



YOUR SUMMARY FUNDING STATEMENT 2018

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The Trustees send you a Summary Funding Statement to give you an idea of the Scheme's financial status. Please take time to read this statement so that you know how your pension scheme is doing. A copy of the full valuation is available on request from the Scheme Administrator.

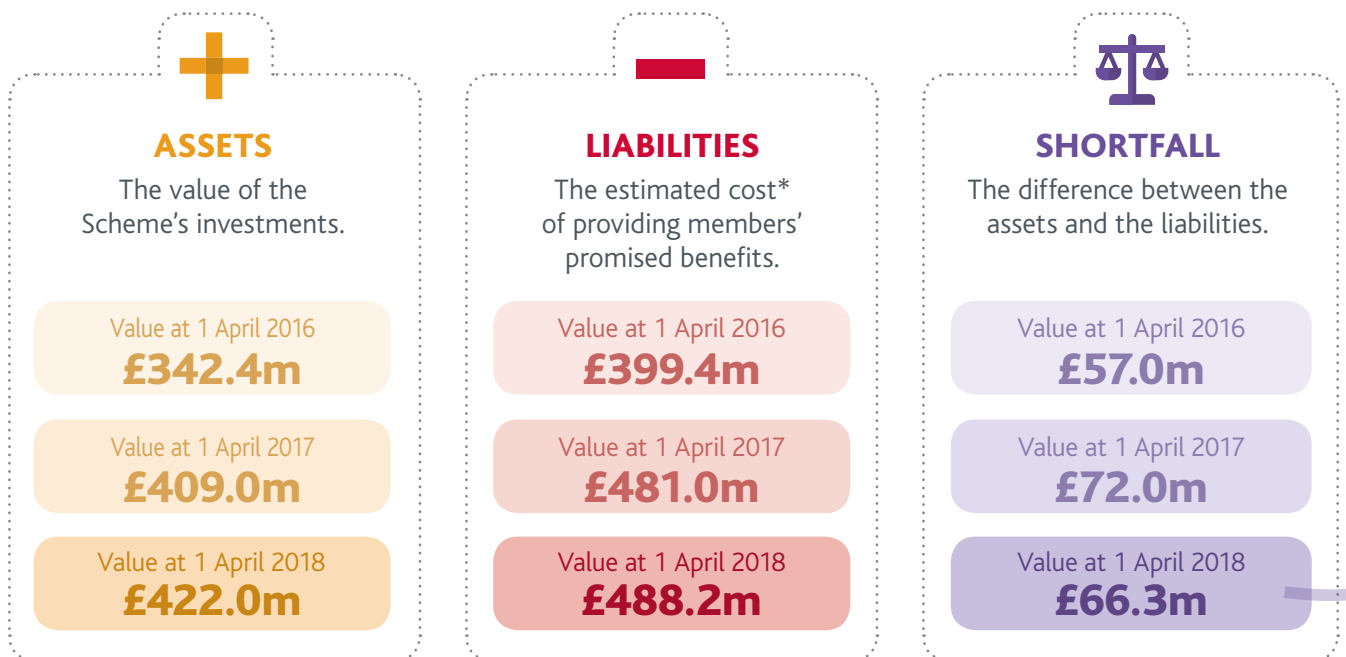
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KNOW THE FINANCES

HOW IS THE SCHEME DOING?

A full actuarial valuation is undertaken every three years, with annual checks in between. Here is a summary of the position at the last update which

was as at 1 April 2018 and how this compares with the last full valuation as at 31 April 2016 as well as the last summary funding statement as at 1 April 2017.



The funding level of the Scheme depends on whether its liabilities are less, or more, than its assets. If the assets are worth less than the liabilities, then it has a 'shortfall', but if the assets are worth more than the liabilities, then the Scheme has a 'surplus'.

As you can see as at 1 April 2018 the Scheme had a shortfall with 86% of the money it needed to meet its commitments.

The increase in the value of the assets since the last full valuation, and the improvement in the funding

level since the last summary funding statement, is due to a combination of strong investment returns and extra contributions received from the University in an effort to reduce the shortfall as follows:

- One-off lump sum payment of £17m which was paid in July 2017; plus
- £3.951m a year from March 2023 until March 2034, increasing by 2.5% each year.

A copy of the recovery plan, which sets out these payments, is available on request from the Scheme Administrator.

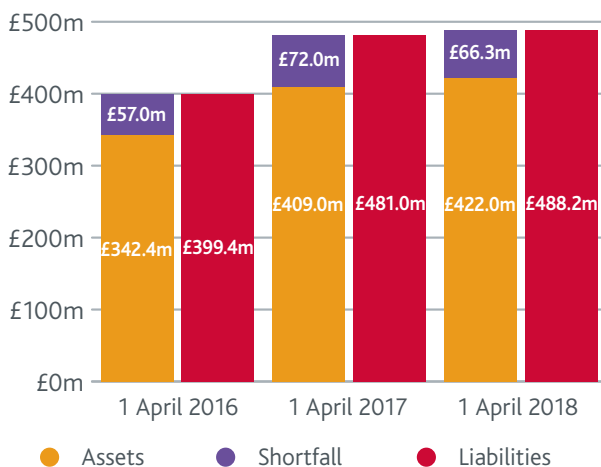
* Assuming the Scheme continues until all benefits have been paid.



DID YOU KNOW?

Neither the Trustees nor our advisers can give financial advice but a regulated professional adviser can. If you are thinking of leaving the Scheme or making any changes to your pension arrangements, we recommend you get advice first. For a list of advisers go to www.unbiased.co.uk. Please also take time to read the "ScamSmart" leaflet enclosed with this Summary Funding Statement for steps to protect yourself and your retirement from pension scams.

The Scheme's financial position



WHAT DOES THIS MEAN FOR MY BENEFITS?

These valuations are only a snapshot in time, and as market conditions change, it is perfectly normal for the funding level to fluctuate over time.

The Trustees have agreed a recovery plan with the University which includes a commitment to pay additional contributions to remove the shortfall. A copy of the recovery plan is available upon request from the Scheme Administrator.

IS MY PENSION SECURE?

The Trustees aim to have enough money in the Scheme to pay pensions and other benefits to members as they are due. So long as the University continues to support the Scheme, your benefits will be paid in full when they become due.

The Scheme Actuary also works out how much money the Scheme would need if the University could no longer support it, the Scheme was wound up and the Trustees had to secure members' benefits by buying an insurance policy. Securing benefits in this way is expensive because the insurance company pays members' benefits in full in exchange for a one-off payment. For example, as at 1 April 2016, it would have cost £641.6m to secure members' benefits if the Scheme had wound up on that date.

If there was not enough money in the Scheme to buy out all the benefits with an insurance policy, the University would have to make up the shortfall. For cases where an employer goes out of business and doesn't have the money to pay the benefits promised the Government has set up a compensation scheme – the Pension Protection Fund (PPF) – which can provide compensation to members. You can find out more about the PPF on its website: www.pensionprotectionfund.org.uk

Including this information doesn't mean that the University or the Trustees are planning to wind up the Scheme, it simply forms part of our report.

And finally...

The Scheme currently has a shortfall, and so there is no surplus in the Scheme. We can therefore confirm (as legally required) that the University has not taken any surplus payments out of the Scheme in the last 12 months. We can also confirm that The Pensions Regulator has not intervened to change the way that benefits build up, how valuations are calculated, or the way the funding shortfall is met.

KNOW THE INVESTMENTS

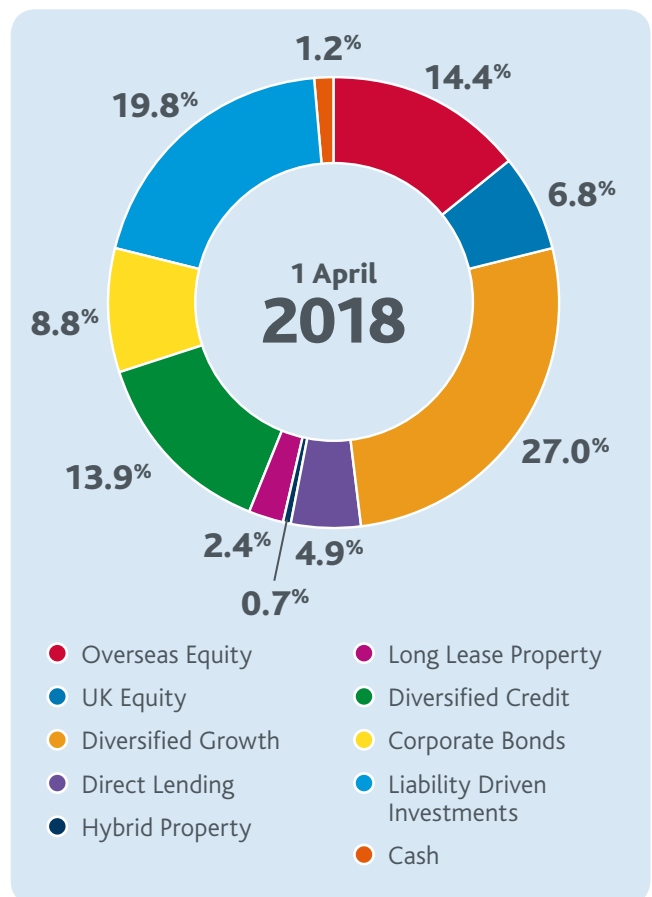
OUR INVESTMENT STRATEGY

One of our responsibilities as Trustees is to work closely with our advisers to manage the Scheme's investments as part of our strategy. We meet with our investment managers regularly to review how the Scheme's investments are performing. Good returns on our investments help to improve the funding level of the Scheme and the security of your benefits.

Update on the Scheme's investment strategy

The Scheme's investment strategy is set by the Trustees after taking appropriate independent advice. The Scheme's assets were allocated to the following investment types (graph to right).

More information about our investment strategy is published in our Statement of Investment Principles. Copies of all the Scheme's documents are available upon request from the Secretary to the Trustees.



YOUR DATA

Hymans Robertson LLP, the Scheme Actuary and the Trustees act as joint data controllers for the Scheme, whilst XPS Administration act as data processors. Hymans Robertson provides actuarial and consultancy services including advice and analytics to the Trustees of the Scheme, including through the Scheme Actuary.

As data controllers, we are responsible for deciding what information to collect about you and how it is used, and are committed to protecting and respecting your privacy. For more information, please visit:

www.hymans.co.uk/information/trust-centre

Your data will also be shared with Club Vita LLP, who provide life expectancy analytics and related information to help us to manage the Scheme's liabilities.

SECRETARY TO THE TRUSTEES

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SCHEME ADMINISTRATOR

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