

USS

# QUARTERLY INVESTMENT REPORT Q4 2025

As of 31 December 2025



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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.

## 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) oversees your money. Some of our investments are directly managed by a team of in-house investment professionals but we also select and monitor a range of external investment managers. Our investment managers can adapt to the ever-changing markets – and help towards building a more secure financial future for you.

### Your investment choices

When we make investments, we think about the impact of financially material environmental, social and governance (ESG) issues. In addition, all our members with Defined Contributions (DC) savings in the Investment Builder have the choice to invest in our ethical 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 savings 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 mean:

[uss.co.uk/how-we-invest/investment-glossary](https://uss.co.uk/how-we-invest/investment-glossary)



## Investment commentary October 2025 - December 2025

Global markets advanced over the quarter, driven by easing inflation, expectations of further central bank cuts and strong corporate earnings. Non-US equities and emerging markets outperformed driven by relatively attractive global valuations and a weaker US dollar.

Despite the quarter's strong performance, volatility remains elevated as investors stay wary of shifting fiscal policy, unpredictable government actions, and broader geopolitical and inflationary pressures.

### Global market momentum persists as investors navigate uncertainty

- Global equities posted gains in the fourth quarter, supported by easing financial conditions as major central banks, including the US Federal Reserve, continued to lower interest rates. Declining borrowing costs strengthened risk appetite and helped most regions finish the year near cycle highs. Emerging markets outperformed developed markets, aided by supportive monetary policy and solid contributions from several export driven economies. Although year-end profit taking slowed momentum, global sentiment remained positive, underpinned by resilient earnings and expectations of further moderate policy easing in 2026.
- Global bond markets posted mixed results in the fourth quarter. UK gilts outperformed, supported by a Budget that was broadly welcomed by the market and a December rate cut from the Bank of England. US Treasury returns were more subdued despite further Federal Reserve easing, while Eurozone and Japanese government bond yields generally moved higher (meaning prices fell). Investment grade credit delivered positive total returns as sentiment improved, and high yield markets also advanced, supported by tighter spreads and a more constructive economic backdrop.
- The performance of the scheme's private market investments was positive over the quarter. Private Equity and Infrastructure investments in particular contributed positively to performance. 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.
- Equity markets drove performance in the Default Investment Option, 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 USS Growth funds, this is largely due to underperformance of the active equity manager within the Ethical Lifestyle Option.
- In the Let Me Do It investment options, performance was positive across all funds. Passively managed funds performed broadly in line with their benchmarks. Active funds delivered mixed relative performance over the quarter: the Emerging Markets Equity Fund outperformed its benchmark while the Ethical Equity Fund and Bond Fund underperformed. The UK Equity Fund was the strongest performer in absolute terms.

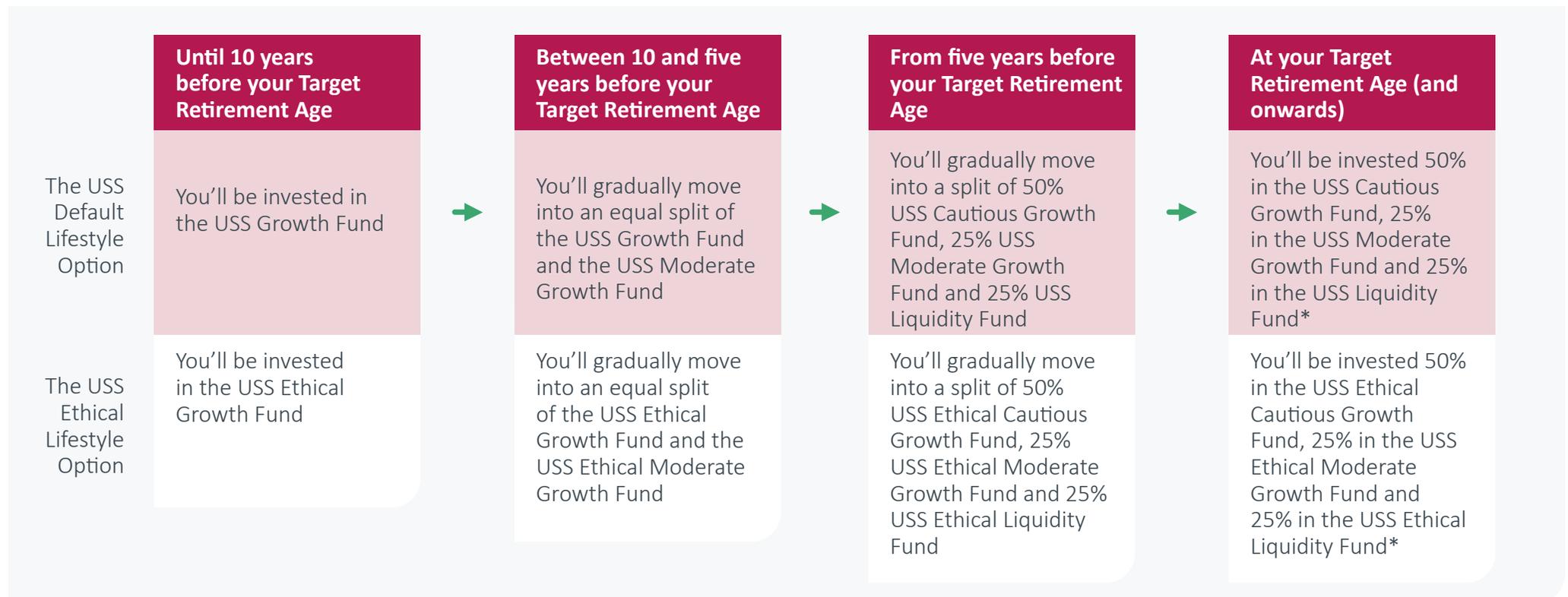
**£4.195m**

in assets under management  
as at 31 December 2025

## Lifestyling explained: Do It For Me Option

If you select the Do It For Me 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 permit withdrawals) but there won't be any further automatic moving in the investments after you've reached your TRA.

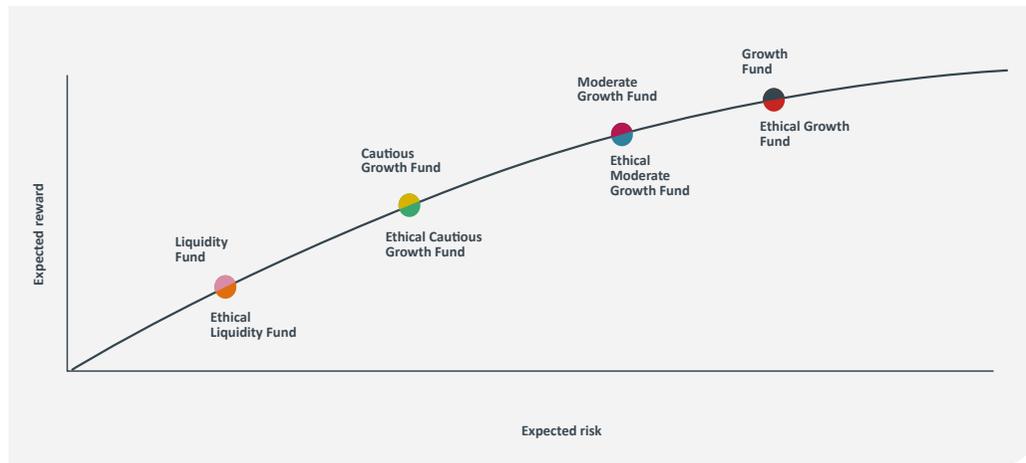
The breakdown of the funds within the lifestyle options shown and how they move over time may be subject to change from time to time, so it is important for you to refer to the latest version of this guide for the most up to date information.

# Performance and risk metrics: Do It For Me funds

## Comparative risk

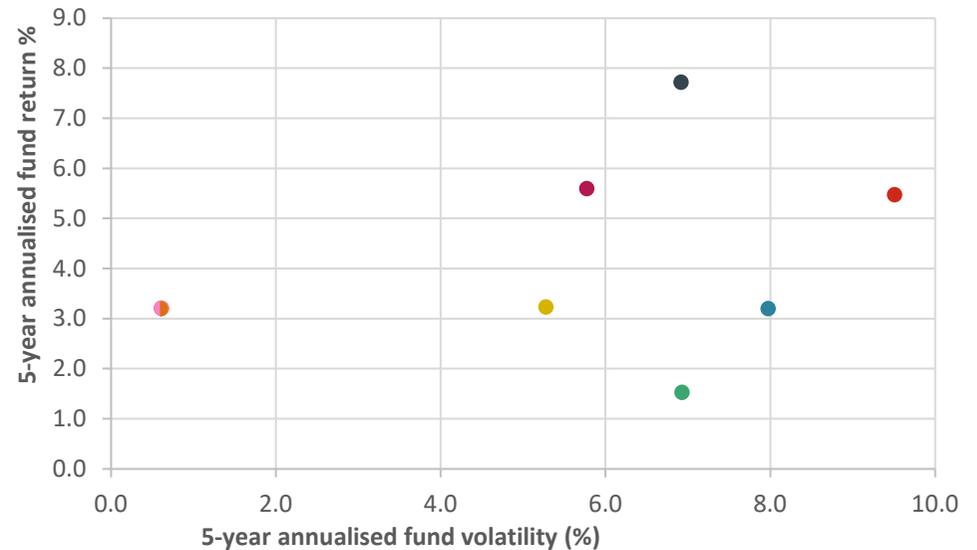
### Risk factor

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

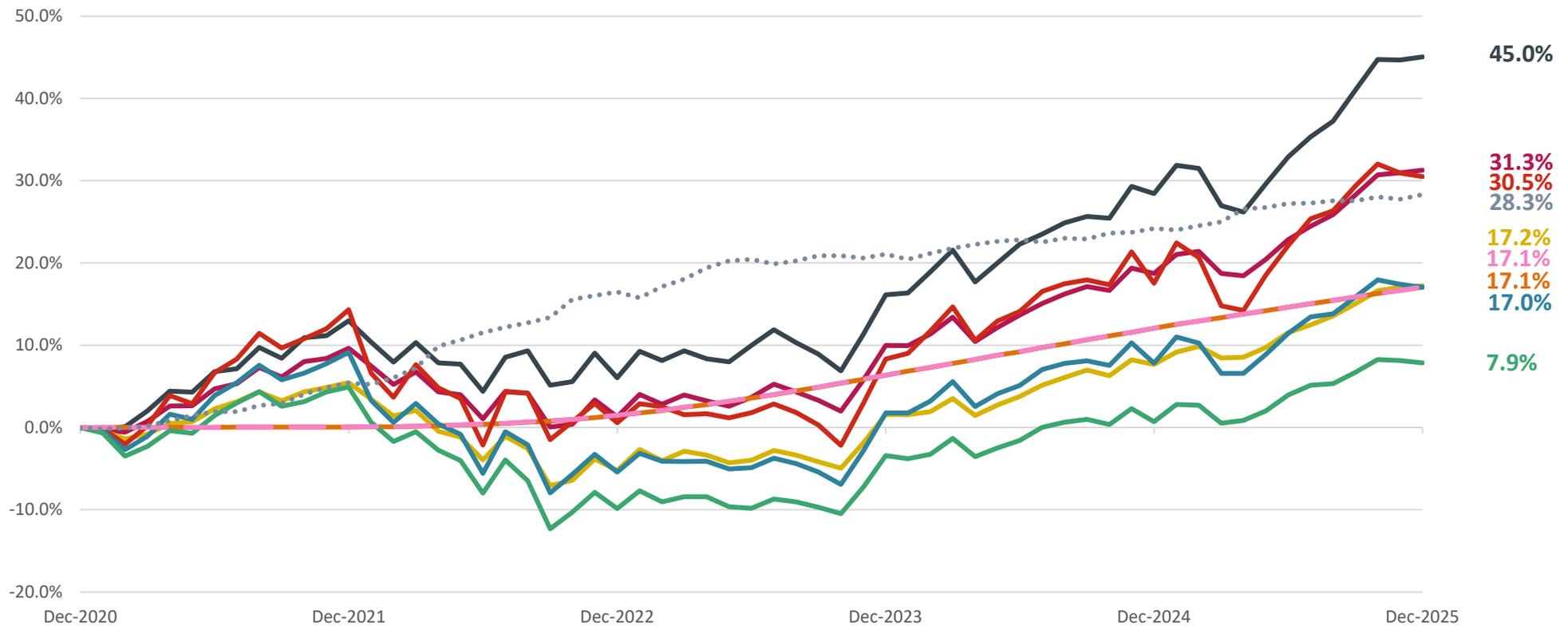
This chart shows a comparison of the realised risk and return of the Do It For Me funds (after subsidy) over a 5 year period.



# Performance and risk metrics: Do It For Me funds

## 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.

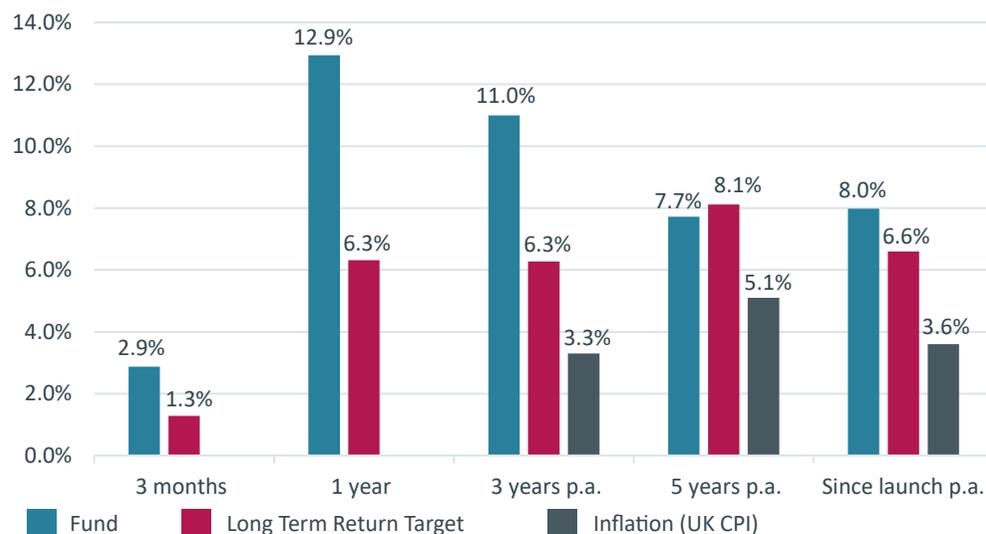


- Growth Fund
- Moderate Growth Fund
- Cautious Growth Fund
- Liquidity Fund
- Ethical Growth Fund
- Ethical Moderate Growth Fund
- Ethical Cautious Growth Fund
- Ethical Liquidity Fund
- Inflation (UK CPI)

## 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.

### Fund performance



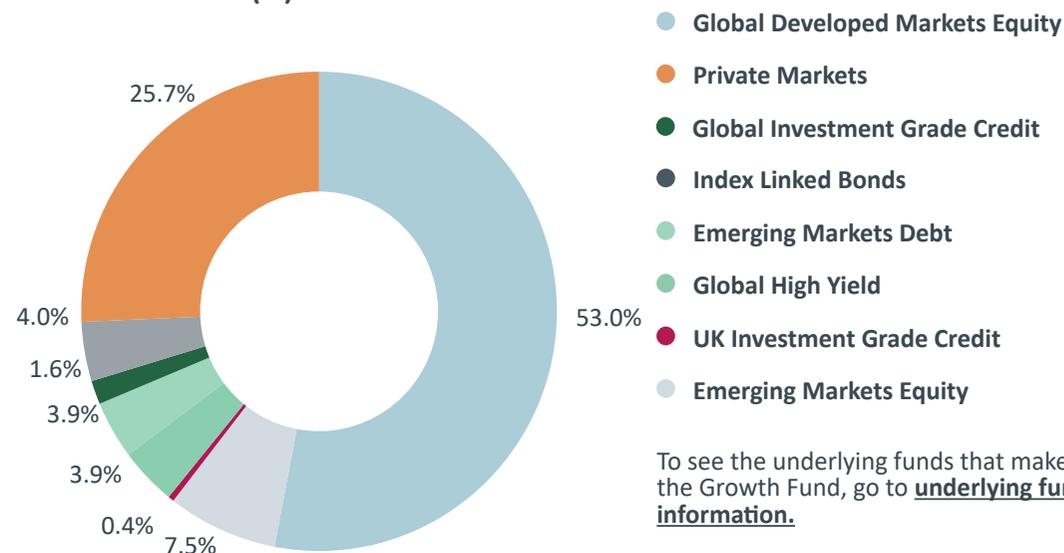
### Performance summary

- The Fund delivered positive returns over the quarter, driven mostly by its allocation to global developed markets equities, which delivered steady returns over the period.
- The Fund is ahead of its Long-Term Return Target over one and three year periods, with the underperformance over the last 5 years resulting from the high inflationary environment experienced.

### Risk Measures:

Five-year annualised fund volatility: **6.9%**

### Asset allocation (%)



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

### 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 **£2,424.1m**

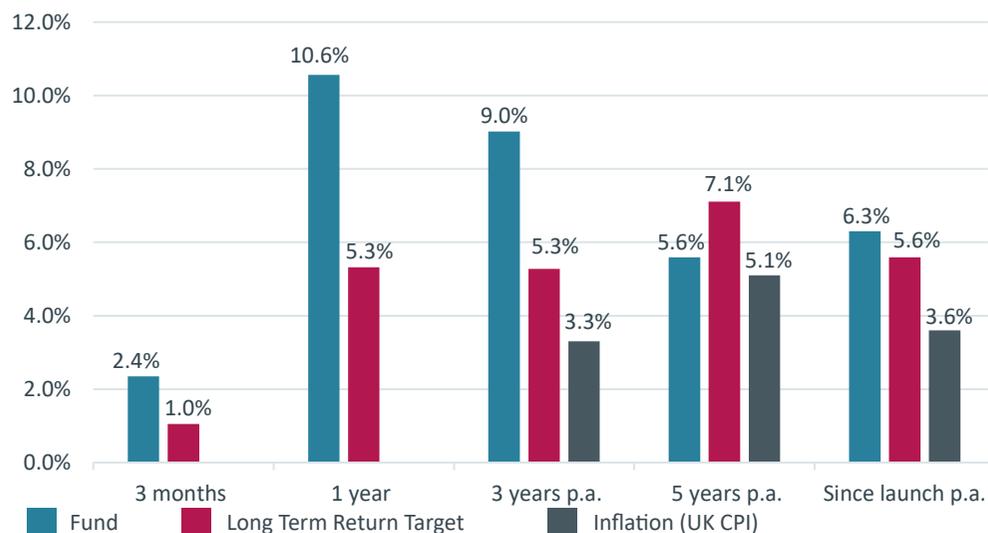
Management style **Mix**

\*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 on the How we invest page.](#)

# 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.

## Fund performance



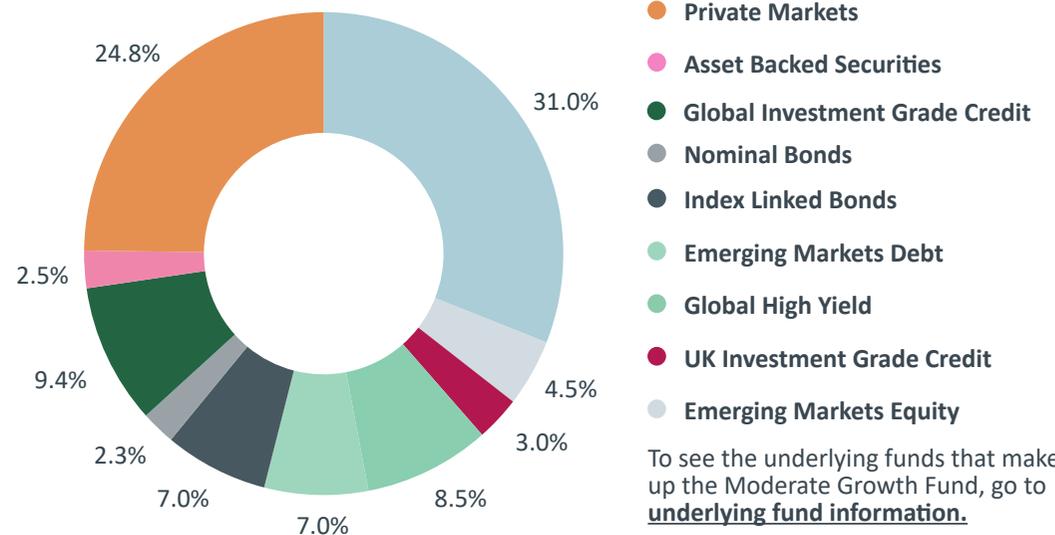
## Performance summary

- The Fund delivered positive returns over the quarter, driven mostly by its allocation to global developed markets equities, which delivered steady returns over the period.
- The Fund is ahead of its Long-Term Return Target over one and three year periods, with the underperformance over the last 5 years resulting from the high inflationary environment experienced.

### Risk Measures:

Five-year annualised fund volatility: **5.8%**

## Asset allocation (%)



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

## 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 **£552.7m**

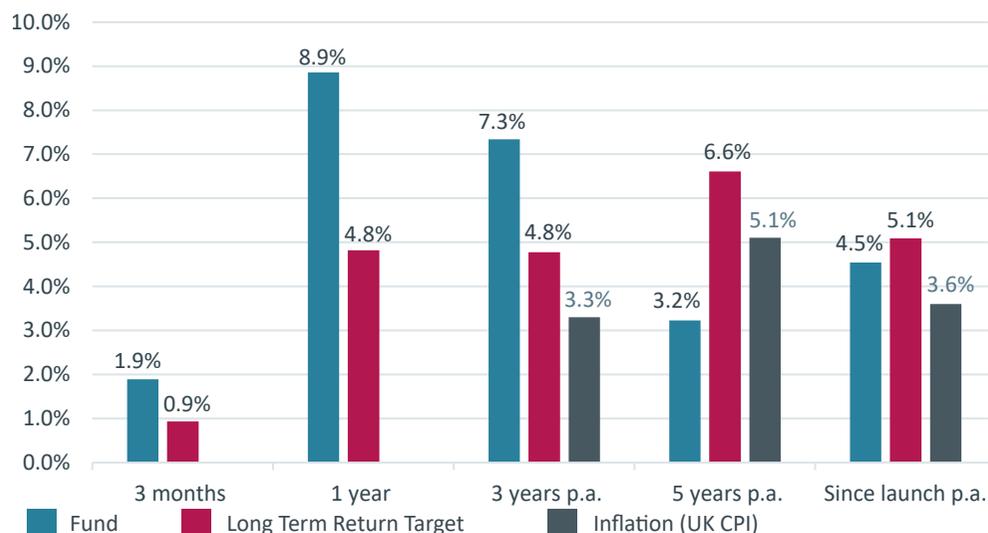
Management style **Mix**

\*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 on our How we invest page.](#)

## 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.

### Fund performance



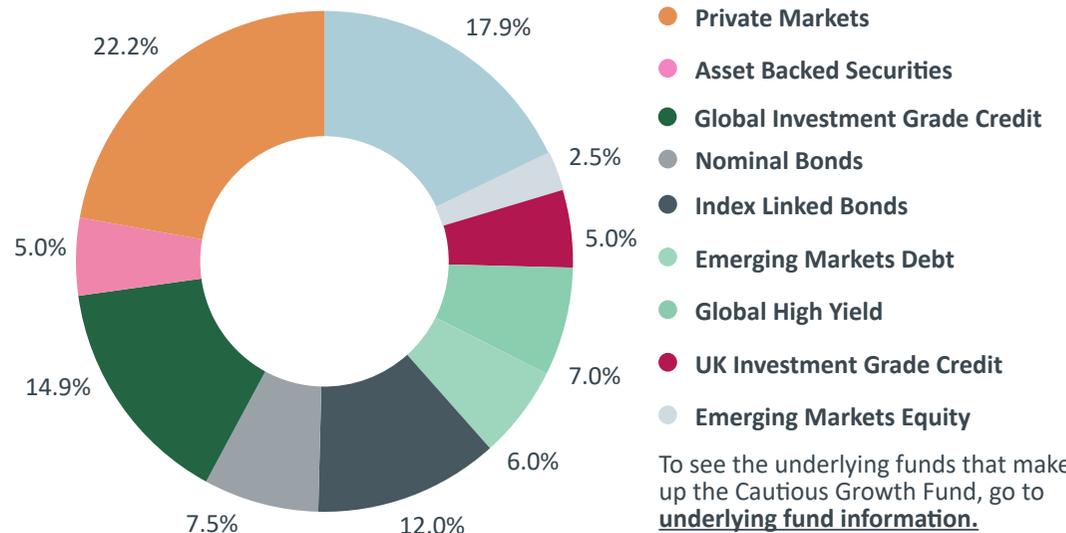
### Performance summary

- The Fund delivered positive returns over the quarter, driven mostly by its allocation to global developed markets equities, which delivered steady returns over the period.
- The Fund is ahead of its Long-Term Return Target over one and three year periods, with the underperformance over the last 5 years resulting from the high inflationary environment experienced.

### Risk Measures:

Five-year annualised fund volatility: **5.3%**

### Asset allocation (%)



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

### 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 **£292.0m**

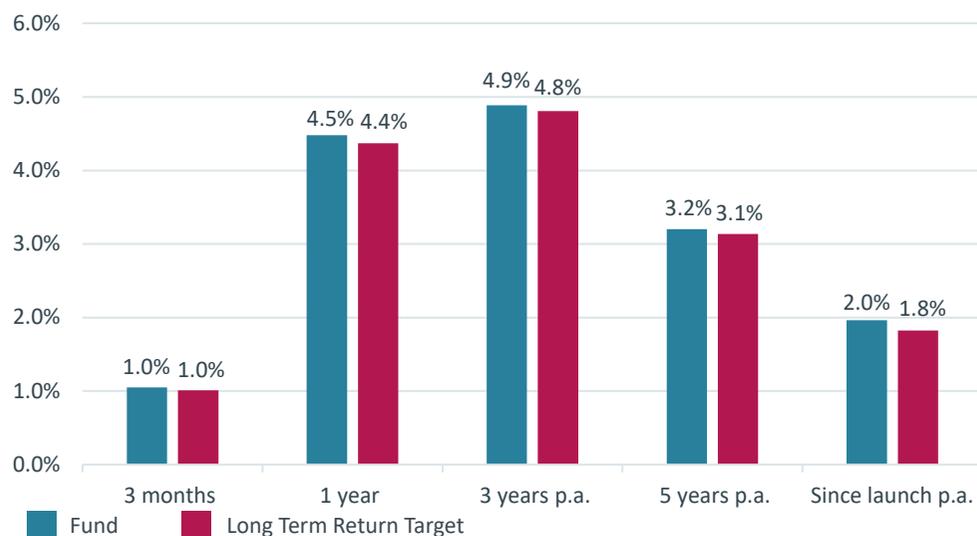
Management style **Mix**

\*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 on our How we invest page.](#)

## 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 companies.

### Fund performance



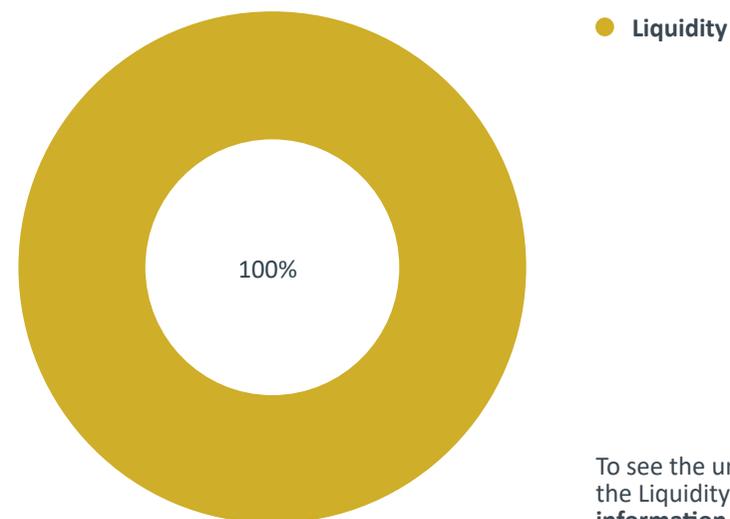
### Performance summary

- 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 December, to 3.75%.

### Risk Measures:

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

### Asset allocation (%)



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

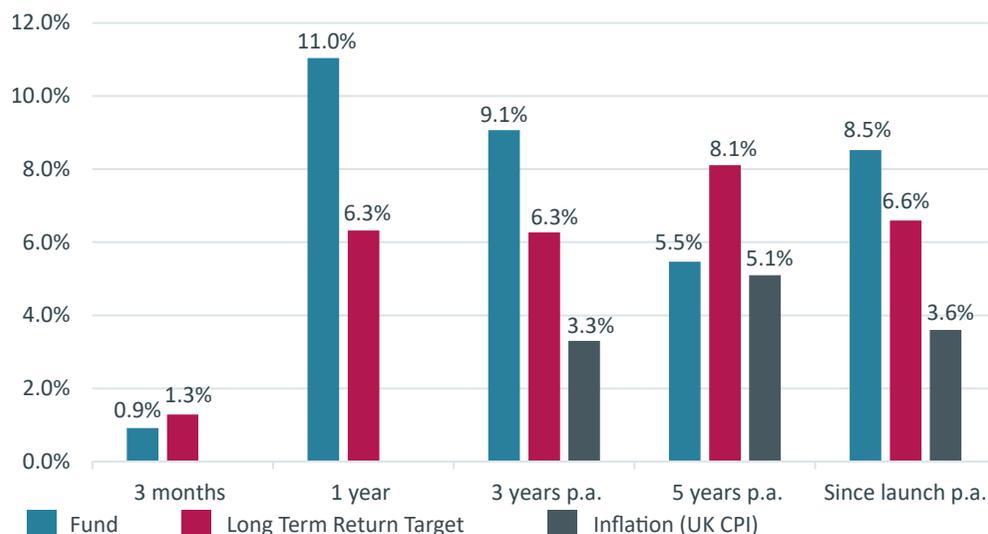
### Fund Facts

Benchmark	<b>SONIA*</b>	*Benchmark Since 1 October 2021: Bank of England's SONIA (Sterling Overnight Index Average) interest rate.
Launch date	<b>3 October 2016</b>	
Fees (before subsidy)	<b>0.10%</b>	Up to 30 September 2021: 7-day GBP London Interbank Bid Rate.
Fees (after subsidy)	<b>0.00%</b>	
Fund Size	<b>£189.1m</b>	
Management style	<b>Active</b>	

# 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.

## Fund performance



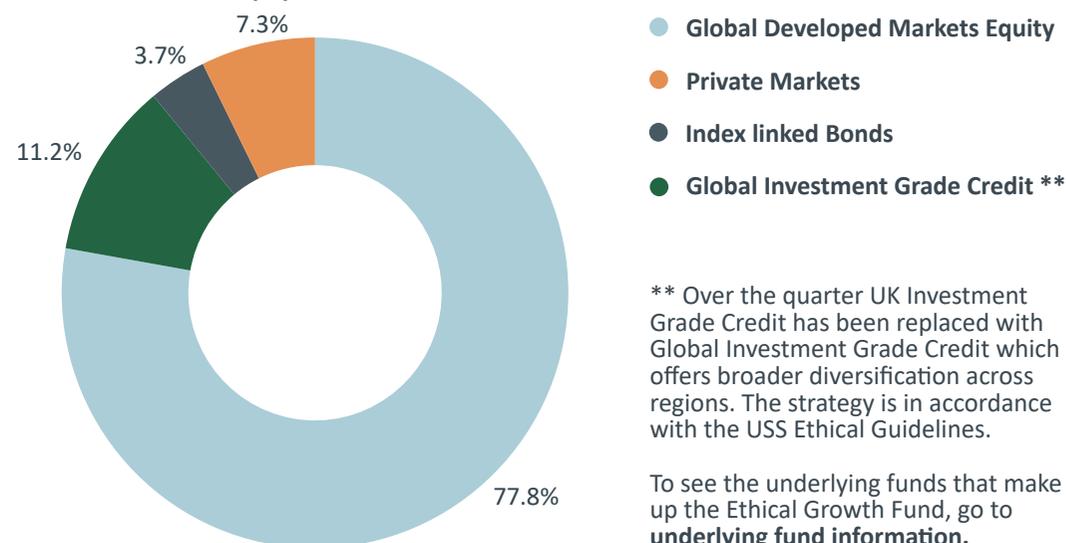
## Performance summary

- The Fund delivered positive absolute returns over the quarter, driven mostly by its allocation to global developed markets equity.
- The Fund is ahead of its Long-Term Return Target over one and three year periods, with the underperformance over the last 5 years resulting from the high inflationary environment experienced.

## Risk Measures:

Five-year annualised fund volatility: **9.5%**

## Asset allocation (%)



- Global Developed Markets Equity
- Private Markets
- Index linked Bonds
- Global Investment Grade Credit \*\*

\*\* Over the quarter UK Investment Grade Credit has been replaced with Global Investment Grade Credit which offers broader diversification across regions. The strategy is in accordance with the USS Ethical Guidelines.

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

## 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 **£151.4m**

Management style **Mix**

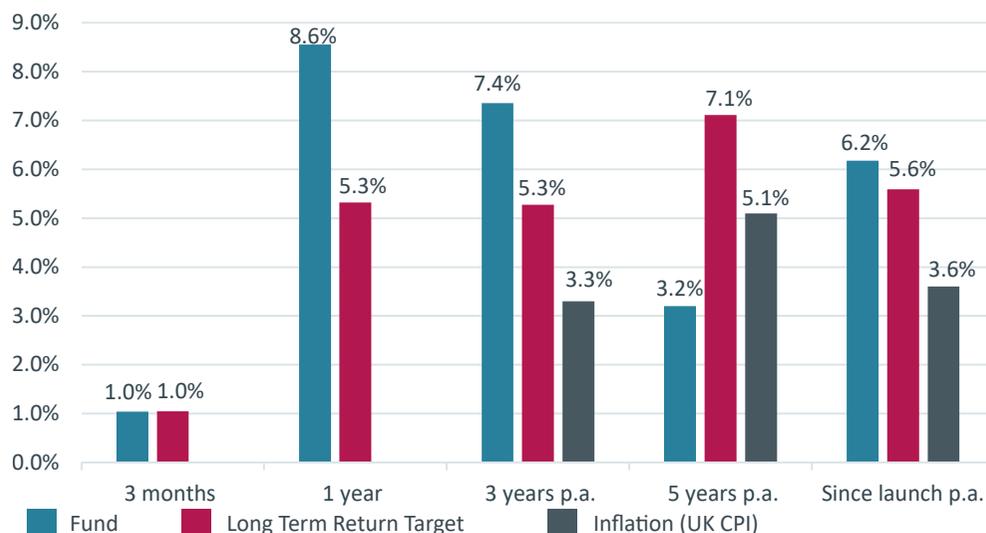
\* The USS Ethical Growth funds, which make up part of the Ethical Lifestyle Option, the Do It For Me Option, have a long-term return target above the Consumer Price Index (CPI) measure of inflation, instead of an objective and benchmark based on a market comparator. [Find out more on our How we invest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

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

# 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.

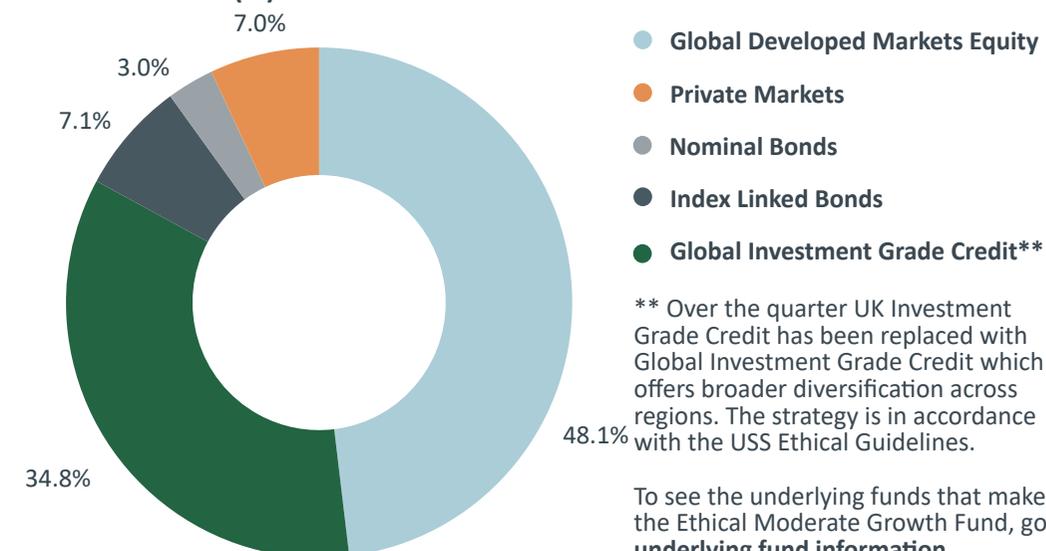
## Fund performance



## Performance summary

- The Fund delivered positive returns over the quarter, driven mostly by its allocation to global fixed income.
- The Fund is ahead of its Long-Term Return Target over one and three year periods, with the underperformance over the last 5 years resulting from the high inflationary environment experienced.

## Asset allocation (%)



- Global Developed Markets Equity
- Private Markets
- Nominal Bonds
- Index Linked Bonds
- Global Investment Grade Credit\*\*

\*\* Over the quarter UK Investment Grade Credit has been replaced with Global Investment Grade Credit which offers broader diversification across regions. The strategy is in accordance with the USS Ethical Guidelines.

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

## Fund Facts

Long Term Return Target	<b>CPI +2.0% p.a.*</b>
Launch date	<b>3 October 2016</b>
Fees (before subsidy)	<b>0.30%</b>
Fees (after subsidy)	<b>0.00%</b>
Fund Size	<b>£34.4m</b>
Management style	<b>Mix</b>

\* The USS Ethical 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 on our How we invest page.](#)

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

## Risk Measures:

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

# 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.

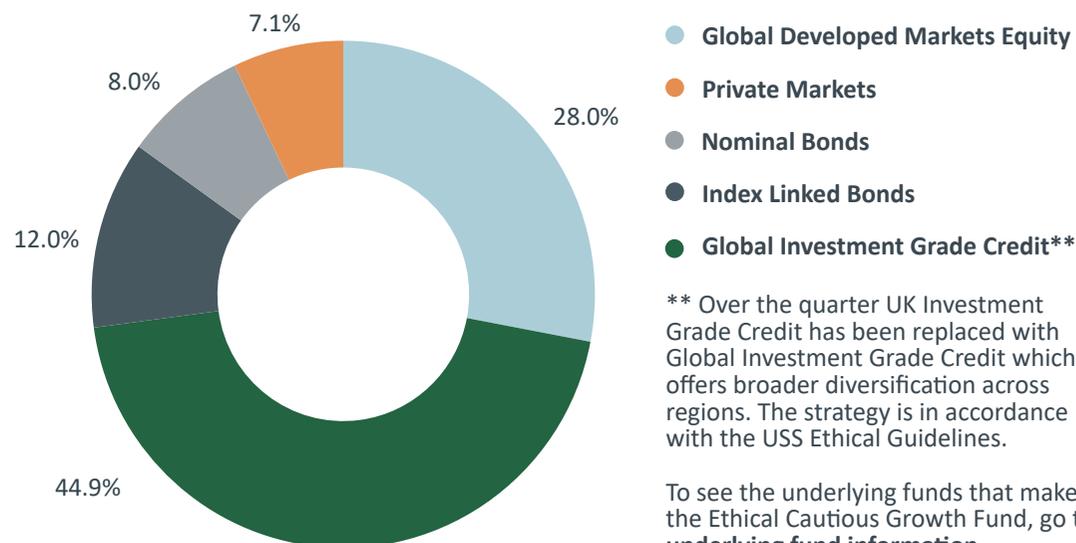
## Fund performance



## Performance summary

- The Fund delivered positive returns over the quarter, driven mostly by its allocation to global fixed income.
- The Fund is ahead of its Long-Term Return Target over one and three year periods, with the underperformance over the last 5 years resulting from the high inflationary environment experienced.

## Asset allocation (%)



- Global Developed Markets Equity
- Private Markets
- Nominal Bonds
- Index Linked Bonds
- Global Investment Grade Credit\*\*

\*\* Over the quarter UK Investment Grade Credit has been replaced with Global Investment Grade Credit which offers broader diversification across regions. The strategy is in accordance with the USS Ethical Guidelines.

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

## Fund Facts

Long Term Return Target	<b>CPI +1.5% p.a.*</b>
Launch date	<b>3 October 2016</b>
Fees (before subsidy)	<b>0.30%</b>
Fees (after subsidy)	<b>0.00%</b>
Fund Size	<b>£17.6m</b>
Management style	<b>Mix</b>

\* The USS Ethical 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 on our How we invest page.](#)

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

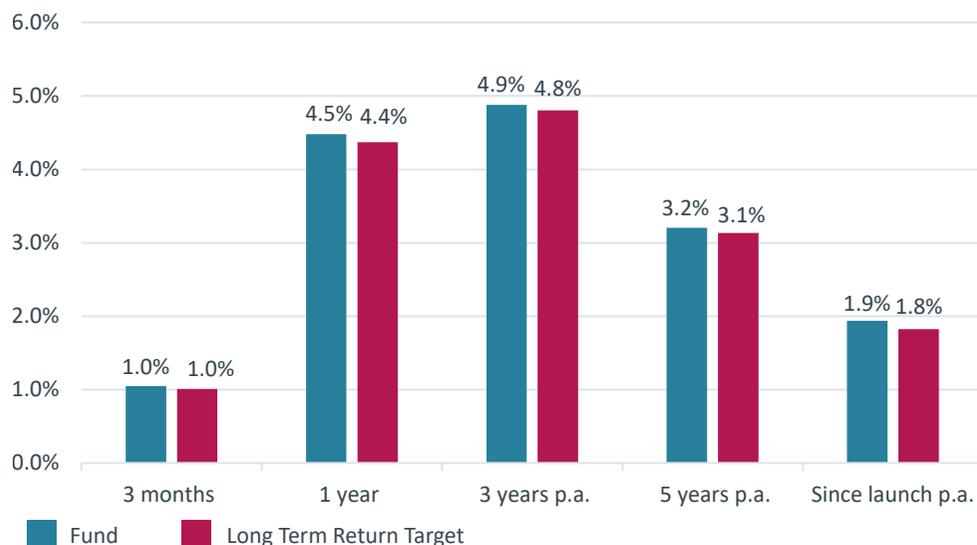
## Risk Measures:

Five-year annualised fund volatility: **6.9%**

# 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 companies. The Fund will aim, so far as is practicable, to invest in investments that meet the [USS Ethical Guidelines](#).

## Fund performance



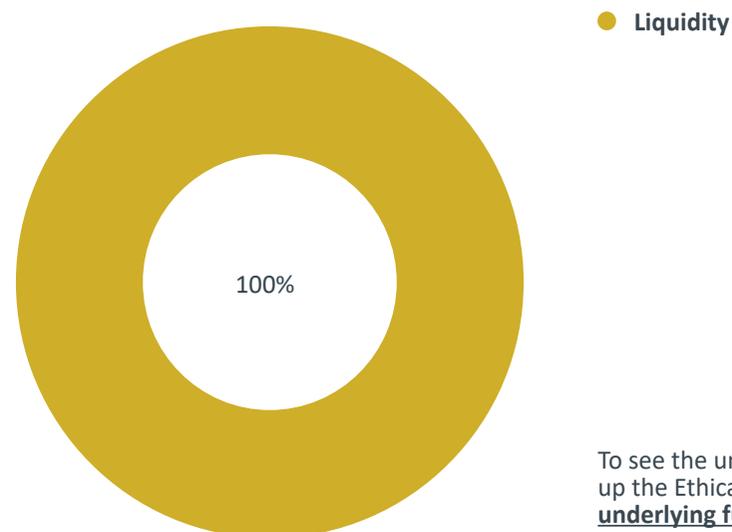
## Performance summary

- 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 December, to 3.75%.

### Risk Measures:

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

## Asset allocation (%)



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

## Fund Facts

Benchmark **SONIA\***

Launch date **3 October 2016**

Fees (before subsidy) **0.10%**

Fees (after subsidy) **0.00%**

Fund Size **£8.9m**

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.

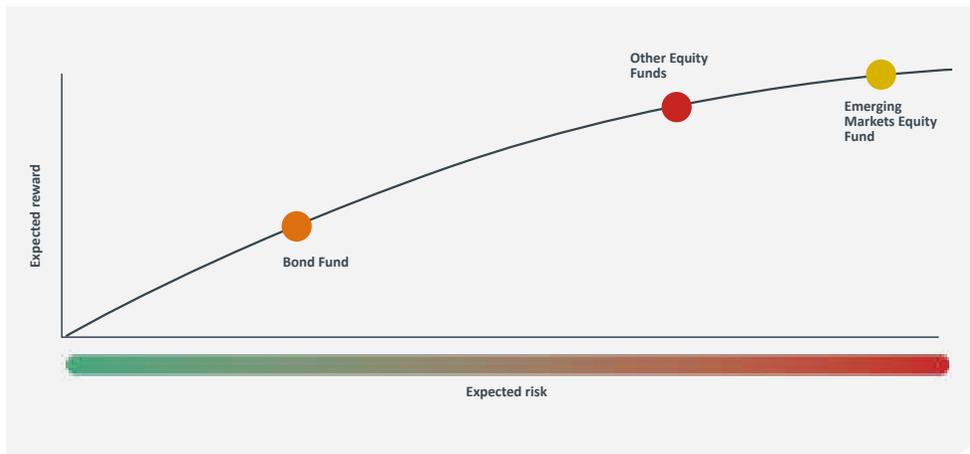
The USS Ethical Liquidity Fund is only available within the Ethical Lifestyle Option and is not available as a self-select option.

# Performance and risk metrics: Let Me Do It funds

## Comparative risk

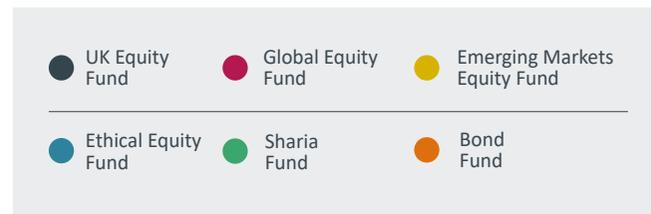
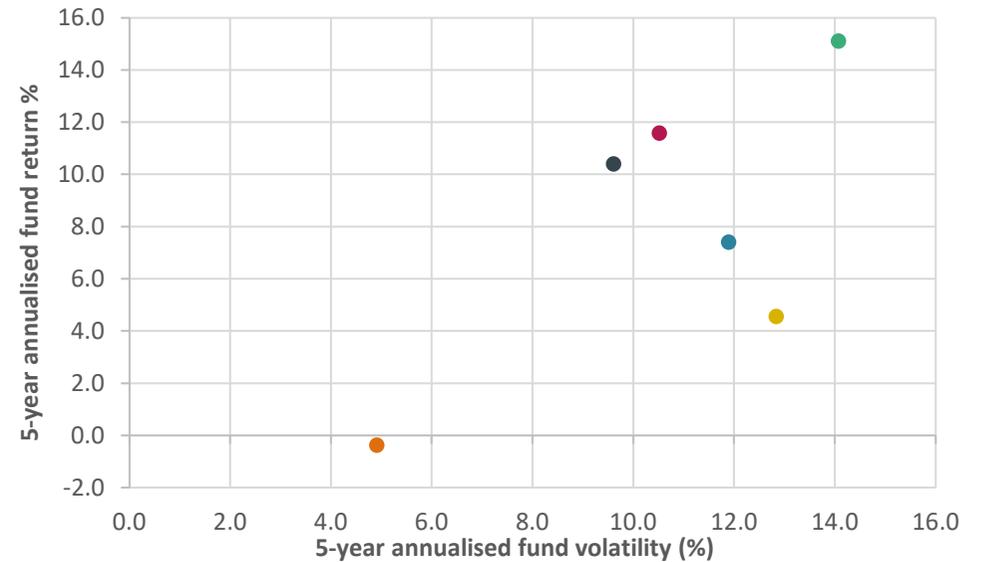
### Risk factor

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

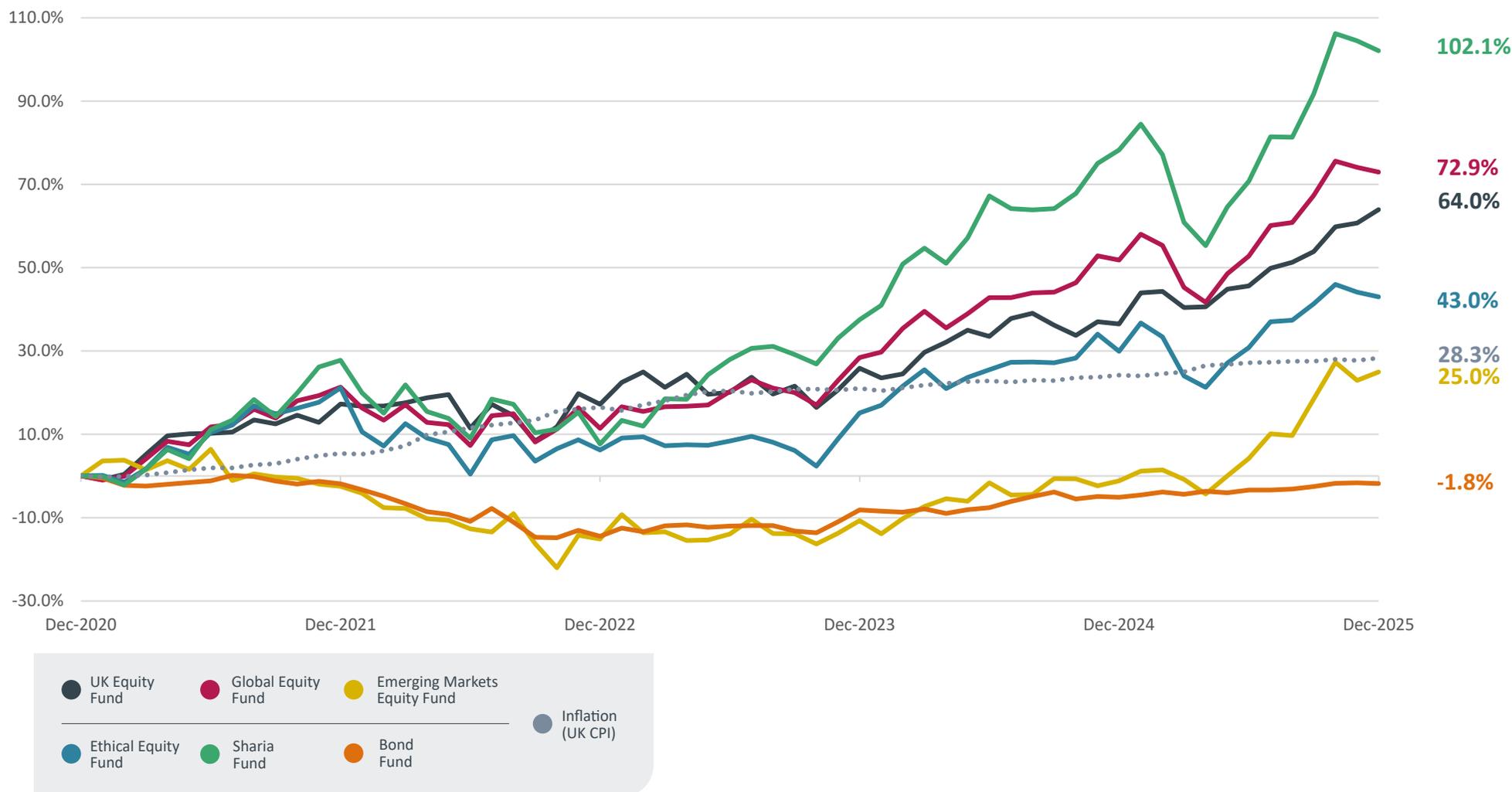
This chart shows a comparison of the realised risk and return of the Let Me Do It funds (after subsidy) over a 5 year period.



# Performance and risk metrics: Let Me Do It funds

## Cumulative performance

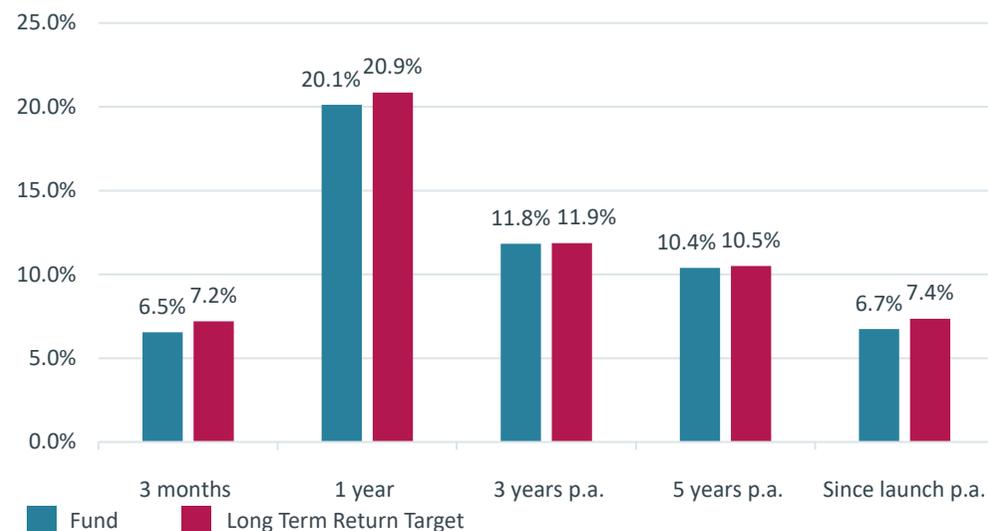
This chart shows the cumulative performance of USS funds against the Consumer Price Index (CPI) over a 5 year period. CPI is a good indicator of inflation as it measures the change in price of consumer goods and services. 5-year cumulative performance is the increase or decrease of returns as a percentage 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 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.

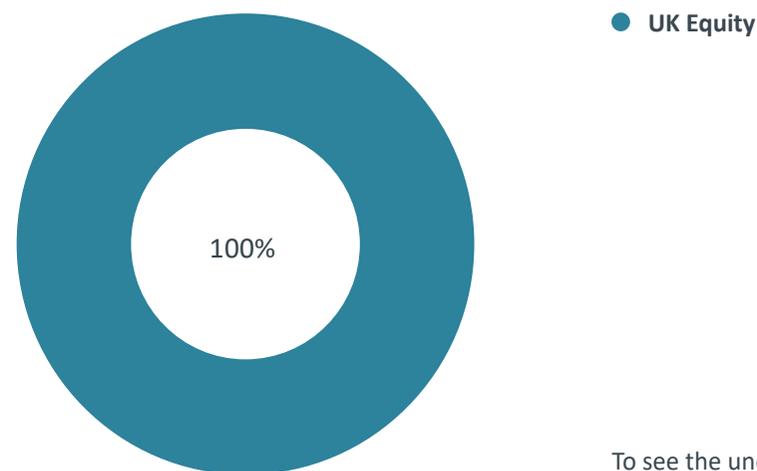
## Fund performance



## Performance summary

- The Fund delivered positive absolute returns over the quarter.
- UK equities were positive over the quarter, helped by easing inflation and growing expectations of further interest rate cuts. Confidence improved across most sectors, with interest rate sensitive areas like real estate and consumer-focused businesses performing well.

## Asset allocation (%)



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

## 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	£45.7m
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 on our How we invest page.](#)

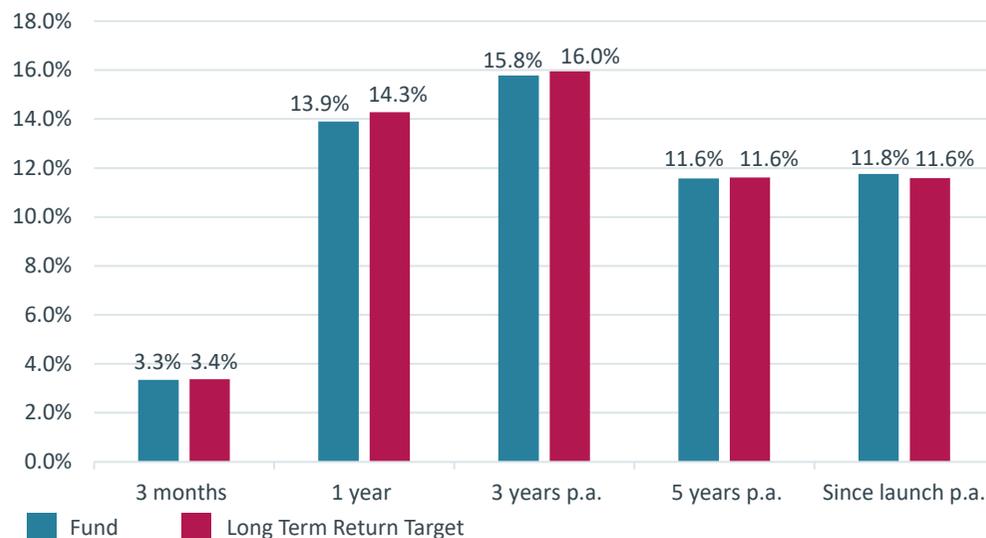
## Risk Measures:

Five-year annualised fund volatility: **9.6%**

# 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.

## Fund performance



## Performance summary

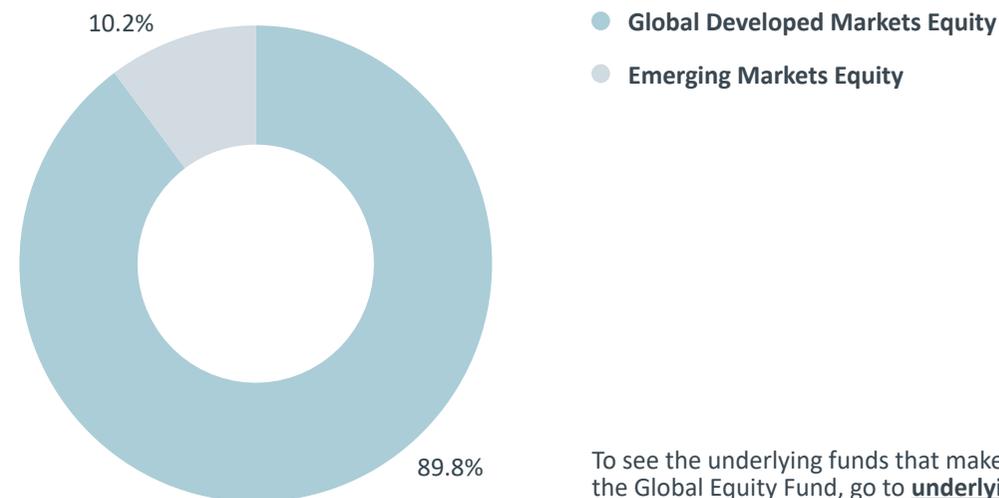
- The Fund delivered positive absolute returns over the quarter.
- Markets benefited from broader participation beyond mega cap technology, with value stocks outperforming growth as investor sentiment improved.
- In Q4 2024, the fund benchmark was changed, from Solactive USS Developed Markets Climate 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, which happened on 11 November 2024, 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.

### Risk Measures:

Five-year annualised fund volatility: **10.5%**

Q4 2025

## Asset allocation (%)



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

## Fund Facts

Benchmark **Composite\***

Launch date **3 October 2016**

Fees (before subsidy) **0.10%**

Fees (after subsidy) **0.00%**

Fund Size **£218.2m**

Management style **Passive**

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

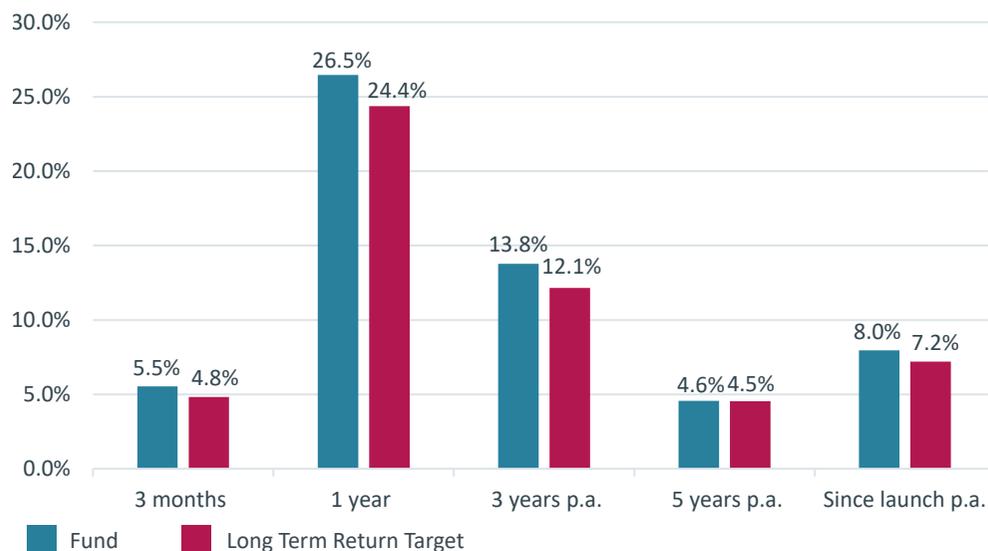
From 1 April 2022 to 11 November 2024: Solactive USS Developed Markets Climate Transition Benchmark (92.00%), MSCI Emerging Markets Index (8.00%)

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

# 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.

## Fund performance



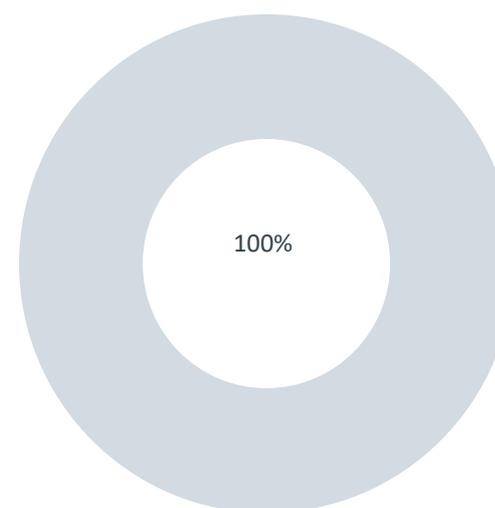
## Performance summary

- The Fund delivered positive absolute returns over the quarter and was ahead of its benchmark.
- Emerging markets outperforming developed markets supported by a broader risk on sentiment, rotation from US stocks and a weaker US dollar.

### Risk Measures:

Five-year annualised fund volatility: **12.8%**

## Asset allocation (%)



● Emerging Markets Equity

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

## Fund Facts

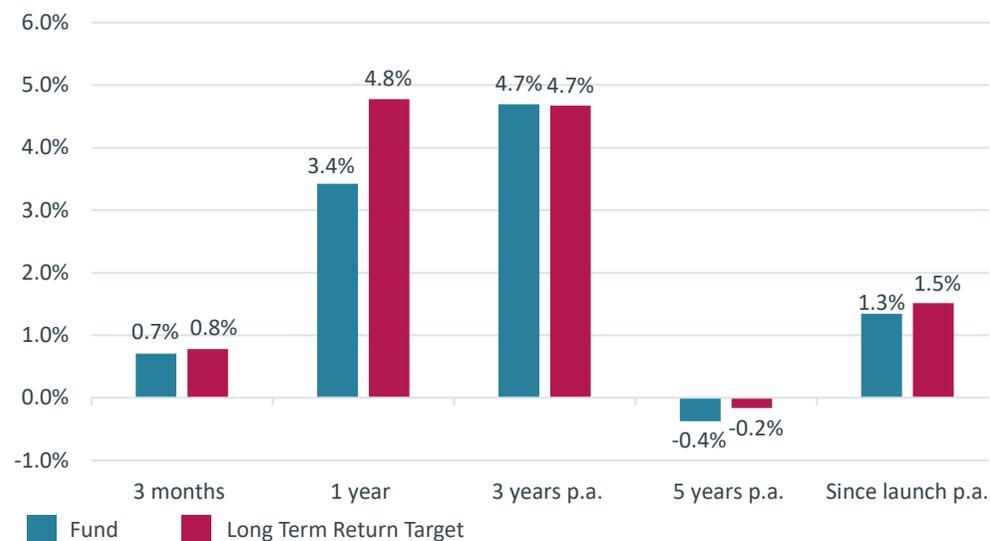
Benchmark	<b>MSCI Emerging Markets Index*</b>
Launch date	<b>3 October 2016</b>
Fees (before subsidy)	<b>0.30%</b>
Fees (after subsidy)	<b>0.00%</b>
Fund Size	<b>£36.2m</b>
Management style	<b>Mix</b>

\*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.

# 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.

## Fund performance



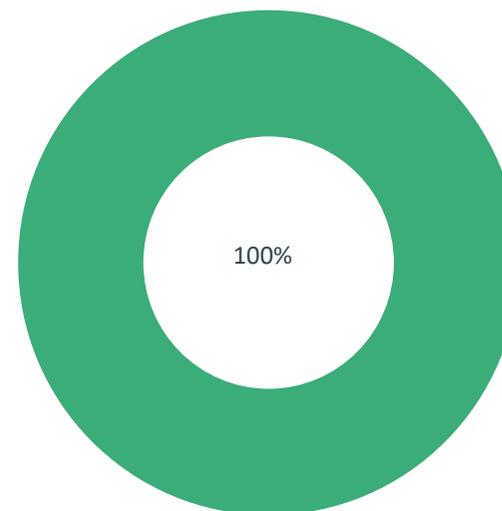
## Performance summary

- The Fund delivered positive absolute returns over the quarter but was behind the benchmark.
- The performance of fixed income markets was broadly positive over the period, with corporate bonds generally outperforming government bonds.

### Risk Measures:

Five-year annualised fund volatility: **4.9%**

## Asset allocation (%)



● Global Fixed Income

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

## Fund Facts

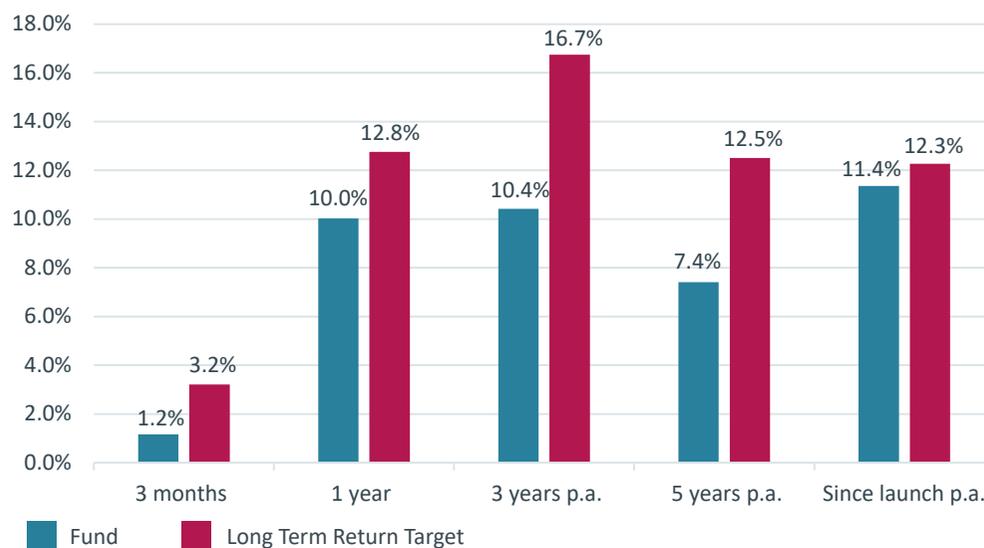
Benchmark	<b>Composite</b>
Launch date	<b>3 October 2016</b>
Fees (before subsidy)	<b>0.20%</b>
Fees (after subsidy)	<b>0.00%</b>
Fund Size	<b>£24.0m</b>
Management style	<b>Active</b>

\*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%)

# 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.

## Fund performance



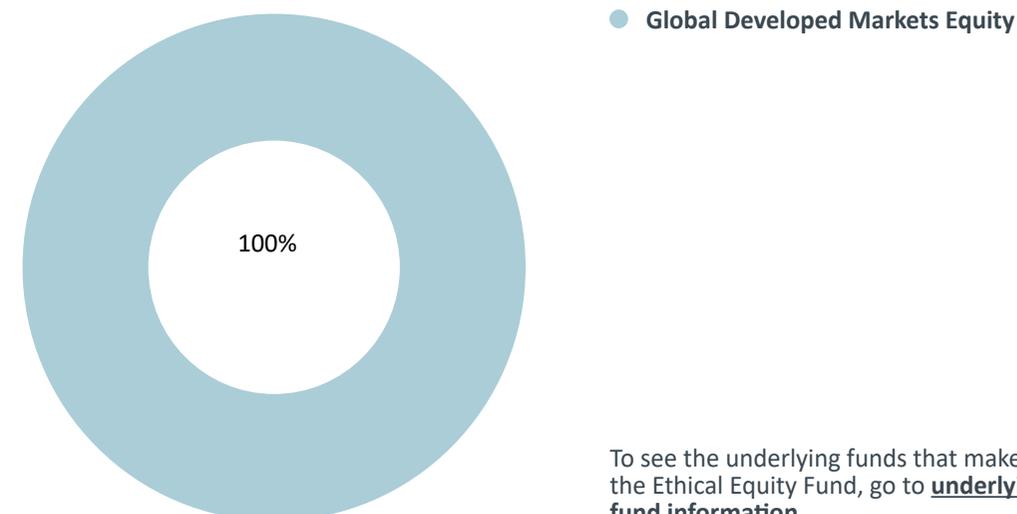
## Performance summary

- The Fund delivered positive absolute returns but lagged behind its broad market benchmark over the quarter due to underperformance from the active equity manager.
- The active manager underperformance was driven by holdings in the materials and industrials sectors.
- The Fund invests in accordance with the USS Ethical Guidelines.

### Risk Measures:

Five-year annualised fund volatility: **11.9%**

## Asset allocation (%)



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

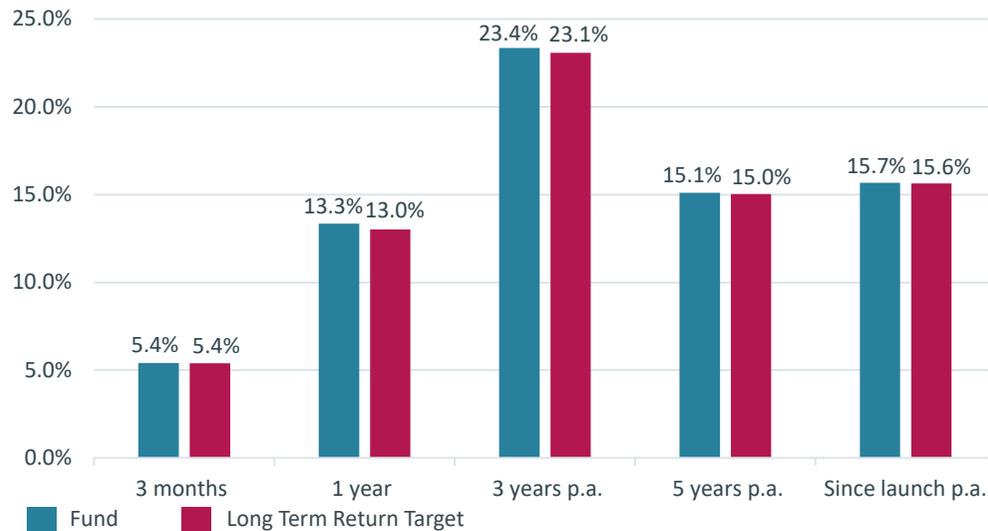
## Fund Facts

Benchmark	MSCI World Index
Launch date	3 October 2016
Fees (before subsidy)	0.30%
Fees (after subsidy)	0.00%
Fund Size	£104.8m
Management style	Mix

# 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.

## Fund performance



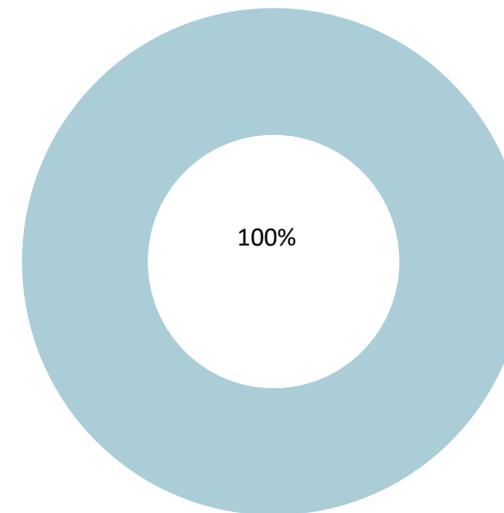
## Performance summary

- 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. Technology stocks were the primary driver of positive performance over the quarter.

### Risk Measures:

Five-year annualised fund volatility: **14.1%**

## Asset allocation (%)



● Global Developed Markets Equity

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

## Fund Facts

Benchmark*	<b>DJ Islamic Market Titans 100 Index</b>
Launch date	<b>3 October 2016</b>
Fees (before subsidy)**	<b>0.30%</b>
Fees (after subsidy)	<b>0.00%</b>
Fund Size	<b>£95.8m</b>
Management style	<b>Passive</b>

\*On the 23 March 2026, the fund's benchmark will change to the S&P Global 1200 Sharia Select Index.

This benchmark offers broader diversification across sectors and regions.

\*\*The fees (before subsidy) will reduce from 0.30% to 0.20% on 1 March 2026.

## 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
		USS Growth	USS Moderate Growth	USS Cautious Growth	USS Liquidity	USS Ethical Growth	USS Ethical Moderate Growth	USS Ethical Cautious Growth	USS Ethical Liquidity	USS Bond	USS Emerging Markets Equity	USS UK Equity	USS Global Equity	USS Ethical Equity	USS Sharia	
BlackRock Aquila Connect UK Equity	UK Equity											100%				GB00B00C3Z19
LGIM Climate Tilted Global Developed Markets Equity	Global Developed Markets Equity	53%	31%	18%									90%			n/a*
LGIM Ethical Climate Aware Equity	Global Developed Markets Equity					39%	24%	14%						50%		n/a*
Impax Sustainability Themed Equities	Global Developed Markets Equity					39%	24%	14%						50%		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	8%	4%	2%							24%					n/a*
HSBC UK Corporate Bond	UK Investment Grade Credit	0%	3%	5%												n/a*
T-Rowe Price Ethically Screened Global Corporate Bonds	Global Investment Grade Credit					11%	35%	45%								n/a*
HSBC Global Investment Grade Credit	Global Investment Grade Credit	2%	9%	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		2%	5%												GB00BDD9NJ41
LGIM UK Nominal	Nominal Bonds	0%	2%	4%		0%	1%	4%								<a href="#">Fund information</a>
LGIM Overseas Bond Index (hedged)	Nominal Bonds	0%	1%	3%		0%	2%	4%								<a href="#">Fund information</a>
LGIM Global Inflation Linked Bond (hedged)	Index Linked Bonds	2%	3%	6%		2%	4%	6%								<a href="#">Fund information</a>
LGIM UK Index Linked Short Term	Index Linked Bonds	0%	2%	6%		0%	2%	6%								<a href="#">Fund information</a>
LGIM UK Index Linked Long Term	Index Linked Bonds	2%	2%	0%		1%	2%	0%								<a href="#">Fund information</a>
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	5%	3%													n/a*
LGIM Sterling Liquidity	Liquidity	0%	0%	0%	100%	0%	0%	0%	99%							<a href="#">Fund information</a>
BlackRock Government Sterling Liquidity	Liquidity					0%	0%	0%	1%							IE00B40L6351
		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

## 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 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.

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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](https://www.uss.co.uk/how-we-invest/investment-glossary)