
University of Dundee Superannuation & Life Assurance Scheme

Report and Financial Statements
For the year ended 31 July 2024

Registration number: 10151224

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University of Dundee Superannuation & Life Assurance Scheme
Sponsoring Employer and Advisers to the Scheme

Sponsoring Employer

The University of Dundee
Dundee
DD1 4HN

Participating Employer

Dundee University Student's Association

Scheme Actuary

Alan Collins, Fellow of the Institute and Faculty of Actuaries
Spence & Partners
The Culzean Building
36 Renfield Street
Glasgow
G2 1LU

Administrator

Spence & Partners
The Culzean Building
36 Renfield Street
Glasgow
G2 1LU

Auditor

BDO LLP
Citypoint
65 Haymarket Terrace
Edinburgh
EH12 5HD

Legal Adviser

Pinsent Masons LLP
141 Bothwell Street
Glasgow
G2 7EQ

University of Dundee Superannuation & Life Assurance Scheme
Sponsoring Employer and Advisers to the Scheme

Consultant

Spence & Partners
The Culzean Building
36 Renfield Street
Glasgow
G2 1LU

Investment Managers

Aberdeen Standard Investments Limited
1 George Street
Edinburgh
EH2 2LL

Partners Group (UK) Ltd
110 Bishopsgate, 14th Floor
London
EC2N 4AY

Legal & General Investment Management Limited
One Coleman Street
London
EC2R 5AA

Transfer Agent

Brown Brothers Harriman
16-18 Finsbury Circus
London
EC2M 7EB

AVC Provider

Prudential
Craigforth
PO Box 25
Stirling
FK9 4UE

Group life cover providers

Unum
Milton Court
Dorking
Surrey
RH4 3LZ

University of Dundee Superannuation & Life Assurance Scheme
Sponsoring Employer and Advisers to the Scheme

Covenant Advisers

Interpath Advisory
31 Charlotte Square
Edinburgh
EH2 4RT

Banker

Royal Bank of Scotland plc
3 High Street
Dundee,
DD1 1SX

Barclays Bank
1 Churchill Place
Canary Wharf
London
E14 5HP

University of Dundee Superannuation & Life Assurance Scheme

Trustee's Report

Introduction

The Trustee of the University of Dundee Superannuation & Life Assurance Scheme ("the Scheme") is pleased to present its report together with the audited financial statements for the year ended 31 July 2024. The Scheme is a defined benefit scheme.

The Scheme is governed by a definitive Trust Deed and Rules dated 17 May 2013 with subsequent amendments.

The Scheme is a Career Average Revalued Earnings Scheme (with legacy final salary benefits) whereby benefits are payable to members in accordance with the Scheme Rules based on length of service and salary prior to retirement.

In accordance with the provisions of Schedule 36 of the Finance Act 2004, the Scheme is a registered pension scheme under Chapter 2 of part 4 of the Finance Act 2004. Members of the Scheme were contracted-out of the State Second Pension under a certificate issued by the Secretary of State for Work and Pensions. With effect from 6 April 2016, the basic State Pension and the State Second Pension (S2P) were replaced by a single-tier State pension which meant the abolition of contracting-out for defined benefit schemes. The Scheme closed to new employees on 31 December 2022.

The Investment Report is included as Appendix 1, the Actuarial Statements included as Appendix 2, the Implementation Statement included as Appendix 3 and the Compliance Statement set out on pages 36 and 37 form part of this report.

Scheme management

In accordance with the trust deed, the Sponsoring Employer, the University of Dundee has the power to appoint and remove the Trustee of the Scheme.

Further details about the Scheme are given in the explanatory booklet which was issued to all members.

In accordance with sections 241-243 of the Pensions Act 2004, members must be given the right to directly nominate at least one third of the Trustee board. The Scheme underwent a nomination process in accordance with The Pensions Regulator's (TPR) codes of practice in order to comply with the legislation and appoint member-nominated Trustee Director (MNTDs). The Member-nominated Trustee Director, as shown below are nominated by the members under the rules notified to the members of the Scheme. They may be removed before the end of their term only by agreement of all the remaining Trustee Directors, although their appointment terminates if they cease to be members of the Scheme.

On 15 December 2021, the Trustee formed a Limited Company, University of Dundee Superannuation & Life Assurance Scheme Trustees Limited with the then Trustees appointed as Directors. The Trustee which served during the year were:

University of Dundee Superannuation & Life Assurance Scheme Trustees Limited.

The directors of University of Dundee Superannuation & Life Assurance Scheme Trustees Limited are:

Dr M Glover	
S Johnston	(resigned 13 September 2023)
A Martin	
R Parsons	
K Swinley	Chair
L Stanley	(appointed 13 September 2023)
P Hewitt	MNTD
J Rourke	MNTD
F Woodward	MNTD
D Ritchie	MNTD (appointed 14 December 2023).

The directors of University of Dundee Superannuation & Life Assurance Scheme Trustees Limited were appointed in accordance with that company's Memorandum and Articles of Association.

University of Dundee Superannuation & Life Assurance Scheme

Trustee's Report

Scheme management (continued)

The Trustee met on five occasions during the year.

The Trustee has appointed external specialists to advise on legal, investment, actuarial and accounting matters.

Auto Enrolment

The Scheme's staging date for auto enrolment ("AE") was 1 May 2013. The Trustee has amended the Scheme Rules to allow for the auto enrolment regulations, for example to auto enrol/re-enrol eligible employees who are not eligible for Universities Superannuation Scheme (USS) or other similar Schemes. Following the University's consultation the Scheme was closed to new entrants with effect 1 January 2023.

Internal Dispute Resolution Procedure (IDRP)

It is a requirement of the Pensions Act 1995 that all occupational pension schemes must have a dispute resolution procedure in place for dealing with any disputes between the Trustee and the Scheme beneficiaries. A dispute resolution procedure has been agreed by the Trustee, details of which can be obtained by writing to The Pensions Officer, University Pensions Office, The University, Dundee, DD1 4HN. Email: m.imrie@dundee.ac.uk

Financial development of the Scheme

The financial statements of the Scheme for the year ended 31 July 2024 are set out on pages 19 to 32; the Trustee's summary of contributions and the Auditor's statement about contributions are set out on pages 33 and 35. The financial statements have been prepared and audited in accordance with the regulations made under section 41(1) and (6) of the Pensions Act 1995. They show that the value of the fund increased from £95,324,604 at 31 July 2023 to £107,355,802 at 31 July 2024.

The Statement of Recommended Practice 'Financial Reports of Pension Schemes' (revised June 2018) requires that annuities held in the name of the Trustee are valued based on the present value of the related obligation. The Scheme has 16 members with annuities held in the name of the Trustee and the Trustee has deemed that it is immaterial to include these policies in the net assets of the Scheme.

Guaranteed Minimum Pension ("GMP")

The High Court, in judgments involving Lloyds Bank defined benefits pension schemes, has held that trustees of such schemes, with Guaranteed Minimum Pensions (GMPs) accrued between 1990 and 1997, must address inequalities arising from GMPs in the benefits payable to their members. Inequalities can arise because GMPs must be calculated and paid in accordance with legislation, which has different terms for men and women. The judgments, which mean that some members will be due an uplift to their benefits, apply to members with benefits still secured or payable under affected schemes and to members who have previously transferred-out of these schemes. The Trustee is aware that the judgments will affect the Scheme and are actively considering their impact and the next steps for the Scheme. Any adjustments necessary will, so far as not already taken into account, be recognised in future financial statements.

University of Dundee Superannuation & Life Assurance Scheme

Trustee's Report

Section 37 certification - Virgin Media

In relation to the recent Virgin Media case, following legal advice obtained, the Trustee has no reason to believe the Scheme did not comply with the actuarial confirmation requirements. In consideration of this and the current status of the Scheme the Trustee are comfortable adopting a "wait and see" approach to avoid incurring any costs unnecessarily. The Trustee view this to be a reasonable and proportionate response consistent with the Trustee's duties to members. In the meantime, the Trustee will undertake a high level check on what relevant Scheme documentation is available at this stage.

Report on actuarial liabilities

As required by Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102), the financial statements do not include liabilities in respect of promised retirement benefits.

Under section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. 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 Sponsoring Employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The last formal valuation of the Scheme on 31 July 2023 and subsequent funding update at 31 July 2024 showed that the funding position was as follows:

	31 July 2023	31 July 2024
	£	£
Assets	95,325,000	106,673,000
Amount required to provide promised benefits (Technical Provisions)	122,231,000	123,145,000
Surplus/(shortfall)	<u>(26,906,000)</u>	<u>(16,472,000)</u>
 Funding Level	 78.0%	 86.6%

At the valuation date, the estimated additional assets required to secure all members' benefits with an insurance company on a buyout basis was £55,408,000.

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

Method

The actuarial method to be used in the calculation of the technical provisions is the Attained Age method.

University of Dundee Superannuation & Life Assurance Scheme
Trustee's Report

Report on actuarial liabilities (continued)

Significant actuarial assumptions

Discount interest rate:

- Discount rate before retirement: Based on the Bank of England nominal yield curve for each future year plus an allowance for asset outperformance of 1.50% p.a.
- Discount rate after retirement: Based on the Bank of England nominal yield curve for each future year plus an allowance for asset outperformance of 0.80% p.a.

Future Retail Price inflation (RPI): Based on the Bank of England implied inflation yield curve for each future year less an appropriate risk premium of 0.25% p.a.

Future Consumer Price inflation (CPI): Assumed RPI inflation less 1.00% p.a. before 2030 and equal to RPI inflation thereafter.

Increases to pensions in deferment accrued prior to July 2009: In line with CPI inflation, subject to a maximum of 5.00% p.a.

Increases to pensions in deferment accrued post July 2009: In line with CPI inflation, subject to a maximum of 2.50% p.a.

Increases to pensions in payment pre April 1988 Guaranteed Minimum Pension (GMP) in payment: nil.

Increases to post April 1988 GMP in payment: In line with assumed CPI inflation, subject to a maximum of 3.0% p.a.

Pension increases for pension accrued prior to April 1997 in excess of GMP: **Former CNM members:**

In line with RPI inflation, subject to a maximum of 5.00% p.a. **All other members:** Fixed 3.00% p.a.

Pension increases for pension accrued post April 1997 to July 2009: **Former CNM members:** In line with RPI inflation, subject to a maximum of 5.00% p.a. **All other members:** In line with RPI inflation, subject to a minimum of 3.00% p.a. and a maximum of 5.00% p.a.

Pension increases for pension accrued from August 2009 to July 2011: In line with RPI inflation, subject to a maximum of 5.00% p.a.

Pension increases for pension accrued post August 2011 In line with CPI inflation, subject to a maximum of 5.00% p.a.

Base mortality table: 121% of S3PMA (Year of Birth) for males and 109% of S3PFA (Year of Birth) for females.

Future mortality improvements: CMI 2022 projections subject to a long-term rate of improvement of 1.50% p.a., initial addition parameter of 0.20% p.a. and all other core parameters.

University of Dundee Superannuation & Life Assurance Scheme

Trustee's Report

Report on actuarial liabilities (continued)

Results

As a result of the valuation as at 31 July 2023, the Trustee and the Sponsoring Employer have agreed a recovery plan to address the shortfall and contributions due are as follows:

Active members: 5.74% of Pensionable Salary, payable monthly.

Except for former members of the CNM Scheme who will pay contributions as required under the Scheme Rules.

Employer: 13.26% of Pensionable Salaries payable monthly. This included 2.6% in respect of professional costs and expenses associated with administering the Scheme, death in service premiums and the Pension Protection Fund levies.

The contributions by the Employers should be paid on or before the 19th of each calendar month following that to which the payment relates.

Deficit Funding	University of Dundee	£3,638,886 per annum
	Dundee University Students' Association	£74,262 per annum

The deficit contributions above are payable monthly from 1 August 2023 until 31 July 2029. The deficit contributions will increase by 3% each subsequent 1 August, with the first increase applying on 1 August 2024.

For the 2 month period from 1 August 2029 to 30 September 2029:

- The Employers will pay nil deficit reduction contributions.

The Employers may also pay additional contributions from time to time at their discretion.

The next formal valuation of the Scheme is due as at 31 July 2026.

Contributions

As required by the Pensions Act 2004 the Trustee has agreed a Schedule of Contributions with the Sponsoring Employer. These were certified by the Scheme Actuary on 30 January 2023 and 4 September 2024. The contributions due during the year are set out in the summary of contributions.

Transfers at less than cash equivalent

Cash Equivalent Transfer Values paid during the year in respect of transfers to other pension schemes have been calculated and verified by the Scheme Actuary in accordance with the Pension Schemes Act 1993. The Trustee has directed the Scheme Actuary not to take discretionary pension increases into account in the calculation of transfer payments. Cash Equivalent Transfer Values are not currently reduced by the Trustee with the advice of the Scheme Actuary.

University of Dundee Superannuation & Life Assurance Scheme
Trustee's Report

Membership

As at 31 July 2024, 2,362 members were entitled to benefits from the Scheme.

Changes to the membership of the Scheme during the year are set out in the following table.

	Active	Options Pending	Deferred	Pensioner
Membership at 01/08/2023	<u>911</u>	<u>-</u>	<u>883</u>	<u>627</u>
Adjustment	(26)	-	3	1
New Members	1	-	-	-
Leaver - Refund	(20)	-	-	-
Leaver - Preserved	(65)	-	65	-
Transfers Out	(3)	-	(4)	-
Trivial commutations	(1)	-	(2)	-
Retirements (pension)	(23)	-	(21)	44
Death of Members	(5)	-	-	(11)
New Dependants	-	-	-	8
Membership at 31/07/2024	<u>769</u>	<u>-</u>	<u>924</u>	<u>669</u>

In addition, there are 16 (2023: 17) insured members.

Pensioners include individuals receiving a pension upon the death of their spouse.

The adjustments above are due to late notifications of membership movements after the end of the prior year.

New members joining include those who have been auto-enrolled but opt out after enrolment. Refunds for members who opt out of the Scheme within three months of joining are processed through payroll.

Pension increases

Pensions have been increased in accordance with the Scheme Rules.

Former CNM members receive an increase every August based on the April RPI of that year or a maximum of 5%. This increase is based on their service accrued up to 31 July 2011 and is only paid on benefits in excess of GMP.

Deferred pensions (excluding the GMP element) are increased at retirement in line with The Occupational Pensions (Revaluation) Order.

No discretionary increases were applied to pensions in payment or deferred pensions during the year.

Changes to the Scheme rules

There were no changes to the Scheme rules during the year however, please refer to Note 19 on page 31.

University of Dundee Superannuation & Life Assurance Scheme

Trustee's Report

Governance and Risk Management

The Trustee has in place a business plan which sets out its objectives in areas such as administration, investment, funding and communication. This, together with a list of the main priorities and timetable for completion, helps the Trustee run the Scheme efficiently and serves as a useful reference document. The business plan is kept under review.

The Trustee has focused on risk management. A risk register is in place which sets out the key risks to which the Scheme is subject along with the controls in place to mitigate these. The risk register is kept under review.

Trustee knowledge and understanding

The Pensions Act 2004 requires trustees to have sufficient knowledge and understanding of pensions and trust law and be conversant with the Scheme documentation. The Pensions Regulator has published a Code of Practice on Trustee Knowledge and Understanding to assist trustees on this matter which became effective from 6 April 2006, with subsequent updates, most recently with effect from April 2015. The Trustee is aware of these requirements.

Further information

Further information about the Scheme is available, on request, to members, their spouses and other beneficiaries and recognised trade unions.

If members have any complaints or queries regarding the Scheme, or wish to obtain further information, they should contact Marion Imrie, Pensions Office, The University of Dundee, Dundee, DD1 4HN. Email: m.imrie@dundee.ac.uk

The General Data Protection Regulations 2016/679 (Regulations) cover information which is held electronically, i.e. computer based information and extend data protection laws to cover paper-based records held for individuals. The Regulations contain restrictions on the processing of special categories of data as defined in the Regulations, to which individuals must give their consent. This category of data can include information on, for example, the health of a member or marital status.

Members' personal data will be used by the Scheme's advisers to administer the Scheme, and may be passed to other professional providers or advisers.

The Trustee and the Scheme's advisers each have a legal obligation and a legitimate interest to process data relating to members for the purposes of administering and operating the Scheme, which includes passing on data to third parties, as mentioned above.

The Trustee is regarded as 'Controllers' for the purposes of the Regulations, in relation to the process referred to above. The advisers appointed by the Trustee are usually 'Processors', however, some advisers, such as Scheme Actuary and auditors are considered to be controllers by the various professional regulatory bodies. Under the Regulations where two or more controllers jointly determine the purposes and means of processing, they shall be joint controllers of the data.

Investment report

During the year, the day to day management of the Scheme's investments was delegated by the Trustee to the investment managers, Aberdeen Standard Investments Limited via Brown Brothers Harriman, Legal & General Investment Management Limited (Legal & General) and Partners Group (UK) Ltd.

The investment performance for the year is detailed within the Investment Report included as Appendix 1 and the Implementation Statement at Appendix 3 forms part of this report.

University of Dundee Superannuation & Life Assurance Scheme

Trustee's Report

Custodial arrangements

The investment managers provide a custodial service in respect of the investments of the Scheme. The custodians are responsible for the safe keeping of share certificates and other documents relating to the ownership of listed investments. Underlying securities are held in the name of the custodian nominee companies, which is in line with common practice for pension scheme investments.

Investment principles

The Trustee has produced a Statement of Investment Principles, which incorporates the investment strategy, in accordance with section 35 of the Pensions Act 1995. A copy can be obtained at <https://www.dundee.ac.uk/corporate-information/uodss-statement-investment-principles-sip>

The mandates put in place by the Trustee specify how rights attaching to the Scheme's segregated investments are acted upon. This includes active voting participation and a requirement to consider social, ethical and environmental factors when making investment decisions.

The Trustee has less influence over the underlying investments within pooled investment vehicles held by the Scheme but review the managers' policies and statements of compliance in respect of these matters.

Responsible Investment and Corporate Governance

The Trustee considers that it is appropriate for investment managers to take account of social, environmental and ethical considerations insofar as they believe such considerations will benefit performance or reduce risk as discussed above.

The Trustee therefore encourages the investment managers to discharge their responsibilities in respect of investee companies in accordance with the principles underlying the UK Stewardship Code drawn up by the Financial Reporting Council (FRC).

As the assets of the Scheme are managed in pooled arrangements the Trustee accepts that the assets are subject to the Investment Managers' own policies in these areas.

The Trustee has reviewed the Investment Managers' policies in these areas and are satisfied they broadly meet with the Trustee's views. The Trustee will continue to monitor them on a regular basis.

The Trustee has also prepared an annual policy Implementation Statement at Appendix 3, that:

- describes how the Trustee has followed the policies set out in the statement of investment principles during the year;
- describes any review of the statement of investment principles, including an explanation of any changes made; and
- describes the voting behavior by, or on behalf of, the Trustee over the same period.

Employer related investments

There were no employer related investments at any time during the year within the meaning of section 40(2) of the Pensions Act 1995.

The Scheme's investments comply with the restrictions prescribed by regulations made under section 40 of the Pensions Act 1995.

University of Dundee Superannuation & Life Assurance Scheme
Trustee's Report

Statement of Trustee's Responsibilities

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

- show a true and fair view of the financial transactions of the Scheme during the scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including 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 these responsibilities, the Trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Scheme will continue as a going concern.

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

The Trustees also have a general responsibility for ensuring that 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.

Trustees' responsibilities in respect of contributions

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

Signed for and on behalf of the Trustee of the University of Dundee Superannuation & Life Assurance Scheme by:

Director Keith AC Swinley
Keith AC Swinley (Feb 11, 2025 15:48 GMT)

Director Allan Martin
Allan Martin (Feb 6, 2025 16:50 GMT)

Date 11/02/2025

University of Dundee Superannuation & Life Assurance Scheme
Independent Auditor's report to the Trustee

Opinion on the financial statements

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; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

We have audited the financial statements of University of Dundee Superannuation & Life Assurance Scheme ('the Scheme') for the year ended 31 July 2024 which comprise the Fund Account, Statement of Net Assets (available for benefits) and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice – *Financial Reports of Pension Schemes* (revised 2018).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

University of Dundee Superannuation & Life Assurance Scheme
Independent Auditor's report to the Trustee

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustee

As explained more fully in the Statement of Trustee's Responsibilities, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they show a true and fair view, and for such internal control as the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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

The procedures we designed and executed included:

- Obtaining an understanding of the Scheme's legal and regulatory frameworks, focusing on those which we determine to be the most significant, and how the Scheme complies with these.
- Enquiring of the Trustee, and where appropriate, the administrators or consultants as to whether:
 - the Scheme is in compliance with laws and regulations that have a material effect on the financial statements;
 - they have knowledge of any actual, suspected or alleged fraud; and
 - any reports have been made to The Pensions Regulator.

University of Dundee Superannuation & Life Assurance Scheme
Independent Auditor's report to the Trustee

Auditor's responsibilities for the audit of the financial statements (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

Based on our understanding of the Scheme, we consider the most significant laws and regulations that have a direct impact on the financial statements are the Pensions Acts 1995 and 2004 and those that relate to the reporting framework (Occupational Pension Schemes Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 and the Statement of Recommended Practice "Financial Reports of Pensions Schemes" 2018 ("The SORP"). We also considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls by the Trustee and those involved in the preparation of the financial statements and underlying accounting records. We determined that the principal risk was related to the posting of inappropriate journals, which may act to conceal fraudulent activity.

Audit procedures performed to respond to the identified risks included, but were not limited to, the following:

- Testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential basis; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Enquiring of management and the Trustees with regards to actual and potential litigation and claims.
- Reviewing the disclosures in the financial statements and testing to supporting documentation to assess compliance with relevant laws and regulations, as detailed above.
- Reviewing minutes of meetings of the Trustees.
- Reviewing any significant correspondence with the Pensions Regulator.
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Evaluating the design and implementation of controls associated with the journal entry process.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

University of Dundee Superannuation & Life Assurance Scheme
Independent Auditor's report to the Trustee

Use of our report

This report is made solely to the Scheme's Trustee 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 it 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 for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



6D984F7FE0924BD...

BDO LLP

Statutory auditor

Guilford

United Kingdom

Date: 12 February 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

University of Dundee Superannuation & Life Assurance Scheme
Financial Statements

Fund Account
For the year ended 31 July 2024

	Note	2024 £	2023 £
Contributions and benefits			
Employer contributions		10,787,574	11,670,434
Employee contributions		86,917	105,699
Total contributions	3	<u>10,874,491</u>	<u>11,776,133</u>
Other income	4	<u>384,496</u>	<u>128,135</u>
		<u>11,258,987</u>	<u>11,904,268</u>
 Benefits paid or payable	5	 (5,168,463)	 (5,102,904)
Payments to and on account of leavers	6	(62,846)	(65,778)
Other payments	7	(130,073)	(142,715)
Administrative expenses	8	<u>(490,518)</u>	<u>(790,565)</u>
		<u>(5,851,900)</u>	<u>(6,101,962)</u>
 Net additions from dealings with members		 <u>5,407,087</u>	 <u>5,802,306</u>
 Returns on investments			
Investment income	9	590,731	683,743
Change in market value of investments	10	6,192,470	(31,622,025)
Investment management expenses	11	<u>(159,090)</u>	<u>(671,647)</u>
Net returns on investments		<u>6,624,111</u>	<u>(31,609,929)</u>
 Net increase/(decrease) in the fund for the year		 12,031,198	 (25,807,623)
 Net assets at 1 August 2023		 95,324,604	 121,132,227
 Net assets at 31 July 2024		 <u>107,355,802</u>	 <u>95,324,604</u>

The notes on pages 21 to 32 form an integral part of these financial statements.

University of Dundee Superannuation & Life Assurance Scheme
Financial Statements

Statement of Net Assets
(available for benefits) as at 31 July 2024

	Note	2024 £	2023 £
Investment assets:	10		
Pooled investment vehicles	12	103,378,880	91,801,844
		<u>103,378,880</u>	<u>91,801,844</u>
 Current assets	15	 4,137,535	 3,805,391
Current liabilities	16	(160,613)	(282,631)
 Net assets at 31 July 2024		 <u>107,355,802</u>	 <u>95,324,604</u>

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 takes into account such obligations, is dealt with in the Report on Actuarial Liabilities on pages 8, 9 and 10 included in the Trustee's Report and these financial statements should be read in conjunction with this report.

The notes on pages 21 to 32 form an integral part of these financial statements.

These financial statements were approved by the Trustee and authorised for issue on 11/02/2025.....

Signed for and on behalf of the Trustee of the University of Dundee Superannuation & Life Assurance Scheme by:

Keith AC Swinley
 Director Keith AC Swinley (Feb 11, 2025 15:48 GMT).....

Allan Martin
 Director Allan Martin (Feb 5, 2025 16:50 GMT).....

University of Dundee Superannuation & Life Assurance Scheme

Notes to the Financial Statements

1. Basis of preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice (SORP), Financial Reports of Pension Schemes (revised 2018), published by the Pensions Research Accountants Group.

The financial statements have been prepared on the going concern basis which the Trustee believe to be appropriate based on their expectations for a 12 month period from the date of approval of these financial statements which indicate that sufficient funds should be available to enable the Scheme to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due. Representatives from the Employer are invited to attend each Trustee meeting during which an update on the financial performance of the University is provided by the Employer.

The Statement of Recommended Practice 'Financial Reports of Pension Schemes' (revised June 2018) requires that annuities held in the name of the Trustee are valued based on the present value of the related obligation. The Scheme has 16 members with annuities held in the name of the Trustee and the Trustee has deemed that it is immaterial to include these policies in the net assets of the Scheme.

1.1. Identification of the financial statements

The Scheme is established as a trust under Scots law. The Sponsoring Employer's registered address is disclosed on page 3 and the address for enquiries to the Scheme is included in the Trustee's Report on page 12.

2. Accounting policies

Functional currency

The functional and presentational currency used in the financial statements is Sterling and all figures have been rounded to the nearest pound.

Contributions

Employee normal contributions, including Additional Voluntary Contributions (AVCs), are accounted for by the Trustee when they are deducted from pay by the Employer, except for the first contribution due where the employee has been auto-enrolled by the Employer which is accounted for when received by the Scheme.

Employer normal and salary sacrifice contributions are accounted for on the same basis as the employees' contributions, in accordance with the Schedule of Contributions in force during the year.

Employer deficit funding contributions are recognised on an accruals basis based on the due dates on which they are payable, in accordance with the Schedule of Contributions, or on receipt if this is earlier than the due dates in the Schedule of Contributions and the Employer and Trustee agrees this treatment.

Other income

Income is accounted for in the period in which it falls due.

Investment Income

Interest on bank deposits is accounted for as it accrues.

Income arising from pooled investment vehicles is accounted for when declared by the fund manager.

Receipts from annuity policies are accounted for as investment income on an accruals basis.

University of Dundee Superannuation & Life Assurance Scheme
Notes to the Financial Statements

2. Accounting policies (continued)

Transfers

Individual transfers in or out of the Scheme are accounted for when member liability is accepted or discharged which is normally when the transfer amount is paid or received.

Benefits

Benefits payable are included in the financial statements on an accruals basis when the member notifies the Trustee as to the type or amount of benefit to be taken, or where there is no choice, on the date of retirement or leaving. Pensions in payment are accounted for in the period to which they relate.

Administrative expenses and investment management expenses

Administrative expenses and investment management expenses are accounted for on an accruals basis.

Change in market value

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

Investment Assets

Unitised pooled investment vehicles are valued at the closing bid price or, if single priced, at the closing single price or at the net asset value as advised by the investment managers at the nearest year end date available.

3. Contributions

	2024	2023
	£	£
Employer		
Normal	5,286,498	6,199,730
Salary sacrifice	1,787,926	1,865,704
Deficit funding	<u>3,713,150</u>	<u>3,605,000</u>
	<u>10,787,574</u>	<u>11,670,434</u>
Employee		
Normal	83,090	98,841
Additional Voluntary Contributions (AVCs)	<u>3,827</u>	<u>6,858</u>
	<u>86,917</u>	<u>105,699</u>
	<u>10,874,491</u>	<u>11,776,133</u>

A Schedule of Contributions was certified on 30 January 2023 and covers contributions from 1 January 2023 to 31 July 2031 which are as follows:

Active members shall pay 8.75% of Pensionable Salary, except for former members of the CNM Scheme who will pay contributions as required under the Scheme Rules.

In respect of future accrual of benefits, the Employer will pay 24.85% of Pensionable Salaries (of which 2.6% is in respect of administration expenses, death in service premiums and levies) payable monthly.

Deficit Funding	University of Dundee	£3,430,000 per annum
	Dundee University Students' Association	£70,000 per annum

These contributions are payable in equal monthly instalments for a period of 10 years from 1 August 2021 and will increase each year on 1 August at the rate of 3% per annum. The first increase was applied on 1 August 2022.

University of Dundee Superannuation & Life Assurance Scheme
Notes to the Financial Statements

3. Contributions (continued)

A new Schedule of Contributions was certified on 4 September 2024 and covers contributions from 1 September 2024 to 30 September 2029 which are as follows:

Active members shall pay 5.74% of Pensionable Salary, except for former members of the CNM Scheme who will pay contributions as required under the Scheme Rules.

In respect of future accrual of benefits, the Employer will pay 13.26% of Pensionable Salaries This includes 2.6% in respect of professional costs and expenses associated with administering the Scheme, death in service premiums and the Pension Protection Fund levies.

The contributions by the Employers should be paid on or before the 19th of each calendar month following that to which the payment relates.

Deficit Funding	University of Dundee	£3,638,886 per annum
	Dundee University Students' Association	£74,262 per annum

The deficit contributions above are payable monthly from 1 August 2023 until 31 July 2029. The deficit contributions will increase by 3% each subsequent 1 August, with the first increase being applied on 1 August 2024.

For the 2 month period from 1 August 2029 to 30 September 2029:

- The Employers will pay nil deficit reduction contributions.

The Employers may also pay additional contributions from time to time at their discretion.

4. Other Income

	2024	2023
	£	£
Claims on group life assurance policies	384,496	128,135
	<u>384,496</u>	<u>128,135</u>

5. Benefits paid or payable

	2024	2023
	£	£
Pensions	3,791,440	3,591,030
Commutations of pensions and lump sum retirement benefits	1,044,800	1,418,534
Lump sums: on death in deferment	332,223	93,340
	<u>5,168,463</u>	<u>5,102,904</u>

6. Payments to and on account of leavers

	2024	2023
	£	£
Refunds to members leaving service	283	1,965
Individual transfers to other schemes	62,563	63,813
	<u>62,846</u>	<u>65,778</u>

University of Dundee Superannuation & Life Assurance Scheme
Notes to the Financial Statements

7. Other payments

	2024	2023
	£	£
Premiums on term insurance policies	130,073	142,715
	<u>130,073</u>	<u>142,715</u>

8. Administrative expenses

	2024	2023
	£	£
Administration fees	332,407	214,782
Consultancy fees	-	233,279
Audit fees	31,575	17,250
Legal fees	41,761	72,972
Pensions Regulator Levy	63,822	247,972
Other professional fees	20,953	4,310
	<u>490,518</u>	<u>790,565</u>

9. Investment income

	2024	2023
	£	£
Income from pooled investment vehicles	523,468	649,068
Interest on cash deposits	49,342	12,197
Annuity income	17,921	22,478
	<u>590,731</u>	<u>683,743</u>

10. Reconciliation of investments

	Value at				Value at
	31/07/2023	Purchases	Sales	Change in	31/07/2024
	£	at cost	proceeds	market	£
	£	£	£	value	£
Pooled investment vehicles	91,801,844	54,807,190	(49,422,624)	6,192,470	103,378,880
Investments Total	91,801,844	54,807,190	(49,422,624)	6,192,470	103,378,880

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the Trustee. There are no direct transaction costs.

Pooled investment vehicles are all managed by companies registered in the United Kingdom.

Where the investments are held in managed and unitised funds the change in market value also includes expenses both implicit and explicit to the Scheme and any reinvested income, where the income is not distributed.

Money Purchase Policy with Prudential Assurance Company Limited match, and fully guarantee, the Scheme's obligations in respect of those individuals who contribute toward this policy. No value has been placed on this policy in the financial statements, the assets being realised and accounted for as the benefits secured thereby become payable.

University of Dundee Superannuation & Life Assurance Scheme
Notes to the Financial Statements

10. Reconciliation of investments (continued)

Concentration of investments

The following investments exceed 5% of the total value of the net assets of the Scheme:

	2024		2023	
	£	%	£	%
Standard Life Private Credit Fund	11,986,769	11.2%	11,305,673	11.9%
Partners Fund - Class E	6,467,558	6.0%	6,259,802	6.6%
LGIM - Matching Core Fixed Short	2,606,474	2.4%	-	0.0%
Partners Fund - Class E - N	5,394,755	5.0%	8,615,462	9.0%
LGIM - Matching Core Fixed Long	11,860,034	11.1%	8,194,538	8.6%
LGIM - Matching Core Real Long	26,031,534	24.3%	19,608,649	20.6%
LGIM - Dynamic Diversified Fund	11,940,741	11.1%	17,394,117	18.2%
LGIM - Sterling Liquidity	-	-	10,940,303	11.5%
LGIM - Synthetic Leveraged Equity Fund	8,128,165	7.6%	5,939,990	6.2%
LGIM - Short Dated Corporate Bond	14,065,373	13.1%	-	-

11. Investment management expenses

	2024	2023
	£	£
Administration, management and custody	159,090	671,647
	<u>159,090</u>	<u>671,647</u>

12. Pooled investment vehicles

	2024	2023
	£	£
Equity funds	13,025,642	9,483,300
Bond funds	14,065,373	-
Diversified growth funds	11,940,741	17,394,117
Sterling liquidity funds	-	10,940,303
Matching core funds	40,498,042	27,803,187
Private credit funds	11,986,769	11,305,673
Private equity funds	11,862,313	14,875,264
	<u>103,378,880</u>	<u>91,801,844</u>

13. Fair value hierarchy

The fair value of financial instruments has been disclosed using the following fair value hierarchy.

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety.

University of Dundee Superannuation & Life Assurance Scheme
Notes to the Financial Statements

13. Fair value hierarchy (continued)

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

31 July 2024				
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	79,529,798	23,849,082	103,378,880
	-	79,529,798	23,849,082	103,378,880

31 July 2023				
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	65,620,907	26,180,937	91,801,844
	-	65,620,907	26,180,937	91,801,844

14. Investment risk disclosures

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.
- 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 SORP recommends these risk disclosures are made for all investments.

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

Further information on the Trustee approach to risk management, credit and market risk is set out below. This does not include the legacy insurance policies as these are not considered significant in relation to the overall investments of the Scheme.

University of Dundee Superannuation & Life Assurance Scheme
Notes to the Financial Statements

14. Investment risk disclosures (continued)

(i) Investment strategy

Following advice from a professionally qualified investment adviser, the Trustee has agreed to an appropriate investment strategy for the Scheme. The investment strategy has been set taking into account a number of factors such as the profile and value of the liabilities of the Scheme, the strength of employer covenant and the long-term funding objective agreed with the Employer.

The investment strategy is:

- 61% invested in return-seeking assets, designed to deliver a return above that expected of a risk-free asset.
- 39% invested in matching assets, designed to move in line with the Scheme's liabilities.

The allocation to the LGIM Matching Core Portfolio provides liability matching, designed to partially offset the movements in the Scheme's liabilities caused by movements in interest rates and inflation. This asset split reflects the Trustee's view of the most appropriate investments balancing risk/reward characteristics of the funds the Scheme is invested in.

The Scheme invests in pooled investment vehicles, operated by three investment managers: abrdn, Legal and General Investment Management "LGIM", and Partners Group. The Trustee and their advisors carry out thorough due diligence before the appointment of new managers and before any new monies are allocated to a new fund. The Trustee is also required to take appropriate investment advice from a qualified professional. All decisions made by the Trustee in relation to the investment strategy are subject to and comply with Section 36 of the Pensions Act 1995.

The Trustee is required to regularly review and, if necessary, update the Scheme's Statement of Investment Principles. This is a statutory document which sets out, amongst other items: how the Scheme invests, the long-term investment strategy for the Scheme, the policy for rebalancing, the benchmarks and objectives of the managers, the Trustee's policy for monitoring performance and reviewing managers' role within the strategy.

As the Scheme invests in pooled investment vehicles most of the investment risks associated with those can be viewed as being indirect. This is because it is the underlying holdings which are directly exposed to these risks, to which the Scheme is then indirectly exposed via the pooled investment vehicle. Investing in the pooled investment vehicle has the benefit of pooling all investors' funds into one communal fund and thereby shares the risks across all investors and benefits from economies of scale. The same principals also broadly apply to the with-profits policies.

Information on the Trustee's approach to risk management is set out in the sections below.

(ii) Credit risk

The Scheme invests in a number of pooled investment vehicles. These are exposed to direct credit risk, with there being an extreme, albeit low, risk that the investment manager becomes defunct, acts fraudulently or that the manager no longer acts on the Scheme's behalf or in the Scheme's best interests. However, this is mitigated by the use of custodian relationships and by the ongoing monitoring undertaken by the advisors and Trustee of the Scheme.

University of Dundee Superannuation & Life Assurance Scheme
Notes to the Financial Statements

14. Investment risk disclosures (continued)

(ii) Credit risk (continued)

For pooled investment vehicles direct credit risk arises where there is a dependence on the pooled arrangement to deliver the cash flows which support the fair value and units, or shares in the pooled arrangement can only be transacted with the pool manager. If the Scheme's interest in a pooled arrangement can be traded in the open market then the Scheme, generally, does not have direct credit risk to the pooled arrangement. For audit purposes, pooled investment vehicles are considered to have direct credit risk. As at the 2024 accounting year end, all of the Scheme assets were exposed to credit risk. The total value of the Scheme assets with exposure to credit risk as at the 2024 accounting year end was therefore £103.2m (2023: £91.8m).

Over the 2024 accounting year end the Scheme has had exposure to £49.9m (2023: £43.4m) of indirect credit risk through the underlying corporate bond holdings within the multi-asset funds managed by abrdn, LGIM, and the Partners Group, although exposure to credit risk would be far less than 100% due to the underlying nature of the holdings. This accounts for 48% (2023: 46%) of all Scheme assets.

By investing in corporate bonds, the Trustee acknowledge that their holding was exposed to the risk that the borrowers that the investment manager lends to through the pooled fund may default on payments and that this could have a detrimental impact on the performance of the fund.

The Trustee seek to mitigate credit risk by investing in a range of actively managed pooled funds with multiple managers, which have different custodians to help safeguard the risk of default by the investment manager.

Where there is exposure to indirect credit, this is a deliberate action taken by the Trustee and is partially mitigated by limiting the exposure to be investment grade only, and even then, the manager will have a maximum level of exposure to both the asset class and single-party exposure.

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

	2024	2023
	£	£
Unit Linked Insurance Contracts	79,529,798	65,620,907
Open Ended Collective Investment Scheme	11,862,313	14,875,264
Other	11,986,769	11,305,673
	<u>103,378,880</u>	<u>91,801,844</u>

University of Dundee Superannuation & Life Assurance Scheme
Notes to the Financial Statements

14. Investment risk disclosures (continued)

(iii) Currency risk

During the 2024 accounting year the Scheme has had some exposure to indirect currency risk through the multi-asset funds managed by abrdrn, LGIM, and the Partners Group, all of which have the remit to invest a portion of their holdings in overseas assets that may be non-sterling denominated.

In instances where returns are not hedged, then this is a deliberate and calculated action taken by the manager as a means to generate additional returns through expected currency movements. The Trustee was comfortable with the amount of risk this introduces in the context of the overall investment strategy.

As at the 2024 accounting year end, the total value of the Scheme assets with exposure to indirect currency risk was £62.9m (2023: £64.0m). Approximately £35.8m (2023: £43.4m) is invested in the multi-asset funds managed by abrdrn, LGIM, and the Partners Group where the exposure to currency risk would be less than 100% due to the nature of the underlying holdings.

Where currency risk is not mitigated, much of the underlying exposure is in relation to the major developed market currencies such as the US dollar, euro and Japanese yen.

(iv) Interest rate risk

During the accounting year the Scheme had a significant exposure to indirect interest rate risk via investments held in the LGIM Matching Core Funds, then LGIM corporate bond fund as well as fixed income investments held within the multi-asset mandates managed by abrdrn, LGIM, and the Partners Group.

87.4% (2023: 89.7%) of the Scheme's investments were invested in these assets at the accounting year end.

The Partners Group, LGIM and abrdrn strategies are subject to indirect interest rate risk derived from investment in fixed income securities. Typically, this exposure will typically have a very short duration of may be temporary holdings, as part of the managers' active approach to investing and as part of a diversified portfolio, however the LGIM Matching Core range may have exposure to long duration assets. Interest rate exposure may be tactically mitigated by the use of limited liability interest rate derivatives.

The LGIM Matching Core Funds are exposed to indirect interest rate risk through fixed income securities held as part of a return seeking strategy and derivatives held to provide exposure to interest rates at a similar duration to that of the Scheme's liabilities.

This level of exposure was a deliberate position taken by the Trustee, in order to gain increased exposure to interest rate movements. The objective of this exposure is to partially mitigate the impact of adverse movements in the Scheme's liabilities, which are also sensitive to interest rate changes.

The allocation and duration of these funds have been deemed appropriate by the Trustee, given the profile of the liabilities of the Scheme and after receiving investment advice.

As at the accounting year end, the total value of Scheme assets with exposure to indirect interest rate risk was £90.2m (2023: £82.3m). The vast majority of this exposure was provided by the bond instruments, such as gilts, as well as swap instruments. The value of these instruments is sensitive to movements in interest rate expectations. However due to the diversified nature of the pooled investment vehicles, less than 100% of these investments would be exposed to interest rate risk.

University of Dundee Superannuation & Life Assurance Scheme
Notes to the Financial Statements

14. Investment risk disclosures (continued)

(v) Other price risk

The Scheme will have head exposure to indirect price risks over the year through its multi asset mandates with abrdn, LGIM, and the Partners Group, which can invest in a mix of equities, bonds, property and cash.

The LGIM Matching Core Real Long Fund in particular has also been exposed to price risk in relation to changes in inflation expectations in the index linked gilt market.

In summary, through its investment in the multi asset mandates with abrdn, LGIM, and the Partners Group the Scheme is exposed to factors which determine an asset's price, in addition to those described above, such as inflation and liquidity premiums. The total value of Scheme assets with exposure to other price risks at the end of the accounting period was £88.9m (2023: £72.7m).

The Trustee is aware of these risks and the Scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various asset classes and markets.

The following table summarises the extent to which the various classes of investments are affected by financial risks. All of the Scheme's assets are held in pooled funds and hence all of the risks identified below are indirect:

	Credit risk	Currency risk	Interest rate risk	Other price risk	2024 £	2023 £
LGIM Dynamic Diversified Fund	✓	✓	✓	✓	11,940,741	17,394,117
LGIM Matching Core Fixed Short Fund	x	x	✓	x	2,606,474	-
LGIM Matching Core Fixed Long Fund	x	x	✓	x	11,860,034	8,194,538
LGIM Matching Core Real Long Fund	x	x	✓	✓	26,031,534	19,608,649
LGIM Serling Liquidity Fund	x	✓	✓	x	-	10,940,303
LGIM Equity Funds	✓	✓	x	✓	13,025,643	9,483,300
LGIM Short Dated Corporate Bond	✓	x	✓	x	14,065,373	-
Partners Group Fund	✓	✓	✓	✓	11,862,313	14,875,264
Abdeen Standard Life Private Credit Fund	✓	✓	✓	✓	11,986,769	11,305,673
Aberdeen Standard Private Credit Fund	✓	✓	✓	✓	-	-

15. Current assets

	2024 £	2023 £
Contributions due from employer in respect of:		
- Employer	869,843	938,612
Sundry debtors	4,500	5,800
Cash balances	<u>3,263,192</u>	<u>2,860,979</u>
	<u>4,137,535</u>	<u>3,805,391</u>

The monthly contributions due for July 2024 were received after the year end in accordance with the due date set out in the Schedule of Contributions certified by the Scheme Actuary on 30 January 2023.

University of Dundee Superannuation & Life Assurance Scheme
Notes to the Financial Statements

16. Current liabilities

	2024	2023
	£	£
Unpaid benefits	(28,730)	(27,768)
Accrued expenses	(130,642)	(254,863)
Sundry creditors	(1,241)	-
	<u>(160,613)</u>	<u>(282,631)</u>

17. Related Party Transactions

At the year end, two (2023: two) Trustee Directors were active members and two (2023: one) were pensioner members of the Scheme. In addition, during the year, a Trustee Director retired and took retirement benefits. All contributions and benefits are paid in accordance with the Scheme Rules and recommendations of the Scheme Actuary.

Professional Independent Trustee fees paid to A Martin, a Professional Independent Trustee Director of £18,000 during the year (2023: £18,000). At the year end £nil (2023: £nil) was due to be paid to A Martin by the Sponsoring Employer.

The University provides administrative support at no cost to the Scheme.

There were no other related party transactions during the year.

18. GMP Equalisation

As explained on page 7 of the Trustee's report, the High Court, in judgments involving Lloyds Bank defined benefits pension schemes, has held that trustees of such schemes, with Guaranteed Minimum Pensions (GMPs) accrued between 1990 and 1997, must address inequalities arising from GMPs in the benefits payable to their members. Inequalities can arise because GMPs must be calculated and paid in accordance with legislation, which has different terms for men and women. The judgments, which mean that some members will be due an uplift to their benefits, apply to members with benefits still secured or payable under affected schemes and to members who have previously transferred-out of these schemes. The Trustee is aware that the judgments will affect the Scheme and are actively considering their impact and the next steps for the Scheme. Any adjustments necessary will, so far as not already taken into account, be recognised in future financial statements.

There were no other contingent liabilities at the year end requiring disclosure (2023: nil).

University of Dundee Superannuation & Life Assurance Scheme
Notes to the Financial Statements

19. Subsequent events

Following Consultation between the Sponsoring Employer and Active members of the Scheme during Summer 2024, the University decided, and the Trustee agreed to the following benefit and contribution changes:

- Members shall accrue pension benefits in respect of Pensionable Service on and from 1 September 2024 at the rate of one eightieth ($1/80^{\text{th}}$) of Revalued Pensionable Salary which is an improvement on the current accrual rate of one-hundredth ($1/100^{\text{th}}$) of Revalued Pensionable Salary;
- Members shall accrue lump sum benefits in respect of Pensionable Service on and from 1 September 2024 at the rate of three-eightieths ($3/80^{\text{ths}}$) of Revalued Pensionable Salary, which is an improvement on their current accrual rate of three-hundredths ($3/100^{\text{ths}}$) of Revalued Pensionable Salary; and
- the Member contribution rate shall be reduced by 3.01% percent of Pensionable Salary (Contributory Pay, for a Former CNM Member) from 8.75% to 5.74%.

It was also agreed that following advice from Counsel that notwithstanding that the payment of a proportionate first increase is valid and consistent with the terms of the Trust Deed and the Rules, the Rules should ideally be amended so as to clarify and confirm Scheme practice for the avoidance of any future uncertainty.

A Deed of Amendment will be used to give effect to the required changes in the Trust Deed and the Rules from the relevant effective dates

20. Taxation

The Scheme is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains taxes.

21. Employer related investments

There were no employer related investments at any time during the year (2023: nil).

22. Capital commitments

The Trustee has made a capital commitment to the Aberdeen Standard Multi-Sector Private Credit Fund.

At the year end, the Scheme's capital commitment was £13,000,000 (2023: £13,000,000) and the amount of unfunded commitment was £nil (2023: £nil).

23. Section 37 certification - Virgin Media

As explained on page 8 of the Trustee's Report, in relation to the recent Virgin Media case, following legal advice obtained, the Trustee has no reason to believe the Scheme did not comply with the actuarial confirmation requirements. In consideration of this and the current status of the Scheme the Trustee is comfortable adopting a "wait and see" approach to avoid incurring any costs unnecessarily. The Trustee view this to be a reasonable and proportionate response consistent with the Trustee's duties to members. In the meantime, the Trustee will undertake a high level check on what relevant Scheme documentation is available at this stage.

University of Dundee Superannuation & Life Assurance Scheme

Summary of Contributions

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

	£
Employer normal contributions	5,286,498
Employer salary sacrifice	1,787,926
Employer deficit funding contributions	3,713,150
Employee normal contributions	83,090
Total contributions due under the schedule of contributions	<u>10,870,664</u>
Other contributions	
Employee AVCs	<u>3,827</u>
Total additional contributions	<u>3,827</u>
Total contributions per note 3 of the financial statements	<u><u>10,874,491</u></u>

Signed for and on behalf of the Trustee of the University of Dundee Superannuation & Life Assurance Scheme by:

Director Keith AC Swinley
Keith AC Swinley (Feb 11, 2025 15:48 GMT)

Director Allan Martin
Allan Martin (Feb 5, 2025 16:50 GMT)

Information about contributions

A Schedule of Contributions was certified on 30 January 2023 and covers contributions from 1 January 2023 to 31 July 2031 which are as follows:

Active members shall pay 8.75% of Pensionable Salary, except for former members of the CNM Scheme who will pay contributions as required under the Scheme Rules.

In respect of future accrual of benefits, the Employer will pay 24.85% of Pensionable Salaries (of which 2.6% is in respect of administration expenses, death in service premiums and levies) payable monthly.

Deficit Funding	University of Dundee	£3,430,000 per annum
	Dundee University Students' Association	£70,000 per annum

These contributions are payable in equal monthly instalments for a period of 10 years from 1 August 2021 and will increase each year on 1 August at the rate of 3% per annum. The first increase was applied on 1 August 2022.

A new Schedule of Contributions was certified on 4 September 2024 and covers contributions from 1 September 2024 to 30 September 2029 which are as follows:

Active members shall pay 5.74% of Pensionable Salary, except for former members of the CNM Scheme who will pay contributions as required under the Scheme Rules.

In respect of future accrual of benefits, the Employer will pay 13.26% of Pensionable Salaries This includes 2.6% in respect of professional costs and expenses associated with administering the Scheme, death in service premiums and the Pension Protection Fund levies.

The contributions by the Employers should be paid on or before the 19th of each calendar month following that to which the payment relates.

Deficit Funding	University of Dundee	£3,638,886 per annum
	Dundee University Students' Association	£74,262 per annum

University of Dundee Superannuation & Life Assurance Scheme
Summary of Contributions

Information about contributions (continued)

The deficit contributions above are payable monthly from 1 August 2023 until 31 July 2029. The deficit contributions will increase by 3% each subsequent 1 August, with the first increase applied on 1 August 2024.

For the 2 month period from 1 August 2029 to 30 September 2029:

- The Employers will pay nil deficit reduction contributions.

The Employers may also pay additional contributions from time to time at their discretion.

**Independent Auditor's Statement about Contributions to the
Trustee of the University of Dundee Superannuation & Life Assurance Scheme**

Statement about contributions

We have examined the summary of contributions to the University of Dundee Superannuation & Life Assurance Scheme for the Scheme year ended 31 July 2024 which is set out on page 33.

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 30 January 2023.

Scope of work on Statement about Contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions 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.

Responsibilities of the Trustee

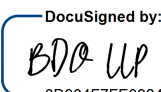
As explained more fully in the Statement of Trustee's Responsibilities on page 14, the Scheme's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a Schedule of Contributions and for monitoring whether contributions are made to the Scheme by the Sponsoring Employer in accordance with the Schedule of Contributions.

Auditor's responsibilities for the preparation of a Statement about 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 report

This report is made solely to the Trustee, as a body in accordance with Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996. Our work has been undertaken so that we might state to the 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 report, or for the opinions we have formed.

DocuSigned by:

6D984F7FE0924BD...
BDO LLP
Statutory auditor
Guilford
United Kingdom

Date: 12 February 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

University of Dundee Superannuation & Life Assurance Scheme Compliance Statement

Changes in and other matters relating to the Scheme advisers

Any changes in the Scheme advisers, or other matters relating to the Scheme advisers, are set out on pages 3, 4 and 5.

Pension Tracing Service

The Pension Tracing Service provides a tracing service for members (and their dependants) of previous employers' schemes, who have lost touch with earlier employers and trustees. To trace a benefit entitlement under a former employer's scheme, enquiries should be addressed to:

The Pension Service
Post Handling Site A
Wolverhampton
WV98 1AF

Telephone: 0800 731 0193

Website: <https://www.gov.uk/find-pension-contact-details>

The Money and Pensions Service

The Money and Pensions Service creates one organisation from the three existing providers of government-sponsored financial guidance:

- The Money Advice Service
- The Pensions Advisory Service
- Pension Wise

The Money and Pensions Service brought together for the first time the provision of debt advice, money guidance and pensions guidance. For pensions guidance the Money and Pensions Service will provide information to the public on matters relating to workplace and personal pensions. From 30 June 2021, the new consumer-face of MaPS is Money Helper, and can be contacted at:

Bedford Borough Hall
138 Cauldwell Street
Bedford
MK42 9AB

Telephone: 0800 011 3797

Email: pensions.enquiries@moneyhelper.org.uk

Website: www.moneyhelper.org.uk

University of Dundee Superannuation & Life Assurance Scheme
Compliance Statement

The Pensions Ombudsman

In cases where a complaint or dispute cannot be resolved under the IDRP, an application can be made to the Pensions Ombudsman to investigate and determine any complaint or dispute of fact or law involving occupational pension scheme. The Pensions Ombudsman can be contacted at:

10 South Colonnade
Canary Wharf
E14 4PU

Telephone: 0800 917 4487

Website: www.pensions-ombudsman.org.uk

Email: enquiries@pensions-ombudsman.org.uk

The Pensions Regulator

The statutory body that regulates occupational pension schemes is The Pensions Regulator (TPR). TPR can be contacted at:

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

Telephone: 0345 600 0707

Website: www.thepensionsregulator.gov.uk

E-mail: customersupport@tpr.gov.uk

University of Dundee Superannuation & Life Assurance Scheme

Appendix 1

Investment Report

Q2 2024 Market Review

The strong momentum witnessed by equity markets in the first quarter of 2024 carried on into the second quarter as continued robust economic growth was positive for growth assets with Global Equities and Commodities returning 2.9% and 2.9%* respectively. However, this did lead to a continuation of the higher for longer interest rate narrative that consequently weighed on Global Bond and Real Estate valuations which generated returns of -1.1%* and -1.4%* respectively during the period.

Within Equities, Asia Ex Japan was one of the strongest performing regions returning 6.1% followed closely by Emerging Markets (EM) at 5.1%*. The Chinese government's decision to support the real estate sector was positive for Chinese equities as well as EM more broadly. The strength of the Chinese market coupled with the strong performance of A.I companies exposed to the Taiwanese stock market helped Asia Ex Japan deliver strong returns. US equity markets also performed strongly returning 4.1%, mainly driven by US technology companies. UK equities returned 3.7%, off the back of an improving economic environment. European Equities were marginally up at 0.3%. Positive gains across other European markets were offset by weakness in the French Equity market in June, as uncertainty around the outcome of the snap French Federal election weighed on market sentiment. Conversely, the Japanese Stock Market posted a negative return in GBP terms of -4.6%, despite generating some strong returns in Q1-24. The main driver of this negative performance was the continued depreciation of the Yen against the pound due to the Bank of Japan's (BoJ) decision to end 8 years of negative rates.

Commodities continued their positive momentum into the second quarter returning 2.9%*, mainly driven by a rally in industrial and precious metals off the back of continued robust economic growth.

Most sovereign bond markets generated negative returns this quarter with the exception of the U.S returning 0.1%*. Japanese Government Bonds generated the worst returns, returning -2.7%*, due to the BoJ's decision to end 8 years of negative interest rates. Within credit, high yield produced a positive return of 1.4%, with resilient economic data being positive for credit valuations. Higher inflation numbers and better economic data weighed on the more interest-rate sensitive investment grade bonds which generated a negative return of -0.2%*.

Within the UK, long-term UK gilt yields increased by 0.2% to 4.6% as stickier services inflation dashed hopes of a June rate cut by the Bank of England, causing long-term rates to remain elevated. All else being equal, the move will have acted to decrease the value placed on pension schemes' liabilities.

Real yields increased by 0.2% to 1.3%. All else being equal, the move will have acted to decrease the value placed on inflation sensitive pension scheme liabilities. Long-term inflation remained broadly the same over the period at 3.2%.

All returns shown are shown in GBP terms unless stated otherwise, sourced: FTSE, Markit iBoxx

*Local currency, except for EM and global indices, which are in US dollar, sourced: JPM and MSCI

Past performance is not a reliable indicator of current and future results.

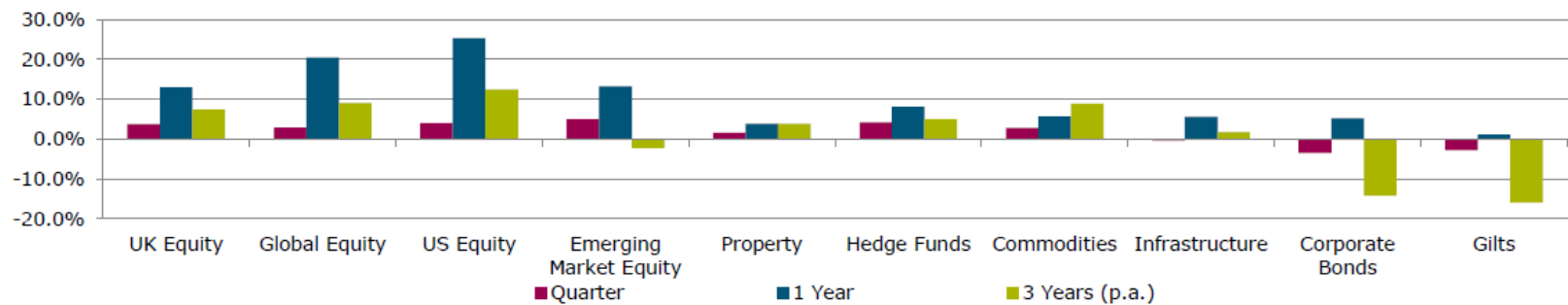
Data as of 30 June 2024.

University of Dundee Superannuation & Life Assurance Scheme

Appendix 1

Investment Report

Asset Class returns as at Q2 2024



The report shown above is as at 30 June 2024, which is the closest date to the year end.

University of Dundee Superannuation & Life Assurance Scheme

Appendix 2

Actuarial Statements



University of Dundee Superannuation and Life Assurance Scheme ("the Scheme")

This Schedule of Contributions in respect of the period 1 September 2024 to 30 September 2029 has been prepared by the Trustees of the Scheme ("the Trustees"), after obtaining the advice of Alan Collins, Scheme Actuary and Fellow of the Institute and Faculty of Actuaries, and after agreement with the University of Dundee, the Principal Employer of the Scheme ("the University").

In this Schedule, the University of Dundee and the Dundee University Students' Association are both referred to as "the Employers".

This Schedule replaces and supersedes all previous Schedules in respect of the above period.

Contributions to be paid into the Scheme

IN RESPECT OF FUTURE ACCRUAL OF BENEFITS, EXPENSES AND INSURANCE PREMIUMS

Active members shall pay 5.74% of Pensionable Salaries payable monthly, except for former members of the CNM Scheme who will pay contributions as required under the Scheme Rules.

Where appropriate, contributions are to be deducted from salaries by the University and paid towards the Scheme on or before the 19th of each calendar month following that to which the payment relates.

Scheme members who participate in the University's pension salary sacrifice scheme will pay a notional contribution at the rate specified in the Schedule and their salary will be reduced by the amount of the notional contribution. In practice the amount of the notional member contribution will be paid into the Scheme by the University.

The Employers shall pay 13.26% of Pensionable Salaries payable monthly. This includes 2.6% in respect of professional costs and expenses associated with administering the Scheme, death in service insurance premiums and the Pension Protection Fund levies.

The contributions by the Employers should be paid on or before the 19th of each calendar month following that to which the payment relates.

"Pensionable Salary" is as defined in the Scheme Rules.

University of Dundee Superannuation & Life Assurance Scheme
Appendix 2
Actuarial Statements

IN RESPECT OF THE FUNDING SHORTFALL

In respect of the funding shortfall in accordance with the Recovery Plan dated 4 Sept 2024, the deficit reduction contributions agreed to be paid under this Schedule are set out below.

For the 11 month period from 1 September 2024 to 31 July 2025:

- The University of Dundee will pay a total of £3,435,715.
- The Dundee University Students' Association will pay a total of £70,115.
- These contributions will be paid as 11 equal payments during the period.

For the 4 year period from 1 August 2025 to 31 July 2029:

- The University of Dundee will pay £3,860,495 p.a.
- The Dundee University Students' Association will pay £78,785 p.a.
- These contributions are payable monthly. They will increase by 3% each subsequent 1 August, with the first increase applying on 1 August 2026.

For the 2 month period from 1 August 2029 to 30 September 2029:

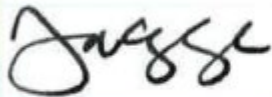
- The Employers will pay nil deficit reduction contributions.

The Employers may also pay additional contributions from time to time at their discretion.

University of Dundee Superannuation & Life Assurance Scheme
Appendix 2
Actuarial Statements

This Schedule of Contributions has been agreed by the University.

Signed on behalf of the University of Dundee.



Name: JAMES McGEORGE

Position: UNIVERSITY SECRETARY & COO

Date: 4/09/2024

This Schedule of Contributions has been agreed by the Trustees.

Signed on behalf of the Trustees of the University of Dundee Superannuation and Life Assurance Scheme.



Name: JAMES ROUKE

Position: TRUSTEE/DIRECTOR

Date: 04/09/2024

University of Dundee Superannuation & Life Assurance Scheme

Appendix 2

Actuarial Statements

Actuary's Certificate of Schedule of Contributions

Name of Scheme: University of Dundee Superannuation and Life Assurance Scheme

ADEQUACY OF RATES OF CONTRIBUTIONS

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the Statutory Funding Objective can be expected to be met by the end of the period specified in the Recovery Plan dated 4 Sept 2024.

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 4 Sept 2024.

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.



Alan Collins

Fellow of the Institute and Faculty of Actuaries

Date of Signing: 4 September 2024

Qualification: Fellow of the Institute and Faculty of Actuaries

Name of Employer: Spence & Partners Limited

Address: The Culzean Building

36 Renfield Street

Glasgow

G2 1LU

University of Dundee Superannuation & Life Assurance Scheme
Appendix 3
Implementation Statement

University of Dundee Superannuation & Life Assurance Scheme ('the Scheme') – Implementation Statement 1st August 2023 – 31st July 2024

This Implementation Statement ('Statement') has been prepared in accordance with applicable legislation, taking into account guidance from The Department for Work and Pensions for the period from 1st August 2023 – 31st July 2024 ('the Scheme Year').

The Scheme's reporting period for each fund is the holding period of that fund across the Scheme Year.

The Statement sets out how, and the extent to which, the Trustee's policy in relation to exercising voting rights has been followed during the year by describing the voting behaviour on behalf of the Trustee of the Scheme.

The Trustee has appointed Minerva Analytics ('Minerva') to obtain voting and investment engagement information ('VEI') on the Scheme's behalf.

This Statement includes Minerva's report on key findings on behalf of the Trustee over the Scheme Year.

A summary of the key points is set out below.

abrdn

abrdn stated there was no voting information to report due to the nature of the underlying holdings. The manager provided detailed fund level engagement information that was in line with the Scheme's reporting period. From this, Minerva was able to confirm that the activity appeared to broadly comply with abrdn's own engagement approach and so complies with the Trustee's policies.

Partners Group

It was determined by Minerva that Partners' public voting policy and disclosures contain minor divergences from good practice due to limited disclosures in Audit & Reporting, Board, Corporate Actions, Remuneration, Shareholder Rights and Sustainability. Partners provided a summarised voting record although this was not in line with the Scheme's reporting period. As the manager voted at all investee company meetings for the Fund, this was in line with the Trustee's expectation of its managers. Partners did not provide significant votes and stated this was because listed equities account for less than 3% of the portfolio and are used for liquidity purposes.

Partners provided basic fund-level engagement information, although this was not in line with the Scheme's reporting period. Despite the basic level of information, Minerva was able to confirm that the activity appeared to broadly comply with Partners' own engagement approach and so complies with the Trustee's policies.

LGIM

LGIM stated that there was no voting information to report for the LDI Matching Core funds, Sterling Liquidity Fund, Short Dated Sterling Corporate Bond Index Fund and Synthetic Leveraged Equity Fund (including GBP hedged variant) due to nature of the underlying holdings. For this reason, there was also no engagement information to report for the LDI Matching Core funds, Sterling Liquidity Fund and Synthetic Leveraged Equity Fund (including GBP hedged variant).

In relation to the Dynamic Diversified Fund, it was determined by Minerva that LGIM's public voting policy and disclosures broadly comply with the International Corporate Governance Network ('ICGN') Voting Guidelines Principles and good corporate governance practices, bearing in mind the Scheme's stewardship expectations. A summarised voting record was provided although this was not in line with the Scheme's reporting period. Significant votes were also provided for the Dynamic Diversified

Fund. From this, Minerva was able to confirm that the manager's voting activity is consistent with the manager's stated approach and therefore, the Trustee's policies.

For the Dynamic Diversified Fund and Short Date Sterling Corporate Bond Index Fund, LGIM provided basic fund-level engagement information although this was not in line with the Scheme's reporting period. Despite the basic level of information, Minerva was able to confirm that the activity appeared to broadly comply with LGIM's own engagement approach and so complies with the Scheme's approach.

Final Comments

Since last year, abrdn have continued to provide good levels of information.

In line with last year, further improvement is needed from LGIM to provide more detail on engagements and to provide information in line with the Scheme's reporting period.

Partners Group have maintained limited disclosures in their public voting policy and disclosures this year. However, the manager has shown improvement by becoming a signatory to the UK Stewardship Code 2020 across the Scheme Year.

University of Dundee Superannuation & Life Assurance Scheme

Spence & Partners Limited

Implementation Statement (IS): Voting & Engagement Information (VEI) Report

Scheme Reporting Period:
1st August 2023 to 31st July 2024

22nd November 2024

Contents

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2	Sourcing of Voting and Engagement Information	7
3	Voting and Engagement	9
4	Exercise of Voting Rights	11
5	Manager Voting Policy	14
6	Manager Voting Behaviour	16
7	Significant Votes	18
8	Manager Engagement Information	24
9	Conclusion	31

1 SIP Disclosures

This section sets out the policies in the Statement of Investment Principles ('SIP') in force at the Scheme year-end relating to the following:

1. Financially Material Considerations
2. Non-Financial Considerations
3. Investment Manager Arrangements

Stewardship - including the exercise of voting rights and engagement activities - is set out in the 'Voting and Engagement' section.

Source of Information:

*University of Dundee Superannuation & Life Assurance Scheme
Statement of Investment Principles
September 2024*



1.1 Financially Material Considerations

The Trustees have considered financially material factors such as environmental, social and governance ('ESG') issues as part of the investment process to determine a strategic asset allocation over the length of time during which the benefits are provided by the Scheme for members.

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustees have elected to invest through pooled funds. The Trustees acknowledge that it cannot directly influence the environmental, social and governance policies and practices of the companies in which the pooled funds invest. However, the Trustees expect its investment managers and investment consultant to take account of financially material considerations when carrying out their respective roles.

The Trustees accept that the Scheme's assets are subject to the investment managers' own policies on socially responsible investment. The Trustees will assess that this corresponds with its responsibilities to the beneficiaries of the Scheme with the help of its investment consultant.

An assessment of the ESG and responsible investment policies forms part of the manager selection process when appointing new managers and these policies are also reviewed regularly for existing managers with the help of the investment consultant. The Trustees will only invest with investment managers that are signatories for the Principles of Responsible Investment ('PRI') or other similarly recognised standards.

The Trustees will monitor financially material considerations through the following means:

- Obtain training where necessary on ESG considerations in order to understand fully how ESG factors, including climate- and nature-related risks and opportunities, could impact the Scheme and its investments;
- Use ESG ratings information provided by its investment consultant to assess how the Scheme's investment managers take account of ESG issues; and
- Request that all of the Scheme's investment managers provide information about their ESG policies, and details of how they integrate ESG into their investment processes, via its investment consultant.

If the Trustees determine that financially material considerations have not been factored into the investment managers' processes, it will take this into account on whether to select or retain an investment.

1.2 Non-Financial Considerations

The Trustees have not considered non-financially material matters in the selection, retention and realisation of investments.

1.3 Investment Manager Arrangements

Incentives to align investment managers' investment strategies and decisions with the Trustees' policies .

The Scheme invests in pooled funds and so the Trustees acknowledge that the funds' investment strategies and decisions cannot be tailored to the Trustees' policies. However, the Trustees set its investment strategy and then select managers that best suits its strategy taking into account the fees being charged, which acts as the investment managers' incentive.

The Trustees use the fund objective/benchmark as a guide on whether its investment strategy is being followed and monitors this regularly.

Incentives for the investment managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term

The Trustees select managers based on a variety of factors including investment philosophy and process, which it believes should include assessing the long term financial and non-financial performance of the underlying companies that they invest in.

The Trustees also consider the managers' voting and ESG policies and how they engage with a employer as it believes that these factors can improve the medium to long-term performance of the investee companies.

The Trustees will monitor the managers' engagement and voting activities on an annual basis as it believes this can improve long term performance. The Trustees expect its managers to make every effort to engage with investee companies but acknowledges that their influence may be more limited in some asset classes, such as bonds, as they do not have voting rights.

The Trustees acknowledge that in the short term, these policies may not improve the returns they achieve, but does expect that investing in those companies with better financial and non-financial performance over the long term will lead to better returns for the Scheme. The Trustees believe that the annual fee paid to the investment managers incentivises them to do this.

If the Trustees feels that the investment managers are not assessing financial and non-financial performance or adequately engaging with the companies that they are investing in, it will use these factors in deciding whether to retain or terminate a manager.

How the method (and time horizon) of the evaluation of the investment managers' performance and the remuneration for asset management services are in line with the Trustees' policies

The Trustees review the performance of each fund semi-annually on a net of fees basis compared to its objective.

The Trustees assess the performance of the funds, where possible, over at least a 3-5 year period when looking to select or terminate a manager, unless there are reasons other than performance that need to be considered.

The investment managers' remuneration is considered as part of the manager selection process and is also monitored regularly with the help of its investment consultant to ensure it is in line with the Trustees' policies.

How the Trustees monitor portfolio turnover costs incurred by the investment managers, and how it defines and monitors targeted portfolio turnover or turnover range.

The Trustees monitor the portfolio turnover costs on an annual basis.

The Trustees define target portfolio turnover as the average turnover of the portfolio expected in the type of strategy the manager has been appointed to manager. This is monitored on an annual basis.

The Trustees have delegated the responsibility of monitoring portfolio turnover costs and target portfolio turnover to its investment consultant

The duration of the arrangement with the investment managers

The Trustees plan to hold each of their investments for the long term but will keep this under review.

Changes in investment strategy or changes in the view of the investment managers can lead to the duration of the arrangement being shorter than expected..

2 Sourcing of Voting and Engagement Information

This section sets out the availability of the information Minerva initially requested from the Scheme's managers, to facilitate the preparation of this report:

Table 2.1: Summary of Available Information

Fund Manager	Investment Fund/Product	Voting Information	Significant Votes	Engagement Information
abrdn	Multi Sector Private Credit Fund	No Info to Report	No Info to Report	Full Info Available
	Dynamic Diversified Fund	Part Info Available	Full Info Available	Part Info Available
	LDI Matching Core Funds (3 funds)	No Info to Report	No Info to Report	No Info to Report
LGIM*	Short Dated Sterling Corporate Bond Index Fund	No Info to Report	No Info to Report	Part Info Available
	Sterling Liquidity Fund	No Info to Report	No Info to Report	No Info to Report
	Synthetic Leveraged Equity Fund (including GBP hedged variant)	No Info to Report	No Info to Report	No Info to Report
Partners Group	The Partners Fund	Part Info Available	No Info to Report	Part Info Available

* LGIM have requested that a Disclaimer be shared, which should be read in relation to any stewardship information provided by them. It can be found at the end of this report.

Table Key

Full Info Available	The manager has provided either a PLSA Voting Template or voting data that precisely matches the specific investment's holding / reporting period
Part Info Available	The manager has provided either a PLSA Voting Template or voting data that partially matches the specific investment's holding / reporting period
No Info to Report	The manager has explicitly stated that there is no voting or engagement information to report for this specific investment or that it is not expected there will be any voting or engagement information to report due to the nature of the underlying investments
No Info Provided	At the time of preparing this report, the manager has either not formally responded to the information request or has not provided information when we believe there should be information to report



Minerva Says:

Voting Activity

There was voting information disclosed for the Scheme's investments in the following funds:

- LGIM Dynamic Diversified Fund
- Partners Group The Partners Fund

Significant Votes

There was 'Significant Vote' information disclosed for the Scheme's investments in the following funds:

- LGIM Dynamic Diversified Fund

Engagement Activity

There was reportable engagement information provided for the Scheme's investments with the following managers:

- abrdn Multi Sector Private Credit Fund
- LGIM Dynamic Diversified Fund
- LGIM Short Dated Sterling Corporate Bond Index Fund
- Partners Group The Partners Fund

3 Voting and Engagement

The Trustee is required to disclose the voting and engagement activity over the Scheme year. The Trustee has used Minerva Analytics ('Minerva') to obtain voting and investment engagement information (VEI) on the Scheme's behalf.

This statement provides a summary of the key information and summarizes Minerva's findings on behalf of the Scheme over the Scheme's reporting year.

The voting and engagement activity undertaken by the Scheme's managers, as reported by them and set out in this document, has been in the scheme members' best interests inasmuch that it demonstrates that the Scheme's managers have undertaken stewardship activity they deem to be appropriate and proportionate in the oversight and management of the Scheme's investments.

3.1 Voting and Engagement Policy and Funds

The Trustee's policy on stewardship from the Scheme's SIP is set out below:

The Trustees' policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment manager on the Trustees' behalf, having regard to the best financial interests of the beneficiaries.

The investment manager should engage with companies to take account of ESG factors in the exercise of such rights as the Trustees believe this will be beneficial to the financial interests of members over the long term.

The Trustees will review the investment managers' voting policies, with the help of its investment consultant, and decide if they are appropriate.

The Trustees also expect the investment managers to engage with investee companies on the capital structure and management of conflicts of interest.

If the policies or level of engagement are not appropriate, the Trustees will engage with the specific investment manager, with the help of its investment consultant, to influence the investment manager's policy. If this fails, the Trustees will review the investments made with the investment manager.

The Trustees have taken into consideration the Financial Reporting Council's UK Stewardship Code and expects investment managers to adhere to this where appropriate for the investments that they manage.

The following table sets out:

- The funds and products in which the Scheme was invested during the Scheme's reporting period;
- The holding period for each fund or product; and
- Whether each investment manager made use of a 'proxy voter', as defined by the Regulations

Table 3.1: Scheme Investment/Product Information

Fund Manager	Investment Fund/Product	Investment Made Via	Fund / Product Type	Period Start Date	Period End Date	'Proxy Voter' Used?
abrdn	Multi Sector Private Credit Fund	Direct	DB Fund	01/08/23	31/07/24	N/A
	Dynamic Diversified Fund	L&G Platform	DB Fund	01/08/23	31/07/24	ISS
	LDI Matching Core Funds (3 funds)*	L&G Platform	DB Fund	01/08/23	31/07/24	N/A
LGIM	Short Dated Sterling Corporate Bond Index Fund	L&G Platform	DB Fund	07/06/23	31/07/24	N/A
	Sterling Liquidity Fund	L&G Platform	DB Fund	01/08/23	10/06/24	N/A
	Synthetic Leveraged Equity Fund (including GBP hedged variant)	L&G Platform	DB Fund	01/08/23	31/07/24	N/A
Partners Group	The Partners Fund	Direct	DB Fund	01/08/23	31/07/24	GLASS LEWIS

*Fixed Short Fund (FABP) – has an investment period from 10/06/24 to 31/07/24

Minerva Says

As shown in the table above:

- LGIM identified Institutional Shareholder Services, or 'ISS', as their 'Proxy Voter'
- Partners Group identified Glass Lewis as their 'Proxy Voter'
- The investments shown as 'N/A' had no listed equity voting activity associated with them, and so had no need for a proxy voter

4 Exercise of Voting Rights

The following tables show a comparison of each of the Scheme's relevant manager(s) voting activity versus the Trustee's policy (which in this instance is the manager's own policy).

Table 4.1: LGIM's Approach to Voting

Asset manager	LGIM (Legal & General Investment Management)													
Relevant Scheme Investment(s)	<ul style="list-style-type: none"> Dynamic Diversified Fund 													
Key Points of Manager's Voting Policy	<p>LGIM's latest 'Corporate Governance and Responsible Investing Policy' sets out what the manager considers to be corporate governance best practice. It explains their expectations with respect to topics they believe are essential for an efficient governance framework, and for building a sustainable business model. LGIM have this to say in terms of their overall approach:</p> <p><i>When developing our policies, we consider broader global guidelines and principles, such as those provided by the United Nations Global Compact, OECD and ILO conventions and recommendations, as well as local market regulatory expectations. We expect all companies to closely align with our principles, or to engage with us when exceptional circumstances prevent them from doing so. Although there is no 'one-size-fits-all' solution to building a sustainable business model, we look for companies we invest in to demonstrate that sustainability is effectively integrated into their long-term strategy and their daily operations. Companies should aim to minimise any negative impacts their businesses have on the environment, while innovating to find better solutions. Their strategies should include ways to make a positive impact on society, embrace the value of their workforce and supply chains and deliver positive long-term returns to shareholders.</i></p> <p>LGIM's voting policy is built on the assessment of 5 key policy areas:</p> <table> <tr> <th>#</th><th>Policy Area</th><th>Example of Topics Covered</th></tr> <tr> <td>1</td><td>Company Board</td><td>Board Leadership, Board Independence, Board Diversity, Board Committees, Succession Planning, Board Effectiveness, Stakeholder Engagement</td></tr> <tr> <td>2</td><td>Audit, Risk & Internal Control</td><td>External and Internal Audit, Whistleblowing, Cybersecurity and Climate Risks</td></tr> <tr> <td>3</td><td>Remuneration</td><td>Remuneration Committee, Remuneration Transparency, Fixed Remuneration, Variable Pay, Service Contracts and Termination Payments</td></tr> </table>		#	Policy Area	Example of Topics Covered	1	Company Board	Board Leadership, Board Independence, Board Diversity, Board Committees, Succession Planning, Board Effectiveness, Stakeholder Engagement	2	Audit, Risk & Internal Control	External and Internal Audit, Whistleblowing, Cybersecurity and Climate Risks	3	Remuneration	Remuneration Committee, Remuneration Transparency, Fixed Remuneration, Variable Pay, Service Contracts and Termination Payments
#	Policy Area	Example of Topics Covered												
1	Company Board	Board Leadership, Board Independence, Board Diversity, Board Committees, Succession Planning, Board Effectiveness, Stakeholder Engagement												
2	Audit, Risk & Internal Control	External and Internal Audit, Whistleblowing, Cybersecurity and Climate Risks												
3	Remuneration	Remuneration Committee, Remuneration Transparency, Fixed Remuneration, Variable Pay, Service Contracts and Termination Payments												

4	Shareholder & Bondholder Rights	Voting Rights and Share-Class Structures, Amendments to Articles, Capital Management, Mergers and Acquisitions, Shareholder Proposals and Political Donations
5	Sustainability	Material ESG Risks & Opportunities, Governance and Accountability, Sustainability Themes, Reporting and Disclosure

Is Voting Activity in Line with the Scheme's Policy?

Yes

Some examples of the manager's voting activity are provided in Section 7 – Significant Votes

Table 4.2: Partners Group's Approach to Voting

Asset manager	Partners Group																			
Relevant Scheme Investment(s)	The Partners Fund																			
Key Points of Manager's Voting Policy	Partners Group provided us with a copy of their Proxy Voting Directive, last updated in 2023, which sets out what they consider to be good governance practices of investee companies. Their voting policy is comprised of 5 key policy areas:																			
	<table> <tr> <th>#</th><th>Policy Area</th><th>Example of Topics Covered</th></tr> <tr> <td>1</td><td>Boards and Directors</td><td>Separation of Chairman and CEO roles, Director independence and effectiveness, Committees, Elections</td></tr> <tr> <td>2</td><td>Compensation</td><td>Board remuneration, Executive remuneration, Targets, Alignment, Level</td></tr> <tr> <td>3</td><td>Accounts, Audit and Internal Control</td><td>Affirming business solvency, Internal controls, Auditor independence</td></tr> <tr> <td>4</td><td>Capital Structure and Shareholder Rights</td><td>Issue of new shares, Share repurchase, Treasury shares, Mergers, acquisitions and corporate restructuring, Shareholder protections</td></tr> <tr> <td>5</td><td>Environmental, Social and Sustainability Matters</td><td>Assessing and addressing environmental and social risks, Sustainability reports, Political contributions and lobbying</td></tr> </table>	#	Policy Area	Example of Topics Covered	1	Boards and Directors	Separation of Chairman and CEO roles, Director independence and effectiveness, Committees, Elections	2	Compensation	Board remuneration, Executive remuneration, Targets, Alignment, Level	3	Accounts, Audit and Internal Control	Affirming business solvency, Internal controls, Auditor independence	4	Capital Structure and Shareholder Rights	Issue of new shares, Share repurchase, Treasury shares, Mergers, acquisitions and corporate restructuring, Shareholder protections	5	Environmental, Social and Sustainability Matters	Assessing and addressing environmental and social risks, Sustainability reports, Political contributions and lobbying	
#	Policy Area	Example of Topics Covered																		
1	Boards and Directors	Separation of Chairman and CEO roles, Director independence and effectiveness, Committees, Elections																		
2	Compensation	Board remuneration, Executive remuneration, Targets, Alignment, Level																		
3	Accounts, Audit and Internal Control	Affirming business solvency, Internal controls, Auditor independence																		
4	Capital Structure and Shareholder Rights	Issue of new shares, Share repurchase, Treasury shares, Mergers, acquisitions and corporate restructuring, Shareholder protections																		
5	Environmental, Social and Sustainability Matters	Assessing and addressing environmental and social risks, Sustainability reports, Political contributions and lobbying																		
Is Voting Approach in Line with the Scheme's Policy?	<p>Yes</p> <p>Some examples of the manager's voting activity are provided in Section 7 – Significant Votes</p>																			



Minerva Says

- LGIM and Partners Group have set out how they approach their stewardship responsibilities for listed companies on behalf of their clients.
- From the information available, we believe that the voting approaches are consistent with the Scheme's voting approach expectations of its investment managers.

5 Manager Voting Policy

As the current approach of the Scheme is to use the voting policy of the external asset managers, it is important that these policies are independently reviewed to ensure that they match current good practice and the general stewardship expectations set by the Scheme. Well-managed companies that operate in a commercially, socially and environmentally responsible manner are expected to perform better over the longer term, as the Scheme believe that adopting such an approach will allow each company's management to identify, address and monitor the widest range of risks associated with their specific business.

Set out in the following table is Minerva's independent assessment of the Scheme's managers' publicly available voting policies, in the context of current good practice as represented by the ICGN Voting Guidelines, whilst also bearing the Scheme's stewardship expectations in mind. This has been done for each manager where they have identified voting activity on behalf of the Scheme.

We have assessed each manager's policy individually, looking at it from Minerva's perspective of seven 'Voting Policy Pillars' that are at the core of our proxy voting research process, and which we have developed over the last 25 years. In using this well-tried approach, the Scheme can be sure that their investment managers voting policies are being carefully considered against current good practice.

Table 5.1: Voting Policy Alignment

Manager Voting Policy Alignment with Current Good Practice

Investment Manager	Audit & Reporting	Board	Capital	Corporate Actions	Remuneration	Shareholder Rights	Sustainability
LGIM	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned
Comments	LGIM's voting policy and disclosures broadly comply with the ICGN Voting Guidelines Principles and good corporate governance practices.						
Partners Group	Limited Disclosures	Limited Disclosures	Aligned	Limited Disclosures	Limited Disclosures	Limited Disclosures	Limited Disclosures
Comments	<p>Audit & Reporting: Lack of information regarding auditing measures. There is no disclosure regarding the changing of the auditors to maintain independence, nor how it is safeguarded. There is no disclosure on the manager's approach to audit and non-audit fees.</p> <p>Board: The policy provides clear views regarding the separation of the chair and the CEO. However, there is no mention of board diversity targets or policies in place. There is also a lack of reporting on board operations such as the number of years since the last external evaluation, and the policy does not disclose the manager's approach to overboarding.</p> <p>Corporate Actions: As investment decisions are regarded on a case-by-case basis, there is little specific information surrounding acquisitions, mergers etc. No mention is made of party-related transactions, tax havens or reverse takeovers.</p>						

Manager Voting Policy Alignment with Current Good Practice

Investment Manager	Audit & Reporting	Board	Capital	Corporate Actions	Remuneration	Shareholder Rights	Sustainability
	<p>Remuneration: No mention of severance in relation to service contracts. There is a lack of disclosure regarding salary including benchmarking and say-on-pay. No mention of policy around annual bonuses or the targets used to assess these bonuses. No clawback or malus measures mentioned in policy.</p> <p>Shareholder Rights: The manager has not disclosed its approach regarding anti-takeover provisions or poison pills.</p> <p>Sustainability: High level approach to environmental and social issues. The policy does not explain the manager's approach towards key risks such as climate change and human rights.</p>						

Table Key

Aligned	This aspect of the manager's voting policy is aligned with good practice
Limited Disclosures	This policy pillar could only be partially assessed on the information available in the manager's voting policy
No Disclosures	This policy pillar could not be assessed due to a lack of information in the manager's voting policy
Not Available	The manager's voting policy was not disclosed for analysis by Minerva

Minerva Says

For the Scheme's managers that responded to our information requests by providing voting information:

- LGIM's public voting policy is, in our view, broadly in line with good practice, and are what we would expect to see from such a large asset steward.
- Partners Group's public voting policy contains limited disclosures across a range of policy pillars.

6 Manager Voting Behaviour

The Trustee believes that responsible oversight of investee companies is a fundamental duty of good stewardship. As such, it expects the Scheme's managers to vote at the majority of investee company meetings every year, and to provide sufficient information as to allow for the independent assessment of their voting activity.

The table below sets out the voting behaviour as disclosed by the each of the Scheme's managers:

Table 6.1: Manager Voting Behaviour

Manager	Fund	No. of Meetings	No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
LGIM	Dynamic Diversified Fund	10,156	103,375	99.8%	76.4%	23.1%	0.5%
	Comments						
	<p>The manager provided a summarised voting record for the Fund shown above that covered the period from 01/07/23 to 30/06/24, rather than for the Scheme's investment holding period (the manager does not provide bespoke reporting that covers clients' investment holding periods).</p> <p>From the summarised information provided, we can see that the manager has voted at almost all investee company meetings for these two Funds, which is in line with the Trustee's expectations of their managers.</p>						

Manager	Fund	No. of Meetings	No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
Partners Group	The Partners Fund	57	799	100%	89.0%	8.0%	1.0%
	Comments						
	<p>The manager provided a summarised voting record for The Partners Fund that covered the period from 01/07/23 to 30/06/24 rather than for the Scheme's investment holding period (the manager does not provide bespoke reporting that covers clients' investment holding periods, and only reports every half year).</p> <p>From the summarised information provided, we can see that the manager has voted at all investee company meetings for the Fund, which is in line with the Trustee's expectations of their managers.</p>						

Table Key

Available Information matches the Scheme's specific reporting period / investment holding period

Available Information is for a different period than the Scheme's reporting period / investment holding period

Information was not provided by the manager

Not Applicable

Minerva Says

For the Scheme's managers that responded to our information requests by providing voting information, we believe that they have followed the Scheme's requirements in relation to voting activity, as stated in the Scheme's SIP:

The Trustees' policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment manager on the Trustees' behalf, having regard to the best financial interests of the beneficiaries.

7 Significant Votes

Set out in the following section are 5 examples of the Scheme's manager(s) voting behaviour from the relevant fund(s) in which the Scheme was invested. A 'Significant Vote' relates to any resolution at a company that meets one of the following criteria:

1. Identified by the manager themselves as being of significance;
2. Contradicts local market best practice (e.g., the UK Corporate Governance Code in the UK);
3. Is one proposed by shareholders that attracts at least 20% support from investors;
4. Attracts over 10% dissenting votes from shareholders.

Where the manager has not provided sufficient data to identify 'Significant Votes' based on criteria 2-4 above, we have used manager-identified examples:

Table 7.1 LGIM's 'Significant Votes'

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Dynamic Diversified Fund	BIM Birlesik Magazalar AS	27/06/24	Less than 0.01%	Resolution 8: Elect Directors and Approve Their Remuneration	Against	Not available
Why a 'Significant Vote?							
LGIM considers this vote to be significant as it is applied under our engagement program on deforestation, targeting companies in high-risk sectors.							
Manager's Vote Rationale:							
Bundled: Deforestation Policy: A vote against is applied as the company is deemed to not meet minimum standards with regard to LGIM's deforestation policy.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							

LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so as to not limit our engagement to shareholder meeting topics and vote decisions.

Next Steps / Implications of the Outcome:

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Dynamic Diversified Fund	Tencent Holdings Limited	14/04/24	0.22%	Resolution 3a: Elect Charles St Leger Searle as Director	Against	The resolution passed

Why a 'Significant Vote?

Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: <https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/>

Manager's Vote Rationale:

Audit Committee: A vote against is applied as LGIM expects the Committee to be comprised of independent directors. Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.

Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?

LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.

Next Steps / Implications of the Outcome:

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Dynamic Diversified Fund	Yuexiu Real Estate Investment Trust	27/05/24	Less than 0.01%	Resolution 1: Elect Chan Chi On, Derek as Director, Chairman of Disclosures Committee and Member of the Audit Committee, Finance and Investment Committee and Remuneration and Nomination Committee and Authorize Manager, Any Director and Related	Against	The resolution passed

Why a 'Significant Vote'

Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: <https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/>

Manager's Vote Rationale:

Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. A vote AGAINST the election of Derek Chan Chi On is warranted given that he serves on the audit committee and the trust had failed to disclose a breakdown of the fees paid to the trust's auditor.

Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?

LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

Next Steps / Implications of the Outcome:

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Relevance to Manager's Stated Policy:

Company Board

Audit, Risk & Internal Control

Remuneration

Shareholder & Bondholder Rights

Sustainability

We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Dynamic Diversified Fund	Anglo American Platinum Ltd.	09/05/24	Less than 0.01%	Resolution 3.3: Re-elect Suresh Kana as Member of the Audit and Risk Committee	Against	The resolution passed

Why a 'Significant Vote?

Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Manager's Vote Rationale:

Diversity: A vote against is applied as LGIM expects a company to have a diverse board, with at least one-third of board members being women. We expect companies to increase female participation both on the board and in leadership positions over time.

Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?

LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.

Next Steps / Implications of the Outcome:

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Dynamic Diversified Fund	Wingstop Inc.	23/05/24	Less than 0.01%	Resolution 6: Report on GHG Emissions Reduction Targets	For Shareholder Resolution	The resolution passed

Why a 'Significant Vote'?

High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

Manager's Vote Rationale:

Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.

Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?

LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

Next Steps / Implications of the Outcome:

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach



Minerva Says

LGIM's reported 'Significant Vote' information seems to be consistent with their stated voting policies, and so is consistent with the Scheme's expectations.

8 Manager Engagement Information

The Trustee has set the following expectation in the Scheme's SIP in relation to its managers' engagement activity:

The investment manager should engage with companies to take account of ESG factors in the exercise of such rights as the Trustees believe this will be beneficial to the financial interests of members over the long term.

The Trustees also expect the investment managers to engage with investee companies on the capital structure and management of conflicts of interest.

If the policies or level of engagement are not appropriate, the Trustees will engage with the specific investment manager, with the help of its investment consultant, to influence the investment manager's policy. If this fails, the Trustees will review the investments made with the investment manager.

The Trustees have taken into consideration the Financial Reporting Council's UK Stewardship Code and expects investment managers to adhere to this where appropriate for the investments that they manage.

The Trustee believes that an important part of responsible oversight is for the Scheme's investment managers to engage with the senior management of investee companies on any perceived risks or shortcomings – both financial and non-financial – relating to the operation of the business, with a specific focus on ESG factors. As such, they expect the Scheme's managers to engage with investee companies where they have identified any such issues.

The following table(s) summarises the engagement activity of the manager(s):

Table 8.1: Summary of Engagement Information Provided

Manager	Engagement Information Obtained	Level of Available information	Info Covers Scheme's Reporting Period?	Comments
abrdn	YES	FUND	YES	The manager provided detailed fund level engagement information that covered the Scheme's specific reporting period
LGIM	YES	FUND	YES	The manager provided basic fund level information for the period from 01/07/23 to 30/06/24 , rather than for the Scheme's specific reporting periods
Partners Group	YES	FUND	YES	The manager provided basic fund level information for the period from 01/07/23 to 30/06/24 , rather than for the Scheme's specific reporting periods

Table Key

GREEN = A positive result. The manager has provided engagement information / fund level info available / matches the Scheme's reporting / investment holding period

ORANGE = A 'partial' result. We had to try to source engagement information / firm level info available / does not match the Scheme's reporting / investment holding period

RED = A negative result. No engagement information was located at any level

abrdn

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Multi Sector Private Credit Fund	01/08/23	31/07/24	2	50.0%	50.0%	-	-	-	100.0%

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>The following description of the manager's engagement policy is set out in their '2023 Stewardship Report':</p> <p>We believe it's our duty to be active and engaged owners of the assets in which we invest. Our aim is to both enhance and preserve the value of our clients' investments by considering a broad range of factors that impact on the long-term success of the company. Through our engagement we seek to improve the financial resilience and performance of investments, sharing insights from our ownership experiences across geographies and asset classes. Where we believe we need to catalyse change, we will endeavour to do so through our strong stewardship capabilities.</p> <p>We engage with our investments in a number of ways:</p> <ul style="list-style-type: none"> - Face-to-face meetings with board members, senior executives and decision makers; - On-site visits to see progress in action; - AGM attendance to push for innovation and change; - Exercise rights as a shareholder through voting and provide transparency around the rationale and expectations behind our votes; - Collaborative engagements with other investors who may be seeking to achieve similar change from a single investment or a range of investments; - Meetings with ex-employees, customers, suppliers, stakeholders or other experts to verify information provided by staff; - Divestment in certain instances where a company's actions, strategy or plans don't meet our, or client, expectations or benchmarks. <p>The manager also states in their 'Listed Company ESG Principles & Voting Policies' that engagement is a central tenet of their active investment approach and they strive to meet with the management and directors of our investee companies on a regular basis. They will focus that engagement on investee companies undergoing transformation or facing exceptional challenges or opportunities. The discussions with the companies cover a wide range of topics, including: strategic, operational, and ESG issues and consider the long-term drivers of value. They see engagement with companies on ESG risks and opportunities as a fundamental part of their investment process, through which they can discuss how a company identifies, prioritises and mitigates its key risks and optimises outcomes from its most significant opportunities.</p> <p>The manager has not identified any engagement priorities.</p>

<p>Additional information on Engagements provided by the Manager</p>	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives; ▪ collaborative engagements; ▪ process for escalating ineffective engagement; and ▪ whether any fintech solution was used to facilitate engagement.
<p>Comparison of the Manager's Engagement Activity vs the Trustee's policy</p>	<p>The following is the reported engagement activity provided by the manager for the Multi Sector Private Credit Fund:</p> <p><u>2024 – CEG – Engagement on an Environmental Issue</u></p> <p>Method of Engagement: <i>In-person Meeting.</i></p> <p>Details of Engagement: <i>We have been engaging with CEG since the existing Facility was initially completed. We set 3 specific KPI's for CEG covering Energy Efficiency, Circular Economy and Green Buildings & Governance. If they met these KPI's they would be rewarded with a reduction in the loan margin. In summary they had to decrease emissions by 2.5% p.a. : Maintain zero to landfill (operational waste) across all managed buildings with a Target of hitting a 65% recycling rate by 2027, and the Implementation of Green leases in new Agreements for Lease or Occupational Leases at a minimum level of 50% of these new lease arrangements. We get all of the data independently verified by WSP. Since the loan was drawn down CEG have exceeded these targets across the portfolio in our charge enabling us to reduce their loan margin by 10bps which is an equitable reward for meeting these targets.</i></p> <p>Outcome: <i>Borrower benefitted from decrease in the margin ratchet following the achievement.</i></p> <p>Issue Resolved or Follow Up Planned: <i>We continued to engage with CEG, however the loan was repaid in Q3 2024, after the reporting period of this request.</i></p>
<p>Is Engagement Activity in Line with the Trustee's Policy?</p>	<p>The engagement activity seems consistent with the Manager's stated engagement approach, and so is also consistent with the Scheme's approach</p>

				Breakdown of Engagement Topics Covered				Outcomes	
Fund(s)	Period Start	Period End	No. of Engagements	Environmental	Social	Governance	Other	Resolved	Open
Dynamic Diversified Fund	01/08/23	30/06/24	5.058	72.4%	6.0%	15.7%	5.9%	Not Stated	Not Stated
Short Dated Sterling Corporate Bond Index Fund	01/07/23	30/06/24	533	44.1%	6.2%	29.8%	19.9%	Not Stated	Not Stated
Aspect of Engagement Activity	Details								
Key Points of the Manager's Engagement Policy	<p>LGIM's Investment Stewardship team focuses on client outcomes and broader societal and environmental impacts in its engagements with companies, taking the following six step approach:</p> <ol style="list-style-type: none"> 1) Identify the most material ESG issues 2) Formulate a strategy 3) Enhance the power of engagement (e.g., through public statements) 4) Collaborate with other stakeholders and policymakers 5) Vote 6) Report to shareholders <p>From LGIM's most recent Active Ownership Report the manager has identified the following as their top 6 engagement topics:</p> <ol style="list-style-type: none"> 1. Climate: Keeping 1.5°C alive 2. Nature: Supporting a world that lives in harmony with nature, recognising the economic value of natural capital 3. People: Improving human capital across the corporate value chain 4. Health: Safeguarding global health to limit negative consequences for the global economy 5. Governance: Strengthening accountability to deliver stakeholder value 6. Digitisation: Establishing minimum standards for how companies manage digitisation-related risks 								
Additional information on engagements	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p>								

provided by the Manager	<ul style="list-style-type: none"> engagement objectives collaborative engagements process for escalating ineffective engagement and whether any fintech solution was used to facilitate engagement
Comparison of the Manager's Engagement Activity vs the Trustee's policy	<p>Set out below is an example of engagement activity reported by LGIM in the Dynamic Diversified Fund:</p> <p><u>17/04/24 – Duke Energy Corp – Environmental- themed Engagement Activity</u></p> <p><i>Engagement Type: Not stated.</i></p> <p><i>Issue Theme: Environmental /Climate Impact Pledge.</i></p> <p><i>Engagement Details: Not provided.</i></p> <p><i>Engagement Outcome: Not provided.</i></p>
Is Engagement Activity in Line with the Trustee's Policy?	<p>Whilst we believe that the manager's engagement approach is consistent with the Scheme's approach, we believe that the manager should be able to provide more information relating to engagements undertaken at fund level.</p>

Partners Group

				Breakdown of Engagement Topics Covered				Outcomes	
Fund(s)	Period Start	Period End	No. of Engagements	Environmental	Social	Governance	Other	Resolved	Open
The Partners Fund	01/07/23	30/06/24	10	100.0%	0.0%	0.0%	0.0%	-	-

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>In 2023 Corporate Sustainability Report, the manager states that “As detailed in our Global Sustainability Directive, our governance framework allows Partners Group’s integration of sustainability considerations, which are embedded in every step of the investment cycle. It also enables our Investment Teams to identify potential investment risks – such as exposure to climate-related events, bribery concerns, or health and safety issues. This spans across due diligence</p>

	<p>and underwriting. The Investment Teams leverage sustainability in value-creation plans, transformation, and engagements during ownership and in exit. This allows us to generate long-term sustainable investment returns for our clients (...)</p> <p>As an investment company that values dialog and transparency, we regularly engage with key stakeholders or their representatives on different topics as an active part of our business. In 2023, we decided to leverage our DMA (double materiality assessment) to gather additional information from them on the most important sustainability topics. The DMA process included different forms of engagement (i.e. workshops, interviews, and questionnaires) and both internal and external stakeholders, such as senior leadership and management, suppliers, clients, representatives of portfolio companies, and employees with different functions and seniority levels.”</p> <p>Partners Group also states that sustainability is fully integrated into the investment approach and integrated into all stages of the investment process as part of the transformational ownership approach. Three elements of the process are as follows:</p> <ul style="list-style-type: none"> *Integrate: Sustainability is integrated in our sourcing and due-diligence processes *Engage: We drive ownership for long-term risk mitigation and value creation *Transform: We transform portfolio companies via specific sustainability levers <p>PG’s Global Sustainability Directive, updated in March 2024, gives further detail on the engagement process:</p> <p><i>“Post-acquisition, Partners Group introduces the firm’s governance and sustainability approach as part of the asset onboarding phase. Throughout the hold period, engagements occur based on the data received, any incident reports, board materials, general correspondence, and/or executed sustainability linked loans associated to an investment. Where relevant, Partners Group shares best practices and resources such as playbooks, case studies to support its portfolio investments to reduce sustainability risks and/or execute on opportunities. The firm favors an investment-by-investment application of sustainability engagements to meet return-generating objectives. For listed investments, engagement occurs via proxy voting in line with Partners Group’s Proxy Directive.”</i></p>
Additional information on Engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme’s holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives; ▪ collaborative engagements; ▪ process for escalating ineffective engagement; and ▪ whether any fintech solution was used to facilitate engagement.
Comparison of the Manager’s Engagement Activity vs the Trustee’s policy	<p>The following is the reported engagement activity provided by the manager for the The Partners Fund:</p> <p><u>2024 – Breitling – Engagement on an Environmental Issue</u></p> <p>Engagement Type: Not stated.</p> <p>Details of Engagement: <i>On the People side, the company is focused on improving working environments for its employees by taking action on equal pay and providing training, coaching, and volunteering opportunities. It has received recognition for its efforts in these areas with awards such as the “Top Employer – Certified Excellence in Employee Conditions” award for Switzerland and the global “Universal Fair Pay” award for equal pay.</i></p>

	<p>Furthermore, the company is committed to reducing its environmental footprint by working towards fewer carbon emissions, reducing energy consumption, shifting to clean energy, eliminating plastic waste, and addressing biodiversity and water impacts. It aligns its efforts with key international frameworks and supports projects aimed at reducing or removing greenhouse gas emissions.</p> <p>Finally, on the 'prosperity' pillar, the company transparently reports on its sustainability progress in an annual Sustainability Mission Report aligned with the WEF IBC Stakeholder Capitalism Metrics. It creates shared value with local communities globally through partnerships to support social inclusion and environmental recovery.</p> <p>Outcome: Not Provided</p>
<p>Is Engagement Activity in Line with the Trustee's Policy?</p>	<p>Whilst we believe that the manager's engagement approach is consistent with the Scheme's approach, we believe that the manager should be able to provide more information relating to engagements undertaken at fund level.</p>

Minerva Says

As can be seen from the previous tables, the Scheme's managers' 'Engagement Activity' appears to broadly comply with their own engagement approaches, and so also complies with the Scheme's approach.

9 Conclusions

9.1 Assessment of Compliance

In this report, Minerva has undertaken an independent review of the Scheme's external asset managers' voting and engagement activity. The main objective of the review is for Minerva to be in a position to say that the activities undertaken on the Scheme's behalf by its agents are aligned with its own policies.

Set out in the following table is Minerva's assessment of each manager's compliance with the Scheme's approach:

Table 9.1: Summary Assessment of Compliance

Fund / Product Manager	Investment Fund/ Product	Does the Manager's Reported Activity Follow the Scheme's Expectations:				UK Stewardship Code 2020 Signatory?	Overall Assessment
		Voting Activity	Significant Votes Identified	Engagement Activity	Use of a 'Proxy Voter?'		
abrdn	Multi Sector Private Credit Fund	N.I.R	N.I.R	YES	N/A	YES	COMPLIANT
	Dynamic Diversified Fund	YES	YES	YES	ISS		COMPLIANT
LGIM*	LDI Matching Core Funds (3 funds)	N.I.R	N.I.R	N.I.R	N/A		N.I.R
	Short Dated Sterling Corporate Bond Index Fund	N.I.R	N.I.R	YES	N/A	YES	COMPLIANT
	Sterling Liquidity Fund	N.I.R	N.I.R	N.I.R	N/A		N.I.R
	Synthetic Leveraged Equity Fund (including GBP hedged variant)	N.I.R	N.I.R	N.I.R	N/A		N.I.R
Partners Group	The Partners Fund	YES	N.I.R	YES	GLASS LEWIS	YES	COMPLIANT

* LGIM have requested that a Disclaimer be shared, which should be read in relation to any stewardship information provided by them. It can be found at the end of this report.

Table Key

GREEN =Positive outcome e.g., Manager's reported activity follows the Scheme's expectations

ORANGE =An issue exists e.g., the information provided does not match the Scheme's reporting / investment holding period

BLUE=Manager has confirmed that there is no voting, 'Significant Votes' or engagement information to report (N.I.R.)

RED=Negative outcome e.g., no information provided (N.I.P.); Manager is not a signatory to the UK Stewardship Code 2020

GREY=Not Applicable e.g., there has been no 'Proxy Voter' used due to the nature of the investments held



Minerva Says

Overall Assessment:

We believe that the Scheme's managers have broadly complied with the Scheme's Voting and Engagement requirements of them.

Notes

- 1) The preceding table shows that Minerva has been able to determine that:
 - For the managers where Voting and 'Significant Vote' information was available, their overall approaches are broadly in step with the Scheme's requirements
 - For the managers where Engagement information was available, their overall approaches are also broadly in step with the Scheme's requirements
- 2) abrdn, LGIM and Partners Group are signatories to the UK Stewardship Code.
- 3) We were disappointed with the inability of LGIM to provide reporting that specifically covered the Scheme's reporting period, with some of the information disclosed and the fact that LGIM provided limited engagement information. Whilst they are now able to provide information on engagements undertaken in individual funds, they are not yet able to provide much in the way of details concerning the engagements.

LGIM Information Disclaimer

- i. Carbon dioxide equivalent (CO₂e) is a standard unit to compare the emissions of different greenhouse gases.
- ii. The choice of this metric follows best practice recommendations from the Task Force on Climate-related Financial Disclosures.
- iii. Data on carbon emissions from a company's operations and purchased energy is used.
- iv. This measure is the result of differences in weights of companies between the index and the benchmark, and does not depend on the amount invested in the fund. It describes the relative 'carbon efficiency' of different companies in the index (i.e. how much carbon was emitted per unit of sales), not the contribution of an individual investor in financing carbon emissions.
- v. LGIM set the following threshold for our reportable funds 1) the assets eligible for coverage e.g. eligible ratio needs to be greater than or equal to 50% and 2) the carbon coverage of the eligible assets e.g. eligible coverage needs to be greater than or equal to 60%.
- vi. Eligibility % represents the % of the securities in the benchmark which are eligible for reporting including equity, bonds, ETFs and sovereigns (real assets, private debt and derivatives are currently not included for carbon reporting). The Coverage % represents the coverage of those assets with carbon scores.
- vii. Derivatives including repos are not presently included and the methodology is subject to change. Leveraged positions are not currently supported. In the instance a leveraged position distorts the coverage ratio over 100% then the coverage ratio will not be shown.
- viii. LGIM define 'Sovereigns' as, Agency, Government, Municipals, Strips and Treasury Bills and is calculated by using: the CO₂e/GDP, Carbon Emissions Footprint uses: CO₂e/Total Capital Stock.
- ix. The carbon reserves intensity of a company captures the relationship between the carbon reserves the company owns and its market capitalisation. The carbon reserves intensity of the overall benchmark reflects the relative weights of the different companies in the benchmark.
- x. Green revenues % represents the proportion of revenues derived from low-carbon products and services associated with the benchmark, from the companies in the benchmark that have disclosed this as a separate data point.
- xi. Engagement figures do not include data on engagement activities with national or local governments, government related issuers, or similar international bodies with the power to issue debt securities.
- xii. LGIM's temperature alignment methodology computes the contribution of a company's activities towards climate change. It delivers an specific temperature value that signifies which climate scenario (e.g.3°C, 1.5°C etc.) the company's activities are currently aligned with. The implied temperature alignment is computed as a weighted aggregate of the company-level warming potential.

Third Party ESG Data Providers: Source: ISS. Source: HSBC© HSBC 2022. Source: IMF (International Monetary Fund). Source: Refinitiv. Information is for recipients' internal use only.

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Final Accounts University of Dundee 31.07.2024

Final Audit Report

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