



# University of Glasgow Pension Scheme

**Trustees' Annual Report and Financial Statements for  
the year ended 31 March 2025**

Scheme Registration No: 10046480



# UNIVERSITY OF GLASGOW PENSION SCHEME

## TABLE OF CONTENTS

Trustees and their Advisers	2
Trustees' Report	3
Investment Report	8
Report on Actuarial Liabilities	13
Actuarial Statements and Certificate	15
Statement of Trustees' Responsibilities	18
Independent Auditor's Report	19
Fund Account	22
Statement of Net Assets (Available for Benefits)	23
Notes to the Financial Statements	24
Independent Auditor's Statement about Contributions	35
Summary of Contributions paid in the year	36
Implementation Statement	37

# UNIVERSITY OF GLASGOW PENSION SCHEME

## TRUSTEES AND THEIR ADVISERS

**Sponsoring Employer :** The University Court of the University of Glasgow

**Trustees :** Moat Pensions Limited, (represented by June Crombie)  
 Independent Chairperson of Trustee Board  
 Mr James Ross  
 Ms Lesley Cummings  
 Dr David Duncan  
 Mr George Gillespie\*  
 Mrs Alison Halley\*  
 Mrs Sally Baxter\*  
 Mr Christopher Kennedy\*  
 Mrs Amber Higgins

\* Member Nominated

**Secretary to the Trustees :** Mr James Ross

**Scheme Actuary :** Ms Heather Allingham, Hymans Robertson LLP

**Independent Auditor :** Ernst & Young LLP

**Bankers :** Bank of Scotland

**Investment Managers :** BlackRock Investment Management Limited  
 Insight Investment Fund Management Limited  
 JPMorgan Asset Management  
 Partners Group (UK) Limited  
 IFM Investors Pty Limited  
 PGIM Qualifying Investors Funds PLC (from 25 February 2025)

**AVC Provider :** Prudential Life Assurance Company

**Legal Adviser :** Brodies

**Administrators :** XPS Administration Limited

**Investment Consultants :** Isio Group Limited

**Life Assurance Company :** MetLife

**Annuity Providers :** Aviva (until 15 April 2024)  
 Phoenix Life  
 Sun Life

**Contact for further information & complaints about the Scheme :** Mr James Ross  
 Secretary to the Trustees  
 Finance Office (Tay House)  
 University of Glasgow  
 University Avenue  
 Glasgow  
 G12 8QQ  
 Email: [Jim.Ross@Glasgow.ac.uk](mailto:Jim.Ross@Glasgow.ac.uk)

# UNIVERSITY OF GLASGOW PENSION SCHEME

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

### ***Introduction***

The Trustees of the University of Glasgow Pension Scheme have pleasure in presenting the Annual Report and audited financial statements for the year ended 31 March 2025.

This Report relates to the operation of the University of Glasgow Pension Scheme ("the Scheme") during the year ended 31 March 2025. The University pays a substantial proportion of the cost of providing the benefits and of running the Scheme.

This Report is addressed primarily to the Scheme's members.

The Scheme closed to new members with effect from 1 April 2014.

### ***Constitution***

The Scheme is a defined benefit scheme governed by a Definitive Trust Deed dated 26 July 1965, which was supplemented by a Definitive Trust Deed and Rules effective from 1 April 1985 and a Replacement Definitive Deed and Rules dated 18 May 2000, along with subsequent amendments.

### ***The Management of the Scheme***

The Occupational Pension Schemes (Member Nominated Trustees & Directors) Regulations 2006 came into force on 6 April 2006 and prescribe the composition of trustee boards. The existing arrangements are that four of the Trustees are nominated by the members under the rules notified to the members of the Scheme.

The Trustees, as listed on page 2, are responsible for the administration and investment policy of the Scheme.

The power to appoint and remove Trustees is vested in the University Court. Trustee appointments however will cease if the Trustee ceases to be a member of the Scheme or resigns from the University. Appointment and removal of Trustees must be exercised by Deed.

The Trustee body includes membership representative Trustees nominated by the main unions represented within the membership and one elected by the pensioner members.

Trustees are invited to attend Trustees' meetings at which the majority must be present for valid decisions to be taken. Decisions require the majority support of those Trustees present.

During the year, three Trustees' meetings were held. Six investment subcommittee meetings were also held during the year as well as three Governance, Compliance and Discretionary Decisions subcommittee meetings.

### ***Governance & Risk Management***

The Trustees have in place policies and procedures that set out their 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 Trustees run the Scheme efficiently and serves as useful reference documentation.

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.

### ***Trustees' Knowledge & 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. The Risk Register highlights areas on which the Trustees should focus; the use of the trustees' toolkit to develop knowledge and to develop training logs to ensure compliance and record details of the training received each year.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025 (continued)

### ***The General Code of Practice***

The Pension Regulator's new General Code of Practice ('the Code') was published on 10 January 2024 and came into force on 27 March 2024. The Code consolidates existing codes of practice into one document, as well as introducing some new requirements for pension schemes. Central to the Code are the Regulator's expectations of how occupational pension schemes should be managed and how the governing body (those in charge of pension schemes) should comply with their legal duties. The Trustees have reviewed the requirements under the new Code and work is ongoing to update existing policies and to establish new policies and processes which they believe will ensure compliance with the General Code.

The Trustees are also now required to carry out an own risk assessment ('ORA') which looks at how well the Scheme complies with the requirements set out in the Code. The Trustees are preparing documentation for the first ORA, due on 31 March 2026, with support of their actuarial advisers.

### ***Principal Employer***

The Scheme is provided for all eligible employees of the Principal Employer. The Principal Employer's registered address is University of Glasgow, Glasgow, G12 8QQ.

### ***Membership***

The number of members as at the year-end was:

	<b>2025</b>
<b>Active Members</b>	
<b>Active members at the start of the year</b>	<b>725</b>
Adjustments in respect of prior periods*	(10)
Retirements	(34)
Withdrawal	(5)
Deaths	(2)
<b>Active members at the end of the year</b>	<b>674</b>
<b>Pensioners</b>	
<b>Pensioners at the start of the year</b>	<b>1,884</b>
Adjustments in respect of prior periods*	9
Active members retiring during the year	34
Members with preserved benefits reaching retirement	44
Spouses and dependants	11
Pensioners who died during the year	(53)
<b>Pensioners at the end of the year**</b>	<b>1,929</b>
<b>Members with preserved benefits</b>	
<b>Number at the start of the year</b>	<b>1,363</b>
Adjustments in respect of prior periods*	(3)
Withdrawal	5
Members with preserved benefits retiring during the year	(44)
Transfers out during the year	(1)
Deaths	(1)
Commututed pensions	(1)
<b>Preserved at the end of the year</b>	<b>1,318</b>
<b>Total membership at the end of the year</b>	<b>3,921</b>

\*Adjustments relate to movements notified to the Scheme administrator after the completion of the previous renewal.

\*\*Pensioners include 11 annuitants (2024: 12). Pensioners also include 251 spouses and dependants of members in receipt of a pension (2024: 250). In addition to the above, the Scheme also has 145 members at the year-end who have left the Scheme with decisions pending (2024: 145).

# UNIVERSITY OF GLASGOW PENSION SCHEME

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025 (continued)

### ***Pension increases***

All excess pensions in payment were increased by 6.7% with effect from April 2024 (April 2023 10%). Post 88 GMPs in payment were capped at 3% with effect from April 2024 (April 2023 3% capped). Any Guaranteed Minimum Pension which was earned in respect of the service before April 1988 did not increase.

### ***GMP equalisation***

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. On 20 November 2020, the High Court also ruled that pension schemes will need to revisit individual transfer payments made since May 1990.

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

### ***Pensions Schemes Act 1993 - Section 37***

The Virgin Media Ltd v NTL Pension Trustees decision, handed down by the High Court on 16 June 2023, considered the implications of section 37 of the Pension Schemes Act 1993. Section 37 of the Pension Schemes Act 1993 only allowed the rules of contracted-out schemes in respect to benefits, to be altered where certain requirements were met. The court decision was upheld on appeal on 25 July 2024. It was noted in the Trustees' report last year that there was potential for legislative intervention following industry lobbying efforts that may retrospectively validate certain rule amendments. The Trustees are currently liaising with their legal advisers on the potential implications. In June 2025, the Government announced that it will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. Once the legislation is in force the Trustees will consider it, with input from their advisers. At this time, the Trustees have no reason to believe that the relevant requirements of section 37 were not complied with in respect of any historic deeds of amendment. Accordingly, there has been no provision or contingent liability note included in the annual report and financial statements.

### ***Calculation of Transfer Values***

During the year all cash equivalent transfer values and buy outs paid by the Scheme on behalf of members who have left service have been calculated and verified as prescribed in Section 93 of the Pension Schemes Act 1993 and subsequent amendments (The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (SI 2008/1050) and The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (SI 2008/2450)). From 31 March 2015 all transfer values have been calculated on a non Public-Sector Transfer Club basis.

Discretionary benefits are not included in the calculation of transfer values.

As the Scheme closed to new members with effect from 1 April 2014 the Trustees decided that no new transfers in would be agreed after 31 March 2017.

### ***Current Market Conditions***

The Trustees continue to monitor financial market conditions and their effect on the Scheme's assets, technical provisions, and the employer covenant. At the date of signing these financial statements the Trustees believe that the Scheme is able to comfortably cover its outgoings until at least 12 months from signing.

Risks associated with movements in investment market prices and how they are mitigated are detailed in Note 18 to the financial statements.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025 (continued)

### ***Financial Development of the Scheme***

The financial statements for the year have been prepared and audited in accordance with Sections 41(1) and (6) of the Pensions Act 1995.

Changes in the Scheme's net assets during the year were as follows:

	£
Net assets at 31 March 2024	316,963,684
Net withdrawals from dealings with members	(6,621,576)
Net returns on investments	(16,127,266)
Net assets at 31 March 2025	<u><u>294,214,842</u></u>

### ***Enquiries***

All enquiries about the Scheme and individual benefit entitlements should be addressed to the Scheme Trustees:

Mr James Ross  
 Secretary to the Trustees  
 Finance Office (Tay House)  
 University of Glasgow  
 University Avenue  
 Glasgow G12 8QQ

Email: [Jim.Ross@Glasgow.ac.uk](mailto:Jim.Ross@Glasgow.ac.uk)

### ***MoneyHelper***

MoneyHelper provides pension guidance, money guidance and debt advice. MoneyHelper can be contacted at:

MoneyHelper  
 Bedford Borough Hall  
 138 Cauldwell Street  
 Bedford MK42 9AB

Tel: 0800 011 3797

Email: [pensions.enquiries@moneyhelper.org.uk](mailto:pensions.enquiries@moneyhelper.org.uk)

Website: [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

# UNIVERSITY OF GLASGOW PENSION SCHEME

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025 (continued)

### ***Pensions Ombudsman***

If you have a complaint concerning your Scheme pension arrangements, you should first make a formal complaint to the Scheme Trustee. Complaints should be addressed to the Scheme Trustee at the address above under Enquiries.

If you are unhappy with the response, you can refer your complaint to The Pensions Ombudsman free of charge. The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

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

The Pensions Ombudsman can be contacted at:

10 South Colonnade  
Canary Wharf  
London E14 4PU

Tel: 0800 917 4487

Email: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)

Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

You can also submit a complaint online: [www.pensions-ombudsman.org.uk/making-complaint](http://www.pensions-ombudsman.org.uk/making-complaint)

### ***The Pension Scheme Registry***

The Scheme is registered with the Pension Scheme Registry which is part of the Pensions Regulator's office. The registration number is 10046480. The data held by the Registry is used by the Pension Tracing Service to assist former members of schemes to trace their scheme benefits. The Pension Tracing Service can be contacted at:

The Pension Service  
Post Handling Site A  
Wolverhampton WV98 1AF

Tel: 0800 731 0193

Website: [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)

### ***The Pensions Regulator (TPR)***

The Pensions Regulator can intervene if they consider that a scheme's Trustee, advisers, or the employer are not carrying out their duties correctly. The address for the Pensions Regulator is:

Telecom House  
125-135 Preston Road  
Brighton BN1 6AF

Tel: 0345 600 0707

Email: [customersupport@tpr.gov.uk](mailto:customersupport@tpr.gov.uk)

Website: [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

# UNIVERSITY OF GLASGOW PENSION SCHEME

## INVESTMENT REPORT

### General

All investments, with the exception of AVCs which are managed by Prudential, have been managed during the year under review by BlackRock Investment Management Limited, Insight Investment Fund Management Limited, JP Morgan Asset Management, Partners Group (UK) Limited, IFM Investors and PGIM Limited.

There is a degree of delegation of responsibility for investment decisions given to the investment managers.

The investment strategy is agreed by the Trustees after taking appropriate advice. Subject to complying with the agreed strategy, which specifies the target proportions of the fund which should be invested in the principal market sectors, the day-to-day management of the Scheme's asset portfolio which includes full discretion for stock selection is the responsibility of the Investment Managers.

### Investment Principles

The Trustees have produced a Statement of Investment Principles in accordance with Section 35 of the Pensions Act 1995. A copy of the statement is available on request or can be viewed / downloaded at [www.glasgow.ac.uk/myglasgow/payandpensions](http://www.glasgow.ac.uk/myglasgow/payandpensions).

The Trustees' overall investment policy falls into two parts. The strategic management of the assets is the responsibility of the Trustees acting on expert advice and is determined by their investment objectives set out in the Statement of Investment Principles. The remaining elements of the Trustees' investment policy concern the day-to-day management of the Scheme's asset portfolio.

As at 31 March 2025 the strategic asset allocation was as follows; 10.0% Diversified Growth, 12.5% Direct Lending, 7.5% Long Lease Property, 10.0% Diversified Credit, 5.0% Infrastructure Equity, 40.0% LDI (Tier 1) and 15.0% Asset Backed Securities (Tier 2).

During May 2024, the Scheme strategically reallocated 50% of its existing Liquid ABS exposure with Insight into the Insight Global ABS Fund. The rationale for this was to enhance the Scheme's ABS allocation by generating higher returns over the longer term. The Scheme also introduced an allocation to the newly launched Global ABS fund managed by PGIM in February 2025. The rationale for the investment was to diversify the existing ABS holdings, previously all held with Insight which is largely concentrated in the UK and Europe, alongside PGIM offering highly attractive commercial terms to seed investors. The Trustees submitted a redemption instruction at the end of December 2024 to terminate the Scheme's holdings in the Long Lease Property Fund with BlackRock. BlackRock are in the process of selling down assets to meet the redemption request, where the manager was required to gate the fund and defer payment of the full redemption proceeds. The Scheme received a part payment of £2,464,058 in July 2025. In line with the terms of the Fund, BlackRock have until June 2027 to pay the remainder of the redemption amount. We expect that the Scheme will receive a number of incremental payments over the period to then. No investment managers were removed over the year to 31 March 2025.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## INVESTMENT REPORT (continued)

### Code of Best Practice

During the year the Trustees, in conjunction with their professional advisers, have continued their work of reviewing the Scheme's level of compliance with the recommendations contained in the Government's Code of Best Practice. The Trustees also ensure that governance aligns with the regulators general code, introduced in 2024, to ensure that the governance is aligned with best practice. This ongoing review is aimed at benchmarking the Scheme's level of compliance with these recommendations and identifying any actions that still need to be taken. There is an investment sub-committee which has Terms of Reference and reports to the main Trustee Board.

The Trustees understand that the primary purpose of the Code of Practice is to ensure that the Trustees have the right skill set and decision-making structures and also that they have clear objectives for the Scheme and an appropriate and well-documented strategy in place for achieving these objectives. In a similar vein, the Trustees know that they should set explicit goals for the fund managers used by the Scheme.

Progress has continued to be made against the principles set out in the Code. The Trustees have complied with the requirements for setting clear objectives and making strategic asset allocation decisions for the Scheme. The Trustees continue to review and agree mandates, appropriate benchmarks and performance targets with the investment managers. The Statement of Investment Principles is reviewed regularly and is available to all members on request. Continued compliance with these principles is monitored by the Trustees.

In addition, the Trustees continually review their training needs and the skills of its members to ensure effective decision-making. Where appropriate, they take independent expert advice.

### Deployment of Investments (excluding AVCs and unsettled transactions)

The distribution of the Scheme's underlying assets at the end of the year is set out below:

	2025	2024
	%	%
<b>Pooled investment vehicles</b>		
- Diversified growth	12.4	10.5
- Bonds	49.5	51.1
- Property	8.1	7.1
- Diversified credit	11.0	9.4
- Direct lending	11.6	15.8
- Infrastructure Equity	7.2	5.9
	<b>99.8</b>	<b>99.8</b>
<b>Annuity policies</b>	0.0	0.1
<b>Cash deposits</b>	0.2	0.1
	<b>100.0</b>	<b>100.0</b>

Note: All values based on single priced valuations.

Source: Investment Managers; Isio Calculations.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## INVESTMENT REPORT (continued)

### Fund Performance

The table below shows the performance of the Fund against its benchmark (where appropriate) to 31 March 2025:

	1 year %	3 Years % p.a.	5 Years % p.a.
<b>BlackRock Dynamic Diversified Growth Portfolio</b>	5.2	3.3	5.3
<i>Benchmark (SONIA)</i>	5.1	4.1	2.5
<b>Insight – Liquid ABS Fund</b>	6.0	5.3	N/A*
<i>Benchmark (SONIA)</i>	5.1	4.1	N/A*
<b>PGIM – Global Securitised Credit Fund</b>	N/A*	N/A*	N/A*
<i>Benchmark (SONIA)</i>	N/A*	N/A*	N/A*
<b>JP Morgan Unconstrained Bond Fund</b>	5.5	3.8	4.1
<i>ICE Overnight GBP SONIA</i>	5.1	4.1	2.5
<b>Insight – LDI Portfolio</b>	(25.7)	(50.5)	(33.4)
<i>Benchmark (Customised LDI benchmark)</i>	(25.7)	(50.5)	(33.4)
<b>BlackRock Investment Management Limited UK Long Lease Property Fund</b>	9.4**	(2.7)**	1.4**
<i>Benchmark (RPI)</i>	4.1	7.6	7.7
<b>Partners Group AG – Private Markets Strategies 2 S.A (2016)</b>	(18.9)	(5.4)	(1.8)
<i>Benchmark (SONIA)</i>	5.1	4.1	2.5
<b>Partners Group AG - Private Markets Strategies (2018)</b>	9.2	7.3	8.1
<i>Benchmark (SONIA)</i>	5.1	4.1	2.5
<b>Partners Group AG - Private Markets Strategies (2020)</b>	6.2	6.7	N/A*
<i>Benchmark (SONIA)</i>	5.1	4.1	N/A*
<b>IFM Investors – Global Infrastructure Fund***</b>	8.4	N/A*	N/A*
<i>Benchmark (10% p.a. net of fees)</i>	10.0	N/A*	N/A*
<b>Total Scheme</b>	(5.6)	(14.2)	(6.7)
<i>Scheme Objective</i>	(4.9)	(12.2)	(5.7)

Note:

Total Scheme return and benchmark are estimates based on Isio calculations. Total Scheme returns are net of management fees. Scheme benchmark is calculated from manager objectives as opposed to specific benchmarks.

All individual fund performance has been provided on a net of fees basis, unless stated otherwise.

\*Performance unavailable given inception date of investment.

\*\* Performance is calculated as money weighted rate of return, and doesn't include spread costs incurred on entrance.

\*\*\*No benchmark, Fund objective is to achieve 10% p.a. net of all fees over long term, ranging between 8-12% depending on market cycle.

Source: Investment Managers; Isio Calculations.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## INVESTMENT REPORT (continued)

### Investment commentary

Over the 12 months to 31 March 2025, global market performance was largely positive, underpinned by shifting economic dynamics, the evolving rate environment, and geopolitical influences that led to mixed performance across asset classes. Equity markets led the rally, supported by resilient economic data and enthusiasm around artificial intelligence. The sector was further buoyed by Donald Trump's presidential election victory which initially fuelled optimism around deregulation and pro-growth policies. However, this momentum was tempered in Q1 2025 by concerns over his aggressive tariff proposals and their potential to disrupt corporate earnings and global trade dynamics.

High-yield bonds performed well while investment-grade bond and UK gilts experienced challenges linked to inflation and fiscal pressures. UK gilt yields rose sharply due to increased government borrowing, inflationary pressures, and concerns over public finance sustainability, with Labour's higher-than-expected government borrowing announced in the Autumn budget adding to investor unease. Major central banks continued to ease monetary policy despite lingering inflation, albeit at a slower pace than earlier anticipated. For the US, the Federal Reserve decreased rates by 100bps to 4.50% over the Scheme's reporting period, and the Bank of England announced multiple base rate cuts, reducing the UK interest rate from 5.25% to 4.50% by the end of the period.

### Equity Markets

Global equities performed strongly over the 12-month period returning 7.9% (MSCI AC, GBP hedged) in local currency terms over the year, whilst unhedged equities returned 5.3% (MSCI AC, unhedged). Strong gains were driven by robust earnings growth and AI advancements, however, were tempered by trade policy concerns, geopolitical tensions, and regional fiscal pressures. Against this background, US equities delivered a return of 8.3% (S&P 500, GBP hedged). The UK also delivered a positive return over the period, performing well relative to its global counterparts, largely due large cap financials, energy and healthcare sectors benefiting as global investors rotated away from highly valued US technology stocks. The FTSE 100 hit all-time highs with the UK posting a gain of 10.5% (FTSE All Share) over the 12-month reporting period. Emerging markets delivered a positive return, outperforming their developed market counterparts, largely due to AI optimism alongside Chinese government stimulus measures, such as interest rate cuts and liquidity injections, which helped to stabilise the economy and restore investor confidence. Emerging markets ended the year positively, delivering a return of 11.7% (MSCI EM, GBP hedged).

### Bonds

Credit market performance was mixed as nominal and index-linked gilt returns were negative over the period, whereas Global high yield and UK IG Credit delivered positive returns. Credit spreads continued to narrow towards historical lows as higher yields strengthened demand and healthy economic data improved investor sentiment. UK investment grade credit ended the year posting a positive return of 2.4% (BoAML Sterling Non-Gilts). Global high yield credit outperformed due to its higher carry and lower interest rate sensitivity, delivering a positive return of 8.1% (BoAML Global High Yield (GBP Hedged)).

Fixed interest gilts (FTSE Gilts Over 15 years) and index-linked gilts (FTSE Index Linked Gilts Over 5 years) returned -8.2% and -10.4% over the period, respectively.

### Property

The UK property market rebounded producing a positive performance of 6.4% (UK All Balanced Open-Ended Property Fund Index) over the period with lower interest rates benefitting underlying asset values and spurring activity.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## INVESTMENT REPORT (continued)

### Basis of Investment Managers' Fees

#### **BlackRock Investment Management Limited**

The tiered management fee for the BlackRock Dynamic Diversified Growth is calculated as follows:

- 0.55% per annum of the first £50 million;
- 0.5% per annum thereafter.

The management charge for the BlackRock UK Long Lease Property Fund is 0.40% per annum.

#### **Insight Investment Fund Management Limited**

The management charge for the Liquid ABS Fund is 0.15% per annum.

The management fee for the LDI Funds is 0.06% per annum based on the greater of A) the present value of the benchmark or B) the absolute present value of the real leg of the RPI notional included in the benchmark. Insight have the ability to actively manage the portfolio and will receive a performance fee of 20% on any performance achieved over the liability benchmark.

The fees above are subject to a 10% discount.

#### **JP Morgan Asset Management**

The management charge for the JP Morgan Unconstrained Bond Fund is 0.40% per annum.

#### **Partners Group AG**

The management charge for the Partners Group Private Markets Credit Strategies 2 S.A. – Compartment 2016 (VIII) Fund, Private Markets Credit Strategies (2018) and Private Markets Credit Strategies (2020) Funds is 0.80% per annum. The Fund also charged 0.1% on committed capital for the setup of the Fund. Partners Group will also receive a performance fee of 8% net of costs after achieving a 4% per annum return for investors (with catch-up).

No management fees are currently being charged for the Compartment 2016 (VIII) Fund. The Fund life was extended beyond the original maturity and Partners Group will not be charging a management fee for the duration of the extension, which is due to end September 2025.

#### **IFM Investors**

The management charge for the IFM Global Infrastructure Fund is 0.77% per annum.

#### **PGIM Limited**

The management charge for the PGIM Global Securitised Fund is 0.10% per annum.

#### **Employer related investments**

There were no employer-related investments at any time during the year (2024: none).

# UNIVERSITY OF GLASGOW PENSION SCHEME

## REPORT ON ACTUARIAL LIABILITIES



University of Glasgow Pension Scheme | Hymans Robertson LLP

### Report on Actuarial Liabilities

This paper is addressed to the trustees of the University of Glasgow Pension Scheme ("the Scheme") and is for information purposes only. It is intended to provide an update on the Scheme's funding position for inclusion in the annual Scheme accounts.

Under section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions, which represent the present value of benefits to which members are entitled based on pensionable service to the valuation date. This is assessed at least every 3 years using assumptions agreed between the trustees and the University and set out in the Statement of Funding Principles, a copy of which is available to Scheme members on request.

The last full actuarial valuation of the Scheme was completed as at an effective date of 1 April 2022. At that date the valuation assessed that the Scheme had technical provisions (the target level of Scheme assets given its commitments to pay pensions and other benefits) of £515.1m, assets of £482.4m, a deficit of £32.7m, and a funding level (ratio of assets to technical provisions) of 94%.

As a result of the 2022 valuation, it was agreed that the University will continue to contribute 22.5% of the monthly pensionable salary roll into the Scheme. Members will contribute 7.5% p.a. of their pensionable salary into the Scheme in respect of future benefit accrual. In addition, in order to eliminate the funding deficit, it was agreed that the University would contribute £4.05 million p.a. with the first payment due by 31 March 2024 and increasing by 2.5% per annum. The payments continue annually until 2034.

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

The key assumptions used for calculating the "technical provisions" for the Scheme were:

Principal actuarial assumptions for valuation as at 1 April 2022	
Discount rate before retirement	Dependent on term and assumed to be 1% p.a. above the yield on fixed interest government bonds
Discount rate after retirement	Dependent on term and assumed to be 1% p.a. above the yield on fixed interest government bonds
RPI price inflation	Market expectation of future inflation dependent on term as measured by the difference between yields on fixed and index-linked government bonds
Consumer Price Inflation	RPI curve less 1% p.a. prior to 2030. RPI curve less 0% p.a. from 2030 onwards.
Pension increases in payment	Assumed to be in line with CPI, with a floor of 0% p.a. and a cap of 10% p.a. for pensions in excess of the GMP
Salary increases	7% for 2023 and 3.5% thereafter*
GMP equalisation	0.12% of liabilities

\*based on information provided by the University.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## REPORT ON ACTUARIAL LIABILITIES (continued)



University of Glasgow Pension Scheme | Hymans Robertson LLP

Principal actuarial assumptions for valuation as at 1 April 2022	
Expenses	An allowance for Scheme expenses are included in the University's ongoing contributions in respect of the fees, charges, levies and expenses.
Pre-retirement longevity	S3PA tables
Post-retirement longevity	Club Vita base tables
Future mortality improvements	Future improvements assumed to be in line with the CMI 2021 model with starting rates based on improvements observed in England and Wales population data up to the end of 2021, an initial addition to improvements of 0.25%, no weighting on 2020/2021 data, a smoothing parameter of 7.5, a long term rate of improvement of 1.5% p.a. and tapering of long term rate between ages 85 and 110.

### Wind up funding level

The estimated funding position of the Scheme on a wind-up basis, had the Scheme been discontinued and wound up as at the date of the actuarial valuation of 1 April 2022, indicated that the Scheme had liabilities of £654m, assets of £482m, a deficit of £171m and hence a funding level of 74%. The winding up liabilities are much higher than the ongoing funding liabilities noted previously because the estimated cost of purchasing insurance policies to secure the benefits is significantly higher than the anticipated cost of providing the benefits from the Scheme's assets. This information is provided for legislative purposes only and the trustees have no plans to wind up the Scheme in the foreseeable future.

### Updated funding position of the Scheme

An updated actuarial position of the Scheme as at 31 March 2025 indicated that the funding level has improved since 31 March 2024, increasing from 91% to 92% over the year. The value of the Scheme's liabilities decreased over the period due to the change to market conditions, in particular a rise in government bond yields used to set the discount rate. The value of the assets also decreased over the period due to lower than expected returns, however this was outweighed by the change in liabilities which resulted in a reduction in the deficit over the year.

The Scheme's 2025 formal valuation is currently underway however the results are not due to be finalised until 2026.

### Reliances and Limitations

The updated funding position set out in this report is an estimated position only. The position at 31 March 2025 does not allow for membership movements for the year ended 31 March 2025 and therefore is subject to change.

This paper is provided to XPS (in their capacity as administrators to the Scheme) solely for the purpose of completing the Trustee Report and Accounts for the year ended 31 March 2025. It should not be released or otherwise disclosed to any third party except as required by law or with our prior written consent, in which case it should be released in its entirety. This complies with the Standards of TAS 100 (Principles for Actuarial Work).

# UNIVERSITY OF GLASGOW PENSION SCHEME

## ACTUARIAL STATEMENTS AND CERTIFICATE

DocuSign Envelope ID: 07BBF0C3-2CB6-4612-B527-CB7B2FF9A31A

University of Glasgow Pension Scheme | Hymans Robertson LLP



## University of Glasgow Pension Scheme Schedule of Contributions

This schedule sets out the contributions that will be paid to the University of Glasgow Pension Scheme (the "Scheme"). This schedule is dated June 2023 and applies from 1 April 2023 until 1 April 2034. It replaces the previous schedule dated 26 June 2020.

This schedule has been prepared after consultation with the Court of the University of Glasgow (the "University") and after taking the advice of Heather Allingham ('the Scheme Actuary'). This schedule has been certified by the Scheme Actuary and the certificate is included in the appendix.

### Salary definition

Some of the contributions which are due to be paid to the Scheme are based on the salaries of the members. A member's pensionable salary for contribution purposes is defined in the Scheme rules to be basic salary plus, if appropriate, additional contractual earnings.

### Member contributions

Members shall pay contributions at the rate of 7.5% of pensionable salary. These are due to be paid to the Scheme not later than 19 days from the end of the month in which the deduction from pay is made.

### Sponsor contributions for new benefits

The University shall pay the following contributions to the Scheme on a monthly basis in respect of the accrual of new benefits and expenses:

- contributions at the rate of 22.5% of monthly pensionable salary roll

All monthly contributions from the University shall be paid to the Scheme not later than 19 days after the end of the calendar month to which they relate.

### Sponsor deficit reduction contributions

The 1 April 2022 actuarial valuation showed that the Scheme had a funding deficit relative to the Scheme's statutory funding objective. The sponsor shall pay the following deficit reduction contributions:

- £4.050m p.a. with effect from March 2024, increasing at 2.5% per annum. The first of these annual payments is to be made no later than 31 March 2024, and the subsequent payments by each 31 March thereafter until 2034.

The sponsor shall also pay to the Scheme any additional contributions required from time-to-time on the advice of the Scheme Actuary as required from time to time under the Scheme's trust deed and rules.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## ACTUARIAL STATEMENTS AND CERTIFICATE (continued)

DocuSign Envelope ID: 07BBF0C3-2CB6-4612-B527-CB7B2FF9A31A

University of Glasgow Pension Scheme | Hymans Robertson LLP

### Expenses, Levies, Fees and Insurance Premiums

The University's contributions include an allowance for the following which are payable by the Scheme:

- the Pension Protection Fund levy (the last levy was approximately £171k)\*
- the Pension Protection Fund administration levy
- the Pension Regulator's general levy
- life insurance premiums
- fees payable to the Scheme's administrators, investment managers and other professional advisors
- investment charges and expenses; and
- other Scheme expenses that are reasonably incurred in the course of the trustees performing their duties.

*\*The trustees reserve the right to request additional contributions in respect of the PPF levy, if the annual levy rises above £300k.*

### Prepared by the trustees of the Scheme

Signature **JIM ROSS** on behalf of the trustees  
 Print name ..... **Trustee & Secretary to the Trustees**  
 Position .....  
 Date **22-Jun-2023 | 15:57 BST**

### Agreed by the University of Glasgow

Signature **Gregor Caldow** on behalf of the University of Glasgow  
 Print name ..... **Gregor Caldow, Executive Director of Finance**  
 Position .....  
 Date **23-Jun-2023 | 12:00 BST**

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

# UNIVERSITY OF GLASGOW PENSION SCHEME

## ACTUARIAL STATEMENTS AND CERTIFICATE (continued)

DocuSign Envelope ID: 07B8F0C3-2CB6-4612-B527-CB7B2FF9A31A

University of Glasgow Pension Scheme | Hymans Robertson LLP

### University of Glasgow Pension Scheme

### Schedule of Contributions – Actuarial Certificate

#### Adequacy of contributions

In my opinion, the contributions shown in this schedule are such that the statutory funding objective on 1 April 2022 can be expected to be met by the end of the period specified in the recovery plan dated June 2023.

#### Consistency with statement of funding principles

In my opinion, this schedule of contributions is consistent with the statement of funding principles dated June 2023.

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

Signature

Date 26-Jun-2023 | 19:52 BST

Name Heather Allingham

Qualification Fellow of the Institute and Faculty of Actuaries

Name of Employer Hymans Robertson LLP

Address 20 Waterloo Street, Glasgow, G2 6DB

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

# UNIVERSITY OF GLASGOW PENSION SCHEME

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the Trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

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

The Trustees also have a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

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

### **Approval of the Trustees' Report**

The Trustees' Report, which includes the Investment Report, the Report on Actuarial Liabilities, the Statement of Trustees' Responsibilities and the Implementation Statement, was approved by the Trustees on:

.....  
Moat Pensions Limited as a Trustee Date

.....  
June Crombie, Director, Moat Pensions Limited

.....  
Lesley Cummings, as a Trustee Date

# UNIVERSITY OF GLASGOW PENSION SCHEME

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF UNIVERSITY OF GLASGOW PENSION SCHEME

### Opinion

We have audited the financial statements of the University of Glasgow Pension Scheme for the year ended 31 March 2025 which comprise the Fund Account, the Statement of Net Assets available for benefits and the related notes 1 to 25, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial transactions of the Scheme during the year ended 31 March 2025, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for a period of 12 months from when the Scheme's financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Scheme's ability to continue as a going concern.

### Other information

The other information comprises the information included in the annual report, other than the financial statements, our auditor's report thereon and our auditor's statement about contributions. The Trustees are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF UNIVERSITY OF GLASGOW PENSION SCHEME (continued)

### Responsibilities of the Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 18, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the Trustees are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to wind up the Scheme or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Explanation as to what extent the audit was considered 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with the Trustees.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Scheme and determined that the most significant related to pensions legislation and the financial reporting framework. These are the Pensions Act 1995 and 2004 (and regulations made thereunder), FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice (Financial Reports of Pension Schemes). We considered the extent to which a material misstatement of the financial statements might arise as a result of non-compliance.
- We understood how the Scheme is complying with these legal and regulatory frameworks by making enquiries of the Trustees. We corroborated our enquiries through our review of the Trustees' meeting minutes.
- We assessed the susceptibility of the Scheme's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the Scheme has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. In our assessment, we also considered the risk of management override of controls. Our audit procedures included verifying cash balances and investment balances to independent confirmations, testing manual journals on a sample basis and also those journals where there is an increased risk of override, and an assessment of segregation of duties. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of the Trustees for their awareness of any non-compliance of laws or regulations, inspecting correspondence with the Pensions Regulator and review of Trustees' minutes.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF UNIVERSITY OF GLASGOW PENSION SCHEME (continued)

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- The Scheme is required to comply with UK pensions regulations. As such, we have considered the experience and expertise of the engagement team including the use of specialists where appropriate, to ensure that the team had an appropriate understanding of the relevant pensions regulations to assess the control environment and consider compliance of the Scheme with these regulations as part of our audit procedures.

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

This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the Scheme's Trustees, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Scheme's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

---

Ernst & Young LLP  
Statutory Auditor  
Glasgow

Date: \_\_\_\_\_

# UNIVERSITY OF GLASGOW PENSION SCHEME

## FUND ACCOUNT

For the year ended 31 March 2025

	Note	2025 £	2024 £
<b>CONTRIBUTIONS AND BENEFITS</b>			
Employer contributions	4	10,871,333	10,926,025
Employee contributions	4	247,681	249,746
<b>Total contributions</b>		<u>11,119,014</u>	<u>11,175,771</u>
Other income	5	<u>307,841</u>	<u>244,936</u>
		<u>11,426,855</u>	<u>11,420,707</u>
Benefits paid or payable	6	(16,427,129)	(16,951,484)
Payments to and on account of leavers	7	(284,612)	(18,863)
Other payments	8	(174,871)	(164,242)
Administrative expenses	9	<u>(1,161,819)</u>	<u>(1,179,310)</u>
		<u>(18,048,431)</u>	<u>(18,313,899)</u>
<b>NET WITHDRAWALS FROM DEALINGS WITH MEMBERS</b>			
		<u>(6,621,576)</u>	<u>(6,893,192)</u>
<b>RETURNS ON INVESTMENTS</b>			
Investment income	10	6,306,442	4,137,478
Change in market value of investments	12	(22,386,268)	(9,649,563)
Investment management expenses	11	<u>(47,440)</u>	<u>(44,115)</u>
<b>NET RETURNS ON INVESTMENTS</b>		<u>(16,127,266)</u>	<u>(5,556,200)</u>
<b>NET DECREASE IN THE FUND FOR THE YEAR</b>			
		<u>(22,748,842)</u>	<u>(12,449,392)</u>
<b>OPENING NET ASSETS</b>			
<b>CLOSING NET ASSETS</b>		<u>316,963,684</u>	<u>329,413,076</u>
		<u>294,214,842</u>	<u>316,963,684</u>

The notes on pages 24 to 34 form part of these financial statements.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## **STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)**

At 31 March 2025

	Note	2025 £	2024 £
<b>INVESTMENT ASSETS</b>	12		
Pooled investment vehicles	13	274,687,320	306,119,383
Insurance policies	15	133,857	161,970
AVC investments	16	1,307,764	1,358,961
Cash deposits	12	446,955	353,543
Other investment balances	12	124,751	180,000
		<u>276,700,647</u>	<u>308,173,857</u>
<b>CURRENT ASSETS</b>	20	19,286,845	10,610,884
<b>CURRENT LIABILITIES</b>	21	(1,772,650)	(1,821,057)
<b>CLOSING NET ASSETS</b>		<u>294,214,842</u>	<u>316,963,684</u>

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations is dealt with in the Report on Actuarial Liabilities on pages 13 to 14 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 24 to 34 form part of these financial statements.

These financial statements on pages 22 to 34 were approved by the Trustees on . . . . .

Signed on behalf of the Trustees

Lesley Cummings, as a Trustee Date \_\_\_\_\_

# UNIVERSITY OF GLASGOW PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

### 1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Occupational Pensions 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 (Revised 2018).

### 2. IDENTIFICATION OF THE FINANCIAL STATEMENTS

The Scheme is established as a trust under English law. The address for enquiries to the Scheme is included in the Trustees' Report.

### 3. ACCOUNTING POLICIES

#### (a) *Accounting Convention*

The financial statements are prepared on an accruals basis.

#### (b) *Contributions*

Normal contributions from the employer and members, including members' additional voluntary contributions, are accounted for on an accruals basis in the payroll period to which they relate at the rates agreed between the Trustees and the Employer based on the recommendations of the Actuary and the Schedule of Contributions.

Employer deficit funding contributions are recognised on the due dates in accordance with the Schedule of Contributions.

#### (c) *Payments to Members*

Pensions in payment are recognised in the month to which they relate. Pension benefits paid in respect of which annuity income is received are included within benefits payable.

Other benefits payable (except for transfers to and from other schemes which are accounted for as disclosed below) are included on an accruals basis when the member notifies the Trustees as to the type or amount of benefit to be taken, or where there is no choice, on the date of retirement or leaving.

Transfer values represent the capital sums either receivable in respect of members from other schemes of previous employers or payable to the pension schemes of new employers for members who have left the Scheme. They are accounted for on an accruals basis on the date the Trustees of the receiving scheme accept the liability.

#### (d) *Expenses*

Administrative expenses and investment management expenses are met by the Scheme and are accounted for on an accruals basis.

#### (e) *Investment Income*

Income from equities and any pooled investment vehicles which distribute income is accounted for on an accruals basis on the date the securities are quoted ex-dividend. Income arising from the underlying investments of the pooled investment vehicles that is rolled up within the pooled investment vehicle is reflected in the unit price. Such income is reported within the change in market value. Interest on bank deposits is accounted for as it accrues. Income arising from annuity policies is accounted for on an accruals basis and is included in investment income and the pensions paid included in pension benefit payments.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

### 3. ACCOUNTING POLICIES (continued)

#### (f) *Investments*

Investments are included at fair value as follows.

- Unitised pooled investment vehicles which are priced daily, weekly or at the end of each month are included at the last price provided by the manager at or before the year end i.e. at the closing bid price if both bid and offer prices are available, or at the closing single price.
- The value of shares in other pooled investment vehicles which are not quoted or actively traded on a quoted market is primarily driven by the fair value of the underlying assets. The net asset value advised by the fund manager is considered a suitable approximation to fair value.
- Annuity policies are valued by the Scheme Actuary at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.
- Additional Voluntary Contributions (AVCs) investments are included in the Statement of Net Assets (available for benefits) at the surrender value of the policies as determined by the AVC provider.
- Change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year including profits and losses realised on sales of investments during the year and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, change in market value also includes income, net of withholding tax, which is reinvested in the fund.

#### (g) *Functional and presentational currency*

The functional and presentational currency of the Scheme is sterling, rounded to the nearest pound.

#### (h) *Critical accounting estimates and judgements*

The preparation of the financial statements requires the Trustees to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Net Asset Statement date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The Trustees confirm that no judgements have had a significant effect on amounts recognised in the financial statements, but note estimation uncertainty in the valuation of annuity policies, as disclosed in Note 15, and a number of investment funds classed as level 3, as disclosed in Note 17.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

4. CONTRIBUTIONS	2025	2024
	£	£
Employer contributions		
Normal	6,720,083	6,876,025
Deficit funding	4,151,250	4,050,000
	<u>10,871,333</u>	<u>10,926,025</u>
Employee contributions		
Normal	105,614	112,861
Additional voluntary	142,067	136,885
	<u>247,681</u>	<u>249,746</u>
	<u>11,119,014</u>	<u>11,175,771</u>

From 1 October 2008 the Scheme implemented a salary sacrifice scheme. Employee contributions paid under this arrangement are disclosed under employer normal contributions.

In accordance with the Schedule of Contributions certified by the Actuary on 26 June 2023 the following contributions are payable into the Scheme from 1 April 2023 to 1 April 2034:

- Member contributions: 7.5% of pensionable salary;
- Employer contributions: 22.5% of pensionable salary; and
- Deficit contributions: £3.951m p.a. with effect from March 2023, £4.050m p.a. with effect from March 2024, increasing at 2.5% per annum. These annual payments are to be made by each 31 March until 2034.

5. OTHER INCOME	2025	2024
	£	£
Claims on term insurance policies	306,881	244,936
Other income	960	-
	<u>307,841</u>	<u>244,936</u>

6. BENEFITS PAID OR PAYABLE	2025	2024
	£	£
Pensions	13,185,553	13,323,404
Commutation of pensions and lump sum retirement benefits	2,842,959	3,271,574
Annuity purchase	-	39,940
Lump sum death benefits	350,603	244,936
Refunds of contributions on death	48,014	71,630
	<u>16,427,129</u>	<u>16,951,484</u>

7. PAYMENTS TO AND ON ACCOUNT OF LEAVERS	2025	2024
	£	£
Individual transfers out to other schemes	<u>284,612</u>	<u>18,863</u>

# UNIVERSITY OF GLASGOW PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

8. OTHER PAYMENTS	2025	2024			
	£	£			
Premiums on term insurance policies	<u>174,871</u>	<u>164,242</u>			
9. ADMINISTRATIVE EXPENSES	2025	2024			
	£	£			
Administration	378,377	314,631			
Actuarial fees	214,036	216,906			
Independent Trustee fees	75,791	46,890			
Other professional fees	36,038	-			
Investment advice	159,174	192,034			
Audit fees	23,770	25,000			
PPF levy	130,215	243,239			
Salary costs	144,068	140,263			
Other directly attributable charges including pension regulator charges	350	347			
	<u>1,161,819</u>	<u>1,179,310</u>			
10. INVESTMENT INCOME	2025	2024			
	£	£			
Income from pooled investment vehicles	6,020,970	3,569,975			
Interest on cash deposits	266,638	544,475			
Annuity income	18,834	23,028			
	<u>6,306,442</u>	<u>4,137,478</u>			
11. INVESTMENT MANAGEMENT EXPENSES	2025	2024			
	£	£			
Investment fees – fee and unit rebates	(40,179)	(58,449)			
Investment fees - management & custody	87,619	102,564			
	<u>47,440</u>	<u>44,115</u>			
12. RECONCILIATION OF INVESTMENTS	Value at 31.03.2024	Purchases at cost	Sales proceeds	Change in market value	Value at 31.03.2025
	£	£	£	£	£
Pooled investment vehicles	306,119,383	5,000,000	(14,004,302)	(22,427,761)	274,687,320
Insurance policies	161,970	-	-	(28,113)	133,857
AVC investments	1,358,961	141,387	(262,190)	69,606	1,307,764
	<u>307,640,314</u>	<u>5,141,387</u>	<u>(14,266,492)</u>	<u>(22,386,268)</u>	<u>276,128,941</u>
Cash deposits	353,543				446,955
Cash in transit	-				14,751
Investment income receivable	180,000				110,000
	<u>308,173,857</u>				<u>276,700,647</u>

# UNIVERSITY OF GLASGOW PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

### 12. RECONCILIATION OF INVESTMENTS (continued)

The pooled investment vehicles are held under managed fund policies in the name of the Scheme.

Transaction costs charged directly to the Scheme are included in the cost of purchases and sale proceeds. Indirect transaction costs are also borne by the Scheme in relation to transactions in pooled investment vehicles. Such costs are taken into account in calculating the bid-offer spread of these investments and are not separately reported.

There were no employer-related investments at any time during the year (2024: none).

The companies managing the investments are registered in the United Kingdom.

### 13. POOLED INVESTMENT VEHICLES

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

	2025	2024
	£	£
Diversified growth	34,042,044	32,330,694
LDI (see Note 14 below)	131,113,111	156,794,785
Asset backed securities	5,004,911	-
Property	22,368,007	21,656,208
Diversified credit	30,364,374	28,775,055
Direct lending	31,995,554	48,330,660
Infrastructure	19,799,319	18,231,981
	<u>274,687,320</u>	<u>306,119,383</u>

### 14. QUALIFYING INVESTMENT FUND

The Insight LDI Active 58 Fund Class B Funds is considered a Qualifying Investment Fund ("QIF"). The QIF is a pooled arrangement where the Scheme is the only participant in the fund. At the year end the holdings in the QIF were as follows:

	2025	2024
	£	£
Fixed Income:		
Govt bonds	22,706,327	26,072,966
Govt Index-linked bonds	157,508,547	207,200,436
Interest rate Swaps*	15,637	786,871
RPI Swaps**	(45,834)	83,975
Repurchase agreements	32,092,814	40,279,894
Reverse repurchase agreements	(130,777,457)	(161,595,348)
Cash and cash instruments	49,613,077	43,965,979
Other pricing adjustments	-	12
Total value of Fund	<u>131,113,111</u>	<u>156,794,785</u>

# UNIVERSITY OF GLASGOW PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

### 15. INSURANCE POLICIES

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

	2025	2024
	£	£
Annuity policies with Aviva (until 15/04/2024), Phoenix Life and Sun Life	<u>133,857</u>	<u>161,970</u>

The Trustees hold a number of insurance policies that secure pensions payable to specified members. These policies remain assets of the Trustees and are valued on the Scheme funding basis at the period end, as advised by the Scheme Actuary. These policies will continue in payment until the death of the last remaining insured member. Annuities are issued by Phoenix Life and Sun Life.

### 16. AVC INVESTMENTS

The Trustees hold assets invested separately from the main fund investments to secure additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement receive an annual statement made up to the year-end confirming the value of their fund and the movements in the year. The aggregate amounts of AVC investments are as follows:

	2025	2024
	£	£
Prudential	<u>1,307,764</u>	<u>1,358,961</u>

### 17. FAIR VALUE DETERMINATION

The fair value of financial instruments has been estimated 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.

The Scheme's investment assets and liabilities fall within the above hierarchy as follows:

	At 31 March 2025			
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	200,524,440	74,162,880	274,687,320
Insurance policies	-	-	133,857	133,857
AVC investments	-	-	1,307,764	1,307,764
Cash	446,955	-	-	446,955
Other investment balances	<u>124,751</u>	<u>-</u>	<u>-</u>	<u>124,751</u>
	<u>571,706</u>	<u>200,524,440</u>	<u>75,604,501</u>	<u>276,700,647</u>

# UNIVERSITY OF GLASGOW PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

### 17. FAIR VALUE DETERMINATION (continued)

	At 31 March 2024			
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	217,900,534	88,218,849	306,119,383
Insurance policies	-	-	161,970	161,970
AVC investments	-	-	1,358,961	1,358,961
Cash	353,543	-	-	353,543
Other investment balances	180,000	-	-	180,000
	<u>533,543</u>	<u>217,900,534</u>	<u>89,739,780</u>	<u>308,173,857</u>

### 18. INVESTMENT RISK DISCLOSURES

#### Investment Strategy

##### Overall Investment Strategy

The Trustees currently set the Scheme's investment strategy after consultation with the Principal Employer, taking into account considerations such as the strength of the Employers' covenant and after receiving professional advice from Isio, in order to achieve the following objectives:

- To adopt a statutory funding objective which is that the Scheme must have sufficient and appropriate assets to cover the expected cost of providing members' past service benefits; and
- To generate surplus assets, over and above the cost of providing members' past service benefits, through an expectation of actual experience, particularly investment returns, being more favourable than the assumptions adopted for the Statutory Funding Objective. The aim will be over time to use some, or all of this surplus, to reduce the proportion of assets that offer greater expected returns, with a corresponding greater level of risk, and to adopt an investment strategy that is more closely matched to the nature of past service benefits.

##### Current Investment Strategy

As documented in the Statement of Investment Principles, the Trustees have translated their objectives into a suitable strategic asset allocation benchmark for the Scheme which is reflected in the investment mandates given to the Scheme's investment managers.

The investment objectives of each investment manager, allocation benchmarks and associated risk limits are implemented through investment management agreements in place with each of the investment managers that are monitored by the Trustees through regular reviews of the investment portfolios.

We note that the Scheme is currently moving to the agreed investment strategy in a phased manner and therefore the current asset allocation and manager structure is not fully reflective of the desired position.

As at 31 March 2025, the Scheme's assets are invested as follows:

- BlackRock: 12.4% in diversified growth funds and 8.1% in property funds (all pooled);
- Insight: 30.0% in LDI, 8.8% in liquid and 8.9% in global asset-backed securities (pooled);
- Partners Group: 11.6% in direct lending funds (pooled);
- JP Morgan: 11.1% in diversified credit funds (pooled);
- IFM: 7.2% of assets held in infrastructure equity funds (pooled); and
- PGIM: 1.8% of assets held in asset-backed securities (pooled).

# UNIVERSITY OF GLASGOW PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

### 18. INVESTMENT RISK DISCLOSURES (continued)

#### Investment risks

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

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

**Market risk:** this comprises currency risk, interest rate risk and other price risk:

- **Currency risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates;
- **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 or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees' approach to risk management and the Scheme's exposure to the market (currency, interest and other price risk) and credit risks are reported below. This does not include annuity insurance policies as these match the related future obligations or AVC investments or other investments as these are not considered significant in relation to the overall investments of the Scheme.

#### Credit Risk

The Scheme is subject to direct credit risk within the investment portfolio to the extent of the holdings in pooled investment vehicles and cash holdings as detailed within the investment table.

The Scheme's holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled investment vehicles is mitigated by:

- the underlying assets of the pooled arrangements being ring-fenced from the manager;
- the regulatory environments in which the managers operate; and
- the diversification of investments amongst a number of pooled arrangements.

Trustees carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the regulatory and operating environment of the manager. The Scheme's cash deposits of £446,955 (2024: £353,543) are held with institutions which are at least investment grade credit rated.

The Scheme is indirectly exposed to credit risks arising on the underlying financial instruments held within the pooled investment vehicles. At the year-end approximately 99.7% of the Scheme's investment assets were held in funds that proportionately invest in bond and cash type securities (2024: approximately 93.9%).

	2025	2024
	£m	£m
Authorised unit trusts	34.0	32.3
Open ended investment companies	183.9	207.2
Other	56.8	66.6
	<hr/>	<hr/>
	274.7	306.1

Note: BlackRock describe the Dynamic Diversified Growth Fund as an 'open-ended unit trust'. This Fund has been categorised as an authorised unit trust in table above.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

### 18. INVESTMENT RISK DISCLOSURES (continued)

#### **Currency risk**

The Scheme is not directly exposed to currency risk as the pooled investment vehicles and cash held are denominated in sterling.

Indirect exposure to currency risk is due to a proportion of the underlying financial instruments held within the pooled investment vehicles being denominated in overseas currencies. The BlackRock Diversified Growth Fund, JP Morgan Unconstrained Bond Fund and Partners Group Direct Lending Funds equating to approximately 35% of the Scheme's investment assets (2024: approximately 36%), all have a proportion invested in overseas assets.

#### **Interest rate risk**

As a result of some of the pooled funds held by the Scheme investing in fixed interest securities such as government and corporate bonds, the Scheme is exposed indirectly to interest rate risk as movements in interest rates will have a bearing on the price of those underlying assets. Insight's mandates, PGIM's Securitised Fund, JP Morgan's Unconstrained Bond Fund, BlackRock's Diversified Growth Fund, Sterling Liquidity Fund, BlackRock's Long Lease Property Fund, and the IFM Global Infrastructure Fund, equating to approximately 86% of the Scheme's investment assets (2024: approximately 84%), all have exposure to fixed interest securities.

However, this risk offsets a proportion of the interest rate risk associated with the liabilities. If interest rates fall, the value of these investments will rise to help match the increase in the actuarial value of the liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, these assets will fall in value as will the actuarial value of the liabilities because of an increase in the discount rate.

#### **Other price risk**

At the year-end none of the Scheme's investment assets are held directly in equities (2024 – zero). Approximately 59% of the Scheme's investment assets are also indirectly exposed to other price risk via its pooled investment vehicles which have a proportion invested in assets including equities and properties (2024: approximately 61%). The Trustees manage other price risk by constructing a diverse portfolio of investments across various markets and with various investment managers.

#### **Indirect risks table**

The table below illustrates the extent to which the Scheme's investments are subject to the above indirect risks:

	<b>Credit Risk</b>	<b>Interest Rate Risk</b>	<b>Currency Risk</b>	<b>Other Price Risk</b>
Pooled Investment vehicles - Diversified growth	Yes	Yes	Yes	Yes
Pooled Investment vehicles - Bonds	Yes	Yes	No	Yes
Pooled Investment vehicles - Property	Yes	Yes	No	Yes
Pooled Investment vehicles - Diversified credit	Yes	Yes	Yes	Yes
Pooled Investment vehicle – Direct Lending	Yes	No	Yes	Yes
Pooled Investment vehicles – Infrastructure Equity	Yes	Yes	No	Yes
Cash and cash instruments	Yes	No	No	No

# UNIVERSITY OF GLASGOW PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

### 19. CONCENTRATION OF INVESTMENTS

The following investments have a market value exceeding 5% of the value of the Scheme's net assets:

	2025		2024	
	£	%	£	%
Insight LDI Active 58 Fund Class B Funds	131,113,111	44.6	156,794,786	49.5
BlackRock BIJF DYN Diversified Growth Fund (Acc)	34,042,528	11.6	32,330,693	10.2
Partners Private Market Strategies 2020	23,104,205	7.9	30,751,281	9.7
JP Morgan Unconstrained Bond Fund	30,364,374	10.3	28,775,054	9.1
BlackRock UK Long Lease Property Fund	22,368,007	7.6	21,656,208	6.8
IFM Global Infrastructure (UK) GBP, L.P. Class D Interests	19,799,319	6.7	18,231,980	5.8

### 20. CURRENT ASSETS

	2025	2024
	£	£
Bank balance	18,551,910	9,784,865
Contributions receivable - employer	561,622	561,215
Contributions receivable - members	20,317	19,868
Claims on term insurance policies receivable	152,996	244,936
	<u>19,286,845</u>	<u>10,610,884</u>

All contributions receivable were paid into the Scheme within the timescale required by the Schedule of Contributions currently in force.

### 21. CURRENT LIABILITIES

	2025	2024
	£	£
Unpaid benefits	462,558	587,169
Pensions due	1,102,316	1,082,317
Accrued expenses	207,776	147,942
Amounts due to the University of Glasgow	-	2,180
Annuities received in advance	-	1,449
	<u>1,772,650</u>	<u>1,821,057</u>

### 22. TAXATION STATUS

In accordance with the provision of Schedule 36 of the Finance Act 2004, the Scheme became a "Registered Pension Scheme" under Chapter 2 of part 4 of the Finance Act with effect from 6 April 2006. The Trustees know of no reason why this approval may be prejudiced or withdrawn.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

### 23. RELATED PARTY TRANSACTIONS

Three of the Trustees (2024: 3) are contributing members (via salary sacrifice) of the scheme. Trustee contributions are received into the Scheme in accordance with the Scheme Rules and with the recommendations of the Actuary. One of the Trustees (2024: 1) is a pensioner of the Scheme. Pension benefits paid to the Trustee were calculated in accordance with the Scheme rules.

The administration of pensions in payment to retired Employees and other beneficiaries is the responsibility of the Pay & Pensions Department of the Employer.

Pensions are paid by the Employer and subsequently reimbursed by the Trustees.

Independent Trustee fees totalling £75,790 were payable in respect of the Scheme year ended 31 March 2025 (2024: £46,890). Of this balance £30,675 was not paid until after the year end (2024: £10,270).

### 24. COMMITMENTS

Scheme commitments:

- the Trustees entered a commitment to invest £40 million in the BlackRock UK Long Lease Property Fund. At 31 March 2025 £40 million had been invested with £10 million disinvested in the prior year;
- the Trustees entered a commitment to invest £20 million in the Partners Group Private Markets Credit Strategies Fund 2016. At 31 March 2025 £20 million had been invested with £nil still to be invested;
- the Trustees entered a commitment to invest £21 million in the Partners Group Private Markets Credit Strategies Fund 2018. At 31 March 2025 £21 million had been invested with £nil million still to be invested;
- the Trustees entered a commitment to invest £30 million in the Partners Group Private Markets Credit Strategies Fund 2020. At 31 March 2025 £28.4 million had been invested with £1.6 million still to be invested; and
- the Trustees entered a commitment to invest £24 million in the IFM Global Infrastructure (UK) GBP L.P Fund. At 31 March 2025 £24 million had been invested with £nil million still to be invested.

### 25. GMP EQUALISATION

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. On 20 November 2020, the High Court also ruled that pension schemes will need to revisit individual transfer payments made since May 1990.

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

# UNIVERSITY OF GLASGOW PENSION SCHEME

## INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEES OF UNIVERSITY OF GLASGOW PENSION SCHEME

We have examined the Summary of Contributions to the University of Glasgow Pension Scheme for the Scheme year ended 31 March 2025 to which this statement is attached.

In our opinion contributions for the Scheme year ended 31 March 2025 as reported in the Summary of Contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Scheme actuary on 26 June 2023.

### Scope of work on Statement about Contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions on page 36 have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedule of Contributions.

### Respective responsibilities of Trustees and the auditor

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

It is our responsibility to provide a Statement about Contributions paid under the Schedule of Contributions and to report our opinion to you.

### Use of our statement

This statement is made solely to the Scheme's Trustees, as a body, in accordance with regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustees those matters we are required to state to them in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustees as a body, for our work, for this statement, or the opinions we have formed.

---

Ernst & Young LLP  
Statutory Auditor  
Glasgow

Date: \_\_\_\_\_

# UNIVERSITY OF GLASGOW PENSION SCHEME

## **SUMMARY OF CONTRIBUTIONS PAID IN THE YEAR**

During the year, the contributions paid to the Scheme by the Employer under the Schedule of Contributions were as follows:

	£
Employer normal contributions	6,720,083
Employer deficit contributions	4,151,250
Employee normal contributions	105,614
<b>Total contributions paid under the Schedule of Contributions</b>	<b>10,976,947</b>

## Reconciliation to the financial statements:

Contributions paid under the Schedule of Contributions	10,976,947
Members' Additional Voluntary Contributions	142,067
<b>Contributions receivable per the financial statements</b>	<b>11,119,014</b>

### **Contributions receivable per the financial statements**

This Summary was approved by the Trustees on .....

Signed on behalf of the Trustees:

Moat Pensions Limited as a Trustee Date

June Crombie, Director, Moat Pensions Limited

Lesley Cummings, as a Trustee Date \_\_\_\_\_

# UNIVERSITY OF GLASGOW PENSION SCHEME

## IMPLEMENTATION STATEMENT

### Background

The regulatory landscape continues to evolve as ESG becomes increasingly important to regulators and society. The Department for Work and Pensions ('DWP') has increased the focus around ESG policies and stewardship activities by issuing further regulatory guidance relating to voting and engagement policies and activities. These regulatory changes recognise the importance of managing ESG factors as part of a Trustees' fiduciary duty.

### Statement of Investment Principles (SIP)

The SIP can be found online at the web address:

<https://www.gla.ac.uk/myglasgow/payandpensions/pensions/universityofglasgowpensionscheme/>

The SIP in the above link was updated in August 2023. A subsequent SIP was agreed with the Trustees the post reporting period at the May 2025 ISC meeting, and signed in July 2025.

### Implementation Report

This Implementation Report is to provide evidence that the Scheme continues to follow and act on the principles outlined in the SIP. This report details:

- actions the Trustees have taken to manage financially material risks and implement the key policies in its SIP
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks
- the extent to which the Trustees have followed policies on engagement, covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies they invest
- voting behaviour covering the reporting year up to 31 March 2025 for and on behalf of the Scheme including the most significant votes cast by the Scheme or on its behalf

# UNIVERSITY OF GLASGOW PENSION SCHEME

## IMPLEMENTATION STATEMENT (continued)

Summary of key actions undertaken over the Scheme's reporting year

- Following discussions at the May 2024 ISC meeting, the ISC agreed to split the ABS allocation by switching half of the Insight Liquid ABS holdings to the Global ABS fund in order to target the higher yield on the Global ABS fund. Insight completed the transition on 17 May 2024, with c. £21.6m transferred from the Insight Liquid ABS Fund to the Insight Global ABS Fund.
- Following advice from the Scheme's investment consultant, the ISC agreed to disinvest its full allocation from the BlackRock UK Long Lease Property Fund in December. The ISC expects to receive the proceeds in due course.
- At the February ISC meeting, Isio proposed an allocation to a newly launched ABS fund managed by PGIM. The recommendation was based on the potential to diversify the existing ABS holdings, which were concentrated in UK and Europe. Following a manager selection exercise, the ISC agreed to an initial £5m investment in the PGIM ABS Fund.

### Implementation Statement

This report demonstrates that the University of Glasgow Pension Scheme has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

Signed

Position

Date

# UNIVERSITY OF GLASGOW PENSION SCHEME

## IMPLEMENTATION STATEMENT (continued)

### Managing risks and policy actions

Risk/ Policy	Definition	Policy	Actions over reporting period
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge 70% (on a flat gilts basis) of the total liabilities movements caused by changes to interest and inflation rates.	The hedge remained unchanged over the reporting period.  As part of the strategy review being carried out in H2 2025, the overall hedging level will be reviewed.  The liability hedging benchmark will also be reset with revised data from the April 2025 Actuarial Valuation.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and to provide collateral to the LDI manager.	The Trustees regularly monitor the collateral and liquidity position to reduce the impact of this risk via a specific quarterly report provided by the investment consultant.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.	The Scheme undertook strategy changes over the 12 months to 31 March 2025, which are outlined on the previous page.  The long term evolution of the strategy is due to be reviewed in conjunction with the 2025 Actuarial Valuation.
Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors.  To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.	The allocation to credit assets remains diversified in terms of number of managers and credit sub-asset classes.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## IMPLEMENTATION STATEMENT (continued)

Risk/ Policy	Definition	Policy	Actions over reporting period
Environmental, Social and Governance (ESG)	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	Please see Appendix 3 of the Scheme's SIP for the policy relating to managing Environmental, Social and Governance considerations.	The Trustees undertook an ESG session covering beliefs and investment manager ratings at the May 2024 ISC meeting.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	Hedge all currency risk on all assets that deliver a return through contractual income.	No additional action or change over reporting period.
Non-financial	The views of Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life of the members and beneficiaries of the Scheme in the selection, retention and realisation of investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments unless specifically requested as part of the evaluation criteria when selecting managers. However, the Trustees may take specific non-financial matters into consideration if they represent the view of a majority of Scheme members.	No additional action or change over reporting period.

Changes to the SIP

# UNIVERSITY OF GLASGOW PENSION SCHEME

## IMPLEMENTATION STATEMENT (continued)

Policies added to the SIP over reporting period

Date updated: May 2025

There were no new policies added to the SIP, nor changes made to existing policies, over the reporting period. The SIP was updated post-reporting period, in May 2025, for the strategic changes outlined above in the "Summary of key actions undertaken over the Scheme's reporting year" section.

# UNIVERSITY OF GLASGOW PENSION SCHEME

## IMPLEMENTATION STATEMENT (continued)

### Implementing the current ESG policy and approach

The SIP describes the Scheme's policy with regard to ESG as a financially material risk. The rest of this statement details the Trustees' view of the managers, our actions for engagement and an evaluation of the engagement activity.

### ESG summary and engagement with the investment managers

Manager and Fund	ESG Summary	Actions identified	Engagement details
BlackRock Dynamic Diversified Growth Fund	<p>BlackRock have set explicit stewardship priorities on which to engage with investee companies, overseen by a central team. They also collaborate with initiatives and institutions on ESG risks.</p> <p>The Fund has no explicit ESG objectives though informally looks to deliver an aggregate score better than an ESG comparator. It utilises an ESG scorecard and tools such as Aladdin, MSCI, and Sustainalytics to identify ESG Risks.</p>	<p>BlackRock should introduce formal firm-level stewardship objectives within their ESG policy.</p> <p>Commit to a Net Zero target, with meaningful interim targets.</p> <p>Reconsider position in relation to CA100+ and NZAMI membership.</p> <p>Provide details and outcomes of its engagement activities within the engagement data provided.</p> <p>Provide examples of ESG risks being captured in due diligence.</p> <p>Include ESG metrics as part of regular reporting at the Fund level</p>	<p>Isio engaged with BlackRock on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on BlackRock engagements.</p>
BlackRock UK Long Lease Property Fund	<p>BlackRock have set explicit stewardship priorities on which to engage with investee companies, overseen by a central team. They also collaborate with initiatives and institutions on ESG risks.</p> <p>The Fund reports Scope 3 greenhouse gas emissions. Due to the nature of the asset class, the Fund has a limited level of control to implement some ESG practices.</p>	<p>Introduce firm-level stewardship objectives and formal approach within the firmwide ESG policy.</p> <p>Commit to a Net Zero target, with meaningful interim targets.</p> <p>Reconsider position in relation to CA100+ and NZAMI membership.</p> <p>Provide evidence of detailed ESG metrics within their regular reporting cycle.</p> <p>Implement quantifiable ESG targets.</p>	<p>Isio engaged with BlackRock on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on BlackRock engagements.</p>

# UNIVERSITY OF GLASGOW PENSION SCHEME

## IMPLEMENTATION STATEMENT (continued)

		Produce an ESG scorecard (in line with best practice).	
JP Morgan – Unconstrained Bond Fund	<p>JP Morgan have a robust approach to stewardship and have comprehensive reporting. The self-standing ESG team continuously review the Sustainable Investment Statement.</p> <p>The Fund has no specific ESG objectives and has limited portfolio exclusions. ESG reports are not currently produced as coverage is not high enough, though limited TCFD metrics are available.</p>	<p>The firm-level Net Zero target should be expanded to capture all assets under management.</p> <p>Consider making the online ESG training platform for employees mandatory.</p> <p>Implement fund-level ESG targets and develop exclusions policy.</p> <p>Carry out an annual review of the ESG scorecard / risk framework.</p> <p>Improve data coverage to all ESG reporting to recommence.</p>	<p>Isio engaged with JPM on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on JPM engagements.</p>
Partners Group - Direct Lending (PMCS 2016, 2018 & 2020)	<p>Partners Group have a well-resourced central SI team and a structured training program. They also have a strong net zero commitments, including pathway to net zero by 2030 on all corporate activities and 2050 across all portfolios.</p> <p>At a fund level, Partners Group maintain a robust investment approach aligned with industry recognised guidance, e.g. UNGC principles. An ESG scorecard is used during initial due diligence to assess each asset's ESG risk.</p>	<p>Implement firm-level ESG objectives with a quantifiable target to enhance ESG policy.</p> <p>Establish nature and biodiversity-related stewardship priorities.</p> <p>Become a signatory to the Net Zero Asset Manager's Initiative (NZAMI).</p> <p>Begin regular reporting on fund-level temperature pathway alignment and emissions data.</p> <p>Engage with a significant number of the underlying issuers and improve the reporting of these engagements.</p>	<p>Isio engaged with Partners Group on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on the Partners Group engagements.</p>
IFM Global Infrastructure Fund	<p>IFM has a firm-wide Net Zero Commitment with interim targets. The firm has a dedicated ESG team for various strategies, and a stewardship team which</p>	<p>Set up a stewardship policy with climate and social factors as explicit priorities.</p> <p>Set up a stewardship policy with climate and</p>	<p>Isio engaged with IFM on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC</p>

# UNIVERSITY OF GLASGOW PENSION SCHEME

## IMPLEMENTATION STATEMENT (continued)

	<p>covers climate, social, and biodiversity.</p> <p>Sustainable investment factors are incorporated into the due diligence on new investments. IFM ensures each asset has a net zero transition and an emissions reduction pathway in place.</p>	<p>social factors as explicit priorities.</p> <p>Obtain a UNPRI score across Strategy &amp; Governance and Infrastructure Equity.</p> <p>Review its ESG scorecard on an annual basis.</p> <p>Provide social and nature-based metrics as part of regular reporting</p>	<p>with updates on the IFM engagements.</p>
Insight Liability Driven Investment ("LDI")	<p>Insight have a strong net zero commitment by 2050, including interim targets, in line with NZAMI. Robust approaches to stewardship and collaboration, including approach to escalation are also in place.</p> <p>Insight have a firm-wide ESG policy and integrate ESG factors for counterparty evaluation in their LDI funds, however, there are no specific fund-level ESG objectives for the LDI funds.</p>	<p>Consider incorporating ESG objectives and priorities as part of ESG/RI policy.</p> <p>Further expand connections with academic institutions to develop risk management frameworks.</p> <p>Consider reporting ESG scores and/or metrics for counterparties within the pooled funds or segregated mandates.</p>	<p>Isio engaged with Insight on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on Insight engagements.</p>
Insight Asset Backed Securities ("ABS")	<p>Insight have a strong net zero commitment by 2050, including interim targets, in line with NZAMI. Robust approaches to stewardship and collaboration, including approach to escalation are also in place.</p> <p>In-line with peers, reporting is a laggard due to data quality limitations in the ABS market. Insight's process identifies ESG opportunities beyond just managing ESG risks.</p>	<p>Incorporate ESG objectives and priorities as part of ESG/RI policy.</p> <p>Further expand connections with academic institutions to develop risk management frameworks.</p> <p>Develop an approach to estimate carbon footprint in reporting (Scope 1 &amp; 2 emissions).</p> <p>Establish a formal exclusion of thermal coal and tar/oil sands.</p>	<p>Isio engaged with Insight on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on Insight engagements.</p>

# UNIVERSITY OF GLASGOW PENSION SCHEME

## IMPLEMENTATION STATEMENT (continued)

PGIM Global Unsecured Fund	<p>Firm-level policies in place but no net zero commitment. PGIM have an experienced, dedicated ESG research team. They are a signatory of 10 industry initiatives including UNPRI.</p> <p>The fund has no specific ESG objectives but some basic exclusions. It focusses on managing ESG risks rather than seeking opportunities. There is a lack of engagement priorities and examples which is a notable weakness</p>	<p>Establish explicit environmental, social and climate stewardship priorities</p> <p>Introduce a formal ESG training programme for credit analysts and portfolio managers</p> <p>Set fund-level ESG objectives</p> <p>Annually review and update ESG scorecard to reflect best practice</p> <p>Improve examples of meaningful engagement with issuers</p> <p>Expand reporting of relevant ESG metrics</p>	<p>Isio engaged with PGIM on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on the PGIM engagements.</p>
----------------------------	--	--	---

# UNIVERSITY OF GLASGOW PENSION SCHEME

## IMPLEMENTATION STATEMENT (continued)

### Engagement

As the Scheme invests via fund managers the managers provided details on their engagement actions including a summary of the engagements by category for the 12 months to 31 March 2025.

Fund name	Engagement summary	Commentary
BlackRock Dynamic Diversified Growth Fund	<p>Total Engagements: 427</p> <p>Environmental: 151</p> <p>Social: 149</p> <p>Governance: 406</p> <p>One engagement can comprise of more than one topic across each company</p>	<p>BlackRock engage with their companies through their Investment Stewardship team in order to provide feedback and inform their voting decisions.</p> <p>An example of a significant engagement includes:</p> <p><b>Tesla, Inc</b> – BlackRock have regularly engaged with Tesla's board and management over recent years regarding their governance structure, board independence and compensation practices. Tesla has taken steps to enhance its policies and disclosures in a number of areas. During engagement, a derivative lawsuit invalidating CEO Elon Musk's \$55.8 billion compensation package was passed. The board subsequently formed a Special Committee in February 2024 to evaluate the topic of reincorporation.</p>
BlackRock UK Long Lease Property Fund	<p>BlackRock currently do not provide details of their engagement activities due to the nature of the Fund. Isio will work with BlackRock on the development of the firm's engagement reporting.</p>	<p>BlackRock's ESG related engagement is led by the BlackRock Investment Stewardship (BIS) team. BlackRock lease on full repairing and insuring ("FRI") terms, which means that whilst a tenant is in a property BlackRock has little control over that property, therefore engagement opportunities are scarce.</p>
JP Morgan Unconstrained Bond Fund	<p>Total Engagements: 138</p> <p>Environmental: 75</p> <p>Social: 63</p> <p>Governance: 76</p> <p>One engagement can comprise of more than one topic across each company</p>	<p>JP Morgan's engagement activities are formed as part of their Stewardship model, in which investment professionals liaise with Stewardship specialists on a global scale. The engagements included within their report span beyond fixed income, given the scale of the strategy's holdings and global dialogue with investee companies.</p> <p>An example of a significant engagement includes:</p> <p><b>AXA</b> – JP Morgan engaged with AXA to discuss their approach to managing the physical impacts of climate change on their underwriting processes. During the meeting, AXA highlighted the regulatory scrutiny on their models and the de-risking process that they have undergone over the past five years, which has</p>

# UNIVERSITY OF GLASGOW PENSION SCHEME

## IMPLEMENTATION STATEMENT (continued)

		significantly reduced their exposure to natural catastrophes. The discussion also covered AXA's reluctance to comment on policy interventions and their commitment to sustainable underwriting practices, including their Science-Based Targets initiative. During engagement, AXA stated they are working on improving their scope 3 emissions reporting and confirmed restrictive policies on coal, oil, and gas underwriting.
Partners Group Private Market Credit Strategies 2016 Fund	During the reporting period, the Fund did not undertake any ESG-related engagements, which is consistent with its current phase of winding down operations.	Partners Group maintains ongoing contact with the management teams of their portfolio companies, however, given their position as lenders they will typically rely on the equity sponsor to report ESG-related concerns and drive ESG improvements. Investing in private companies also reduces the transparency of the information available to assess ESG risks.  Partners Group has engaged on mostly governance related issues over the period, rather than environmental or social considerations.  Partners Group were not able to provide ESG engagement examples.
Partners Group Private Market Credit Strategies 2018 Fund	During the reporting period, the Fund did not undertake any ESG-related engagements, which is consistent with its current phase of winding down operations.	Partners Group maintain ongoing contact with the management teams of their portfolio companies, however, given their position as lenders they will typically rely on the equity sponsor to report ESG-related concerns and drive ESG improvements. Investing in private companies also reduces the transparency of the information available to assess ESG risks.  Partners Group has engaged on mostly governance related issues over the period, rather than environmental or social considerations.  Partners Group were not able to provide ESG engagement examples
Partners Group Private Markets Credit Strategies 2020 Fund	Total engagements: 3*  *Note that Partners Group provide data annually, and as such the engagement data shown reflects their activity over the 2024 calendar year.	Partners Group maintain ongoing contact with the management teams of their portfolio companies, however, given their position as lenders they will typically rely on the equity sponsor to report ESG-related concerns and drive ESG improvements. Investing in private companies also reduces the transparency of the information available to assess ESG risks.  Partners Group has engaged on mostly governance related issues over the period, rather than environmental or social considerations. An example of a significant

# UNIVERSITY OF GLASGOW PENSION SCHEME

## IMPLEMENTATION STATEMENT (continued)

		<p>corporate governance activity within the portfolio project includes:</p> <p><b>Astek</b> – Partners Group engaged with the Company's management to discuss the possibility of setting ESG margin ratchets. There were also discussions around setting goals for the ESG margin adjustments. Two out of three criteria have been agreed upon, and discussions are still ongoing for the final one.</p>
IFM Global Infrastructure Fund	<p>IFM currently do not provide details of their engagement activities due to the nature of the fund. Isio will work with IFM on the development of the firm's engagement reporting</p>	<p>IFM engage through board representation in both their private equity and public market portfolio holdings. IFM will only invest in companies which have appropriate governance structures in place. IFM bring together key executives of their portfolio companies to help spread good ESG practice and objectives across the portfolio.</p> <p><b>Mersin International Port</b> - IFM continues to support Mersin International Port on the delivery of its Safety Remedial Actions as well as with the set-up of its longer-term Safety Culture Transformation Programme. In 2024, Mersin International Port continued to improve its safety culture, as evidenced by a further decrease in lost time injury frequency ("LTIF") rate by 19%.</p>
Insight Global ABS	<p>Total engagements: 60</p> <p>Insight currently do not provide details on the underlying engagement themes at the fund level.</p>	<p>Insight engages with their underlying portfolio projects on a range of ESG issues, mainly related to corporate governance within portfolio companies and share issuance.</p> <p>An example of an engagement includes:</p> <p><b>Pepper</b> – Insight engaged with Pepper regarding their ESG considerations in relation to loan origination and underwriting. Discussions were held over Q4 2024 where Insight raised ESG considerations and disclosures as an area of concern. Subsequently Pepper agreed that disclosures needed to improve and would be looking to build on a number of ESG metrics in their annual reports. Insight also raised the issue of loan origination practices and Pepper agreed that this was something they were reviewing.</p>
Insight Liquid ABS	<p>Total engagements: 60</p> <p>Insight currently do not provide details on the underlying engagement themes at the fund level.</p>	<p>Insight engages with their underlying portfolio projects on a range of ESG issues, mainly related to corporate governance within portfolio companies and share issuance.</p> <p>An example of an engagement includes:</p>

# UNIVERSITY OF GLASGOW PENSION SCHEME

## IMPLEMENTATION STATEMENT (continued)

		<p>Mercedes Benz – Insight engaged with Mercedes Benz to understand their ESG approach and additional reporting requirements, including the completion of Insight's proprietary questionnaire. Insight offered to work with them to ensure future participation which Mercedes agreed to, in order to see if they can complete the questionnaire. Mercedes Benz now understand Insight's requirement for completion of the questionnaire and will collaborate with Insight to complete it which will enable Insight to obtain a quantitative ESG score that offers more rigor than the industry AFME standard template. Mercedes Benz have a dedicated ESG team which Insight are arranging to meet and run through their ESG initiatives.</p>
Insight LDI	<p>Total engagements: 7</p> <p>Insight currently do not provide details on the underlying engagement themes at the fund level.</p>	<p>Insight operate an ongoing Counterparty Engagement Programme that assesses core trading partner counterparties' sustainability performance through a bespoke Sustainability Assessment Questionnaire issued every two years. The questionnaire was enhanced in 2024 to respond to the changing ESG landscape, developing regulation, and increased stakeholder expectations and focused on six main areas: climate change, natural capital, human rights, diversity and inclusion, business ethics, and pay. It was issued in 2024 to 26 counterparties, representing c.95% of Insight's total exposure.</p>

# UNIVERSITY OF GLASGOW PENSION SCHEME

## IMPLEMENTATION STATEMENT (continued)

### Voting (for equity/multi asset funds only)

As the Scheme invests via fund managers the managers provided details on their voting actions including a summary of the activity covering the reporting year up to 31 March 2025. The managers also provided examples of any significant votes.

Fund name	Engagement summary	Examples of significant votes	Commentary
BlackRock Dynamic Diversified Growth Fund	<p>Meetings eligible to vote for: 531</p> <p>Resolutions eligible to vote for: 6,966</p> <p>Resolutions voted for: 94.3%</p> <p>Resolutions voted with management: 89.5%</p> <p>Resolutions voted against management: 4.8%</p> <p>Of which, resolutions abstained from: 1.0%</p>	<p><b>Tesla, Inc</b> – Blackrock voted against the appointment of a new Director of the Special Committee. This followed concerns regarding the board's decision-making process, independence, and effectiveness in overseeing management. A conflict of interest arose as the proposed new director is a member of the board's Nominating and Corporate Governance Committee. He is the only director nominated for election with direct oversight responsibilities for evaluating board composition and independence.</p>	<p>BlackRock use Institutional Shareholder Services (ISS) electronic platform to execute vote instructions. BlackRock categorise their voting actions into two groups: holdings directors accountable and supporting shareholder proposals. Where BlackRock have concerns around the lack of effective governance on an issue, they usually vote against the re-election of the directors responsible to express this concern.</p>