



QUARTERLY INVESTMENT REPORT

As of 31
December

20
24

Contents

Investments with you in mind	3	Let Me Do It funds – Performance and Risk Metrics	16/17
Investment commentary – highlights of the quarter	4	UK Equity Fund	18
Lifestyling explained	5	Global Equity Fund	19
Do It For Me funds – Performance and Risk Metrics	6/7	Emerging Markets Fund	20
Growth Fund	8	Bond Fund	21
Moderate Growth Fund	9	Ethical Equity Fund	22
Cautious Growth Fund	10	Sharia Fund	23
Liquidity Fund	11	Underlying Fund Information	24
Ethical Growth Fund	12	Important Information	25
Ethical Moderate Growth Fund	13		
Ethical Cautious Growth Fund	14		
Ethical Liquidity Fund	15		

Investments with you in mind

We make investments with long-term investment goals in mind. [Find out more](#) about where we invest.

The investment managers

USS Investment Management Limited (USSIM) oversee your money. Some of our investments are directly managed by a team of in-house investment managers but we also select and monitor a range of external investment managers to look after some of the money. Our investment managers can adapt to the ever-changing markets – and help towards a more secure financial future for you.

Making Responsible Investments

When we make investments, we think about the impact of financially material environmental, social and governance (ESG) issues. All our members with Defined Contributions (DC) savings in the Investment Builder have the choice to invest responsibly in both of our investment options:

Do It For Me Option

You can let our team manage your investments with the Do It For Me Option. Here, you also get to choose between the USS Default Lifestyle Option or the USS Ethical Lifestyle Option.

Let Me Do It Option

You can make your own investment choices with the Let Me Do It Option. Here, you get to choose to invest in one or more of the 10 funds available, which include ethical options.

To find out more about where your Investment Builder saving are invested and your options, visit [Choosing your investments page](#).

Our investment glossary is designed to help you better understand the world of investing. Find out what different terms used throughout this report means: uss.co.uk/how-we-invest/investment-glossary



October- December 2024

Investment commentary

Global markets in Q4 experienced mixed returns across the main asset classes, heavily impacted by US politics and the developments surrounding the US Presidential election. US equity markets rose over the period, driven by investor optimism following Trump's win, with other equity markets lagging.

Bond markets also had a mixed quarter with significant volatility driven by geopolitical tensions, central bank decisions and macroeconomic data. Despite interest rate cuts across a number of central banks, yields on government bonds rose as market uncertainty over persistent inflation and inflationary policies from a number of governments globally led to a reduction in the number of cuts expected over 2025.

The Labour government's first budget at the end of October saw significant reactions in UK government bonds as the Chancellor, Rachel Reeves, announced a £40 billion tax increase and expected increases in future projected borrowing, causing the pound to depreciate and increasing government bond yields.

Politics and inflationary concerns dominate market expectations

- Over the fourth quarter, bond markets were mixed as investors digested the implications of strong macroeconomic data and fiscal policies driving concerns over persistent inflation. Credit fixed income (particularly high yield) outperformed government debt, which delivered negative returns generally. This difference was driven by positive economic data and pro-business policies under a Trump administration as a positive tailwind.
- Equity markets delivered mixed returns, with the US and Japan experiencing gains during the quarter, while other major developed economies and emerging markets experienced losses. Strong performance from the US in communication services, information technology and consumer discretionary sectors drove performance as some "Magnificent Seven" stocks performed particularly strongly.
- The performance of the Scheme's private market investments was mostly positive over the quarter, with the exception of some infrastructure and inflation linked credit assets. Over the longer term, the Trustee believes that private markets provide investment opportunities and structures not available in public markets and that they may provide opportunities for additional returns, diversification, protections, or other desired characteristics relative to public market assets.
- Equities drove most of the returns in the Do It For Me Default Options, resulting in the Growth Fund outperforming the Moderate Growth Fund, which in turn outperformed the Cautious Growth Fund. The Ethical Lifestyle Option funds underperformed the Do It For Me Default Options, this is a result of the lower allocation to most of the US stocks that produced the strongest returns in the period due to the funds' ethical guidelines.
- In the Let Me Do It investment options, most funds delivered positive absolute returns over the quarter, with the exception of the Emerging Market Equity and Bond Fund. In terms of relative performance compared to the respective benchmarks, passively managed funds performed broadly in line with their benchmarks and most active funds delivered positive relative performance over the quarter (except for the Ethical Equity Fund). The Sharia Fund was the strongest performer in absolute terms.

£3,500m

in assets under management
as at 31 December 2024

We are always looking at ways in which we can improve the information we provide our members. Our online [Member Voice Panel](#) allows you to be part of a community and express your views and opinions of USS. Your feedback will influence the way we do things and impact future decision making.

Lifestyling explained

Do It For Me

If you select the Do It For Me Lifestyle option, we gradually move your investments over time through different blends of Growth, Moderate Growth, Cautious Growth and Liquidity, which are generally less susceptible to market volatility but still do carry risks. This is called lifestyling and it begins 10 years from your Target Retirement Age (TRA).

Here's how lifestyling works:



*At present you can keep your money in the Investment Builder after you retire - USS rules allow up to four withdrawals per year (current legislation permits withdrawals)- but there won't be any further automatic moving of the investments after you've reached your TRA.

The breakdown of the funds within the lifestyle options shown and how they move over time may be subject to change from time to time, so it is important for you to refer to the latest version of this guide regularly for the most up to date information.

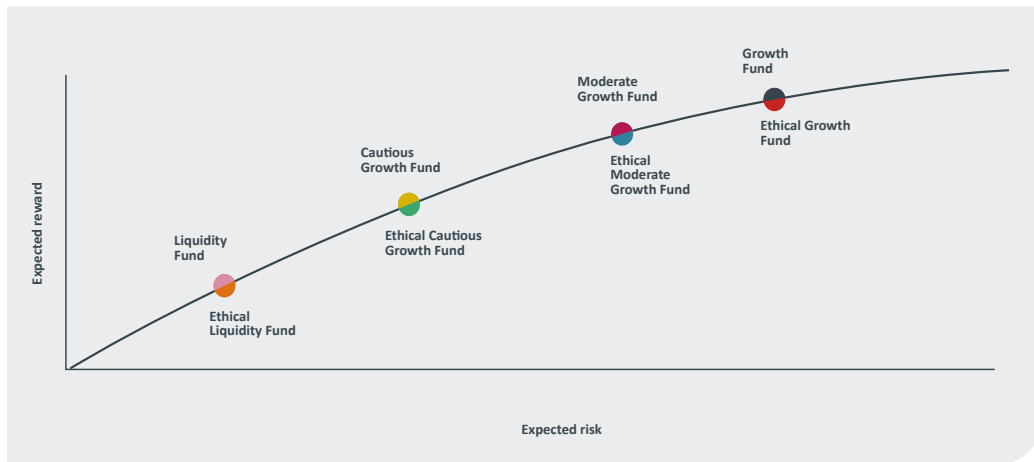
Performance and risk metrics:

Do It For Me

Comparative risk

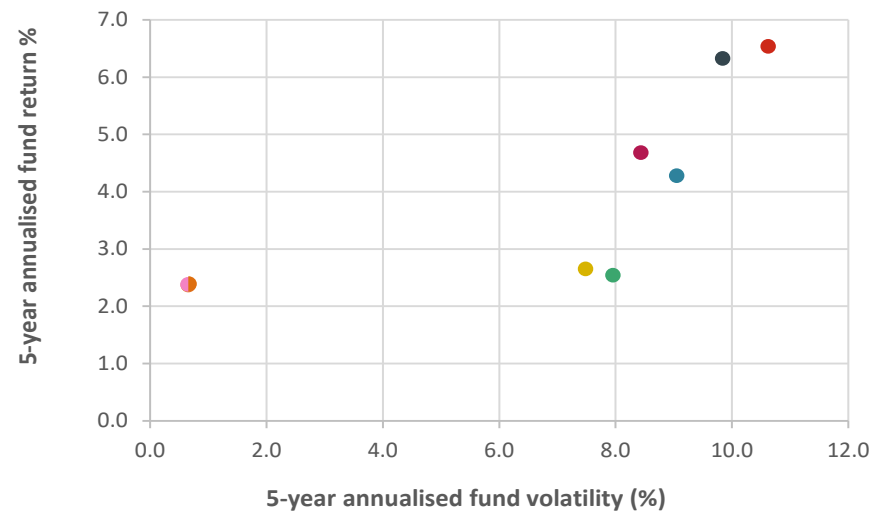
Risk Factor

This chart shows how we expect the risk of the Do It For Me funds to compare over the long term. The risk factors range from Low to High and are shown on a relative basis.



Realised risk and return

This chart shows a comparison of the realised risk and return of the Do It For Me funds (after subsidy) over a 5 year period.

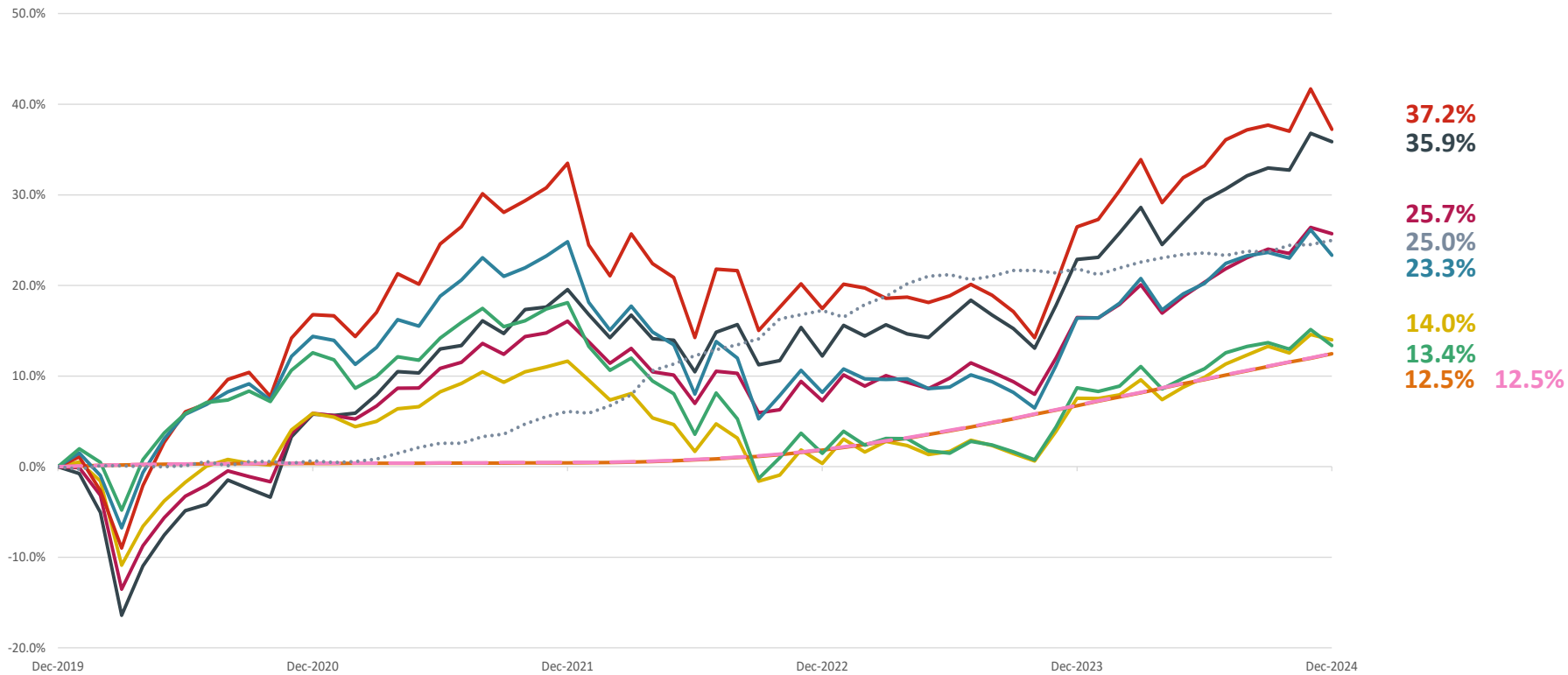


Performance and risk metrics:

Do It For Me

Cumulative performance

This chart shows the cumulative performance of USS funds against the Consumer Price Index (CPI) over a 5 year period. CPI is a good indicator of inflation as it measures the change in price of consumer goods and services. 5-year cumulative performance is the increase or decrease of returns as a percentage over the whole period. So, if a fund is performing above the CPI, it means that money saved in it is growing faster than the rise in the cost of living.



USS Growth Fund

Aim of fund: To produce a CPI+ 3.0% per year return over the long term by primarily investing in a mix of equities, bonds and private markets. The fund is more likely to move up and down in the short term than the USS Moderate Growth Fund, but aims to produce a higher long term return. The fund uses a mix of active and passive management. The fund is predominantly exposed to a diversified range of currencies designed to balance the risks of the fund, with some Sterling exposure.

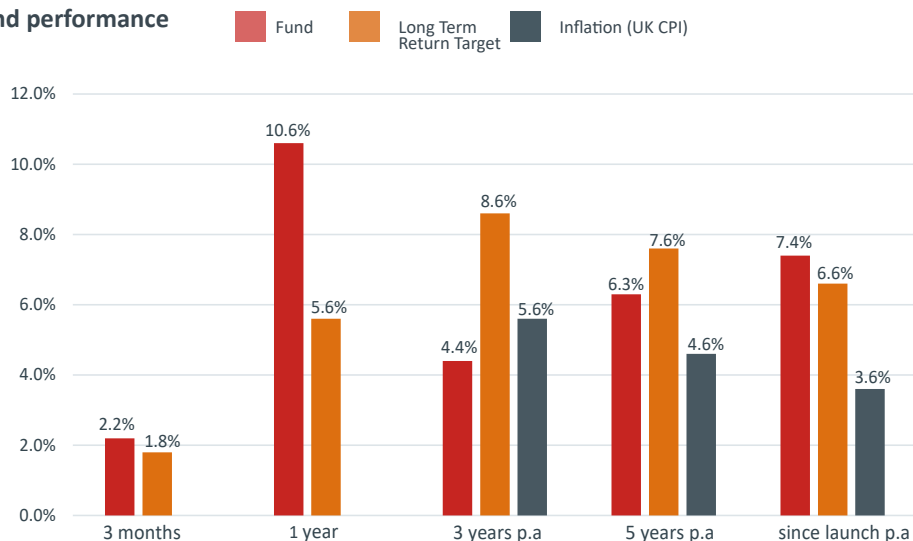
Performance summary

- The Fund delivered positive returns over the quarter, driven mostly by its allocation to global developed markets equity, private markets and global high yield, which delivered strong returns over the period.
- The Fund is ahead of its Long-Term Return Target over most periods, with the underperformance over the last 3 and last 5 years resulting from the high inflationary environment experienced in recent years.

Risk Measures:

Five-year annualised fund volatility: **9.8%**

Fund performance

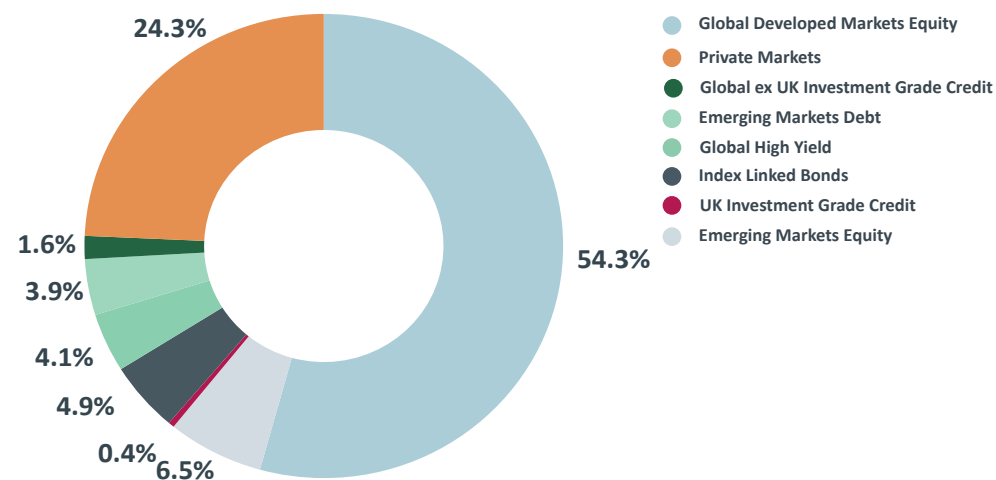


Fund Facts

Long Term Return Target	CPI+ 3.0% p.a.*
Launch date	3 October 2016
Fees (before subsidy)	0.30%
Fees (after subsidy)	0.00%
Fund Size	£2,072.5m
Management style	Mix

*The USS Growth funds, which make up part of the Default Lifestyle Option, the Do It For Me Option, and which members can choose in the Let Me Do It Option, have a long-term return target above the Consumer Price Index (CPI) measure of inflation, instead of an objective and benchmark based on a market comparator. Find out more [here](#).

Asset allocation (%)



To see the underlying funds that make up the Growth Fund, go to [underlying fund information](#).

USS Moderate Growth Fund

Aim of fund: To produce a CPI+ 2.0% per year return over the long term by primarily investing in a mix of equities, bonds and private markets. The fund is more likely to move up and down in the short term than the USS Cautious Growth Fund, but aims to produce a higher long term return. The fund uses a mix of passive and active management. The fund is exposed to a diversified range of currencies, including Sterling, designed to balance the risks of the fund.

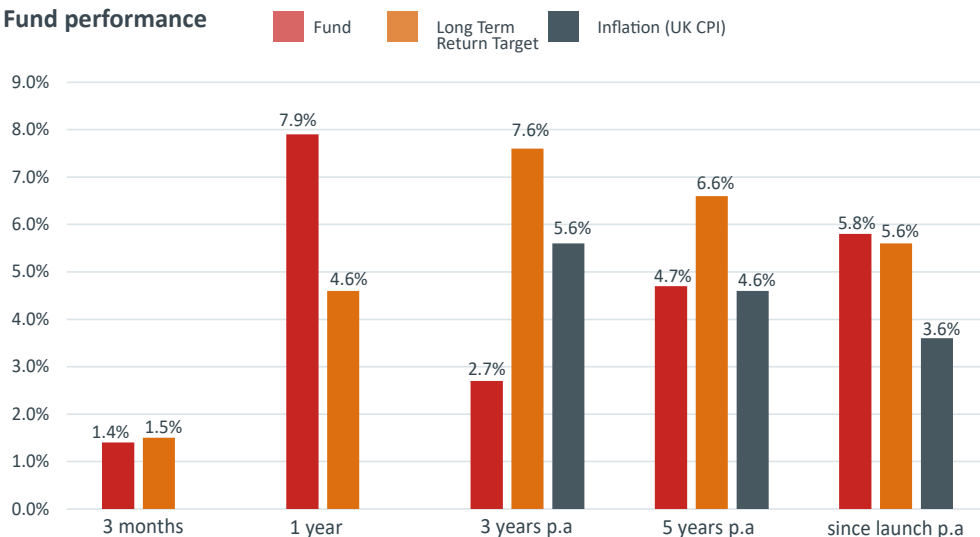
Performance summary

- The Fund delivered positive returns over the quarter, driven mostly by its allocation to global developed markets equity, private markets and global high yield, which delivered strong returns over the period.
- The Fund is ahead of its Long-Term Return Target over most periods, with the underperformance over the last 3 and last 5 years resulting from the high inflationary environment experienced in recent years.

Risk Measures:

Five-year annualised fund volatility: **8.4%**

Fund performance

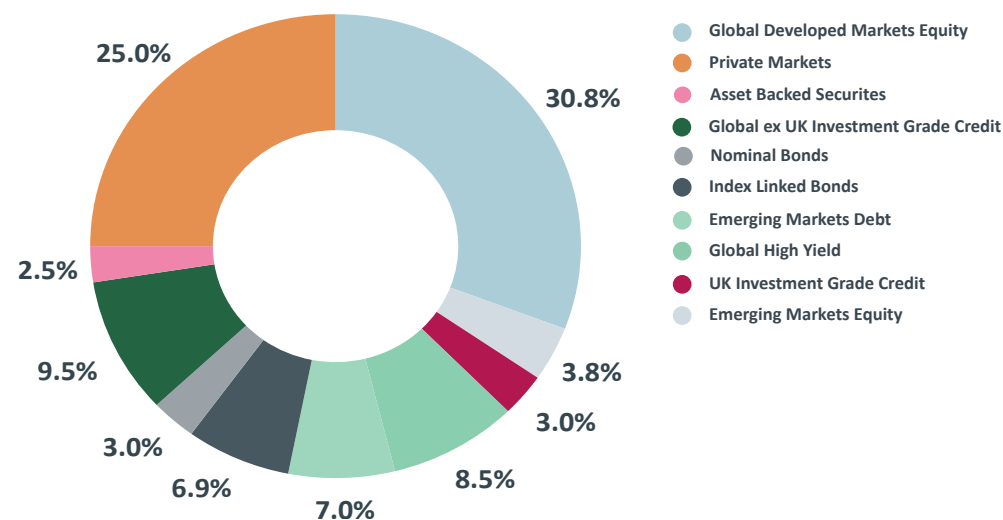


Fund Facts

Long Term Return Target	CPI+ 2.0% p.a.*
Launch date	3 October 2016
Fees (before subsidy)	0.30%
Fees (after subsidy)	0.00%
Fund Size	£437.5m
Management style	Mix

*The USS Growth funds, which make up part of the Default Lifestyle Option, the Do It For Me Option, and which members can choose in the Let Me Do It Option, have a long-term return target above the Consumer Price Index (CPI) measure of inflation, instead of an objective and benchmark based on a market comparator. Find out more [here](#).

Asset allocation (%)



To see the underlying funds that make up the Moderate Growth Fund, go to [underlying fund information](#).

USS Cautious Growth Fund

Aim of fund: To produce a CPI+ 1.5% per year return over the long term by primarily investing in a mix of equities, bonds and private markets. The fund aims to move up and down in the short term less than the USS Moderate Growth Fund, but also aims to produce a lower long term return. The fund uses a mix of passive and active management. The fund is predominantly exposed to Sterling, with some currency diversification designed to support the balance of risks of the fund.

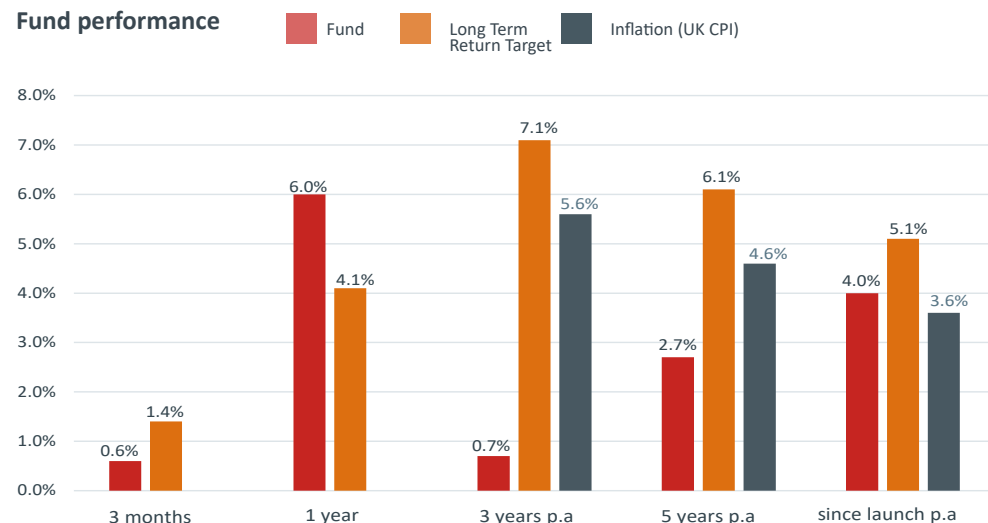
Performance summary

- The Fund delivered positive returns over the quarter, driven mostly by its allocation to global developed markets equity, private markets and global high yield, which delivered strong returns over the period.
- The Fund is behind its Long-Term Return Target over longer periods, with the underperformance over the last 3 and last 5 years in particular resulting from the high inflationary environment experienced in recent years.

Risk Measures:

Five-year annualised fund volatility: **7.5%**

Fund performance

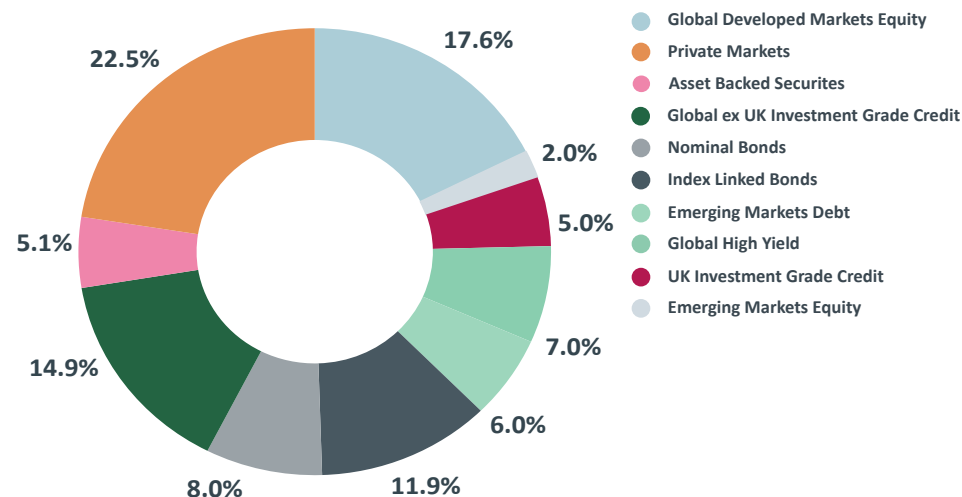


Fund Facts

Long Term Return Target	CPI+ 1.5% p.a.*
Launch date	3 October 2016
Fees (before subsidy)	0.30%
Fees (after subsidy)	0.00%
Fund Size	£227.5m
Management style	Mix

*The USS Growth funds, which make up part of the Default Lifestyle Option, the Do It For Me Option, and which members can choose in the Let Me Do It Option, have a long-term return target above the Consumer Price Index (CPI) measure of inflation, instead of an objective and benchmark based on a market comparator. Find out more [here](#).

Asset allocation (%)



USS Liquidity Fund

Aim of fund: To produce a return in line with the benchmark, which represents short-term Sterling interest rates. The fund will mainly invest in short-term Sterling money market instruments including deposits, commercial paper and short-term bonds. The money market securities are issued by a number of different entities including governments, banks and other companies.

Performance summary

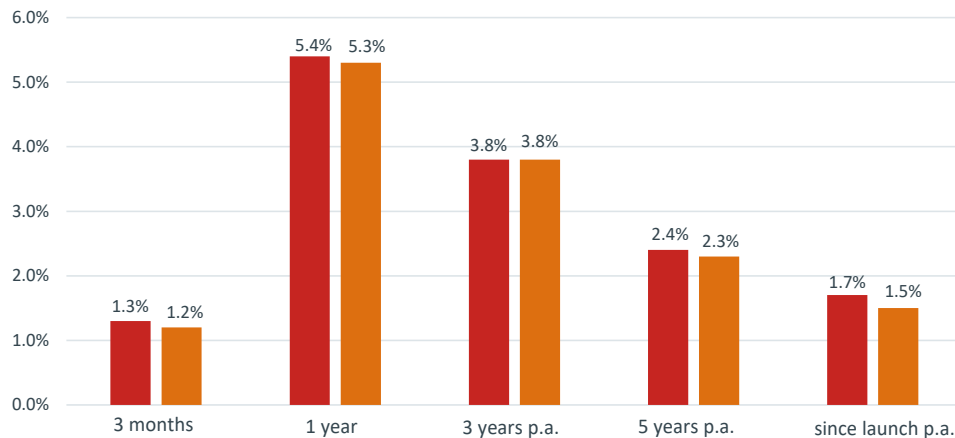
- The Fund produced a return in line with short term interest rates, as expected. Short term interest rates, which are set by Bank of England's Monetary Policy Committee were reduced by 0.25% in November, to 4.75%.

Risk Measures:

Five-year annualised fund volatility: **0.7%**

Fund performance

■ Fund ■ Benchmark



Fund Facts

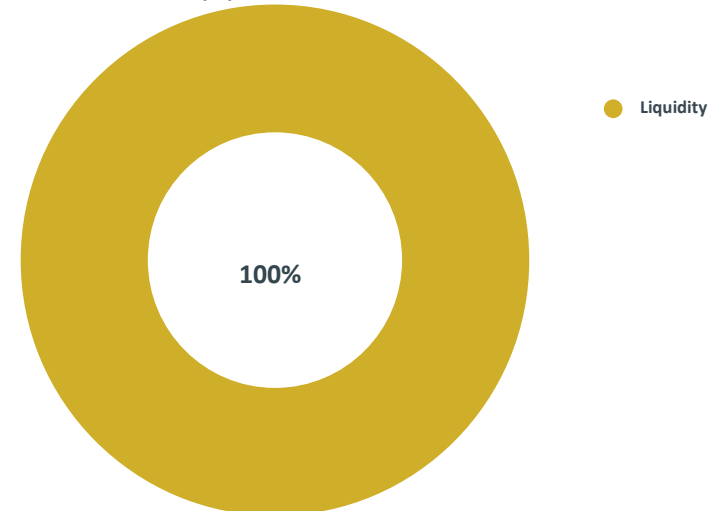
Benchmark	SONIA*
Launch date	3 October 2016
Fees (before subsidy)	0.10%
Fees (after subsidy)	0.00%
Fund Size	£154.4m
Management style	Active

*Benchmark

Since 1 October 2021: Bank of England's SONIA (Sterling Overnight Index Average) interest rate.

Up to 30 September 2021: 7-day GBP London Interbank Bid Rate.

Asset allocation (%)



USS Ethical Growth Fund

Aim of fund: To produce a CPI+ 3.0% per year return over the long term by primarily investing in a mix of equities and bonds with some private market investments. The fund is more likely to move up and down in the short-term than the USS Ethical Moderate Growth fund but aims to produce a higher long term return. It also aims, so far as is practicable, to invest in investments that meet the [USS Ethical Guidelines](#). The fund uses a mix of passive and active management. The fund is predominantly exposed to a diversified range of currencies designed to balance the risks of the fund, with some Sterling exposure.

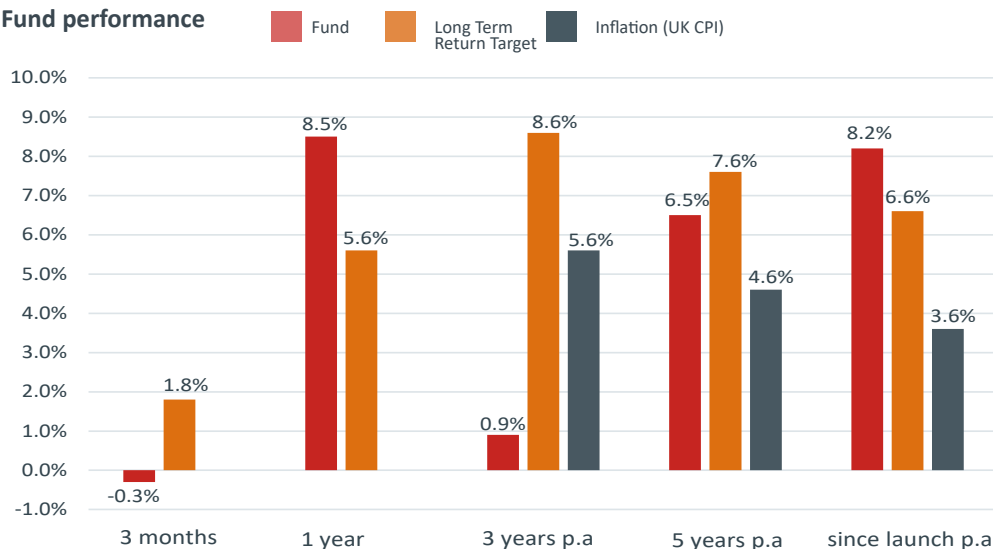
Performance summary

- The Fund delivered negative returns over the quarter. Although global developed markets equity and private markets performed positively, weak performance by other instruments in the fund, such as the negative performance in government bonds, resulted in a slightly negative performance overall.
- The Fund outperformed its Long Term Return Target over the last year, but underperformed over longer periods. This longer term underperformance resulted from the high inflationary environment experienced in recent years.

Risk Measures:

Five-year annualised fund volatility: **10.6%**

Fund performance



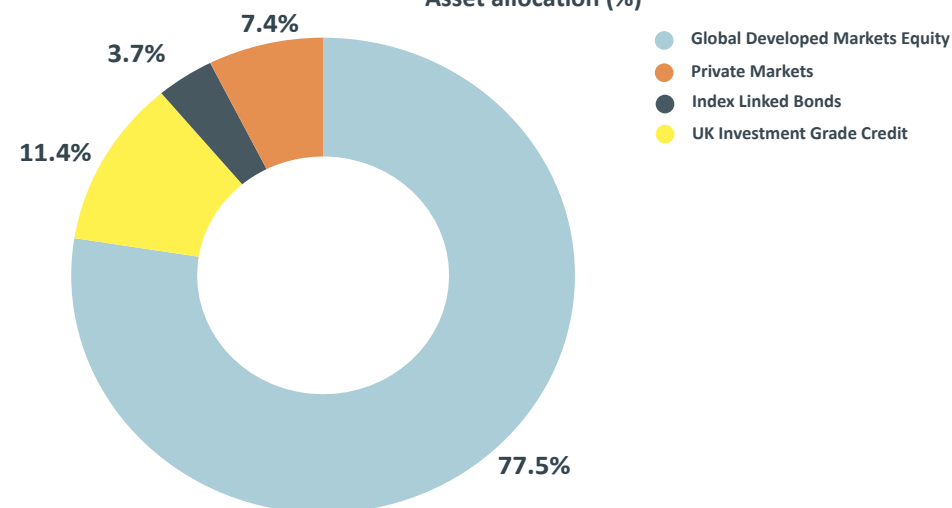
Fund Facts

Long Term Return Target	CPI+ 3.0% p.a.*
Launch date	3 October 2016
Fees (before subsidy)	0.30%
Fees (after subsidy)	0.00%
Fund Size	£132.6m
Management style	Mix

* The USS Growth funds, which make up part of the Ethical Lifestyle Option, the Do It For Me Option, have a long-term return target above the Consumer Price Index (CPI) measure of inflation, instead of an objective and benchmark based on a market comparator. Find out more [here](#).

The USS Ethical Growth Fund is only available within the Ethical Lifestyle Strategy and is not available as a self-select option.

Asset allocation (%)



USS Ethical Moderate Growth Fund

Aim of fund: To produce a CPI+ 2.0% per year return over the long term by primarily investing in a mix of equities and bonds with some private market investments. The fund is more likely to move up and down in the short-term than the USS Ethical Cautious Growth Fund, but aims to produce a higher long-term return. The fund will aim, so far as is practicable, to invest in investments that meet the [USS Ethical Guidelines](#). The fund uses a mix of passive and active management. The fund is exposed to a diversified range of currencies, including Sterling, designed to balance the risks of the fund.

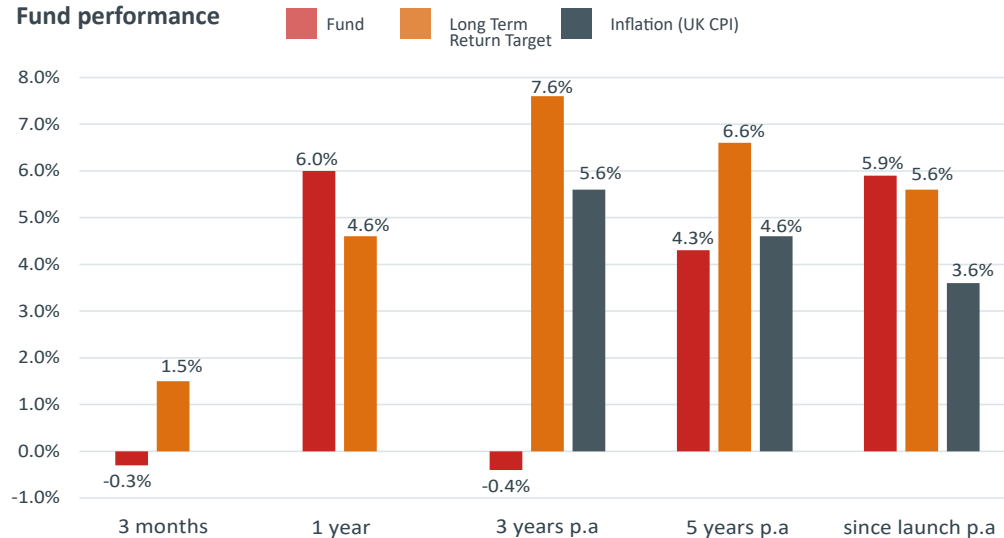
Performance summary

- The Fund delivered negative returns over the quarter. Although global developed markets equity and private markets performed positively, weak performance by other instruments in the fund, such as the negative performance in government bonds, resulted in a slightly negative performance overall.
- The Fund outperformed its Long Term Return Target over the last year, but underperformed over longer periods. This longer term underperformance resulted from the high inflationary environment experienced in recent years.

Risk Measures:

Five-year annualised fund volatility: **9.1%**

Fund performance



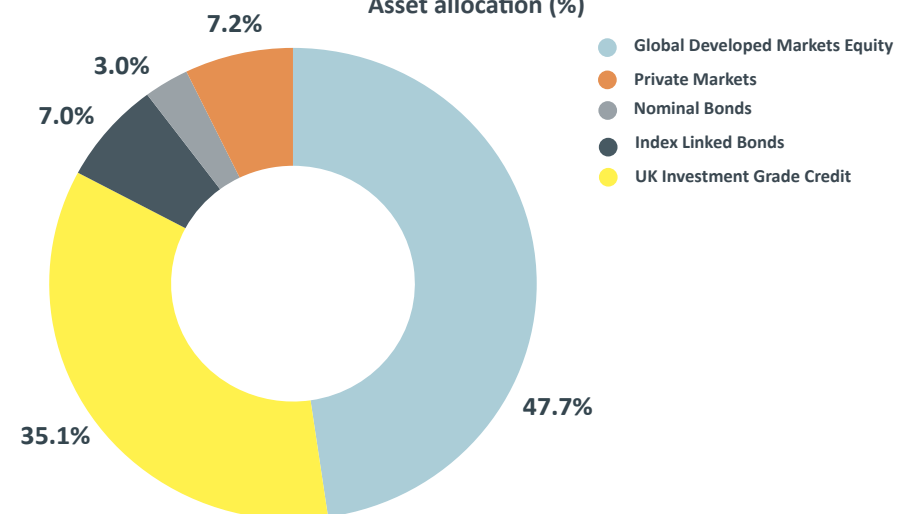
Fund Facts

Long Term Return Target	CPI+ 2.0% p.a.*
Launch date	3 October 2016
Fees (before subsidy)	0.30%
Fees (after subsidy)	0.00%
Fund Size	£27.7m
Management style	Mix

* The USS Growth funds, which make up part of the Ethical Lifestyle Option, the Do It For Me Option, have a long-term return target above the Consumer Price Index (CPI) measure of inflation, instead of an objective and benchmark based on a market comparator. Find out more [here](#).

The USS Ethical Moderate Growth Fund is only available within the Ethical Lifestyle Strategy and is not available as a self-select option.

Asset allocation (%)



USS Ethical Cautious Growth Fund

Aim of fund: To produce a CPI+ 1.5% per year return over the long term by primarily investing in a mix of equities and bonds with some private market investments. The fund aims to move up and down in the short-term less than the USS Ethical Moderate Growth Fund. The Fund will aim, so far as is practicable, to invest in investments that meet the [USS Ethical Guidelines](#). The fund uses a mix of passive and active management. The fund is predominantly exposed to Sterling, with some currency diversification designed to support the balance of risks of the fund.

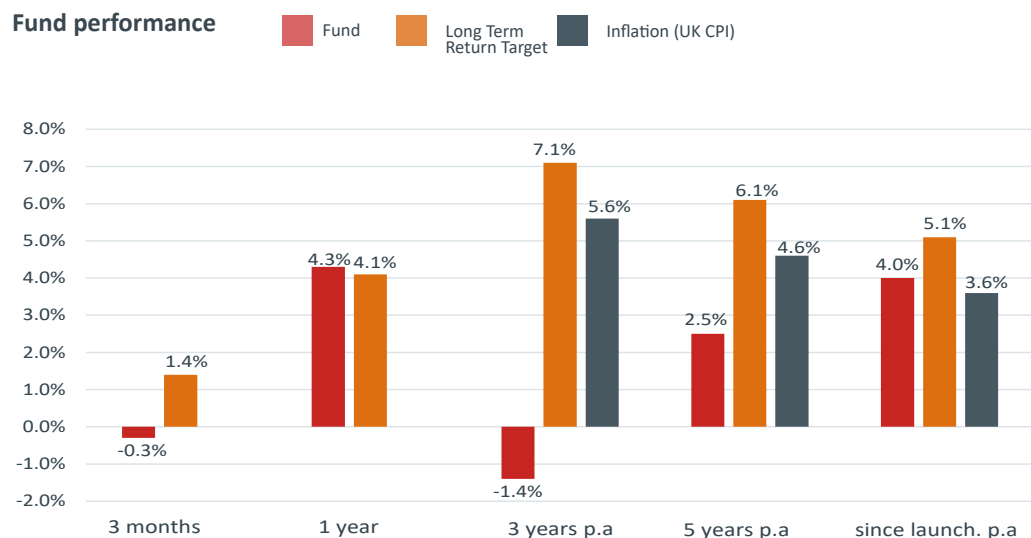
Performance summary

- The Fund delivered negative returns over the quarter. Although global developed markets equity and private markets performed positively, weak performance by other instruments in the fund, such as the negative performance in government bonds, resulted in a slightly negative performance overall.
- The Fund outperformed its Long Term Return Target over the last year, but underperformed over longer periods. This longer term underperformance resulted from the high inflationary environment experienced in recent years.

Risk Measures:

Five-year annualised fund volatility: **8.0%**

Fund performance



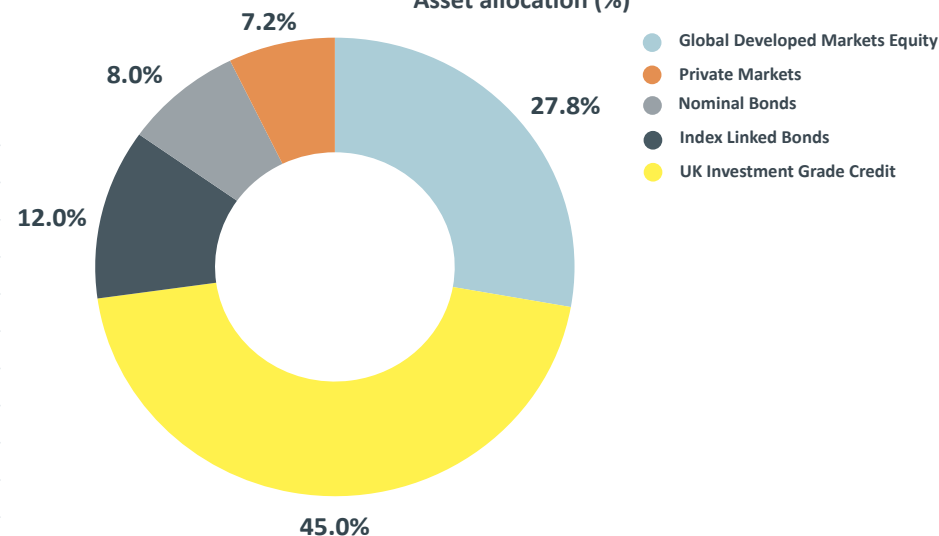
Fund Facts

Long Term Return Target	CPI+ 1.5% p.a.*
Launch date	3 October 2016
Fees (before subsidy)	0.30%
Fees (after subsidy)	0.00%
Fund Size	£14.6m
Management style	Mix

* The USS Growth funds, which make up part of the Ethical Lifestyle Option, the Do It For Me Option, have a long-term return target above the Consumer Price Index (CPI) measure of inflation, instead of an objective and benchmark based on a market comparator. Find out more [here](#).

The USS Ethical Cautious Growth Fund is only available within the Ethical Lifestyle Strategy and is not available as a self-select option.

Asset allocation (%)



To see the underlying funds that make up the Cautious Ethical Growth Fund, go to [underlying fund information](#).

USS Ethical Liquidity Fund

Aim of fund: To produce a return in line with its benchmark, which represents short-term Sterling interest rates. The fund will mainly invest in short-term Sterling money market instruments including deposits, commercial paper and short-term bonds. The money market securities are issued by a number of different entities including governments, banks and other companies. The fund will aim, so far as is practicable, to invest in investments that meet the [USS Ethical Guidelines](#).

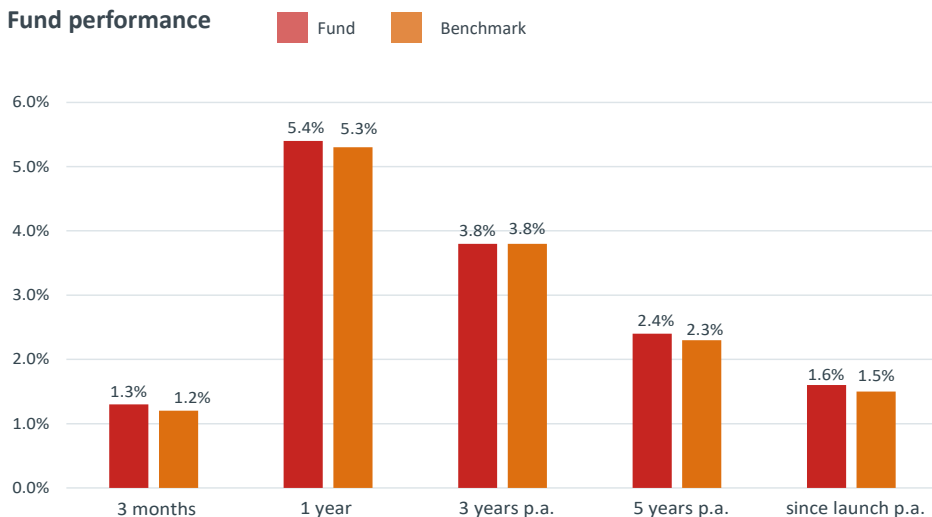
Performance summary

- The Fund produced a return in line with short term interest rates, as expected. Short term interest rates, which are set by Bank of England's Monetary Policy Committee were reduced by 0.25% in November, to 4.75%.

Risk Measures:

Five-year annualised fund volatility: **0.6%**

Fund performance



Fund Facts

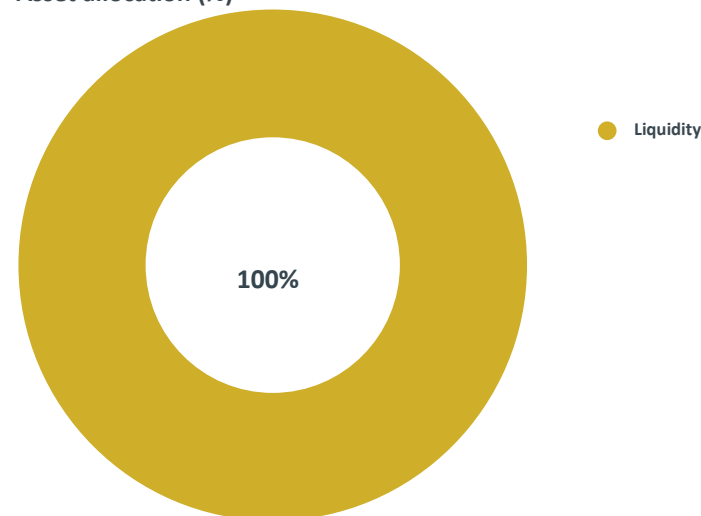
Benchmark	SONIA*
Launch date	3 October 2016
Fees (before subsidy)	0.10%
Fees (after subsidy)	0.00%
Fund Size	£8.2m
Management style	Active

*Benchmark
Since 1 October 2021: Bank of England's SONIA (Sterling Overnight Index Average) interest rate.

Up to 30 September 2021: 7-day GBP London Interbank Bid Rate.

The USS Ethical Liquidity Fund is only available within the Ethical Lifestyle Option and is not available as a self-select option.

Asset allocation (%)



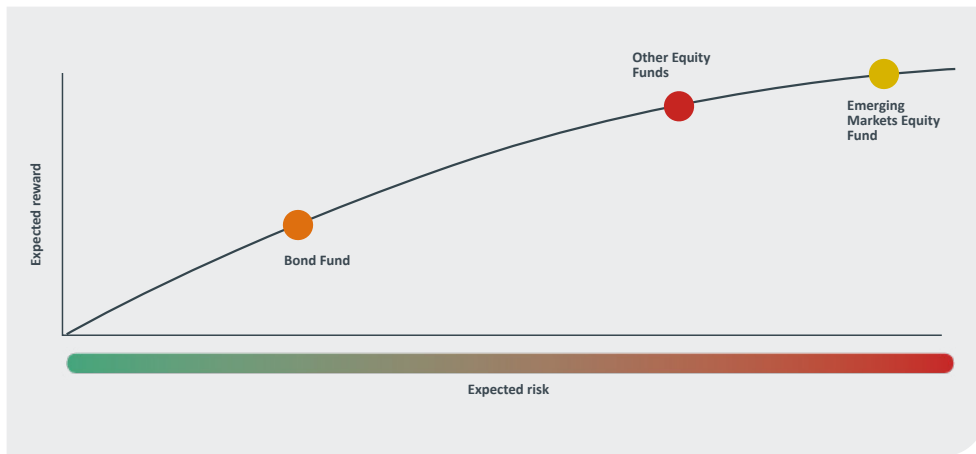
Performance and risk metrics:

Let Me Do It

Comparative risk

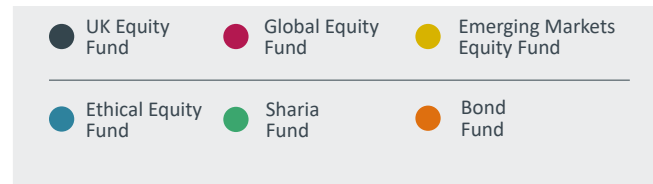
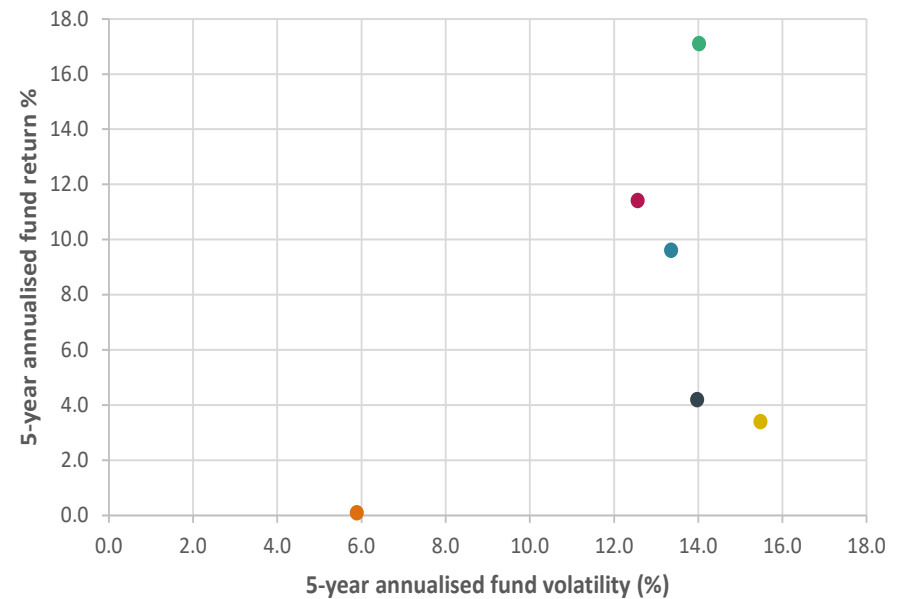
Risk Factor

This chart shows how we expect the risk of the Let Me Do It funds to compare over the long term. The risk factors range from Low to High and are shown on a relative basis.



Realised risk and return

This chart shows a comparison of the realised risk and return of the Let Me Do It funds (after subsidy) over a 5 year period.

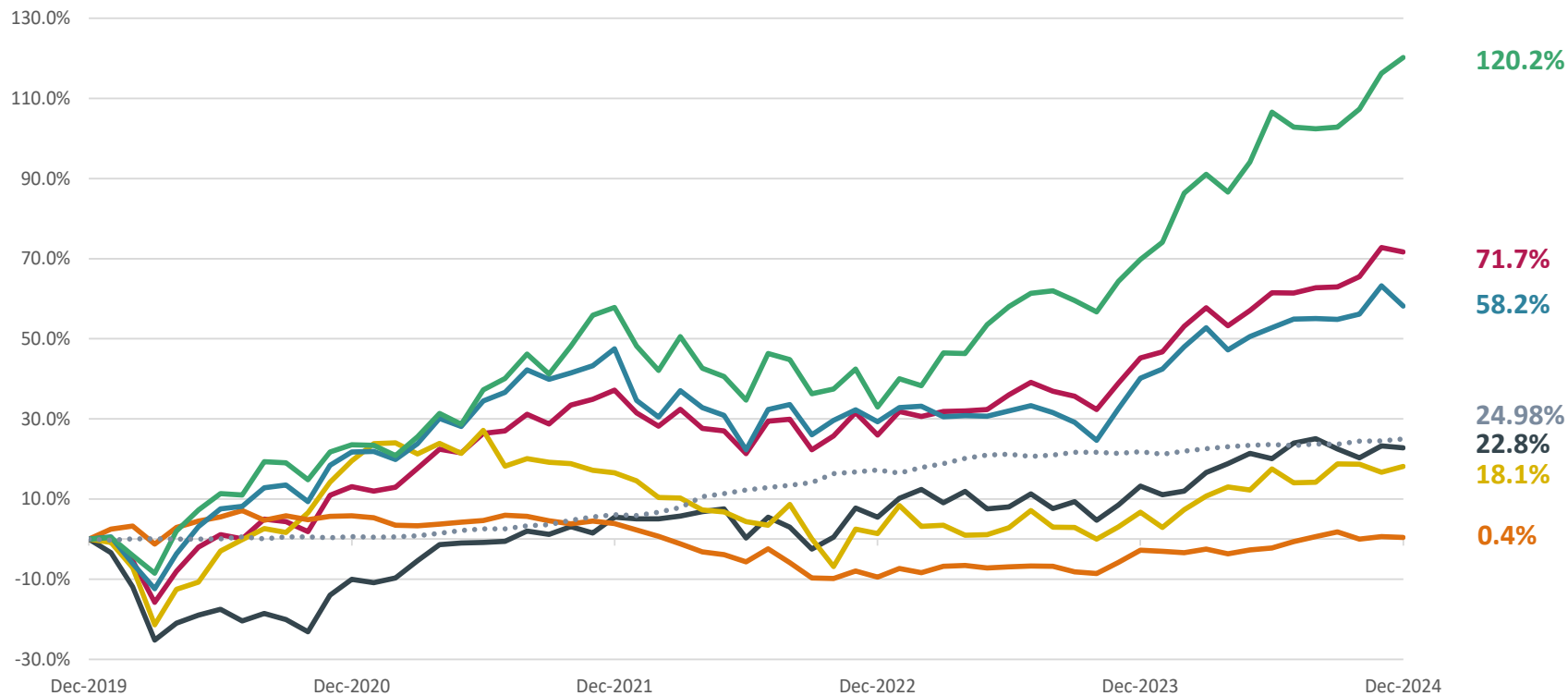


Performance and risk metrics:

Let Me Do It

Cumulative performance

This chart shows the cumulative performance of USS funds against the Consumer Price Index (CPI) over a 5 year period. CPI is a good indicator of inflation as it measures the change in price of consumer goods and services. 5-year cumulative performance is the increase or decrease of returns as a percentage over the whole period. So, if a fund is performing above the CPI, it means that money saved in it is growing faster than the rise in the cost of living.



- UK Equity Fund
- Global Equity Fund
- Emerging Markets Equity Fund
- Inflation (UK CPI)
- Ethical Equity Fund
- Sharia Fund
- Bond Fund

USS UK Equity Fund

Aim of fund: To rise or fall in line with the benchmark, which represents equities in UK companies. The fund will mainly invest in equities in UK companies. The fund is passively managed.

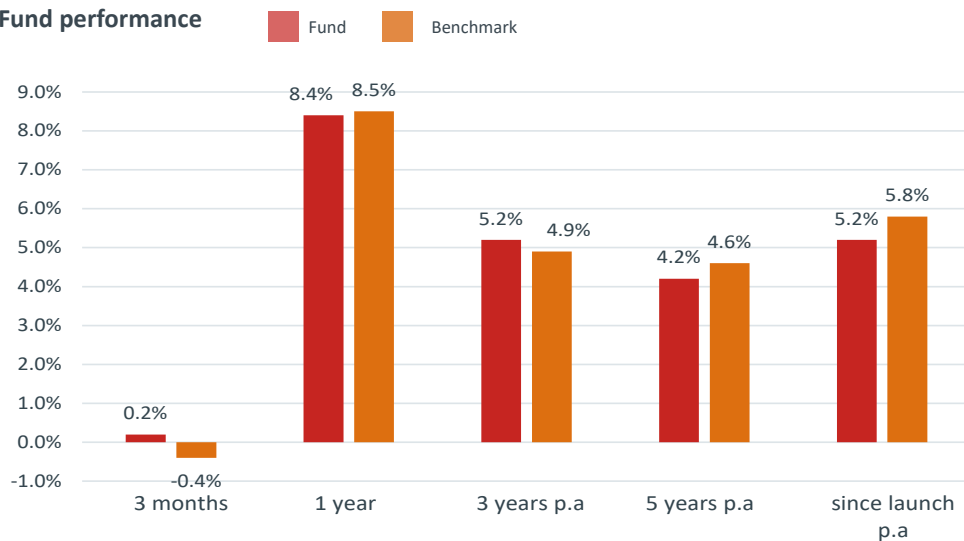
Performance summary

- The Fund delivered marginal returns over the quarter.
- UK equity markets were broadly flat over the quarter, as a number of domestic sectors declined as bond yields increased on the back of growing concerns about the UK macro-economic outlook.

Risk Measures:

Five-year annualised fund volatility: **14.0%**

Fund performance



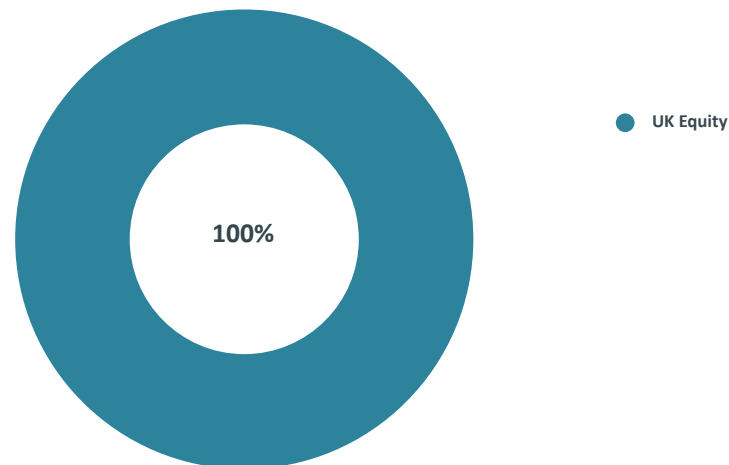
Fund Facts

Benchmark	FTSE Custom All-Share ESG Screened Index*
Launch date	3 October 2016
Fees (before subsidy)	0.10%
Fees (after subsidy)	0.00%
Fund Size	£34.8m
Management style	Passive

*Before 1 July 2021: FTSE All Share Index.

The benchmark for the UK Equity Fund has been changed from 1 July 2021. Find out more information [here](#).

Asset allocation (%)



USS Global Equity Fund

Aim of fund: To rise or fall in line with the benchmark, which represents equities in companies across the world. The fund will mainly invest in shares in companies across the world, including emerging markets. The returns generated by overseas equities are not currency hedged, so may be impacted by currency movements. The fund is passively managed.

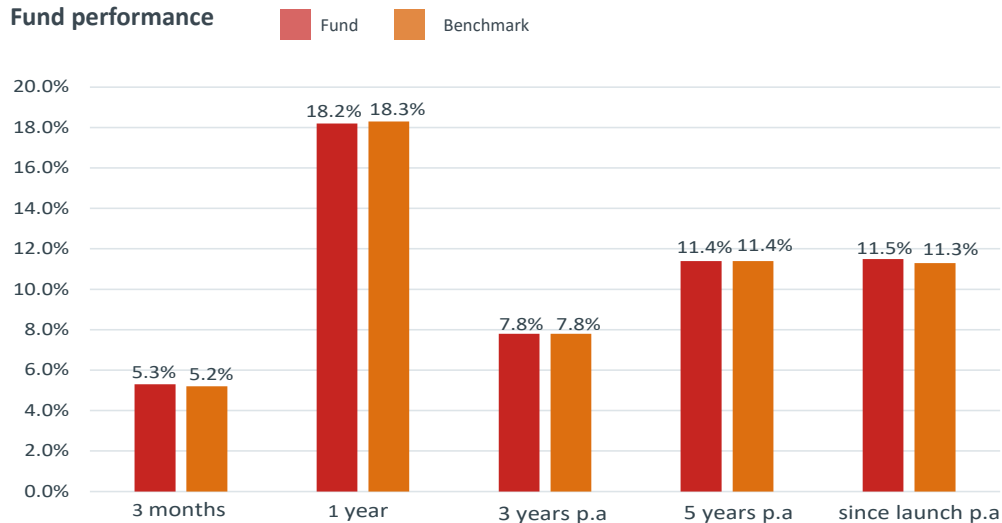
Performance summary

- The Fund delivered positive returns over the quarter.
- During the period, the benchmark of the fund was changed, from Solactive USS Developed Markets Climate Transition Benchmark (92.0%) and MSCI Emerging Markets Index (8.0%) to Solactive USS Developed Markets Climate Tilted Index (90.0%) and MSCI Emerging Markets Index (10.0%). This change happened on 11 November 2024 and has resulted in a higher weighting to the emerging markets region, in line with the weight that emerging markets broadly account for in other major world indices. Developed market equities, making up 90% of the Fund, delivered positive returns following strong US performance. Emerging market equities, 10% of the Fund, underperformed developed markets due to concerns around tariffs following the outcome of the US Presidential election.

Risk Measures:

Five-year annualised fund volatility: **12.6%**

Fund performance



Fund Facts

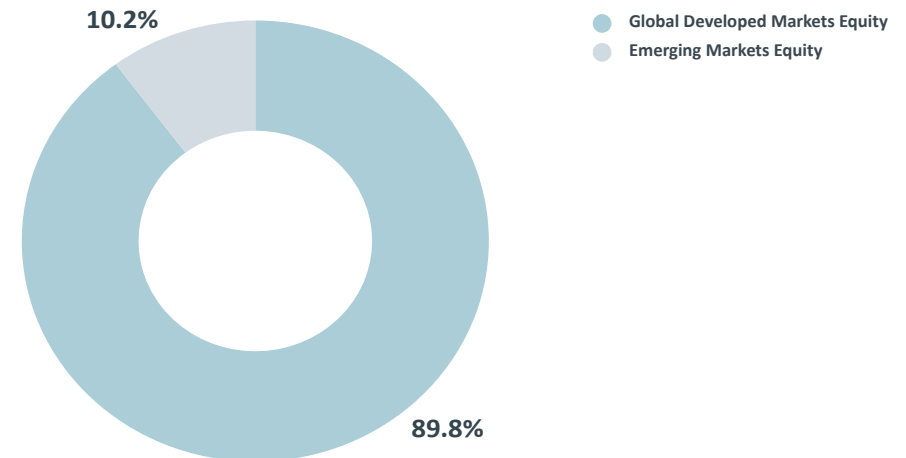
Benchmark	Composite*
Launch date	3 October 2016
Fees (before subsidy)	0.10%
Fees (after subsidy)	0.00%
Fund Size	£170m
Management style	Passive

*Composite Benchmark
Since 11 November 2024: Solactive USS Developed Markets Climate Tilted Index (90.0%), MSCI Emerging Markets Index (10.0%).

From 1 April 2022 to 11 November 2024: Solactive USS Developed Markets Climate Transition Benchmark (92.00%), MSCI Emerging Markets Index (8.00%)

Up to 31 March 2022: MSCI World Index (92.0%), MSCI Emerging Markets Index (8.0%).

Asset allocation (%)



USS Emerging Markets Equity Fund

Aim of fund: To produce a return better than the benchmark, which represents equities in companies in emerging markets. The fund will mainly invest in equities in companies in emerging markets, or that have exposure to emerging markets as a result of generating some of their revenue there. The returns generated by overseas equities are not currency hedged, so may be impacted by currency movements. The fund uses a mix of passive and active management.

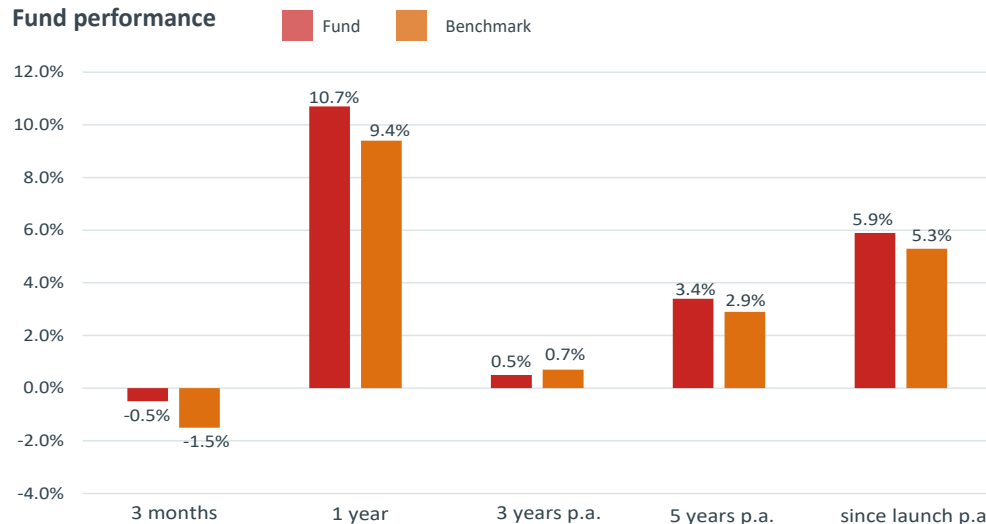
Performance summary

- The Fund delivered negative absolute returns over the quarter, however, it was ahead of its broad market benchmark.
- Emerging markets had a negative quarter, underperforming developed markets more broadly due to concerns around the imposition of tariffs following Donald Trump's election victory, particularly in China.

Risk Measures:

Five-year annualised fund volatility: **15.5%**

Fund performance



Fund Facts

Benchmark	MSCI Emerging Markets Index*
Launch date	3 October 2016
Fees (before subsidy)	0.30%
Fees (after subsidy)	0.00%
Fund Size	£24m
Management style	Mix

*Some of the component parts of the benchmark are lagged by one day, meaning they are measured from one day prior to the start and end dates of the period in question to match the dates at which the respective underlying funds are valued.

Asset allocation (%)



USS Bond Fund

Aim of fund: To produce a return better than the benchmark, which represents a mix of different kinds of bonds. The fund will mainly invest in bonds issued by governments and companies from across the world. The fund is currency hedged, which means its returns are not exposed to movements in the value of Sterling relative to other currencies. The fund is actively managed.

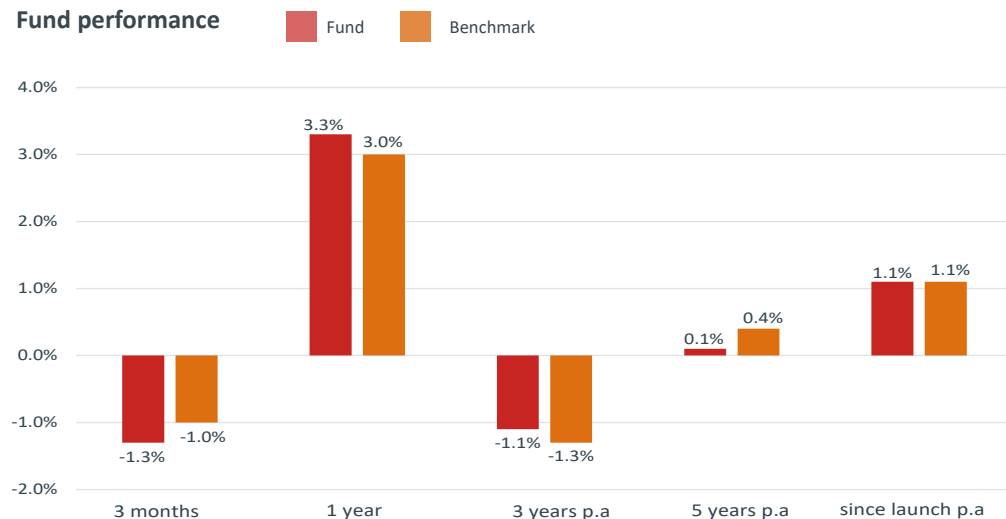
Performance summary

- The Fund delivered negative absolute returns over the quarter and was behind benchmark.
- The last quarter of 2024 was mixed for global bond markets as political and macro-economic events led to heightened volatility. Generally, credit outperformed government bonds with higher yield (lower credit quality) outperforming investment grade.

Risk Measures:

Five-year annualised fund volatility: **5.9%**

Fund performance

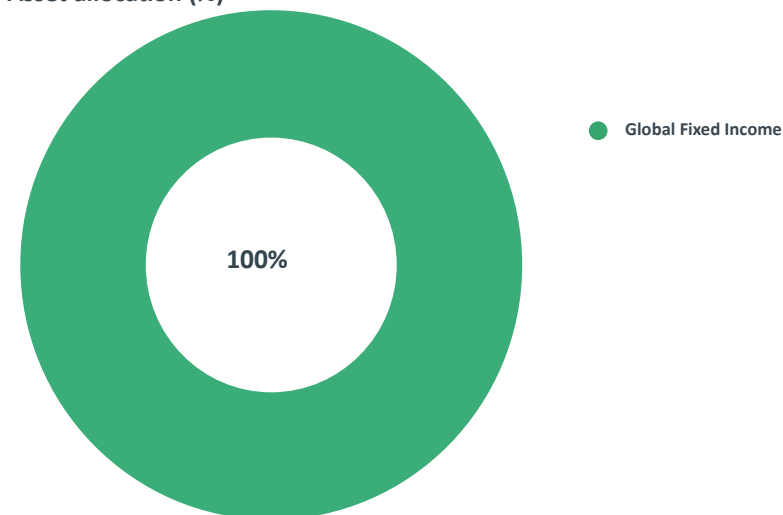


Fund Facts

Benchmark	Composite*
Launch date	3 October 2016
Fees (before subsidy)	0.20%
Fees (after subsidy)	0.00%
Fund Size	£21m
Management style	Active

*Composite Benchmark
 Since 1 October 2020: Barclays Global Aggregate Bond Index (fully currency hedged) (100.0%)
 Up to 30 September 2020: Markit iBoxx GBP Corps All Maturities (25.0%), Barclays Global Aggregate Corporate ex GBP Index (25.0%), FTA Government UK Index Linked Index (25.0%), FTSE Gilts All Stocks Index (25.0%)

Asset allocation (%)



USS Ethical Equity Fund

Aim of fund: To produce a better return than the benchmark over the long term, which represents equities in companies across the world. The fund will aim, so far as is practicable, to invest in shares in companies that meet the [USS Ethical Guidelines](#), which may result in return deviations when compared to the fund's broad market benchmark. The returns generated by overseas equities are not currency hedged, so may be impacted by currency movements. The fund uses a mix of passive and active management.

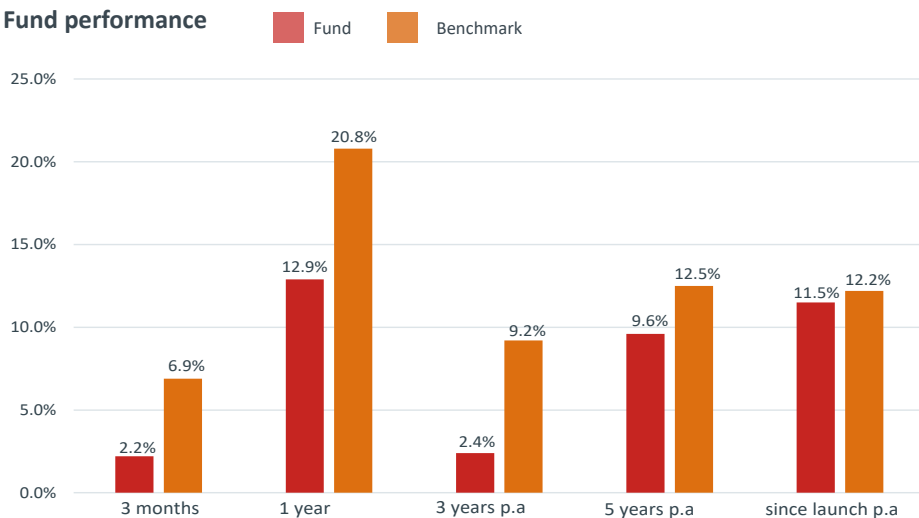
Performance summary

- The Fund delivered positive absolute but negative returns relative to its broad market benchmark over the quarter.
- The Fund invests in accordance with the USS Ethical Guidelines and the actively managed components of the Fund were underweight to some of the best performing stocks compared to the broad market benchmark (AI linked stocks in particular) over 2024.

Risk Measures:

Five-year annualised fund volatility: **13.4%**

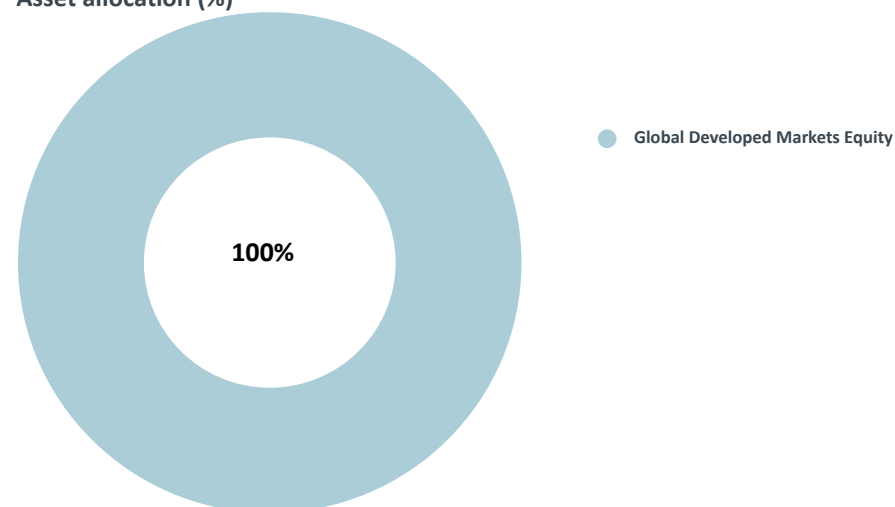
Fund performance



Fund Facts

Benchmark	MSCI World Index
Launch date	3 October 2016
Fees (before subsidy)	0.30%
Fees (after subsidy)	0.00%
Fund Size	£97.9m
Management style	Mix

Asset allocation (%)



USS Sharia Fund

Aim of fund: To rise or fall in line with the benchmark, which represents shares which meet Islamic investment principles. The fund will invest in equities which meet Islamic investment principles. The returns generated by overseas equities are not currency hedged, so may be impacted by currency movements. The fund is passively managed.

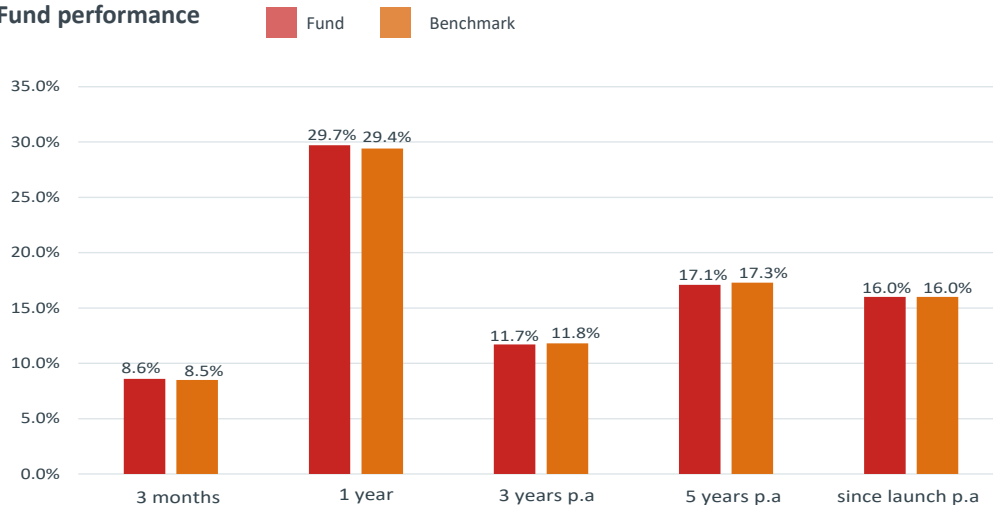
Performance summary

- The Fund delivered positive returns over the quarter.
- The Fund is a global passive index fund investing in equities compliant with Islamic investment principles, so it will tend to hold fewer shares in financial companies (like banks) and more in other sectors, such as technology when compared to global weightings. Higher exposure to technology stocks were a strong driver of fund performance over the quarter.

Risk Measures:

Five-year annualised fund volatility: **14.0%**

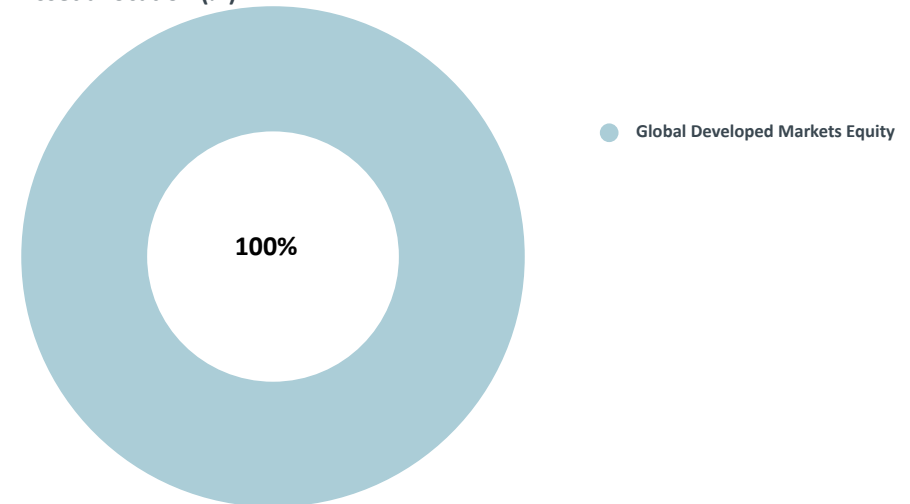
Fund performance



Fund Facts

Benchmark	DJ Islamic Market Titans 100 Index
Launch date	3 October 2016
Fees (before subsidy)	0.30%
Fees (after subsidy)	0.00%
Fund Size	£77.6m
Management style	Passive

Asset allocation (%)



Underlying fund information

The table below shows the underlying funds that make up the funds in the Investment Builder and the International Securities Identification Numbers (ISINs) of the underlying pooled funds.

Fund name	Asset class	Fund(s) used in*														ISIN/Link to fund information
		US\$ Growth	US\$ Moderate Growth	US\$ Cautious Growth	US\$ Liquidity	US\$ Ethical Growth	US\$ Ethical Moderate Growth	US\$ Ethical Cautious Growth	US\$ Ethical Liquidity	US\$ Bond	US\$ Emerging Markets Equity	US\$ UK Equity	US\$ Global Equity	US\$ Ethical Equity	US\$ Sharia	
Blackrock Aquila Connect UK Equity	UK Equity											100%				GB00B00C3Z19
LGIM Climate Tilted Global Developed Markets Equity	Global Developed Markets Equity	54%	31%	18%									90%			n/a*
LGIM Ethical Climate Aware Equity	Global Developed Markets Equity					40%	24%	14%						51%		n/a*
Impax Sustainability Themed Equities	Global Developed Markets Equity					38%	23%	14%						49%		n/a*
HSBC Islamic Global Equity Index	Global Developed Markets Equity														100%	IE000FBTQ920
Blackrock Aquila Connect Emerging Markets	Emerging Markets Equity										52%	10%				GB00B658GJ14
Baillie Gifford Emerging Markets Growth	Emerging Markets Equity										24%					GB0006057060
USSIM Global Emerging Markets	Emerging Markets Equity	7%	4%	2%							24%					n/a*
HSBC UK Corporate Bond	UK Investment Grade Credit	0%	3%	5%												n/a*
HSBC Global Investment Grade Credit	Global Investment Grade Credit	2%	10%	15%												n/a*
Bluebay Global High Yield Bond	Global High Yield	4%	8%	7%												n/a*
Wellington Opportunistic Emerging Markets Debt Fund	Emerging Market Bonds	2%	3%	3%												IE00BMFZWD04
Wellington Emerging Local Debt Fund	Emerging Market Bonds	2%	3%	3%												IE00BMFZWF28
TwentyFour ABS Monument Bond Fund	Asset-backed Securities		3%	5%												GB00BDD9NJ41
LGIM UK Nominal	Nominal Bonds	0%	1%	4%		0%	2%	4%								Fund information
LGIM Overseas Bond Index (hedged)	Nominal Bonds	0%	1%	4%		0%	2%	4%								Fund information
LGIM Global Inflation Linked Bond (hedged)	Index Linked Bonds	3%	3%	6%		2%	3%	6%								Fund information
LGIM UK Index Linked Short Term	Index Linked Bonds	0%	2%	6%		0%	2%	6%								Fund information
LGIM UK Index Linked Long Term	Index Linked Bonds	2%	2%	0%		1%	2%	0%								Fund information
Columbia Threadneedle Responsible Sterling Corporate Bond	UK Investment Grade Credit					11%	35%	45%								GB00BD3GLZ71
Robeco QI Global Multi-Factor Bonds	Global Bonds									100%						LU2207421996
PMG UK Property	Private Markets	4%	4%	4%		5%	5%	5%								n/a*
PMG Core Infrastructure	Private Markets	6%	5%	3%												n/a*
PMG Secure Credit (Short Duration)	Private Markets		5%	7%												n/a*
PMG Opportunistic Infrastructure	Private Markets	3%	3%	2%												n/a*
PMG Inflation Linked Credit	Private Markets	1%	1%	1%												n/a*
PMG Secure Credit (Long Duration)	Private Markets	1%	1%	1%												n/a*
PMG Long Income Property	Private Markets	1%	1%	1%												n/a*
PMG Renewables and Natural Capital	Private Markets	2%	1%	1%		2%	2%	2%								n/a*
PMG Co Investment Alternative Income	Private Markets	2%	2%	2%												n/a*
PMG Co Investment Private Equity	Private Markets	4%	3%													n/a*
LGIM Sterling Liquidity	Liquidity	0%	0%	0%	100%	0%	0%	0%	99%							Fund information
BlackRock Government Sterling Liquidity	Liquidity					0%	0%	0%	1%							IE00B40L6351
		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

As at 31 December 2024 and subject to change at any time. Figures may not sum to 100% due to rounding
*Some underlying funds in the Investment Builder are not collective pooled funds, which means they do not have an ISIN.

Important information

Performance shown is after any subsidy, within the relevant USS Fund.

Past performance is not a guide to future performance and so should not solely be relied upon by members when making investment decisions. The value of investments may go down as well as up and the return of your investments is not guaranteed.

Each Universities Superannuation Scheme ('USS') Fund objective and benchmark has been determined by Universities Superannuation Scheme Limited (the 'Trustee'), who is responsible for selecting funds in the USS range, which may be added to, removed or replaced from time to time. The Trustee may also change the objective and/or benchmark(s) for any of the USS Funds from time to time. Member selections are to the relevant USS Fund(s) and are not to or made in respect of any underlying fund manager. The underlying fund manager(s) can be changed at any time. In certain circumstances your investments could be diverted to another fund(s).

The information and data contained in this report have been obtained from Northern Trust and the underlying fund managers and is not verified by the Trustee. The Trustee does not represent that such information is accurate or complete and it should not be relied on as such. Neither the Trustee nor the third-party sources accept responsibility for any loss caused to any recipient of this document as a result of any error, inaccuracy or incompleteness of this information or as a result of any third-party error. Any opinions expressed in this report are the Trustee's own views and may change.

This quarterly report has been produced by the Trustee and should be read in conjunction with the USS Member Guide and the USS Investment Guide, available on our website.

This report and the data contained therein is for information purposes only and is valid as at the date of publication. It does not consider your personal circumstances and does not constitute financial advice or a recommendation to make (or refrain from making) any kind of investment decision. If you are not sure what's best for you, or do not understand the terminology used herein, we recommend you speak to a financial adviser before making any decisions in relation to your investments or any changes to them. You can find a financial adviser at www.unbiased.co.uk. You may be charged a fee for any advice you receive.

Fees may be changed at any time by the Trustee and members should check the latest version of this report and the USS website for the current fees and any proposed changes to them. Information about the Investment Builder default investment strategy and the costs and transaction charges for the Investment Builder funds can also be found in the 'Chair's defined contribution statement' in the Governance section of the USS Report and Accounts, available on our website. Part or all of the charges are currently covered by a subsidy paid by employers. This subsidy is expected to remain in place for a number of years. Members who transfer other pension savings in to USS do not benefit from the employer subsidy on that portion of their pension savings.

Our investment glossary is designed to help you better understand the world of investing. Find out what different terms used throughout this report means: uss.co.uk/how-we-invest/investment-glossary