

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.

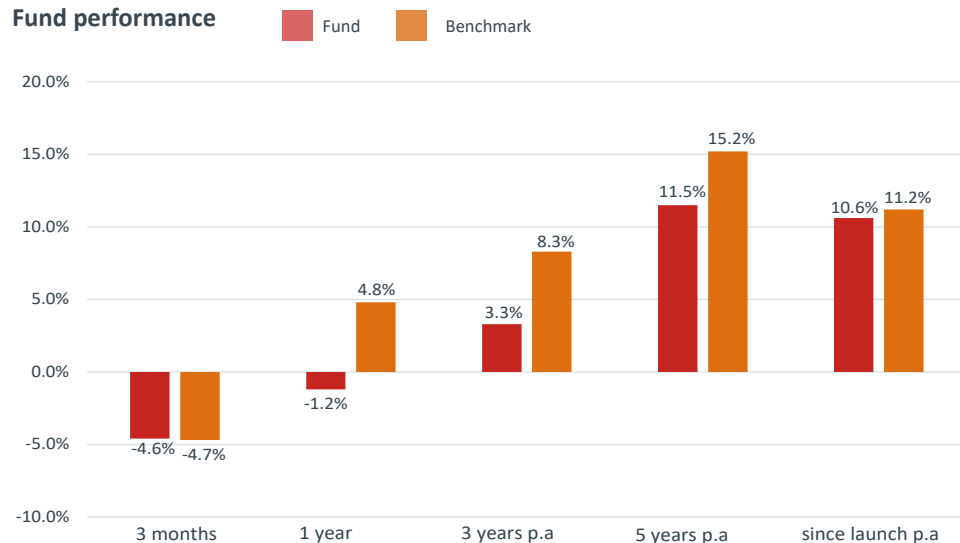
Performance summary

- The Fund delivered negative absolute return but marginally positive 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 worst performing stocks compared to the broad market benchmark (AI linked stocks in particular).

Risk Measures:

Five-year annualised fund volatility: **13.2%**

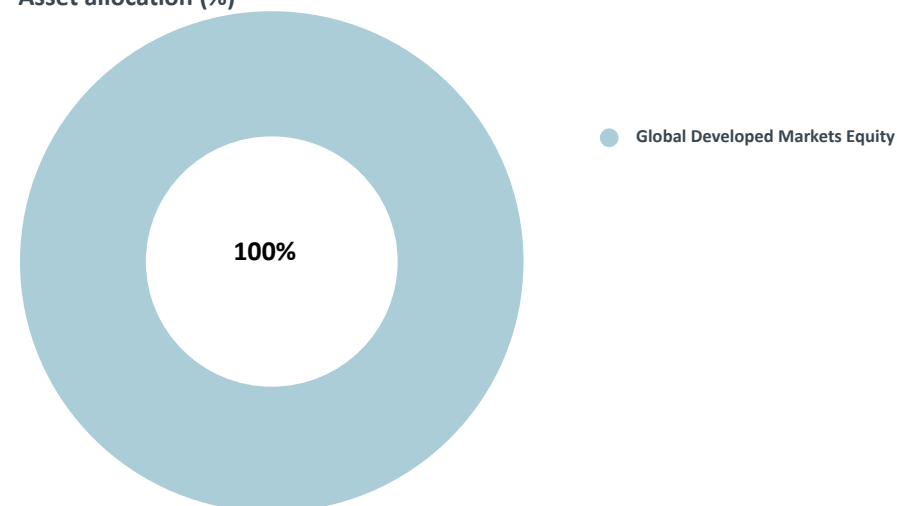
Fund performance



Fund Facts

Benchmark	MSCI World Index
Launch date	3 October 2016
Fees (before subsidy)	0.30%
Fees (after subsidy)	0.00%
Fund Size	£93.9m
Management style	Mix

Asset allocation (%)



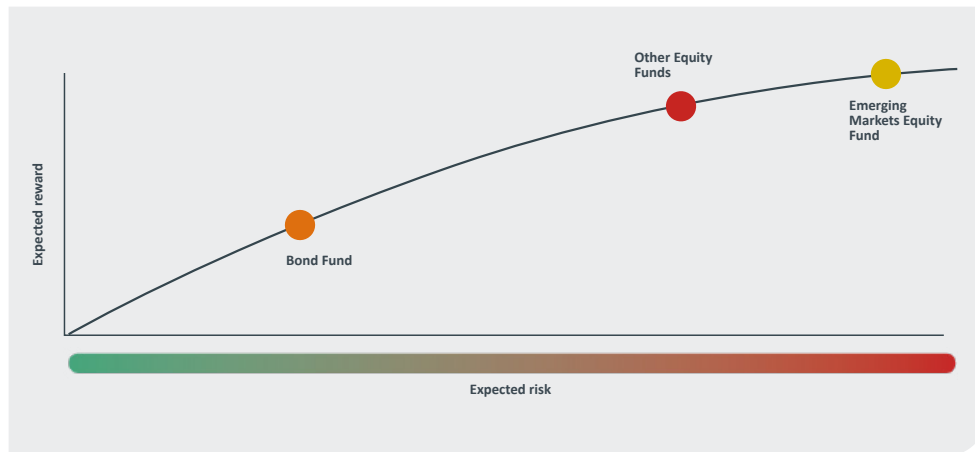
Performance and risk metrics:

Let Me Do It

Comparative risk

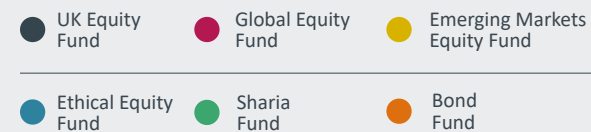
Risk Factor

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.

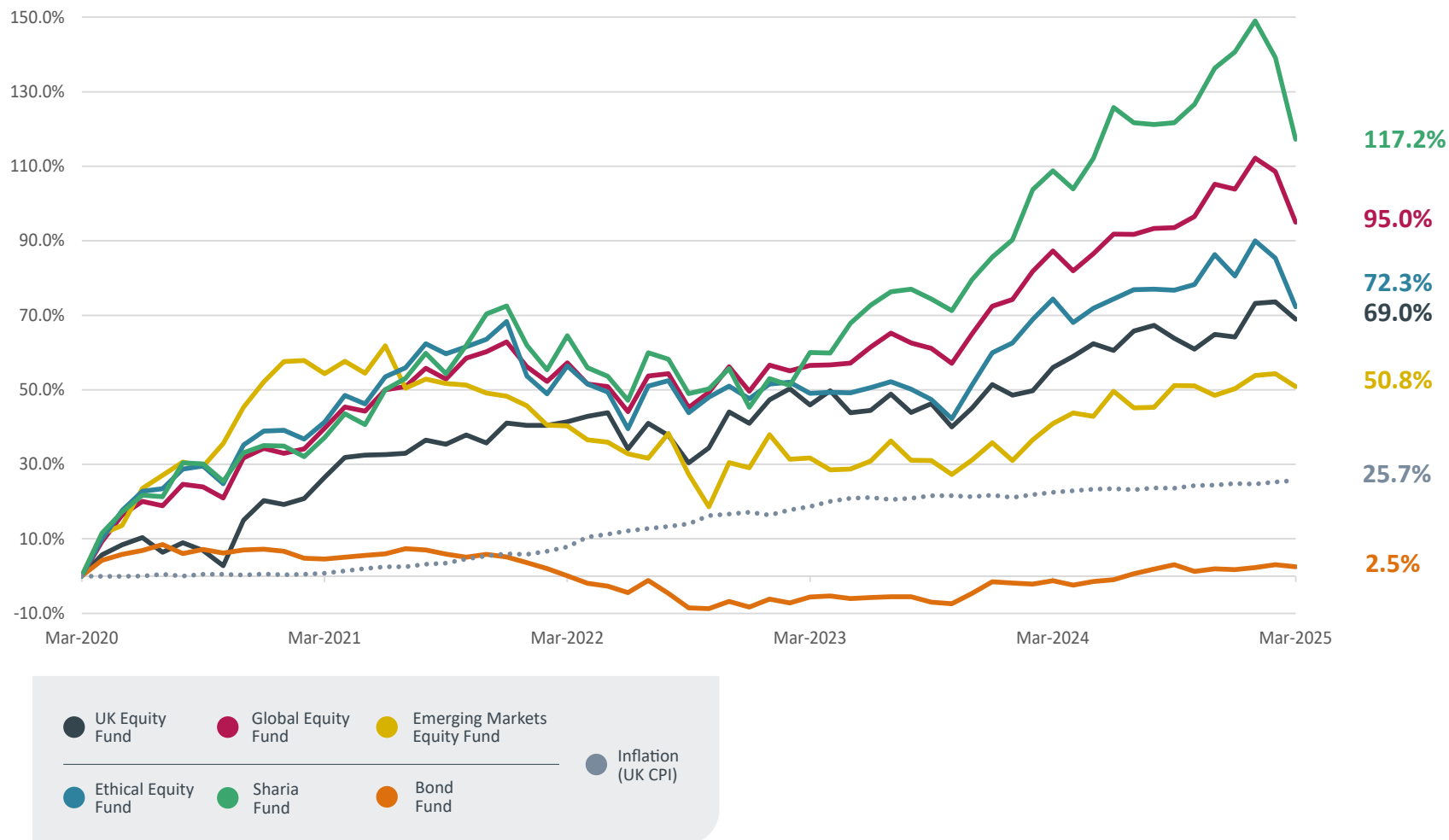


Performance and risk metrics:

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.



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 Superannual 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