value in the financial statements must be analysed according to the appropriate level in the following fair value hierarchy. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e., developed using marketdata) 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 investments have been analysed using the above hierarchy categories as follows:

As at 31 July 2024	**Level 1**	**Level 2**	**Level 3**	**TOTAL**
	£	**£**	**£**	**£**
Pooled investment vehicles	-	848,457,542	67,794,757	916,252,299
Cash (including AVC investments)	453,030	-	-	453,030
Other investment balances	-	162,829	-	162,829
Total	453,030	848,620,371	67,794,757	916,868,158

As at 31 July 2023	**Level 1**	**Level 2**	**Level 3**	**TOTAL**
	£	**£**	**£**	**£**
Pooled investment vehicles	-	761,600,689	69,157,276	830,757,965
Cash (including AVC investments)	10,435,060	-	-	10,435,060
Other investment balances	-	186,967	-	186,967
Total	10,435,060	761,787,656	69,157,276	841,379,992

16 Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this 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.

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.

Financial Statements for the year to 31 July 2024

Notes to the Financial Statements

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 Scheme has exposure to these risks because of the investments it makes to implement its investment strategy described in the Trustee's Report. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set considering the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee's Investment Committee by regular reviews of the investment portfolios.

Further information on the Trustee's approach to risk management and the Scheme's exposures to credit and market risks are set out below. This does not include AVC investments as these are not considered significant in relation to the overall investments of the Scheme.

The following table summarises the extent to which the various classes of investments are affected by financial risks:

Investment type	Market risk				**Value at 31 July 2024 (£m)**	**Value at 31 July 2023 (£m)**
	Credit risk	Currency	Interest rate	Other price		
UK equities	○	○	○	●	136.4	120.5
Overseas equities	○	●	○	●	438.1	386.5
Corporate bonds	●	○	●	◐	203.7	190.2
Property	○	◐	○	●	67.7	69.2
Alternatives Funds	◐	◐	◐	●	70.3	64.3
Cash (Including AVC's)	●	○	●	○	0.4	10.0

In the above table, the risk noted affects the asset class [●] significantly, [◐] partially or [○] hardly/not at all.

Notes to the Financial Statements

The table below lists the legal forms of the pooled mandates in which the Scheme is invested in at 31 July 2024.

Manager	Legal Structure	Value at 31 July 2024 (£)	Value at 31 July 2023 (£)
BlackRock Capital Appreciation Strategy	Limited Company	53,583,781	48,622,654
CIP (Copenhagen Infrastructure)	Closed-ended private investment Luxembourg partnership (SCSp)	16,723,622	15,715,130
CVC Credit Partners	Closed-ended private investment Luxembourg partnership (SCSp)	42,011,087	40,349,283
Genesis Emerging Markets Equity	SICAV pooled vehicle	71,922	39,096,521
PIMCO GIS Diversified Income Fund	UCITS	48,605,838	44,451,205
Reams Unconstrained Bond	Open-ended Investment Company (OEIC)	62,339,124	105,410,848
SSGA	Limited Company	506,540,700	467,955,048
Aegon Asset Management	Limited Company	67,722,835	69,157,276
Aikya Emerging Markets Equities	SICAV pooled vehicle	34,766,588	-
ARGA Emerging Market Equity	SICAV pooled vehicle	33,170,981	-
BlackRock Aquila Life Up to 5 Yrs UK Gilt	Limited Company	50,715,821	-
Total		**916,252,299**	**830,757,965**

Credit risk

The Scheme invests in pooled funds and is therefore directly exposed to credit risk in relation to solvency of the investment manager and custodian of those funds. Direct credit risk arising from pooled funds is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the investment managers, the regulatory environments in which the pooled managers operate and diversification of the Scheme's investments amongst a number of pooled arrangements. The Trustee carries out due diligence checks on the appointment of new pooled investment managers, and on an on-going basis monitors any changes to the operating environment of the pooled fund with the help of their investment advisers. The Scheme's holdings in pooled investment vehicles are unrated.

The Scheme is subject to further direct credit risk as the Scheme has cash balances. Cash is held within financial institutions which are at least investment grade credit rated.

The Scheme is indirectly exposed to credit risk arising from the underlying investments held by the pooled funds. The indirect exposure to credit risk arises from the Scheme's investments in bonds, cash and derivatives via the Hedge funds and Bond funds as detailed in Note 9.1 although the extent of the risk is dependent on the portfolio held at the time. The Trustee acknowledges that the assessment of credit risk on underlying debt instruments is delegated to the investment manager. The Trustee however ensure that they are comfortable with the amount of risk that the Scheme's investment manager takes.

Notes to the Financial Statements

Currency risk

As at 31 July 2024, £58,806,631 (2023: £95,160,934) of the Scheme's fund were accessed via a US Dollar and Euro share class and as a result was directly exposed to currency risk.

In addition, the Scheme is subject to indirect currency risk because some of the Scheme's investments are held in overseas markets through Overseas Equity Funds, Hedge Funds, Bond Funds and Property Funds as detailed in Note 9.1. The Trustee limits overseas currency exposure through a currency hedging policy

Interest rate risk

The Scheme is indirectly exposed to interest rate risk arising from the underlying investments held by the pooled funds. The indirect exposure to interest rate risk arises from the Scheme's investments in bonds, cash and derivatives via the Hedge Funds and Bond funds as detailed in Note 9.1 although the extent of the risk is dependent on the portfolio held at the time.

The interest rate exposure of the Scheme's assets hedges part of the corresponding risks associated with the Scheme's actuarial liabilities. The net effect will be to reduce the volatility of the funding level, and so the Trustee believes that it is appropriate to have exposures to these risks in this manner.

Other price risk

The Scheme is indirectly exposed to other price risk arising from the underlying investments held by the pooled funds. The indirect exposure to other price risk arises from the Scheme's investments in equities, property and derivatives via the Equity Funds, Hedge Funds and Property funds as detailed in Note 9.1 although the extant of the risk is dependent on the portfolio held at the time. The Scheme manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

17 Contingent liabilities and commitments

Aside from the liability to pay future retirement benefits, there is a commitment to invest €17.2m (£14.5m) (2023: €23.4m (£20.4m)) with Copenhagen Infrastructure Partners, €12.3m (£10.3m) (2023: €13.5m (£11.7m)) with CVC and $27.7m (£21.4) (2023: Nil) with Adams Street.

18 Related party transactions

Contributions are received in respect of 1 (2023: 1) Trustee Director and pensions are paid in respect of 1 (2023: 2) who is a member of the Scheme. These transactions have been made in accordance with the Trust Deed and Rules.

The Independent Chair of the Trustee receives a fee of £20,000 per year and 2 (2023: 2) Directors receive a fee of £1,200 per year for being members of the Investments Committee. Additional, 2 (2023: 2) non-Directors a receive a fee of £1,200 for their service on the Investments Committee. The Chair of the Investment Committee receives a fee and reimbursement of expenses, invoiced through his Company, Polaris Asset Management.

Notes to the Financial Statements

19 GMP Equalisation

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. On 20 November 2020, the High Court also ruled that pension schemes will need to revisit individual transfer payments made since May 1990.

Under the rulings, schemes are required to backdate benefit and transfer out adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the Trustee does not expect these to be material to the financial statements and therefore has not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

Independent auditor’s statement about contributions to the Trustee of the Cambridge University Assistants’ Contributory Pension Scheme

We have examined the summary of contributions to the Cambridge University Assistants’ Contributory Pension Scheme for the Scheme year ended 31 July 2024 which is set out in on page 37.

In our opinion contributions for the Scheme year ended 31 July 2024 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 31 October 2022.

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

Respective responsibilities of trustees and the auditor
As explained more fully in the Statement of Trustee’s Responsibilities, the Scheme’s Trustee is 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 our statement
This statement is made solely to the Scheme's Trustee, as a body, in accordance with 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 has been undertaken so that we might state to the Scheme's Trustee 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 Trustee as a body, for our work, for this statement, or for the opinion we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London

Date: 27 February 2025

Summary of Contributions Payable for the year ended 31 July 2024

Statement of Trustee's responsibilities in respect of contributions

The Trustee is 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 tobe paid. The Trustee is 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 Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Trustee's summary of contributions payable under the Schedule of Contributions in respect of the Scheme year ended 31 July 2024

This summary of contributions has been prepared by, and is the responsibility of, the Trustee. It sets out the employer and member contributions payable to the Scheme under the Schedule of Contributions certified by the actuary on 31 October 2022 in respect of the Scheme year ended 31 July 2024. The Scheme auditor reports on contributions payable under the schedule in the auditor's Statement about Contributions.

During the year ended 31 July 2024, the contributions payable to the Scheme by the employer were as follows:

Contributions payable under the schedule of contributions	**2024 £**	**2023 £**
Contributions from employers:		
Normal	17,779,852	14,230,366
Deficit funding	-	14,595,000
	17,779,852	**28,825,366**
Contributions from members:		
Normal contributions	200,651	195,818
Total contributions payable under the Schedule of Contributions	**17,980,503**	**29,021,184**
Other contributions payable		
Members additional voluntary contributions (added years)	89,699	104,217
Members additional voluntary contributions (Cambridge Building Society)	7,356	7,996
	97,055	**112,213**
Total contributions reported in the financial statements	**18,077,558**	**29,133,397**

Signed on behalf of the Trustee by:

Dr I Iceton Signed by: Ian Iceton FD0F94FAD06E408... **Chairman** 26 February 2025 | 3:19 PM GMT

Mr S Hutson Signed by: S. F Hutson 40D8A904A21C427... **Director** 26 February 2025 | 3:31 PM GMT

SCHEDULE OF CONTRIBUTIONS

CAMBRIDGE UNIVERSITY ASSISTANTS' CONTRIBUTORY PENSION SCHEME

Status

This Schedule of Contributions has been prepared by C U Pension Trustee Limited ("the Trustee" of the Scheme) on 31 October 2022, after obtaining the advice of Robert Sweet, the Actuary to the Scheme.

It replaces an earlier Schedule dated 30 November 2020.

Contributions to be paid to the Scheme from 1 November 2022 to 31 October 2027

1. In respect of the future accrual of benefits, the expenses of administering the Scheme, death in service benefits and PPF levies, the Members and the Employers will pay contributions at the following rates of Members' Pensionable Salaries. The rates in brackets are the rates payable from 1 November 2022 until 31 July 2023 only; the main rates are then payable from 1 August 2023 onwards:

	Salary Sacrifice Members		Non Salary Sacrifice Members	
	Active Members %	Employers %	Active Members %	Employers %
Pre-2013 Members paying additional contributions under Rule 45.6	Nil	22.6 (20.0)	8.5	14.1 (11.5)
Other Pre-2013 Members	Nil	19.6 (16.5)	5.0	14.6 (11.5)
Post-2013 Members	Nil	10.6 (8.8)	3.0	7.6 (5.8)

Active Members' contributions are to be deducted from their Pensionable Salary by their Employer and, together with the Employers' own contributions, are to be paid to the Scheme on or before the 19th day of the calendar month following that to which the payment relates.

2. The Employers will pay additional contributions of £14,595,000 per annum over the period to 31 July 2023.

3. The Scheme's funding position will be re-examined as at 31 March 2023, using assumptions derived as set out in the Statement of Funding Principles dated 31 October 2022. If the funding level as at that date is below 95%, then additional contributions will be payable from 1 August 2023 at the rate of £10,000,000 p.a. payable until 31 July 2024.

4. The Scheme's funding position will then be re-examined at each 31 March thereafter, commencing on 31 March 2024. If the funding level is above 100%, no additional contributions will be payable from the following 1 August. If the funding level is below 95%, additional contributions at the rate of £10,000,000 p.a. will be payable from the following 1 August. If the funding level is between 95% and 100% and additional contributions of £10,000,000 p.a. are already in payment, then these will continue for the year commencing from the following 1 August.

5. Contributions due under paragraphs 2, 3 and 4 above are payable in monthly instalments and each instalment is to be paid to the Scheme on or before the 19th day of the calendar month following that to which the payment relates. The allocation of these contributions between the Employers is to be decided by the Principal Employer.

Post-2013 Member

A member who joined the Scheme on or after 1 January 2013.

Pre-2013 Member

A member who joined the Scheme on or before 31 December 2012.

Augmentations

In respect of any augmentations granted, the Employers will pay such additional contributions as have been agreed with the Trustee, to be paid within such reasonable period as has been agreed between the Principal Employer and the Trustee.

Pensionable Salary

Basic salary plus any allowances and other emoluments that have been determined to be pensionable by the Employers. For members who are participating in a Salary Sacrifice Arrangement, Pensionable Salary is deemed to be the amount which it would have been if the Member was not participating in a Salary Sacrifice Arrangement.

Salary Sacrifice Members

Members who are participating in a Salary Sacrifice Arrangement and who as a result of which have been relieved of the duty to pay Member's contributions.

For and on behalf of the University of Cambridge ("the Principal Employer")

Signed:

Name: D Hughes

Position: Director of Finance

Date: 31 October 2022

For and on behalf of CU Pension Trustee Limited ("the Trustee")

Signed:

Name: H R Jacobs

Position: Trustee

Date: 31 October 2022

ACTUARY'S CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS

CAMBRIDGE UNIVERSITY ASSISTANTS' CONTRIBUTORY PENSION SCHEME

Adequacy of Rates of Contributions

I hereby certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the statutory funding objective could have been expected on 31 July 2021 to continue to be met for the period for which the Schedule is to be in force.

Adherence to Statement of Funding Principles

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 31 October 2022.

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

Signed:	Robert. J. Sweet	Date:	31 October 2022
Name:	R J Sweet	Qualification	Fellow of the Institute and Faculty of Actuaries
Address:	Mill Pool House Mill Lane Godalming Surrey GU7 1EY	Employer:	Cartwright Group Limited

ENGAGEMENT POLICY IMPLEMETATION STATEMENT

Cambridge University Assistants' Contributory Pension Scheme

31st July 2024

Introduction

Under regulatory requirements covering occupational pension schemes, Cambridge University Assistants' Contributory Pension Scheme (the "Trustee") is required to publish an annual Implementation Statement stating how the Scheme has implemented its stewardship policies relating to the exercise of the rights (including voting rights) and engagement activities as detailed in its Statement of Investment Principles (the "SIP").

From 1 October 2022, further Department of Work and Pensions ("DWP") guidance on the reporting of stewardship activities through Implementation Statements came into effect[1]. This statement aims to consider this guidance as the Trustee moves towards meeting the DWP's updated stewardship expectations.

This Statement, prepared by the Trustee on behalf of the Scheme, aims to fulfil these requirements for the period from 1 August 2023 to 31 July 2024.

Key Highlights from the Year

During the course of the reporting year, the Trustees would point to the following key developments:

- **Strategic Asset Allocation ("SAA") review:** The Trustee completed an SAA review of the Scheme over the year and agreed on the Scheme's investment strategy. Following this review, the Trustee is now considering implementation routes for each asset class. Particular focus was given through this review to managing climate risk, with stewardship being a key lever identified for such management**.**

- **Appointment of new managers:** Following the SAA review, the Trustee reviewed each asset class bucket with a focus on implementation and the investment manager(s) chosen to run each strategy. This continues to be in progress. To date, the Trustee has taken the following decisions:

    - The Trustee reviewed State Street Global Advisors ("SSGA") as the Scheme's Passive Equity manager and also decided to meet SSGA in person in March 2024 given the significance of the Scheme's exposure. Following an assessment of the universe, the decision was taken to replace

[1] https://www.gov.uk/government/consultations/climate-and-investment-reporting-setting-expectations-and-empowering-savers/outcome/reporting-on-stewardship-and-other-topics-through-the-statement-of-investment-principles-and-the-implementation-statement-statutory-and-non-statutory

SSGA with Amundi. The decision was, in large part, due to Amundi's excellent stewardship proposition. Transition of assets between the two managers is now underway.

  - The Emerging Market Equity portfolio was also reviewed, with both Aikya and ARGA replacing the Scheme's Emerging Market holdings with SSGA and Genesis. The Trustee's focus on stewardship led them to appoint two managers that integrate ESG throughout their investment process and adopt an active, fundamental and high conviction strategy with Aikya and ARGA both also having a complementary approach to investing.

  - Private Equity has been introduced as a new allocation within the SAA. The Trustee has selected Adams Street to manage this as a separately managed account. Within this, Adams Street will support the Scheme's climate ambitions through investments in impact funds and climate solutions.

- **Implementation of a 'climate transition plan' across the Scheme's asset allocation:** Following approval of the new SAA, the Trustee has been implementing the Scheme's 'climate transition plan' across the asset allocation, ensuring that the Scheme's assets are supporting the transition to a green economy, alongside achieving the financial objectives.

- **Production of an annual Stewardship report:** The report included an in-depth review of managers' engagement and voting activities as well as relevant climate metrics over the year to 30 June 2024. The report helped to highlight key areas of focus for each manager and highlighted some priority areas for the Trustee to engage with managers. As this report was delivered outside of the reporting period, further detail will be included in next year's statement around actions the Trustee have taken off the back of this. Going forward, this reporting will enable the Trustee to track the alignment of each manager with the Trustee's ESG and climate expectations.

Summary of the Trustee's policies on Stewardship, Engagement, and Voting Behaviour

The below bullet points summarise the Scheme's stewardship policy in force over the Scheme year to 31 July 2024.

The full SIP can be found here:

- The Trustee believes that in order to protect and enhance the value of the Scheme's investments, it must act as a responsible steward of the assets for which it is responsible. The Trustee recognises the need to ensure high standards of governance and corporate responsibility in the underlying entities in which its investments reside. The Trustee recognises that ultimately this protects the financial interests of the Scheme. The Trustee therefore expects the Scheme's investment managers and Investment Consultant to follow industry best practice with regards to stewardship and encourages them to abide by the principles set out in the UK's Stewardship Code.

- As part of their delegated responsibilities, the Trustee expects the Scheme's investment managers, as major institutional investors, to:

  - engage with investee companies, where appropriate, with the aim to protect and enhance the long-term value of assets taking material Environmental, Social and Governance ("ESG") factors, including climate risks, into account; and

  - exercise the Trustee's voting rights in relation to the Scheme's assets in a way which holds directors of investee companies accountable for long-term and responsible behaviour, taking into account material ESG factors, including climate risks.

- The Trustee reviews the stewardship activities of their investment managers at least annually, covering both engagement and voting actions.

- From time to time, the Trustee will consider the methods by which, and the circumstances under which, they would monitor and engage directly with an issuer of debt or equity, an investment manager or another holder of debt or equity, and other stakeholders. The Trustee may engage on matters concerning performance, strategy, risks, social and environmental impact and corporate governance, the capital structure, and management of actual or potential conflicts of interest.

Updates to the Stewardship Policy

The Stewardship Policy was not updated during the reporting period. This follows changes made to the Stewardship Policy in the last reporting period concerning Stewardship Code adherence and the Trustee's stewardship focus on climate change due to its material financial risk to the Scheme.

Scheme's Stewardship Activity Over the Year

Reviewing the Responsible Investment Policy of the Scheme

Following a comprehensive review of the Scheme's SIP and the Responsible Investment Policy in the last reporting period, no amendments were made over the year as the Trustee was satisfied the current document is meeting all regulatory requirements and reflects the up-to-date policies being implemented by the Scheme.

Investment Consultant monitoring of managers

Following the transition to Redington as the Scheme's Investment Consultant, the Trustee completed a comprehensive Strategic Asset Allocation review and is now considering implementation routes whilst reviewing each asset class in the Scheme's portfolio. The Trustee's clear themes for consideration are the manager's stewardship ability and their focus on climate risk. At the time of writing, the Trustee has reviewed the Scheme's Passive Equity and Emerging Market managers with an allocation also made to Private Equity. This review involves a thorough examination of stewardship approaches employed by any investment managers in place after completion of the review.

The Trustee receives regular updates from their Investment Consultant on the investment managers' performance. In addition to this, the Trustee receives an annual stewardship report with the first report delivered in August 2024. The report included a review of managers' engagement and voting activities, ESG Rankings for each underlying fund and climate-related metrics relevant to the Scheme. Going forward, this reporting will enable the Trustee to track the alignment of each manager with the Trustee's ESG and climate expectations. Where managers fail to meet the required standard, the Trustee may consider engaging with the relevant manager.

Manager engagement

The Investment Committee ("IC") engaged with investment managers through direct meetings as well as through the Scheme's Investment Consultant. Following the SAA review, the Trustee highlighted Global and Emerging Market equity as priority areas to review, alongside engaging with Private Equity providers to fund a new asset class. As such, the Trustee met with and ultimately appointed Aikya, ARGA and Adams Street whilst also engaging with both SSGA and Amundi which included a more in-depth stewardship review on the Scheme's Passive Equity holdings. In these meetings, all managers provided an overview of their business, the funds held, and how they incorporate ESG into their investment process.

The Trustee's recent SAA review included a particular emphasis on the integration of ESG and stewardship across its assets. As previously mentioned, the Trustee highlighted select priority areas of the portfolio and met with these managers over the reporting period. Following the Trustee's review of each asset class in the Scheme's portfolio considering suitable implementation routes, the Trustee intends to meet with all its investment managers on an ongoing basis. The Trustee will use these opportunities to discuss the managers' adherence to the Trustee's stewardship policy, amongst other matters.

Manager voting

As previously highlighted, the Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers. The use of voting rights is most likely to be financially material in the sections of the portfolios where physical equities are held. Financially material considerations include (but are not limited to) those arising from environmental including climate change, social, and governance considerations.

Given some of the Scheme's assets are invested with investment managers that hold gilts, derivative instruments, corporate bonds and illiquid assets in their portfolio, voting is only relevant to assets held with State Street Global Advisors, Aikya, ARGA, and previously, Genesis. As these investments are made via pooled funds, the investment managers are responsible for voting and engagement on the underlying assets rather than the Trustee, limiting the Trustee's ability to influence shareholder voting activity. However, the Trustee is cognisant of its role in engaging with the managers where managers' activities do not meet expectations.

The managers mentioned above provided details of their reporting behaviour in line with the Pensions and Lifetime Savings Association's Vote Reporting Template. A summary of voting activities and example of significant votes issued by the investment managers is provided in Appendix B. In addition to voting information, examples of the Scheme's investment managers' engagement with underlying companies have also been included.

Manager Stewardship Review

UK Stewardship Code status

At the time of the review in July 2024, all of the Scheme's investment managers were signatories of the UK Stewardship Code, with the exception of ARGA Investment Management, Reams Asset Management, Copenhagen Infrastructure Partners and CVC Credit Partners. The Scheme's Investment Consultant, Redington, are also signatories to the Code.

The Trustee has reiterated the importance of the Code to the Scheme and engagement with the investment managers who are not currently signatories is ongoing.

Assessment of manager stewardship activities

The Trustee is comfortable that the voting and engagement policies set out in the SIP have been adequately followed over the period and, where there were particular areas of concern, chose to replace managers who were not deemed adequate. The Trustee notes that relevant investment managers were able to disclose summary voting statistics and their approach to engagement, with supporting examples (included in Appendix A and B).

Over the year, the Trustee replaced managers that were not meeting their stewardship expectations set out in the Scheme's SIP and is in progress on assessing all managers in the portfolio with support from its Investment Consultant.

The Trustee recognises that they have responsibility as an institutional investor to promote high standards of stewardship in relation to the assets that the Scheme invests in. The Trustee will continue to engage with its investment managers to ensure visibility of voting and engagement improves, including greater detail on the specific ESG issues prioritised (including climate risk) and the impacts that have been achieved. The Trustee will monitor, assess, and ultimately hold investment managers to account to ensure that the assets of the Scheme are appropriately invested.

Looking Ahead

Over 2024 and into 2025, the Trustee will continue to monitor the Scheme's investment managers and, where relevant, press them to take further steps to enhance their engagement and voting activities in alignment with the Scheme's SIP.

The Trustee will continue to strengthen its consideration of climate change, to ensure the Scheme's Investment Consultant and underlying managers are taking the necessary steps to identify and mitigate material climate risks for the Scheme. This will include reviewing and continuing to progress with the Scheme's climate action plan which details the steps the Trustee can take to align with its stewardship policy. Changes to the Trustee's approach will be taken with regard to the Scheme's governance constraints and the in the best interest of the Scheme's members.

Appendix A - Engagement

Under the Scheme's SIP, the Trustee expects their investment managers to practice good stewardship and engagement. The Trustee expects the nature of engagement to vary between asset classes. The Trustee also believes engagement can take place across the Scheme's investments and is not restricted to equity investments.

The managers provided an overview of engagement activity, and the Trustee selected four examples they have considered noteworthy. In order to focus the examples of engagement to those that are most relevant to the Trustee, the examples from the relevant managers below were collected with a focus on those with ESG and Climate change, in line with the Trustee's stewardship policy.

State Street Global Advisors

Company: Huntington Ingalls Industries, Inc.

Focus of the engagement: Climate-related risk management.

Details of the engagement: In 2022, State Street began taking voting action against directors at companies in major global indices that fail to provide sufficient disclosure on climate-related risks and opportunities in accordance with the TCFD framework. As part of the S&P 500 Index, Huntington Ingalls Industries, Inc. (Huntington Ingalls) is subject to this voting policy. State Street engaged with Huntington Ingalls ahead of the 2022 and 2023 Annual General Meeting "AGM" to discuss the company's climate-related disclosures. State Street shared feedback on opportunities to enhance disclosure in line with its expectations and withheld support from an independent director both years for lack of sufficient disclosure in line with the TCFD framework per its policy.

Outcome of the engagement: In April 2024, the company published its 2024 Sustainability Report and enhanced disclosure in line with TCFD. This includes disclosing the Scope 1 and 2 emissions footprint, climate-related targets, and a TCFD disclosure index. State Street supported all board members at the 2024 AGM given the company's improved climate-related disclosures.

Pacific Management Investment Company (PIMCO) – Diversified Income Fund

Company: Major Bank in Europe.

Focus of the engagement: Climate Strategy, Reporting and Engagement Frameworks.

Details of the engagement: PIMCO has previously engaged with the issuer for several years, most recently on their climate strategy and sustainable financing targets. PIMCO has previously discussed their engagement strategies with clients who have a low ESG performance and the potential to disclose what thresholds they use to identify a high ESG risk transaction.

Outcome of the engagement: Following the engagement, the company shared details on the drivers for year-on-year changes in financed emissions based on attribution analysis. The company also enhanced expectations related to methane on zero routine flaring, leakage prevention, and moving towards measurement-based emissions accounting in line with the Oil & Gas Methane Partnership 2.0 (OGMP). PIMCO will continue to follow up on its process in enhancing due diligence, client engagement and climate disclosures.

Aegon Asset Management – UK Property Fund

Company: Small core plus, open-ended UK Balanced Property Fund with a blend of core assets and value add potential through asset management initiatives.

Focus of the engagement: Addressing the Fund's poor Global Real Estate Sustainability Benchmark (GRESB) scores, especially in relation to Energy, Carbon Emissions, Water and Waste. Data coverage of the portfolio and the Fund's EPC ratings were also found to be particularly poor relative to the peer group.

Details of the engagement: Aegon engaged with the manager to ensure these issues were addressed and to provide an action plan to improve data collection and energy efficiencies and to ultimately improve the Fund's GRESB scores and ESG performance.

Outcome of the engagement: The manager acknowledged the poor GRESB performance and confirmed a concerted effort would be made to improve data collection through tenant negotiations to include data sharing provisions within new lease contracts, and through the pursuit of technological solutions to automate tenant utility data. The Fund's 2023 GRESB scores and data have shown a marked improvement over the last two years, with the Fund recording substantial increase both in terms of data coverage and its headline GRESB score. The biggest improvements came from the Fund's scores in Energy and GHG. However, the Fund continues to rank low amongst its peers and Aegon will therefore continue to press for further actions and progression to improve the Fund's ESG credentials.

Reams Asset Management – Unconstrained Bond Fund

Company: Two companies within the Energy and Oil sector.

Focus of the engagement: Net Zero plans, focusing on transparency and strategy regarding ESG factors.

Details of the engagement: Reams undertook two engagements assessing Net Zero objectives, economic viability, and risk mitigation. Responses varied, ranging from detailed calls and management access to written and oral responses. In one instance, there was no response despite escalating follow-up.

Outcome of the engagement: While neither engagement resulted in direct portfolio moves, a lack of complete/viable answers precluded Reams from partaking in company bond offerings due to inadequate risk compensation. These efforts increased data collection, transparency, and understanding of company risks, ultimately benefiting entities and markets by highlighting the need for greater transparency and measurable progress towards goals.

Copenhagen Infrastructure Partners - IV SCSp

Company: An operational 402MW offshore wind farm, located in the German North Sea.

Focus of the engagement: Lowering noise emissions.

Outcome of the engagement: After identifying that action was required to lower noise emissions compared to the original plan, the project company engaged a key supplier to install "double bubble curtains" on top of other mitigation measures to ensure adequate reduction. Throughout these extra noise mitigation efforts, the Fund was closely involved through CIP's Asset Management contact with the project company as well as CIP's representation on the project company's steering committee and board. Ultimately, the foundations were able to be installed within the regulatory limits once the additional solution was implemented.

Appendix B – Voting Disclosures and Significant Votes

Summary of Voting over the Period

The managers in the below table provided details of their voting behaviour and significant votes over the period, in line with the Pensions and Lifetime Savings Association's Vote Reporting Template. Their responses are summarised in the table below, showing the voting statistics for the period 1 August 2023 to 31 July 2024, to align with the Scheme's reporting year. The information is sourced directly from the managers unless otherwise stated.

State Street Global Advisors

	Number of resolutions eligible to vote	% of resolutions voted	% of resolutions voted against management	% of resolutions abstained from
Emerging Markets Equity Index Sub-Fund	38,608	96.92	18.34	1.92
Fundamental Index Global Equity Sub-Fund	38,630	98.56	7.71	0.89
UK Equity Index Sub-Fund	12,123	79.91	18.04	0.13
Asia Pacific ex Japan Equity Index Sub-Fund	3,261	98.96	19.03	0.37
Europe (Ex UK) Equity Index Sub-Fund	8,878	97.11	10.95	0.16
Japan Equity Index Sub-Fund	6,168	99.98	8.29	0.00
North America Equity Index Sub-Fund	10,097	98.82	24.73	0.06

Aikya Investment Management

	Number of resolutions eligible to vote	% of resolutions voted	% of resolutions voted against management	% of resolutions abstained from
Aikya Global Emerging Markets Fund	437	100.00	0.00	0.01

ARGA Investment Management

	Number of resolutions eligible to vote	% of resolutions voted	% of resolutions voted against management	% of resolutions abstained from
ARGA Emerging Market Equity Fund	820	100.00	12.56	3.41

Genesis Investment Management

	Number of resolutions eligible to vote	% of resolutions voted	% of resolutions voted against management	% of resolutions abstained from
Genesis Global Emerging Markets Equity	1,130	98.32	9.81	4.68

Significant Votes

Below is some significant vote examples as defined by the Scheme's managers. In practice managers use a wide variety of criteria to determine what they consider a significant vote. In future, the Trustee will look to develop its own definition of what constitutes a significant vote to the Scheme.

SSGA

Japan Equity Index Sub-Fund

In June 2024, SSGA voted against the election of Katsuhiro Takagias Director of Toei Animation Co., Ltd. SSGA voted against the nominee due to the lack of gender diversity on the board, and due to SSGA's concerns with board independence.

In June 2024, SSGA voted against the proposal to amend articles to add provision on assessment of Mizuho Financial Group, Inc.'s client Climate Change Transition Plans. SSGA found Mizuho's climate-related disclosures to be reasonable and therefore voted against the proposal.

Europe (Ex UK) Equity Index Sub-Fund

In April 2024, SSGA voted against a shareholder proposal requesting Nestle SA to report on Non-Financial Matters regarding sales of healthier and less healthy foods. SSGA voted against the proposal as they found Nestle's current sustainability disclosures to be reasonable.

North America Equity Index Sub-Fund

In May 2023, SSGA against a proposal for Restaurant Brands International Inc.to comply with World Health Organization guidelines on antimicrobial use throughout supply chains. SSGA voted against the proposal as they cited that the company's disclosures related to product toxicity and safety are reasonable.

UK Equity Index Sub-Fund

In May 2024, SSGA voted against advising Shell Plc to align its Medium-Term Emissions Reduction Targets to cover Greenhouse Gas ("GHG") Emissions concerning the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement. SSGA found the company's current climate-related disclosures to be reasonable.

In June 2024, SSGA voted against the re-election of Jeremy Maxwell as Director of S&U Plc. SSGA cited the lack of gender diversity on the board as the rationale for voting against the nominee.

Fundamental Index Global Equity Sub-Fund

In May 2024, SSGA voted against a review of JPMorgan Chase & Co's proxy voting record and policies related to Climate Change and Diversity. SSGA voted against the proposal as they claimed the company's disclosures pertaining to the item remain reasonable.

In May 2024, SSGA voted against advising Shell to align its Medium-Term emissions reduction targets covering the Greenhouse Gas (GHG) Emissions of the use of its energy products (Scope 3) with the goal of the Paris Climate Agreement. SSGA voted against the proposal as they claimed the company's climate-related disclosures remain reasonable.

Emerging Markets Equity Index Sub-Fund Fund

In June 2024, SSGA voted against the election of a number of Directors of BIM Birlesik Magazalar AS and approving their renumeration. SSGA voted against the nominee due to lack of gender diversity on the board.

Aikya

In June 2024, Aikya abstained from voting for NetEase Inc.'s re-election of nominated Board Directors. Aikya's rationale was that the Board members had been present for too long, and as a result they could no longer be considered independent. Aikya abstained from voting and engaged with management on the topic, sharing their views as to why they believe these long-standing Board members may no longer be considered to be independent and why they would like to see a more independent Board to ensure it acts in the interest of minority shareholders.

ARGA

In December 2023, ARGA voted against management against Hyundai Mobis' appointment of Keith Witek to the Audit Committee. ARGA cited an insufficient level of audit committee independence as their rationale for voting.

Genesis

In September 2023, Genesis voted against the management (against) of Compagnie Financiere Richemont SA in approving the fixed remuneration of Executive Committee to the amount of CHF 17.2 million. Genesis cited that during the year, the CFO received a significant fixed compensation increase without compelling justification and that the proposal implied a significant level of flexibility with no indication of how the amount will be allocated.

In September 2023, Genesis voted against the management (for) of Guangdong Haid Group Co., Ltd in adjusting the performance assessment indicators of their Employee Share Purchase Plan. This is because the adjusted performance hurdle proposed occurs in the second half of the year which also takes into consideration performance from the first half.