



QUARTERLY INVESTMENT REPORT

As of 31
March

20
25

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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 managers 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 ethically 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 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 means: uss.co.uk/how-we-invest/investment-glossary



January - March 2025

Investment commentary

Global markets in Q1 saw declines driven primarily by news around US tariffs on certain countries (primarily Canada and Mexico) and on specific manufactured goods. Unease around artificial intelligence came to the fore as China's DeepSeek AI model was unveiled rivalling US leadership in the field at a fraction of the cost. US equity markets led losses, whilst other markets such as UK and Emerging Markets proved to be more resilient.

Bond markets also had a mixed quarter as heightened policy uncertainty around tariffs and "liberation day" announced by Trump led to a fall in sentiment and increased recessionary concerns. Government bonds and investment-grade credit generally outperformed riskier high yield bonds on the back of weaker economic activity data.

Ongoing concerns around the UK economic outlook remained with spending cuts in the Spring Statement announced in order to balance day to day spending. The Office for Budget Responsibility warned that risks from pressure on defence spending and the fragile global trade outlook could weigh on growth prospects.

Trade Tariffs weigh on global economic outlook

- Over the first quarter, bond markets were mixed as investors digested the implications of tariffs and the impact of heightened policy uncertainty on sentiment and growth prospects. Towards the end of the quarter the market focus turned towards impacts ahead of "Liberation Day". High yielding credit bonds underperformed government and investment grade debt. In the UK, a stagflationary (high inflation, low growth) outlook drove gilt yields higher, particularly for long dated bonds.
- Equity markets delivered mixed returns, with the US technology and consumer discretionary sectors leading losses on the back of weakening sentiment around the AI theme driven by the release of the Chinese based Deepseek AI model. Other sectors and markets including European stocks and UK stocks delivered gains as investors rotated from highly valued US stocks into other markets and sectors including financials, energy and healthcare stocks.
- The performance of the Scheme's private market investments was positive over the quarter, with the exception of some long-dated 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.
- Negative equity markets performance drove declines in the Do It For Me Default Options, resulting in the Growth fund underperforming the Moderate Growth fund, which in turn underperformed the Cautious Growth fund. The Ethical Lifestyle Option funds underperformed the Do It For Me Default Options, this is a result of their higher equity allocations and less diversified holdings within these funds relative to the Do it For Me Default Options due to the funds' ethical guidelines.
- In the Let Me Do It investment options, performance was mixed with global focused equity funds (Global Equity, Ethical Equity and Sharia) posting negative performance with other funds delivering positive performance. In terms of relative performance compared to the respective benchmarks, passively managed funds performed broadly in line with their benchmarks and active funds (with the exception of the Bond Fund) delivered positive relative performance over the quarter. The UK Equity Fund

£3,527m

in assets under management
as at 31 March 2025

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.

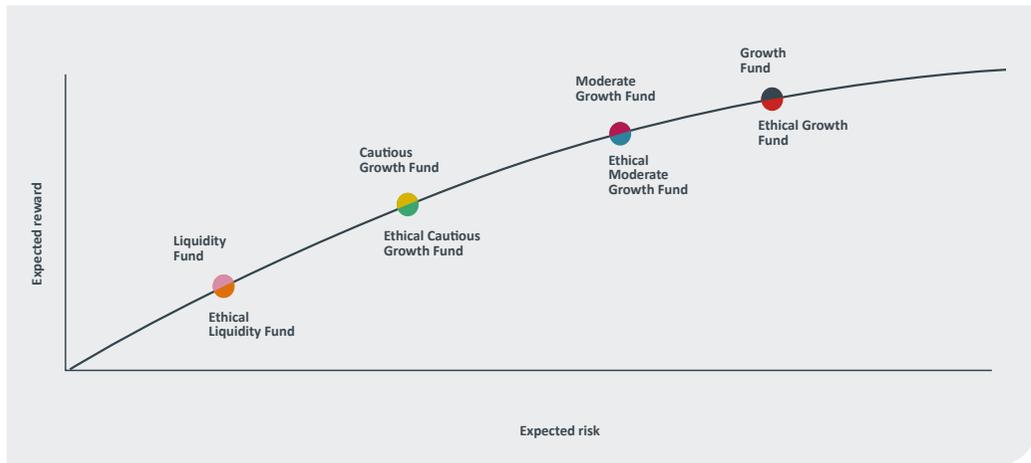
Performance and risk metrics:

Do It For Me

Comparative risk

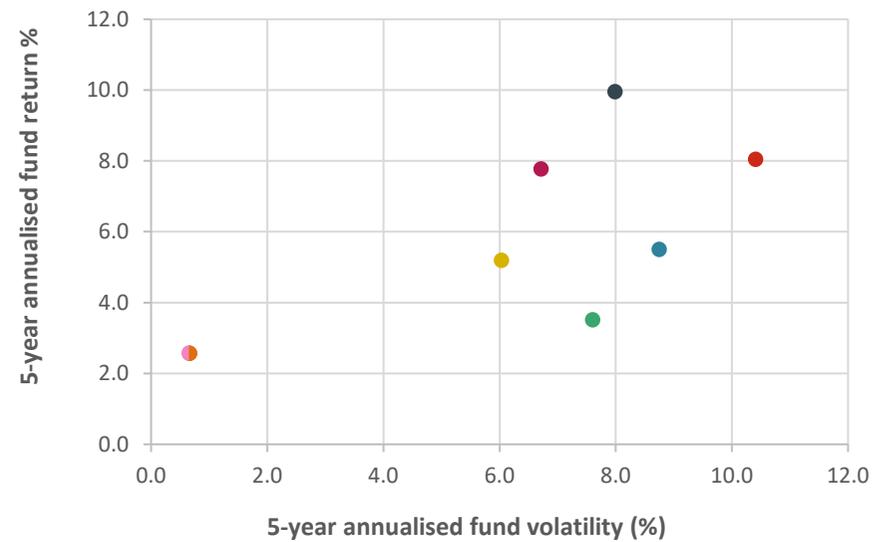
Risk Factor

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.

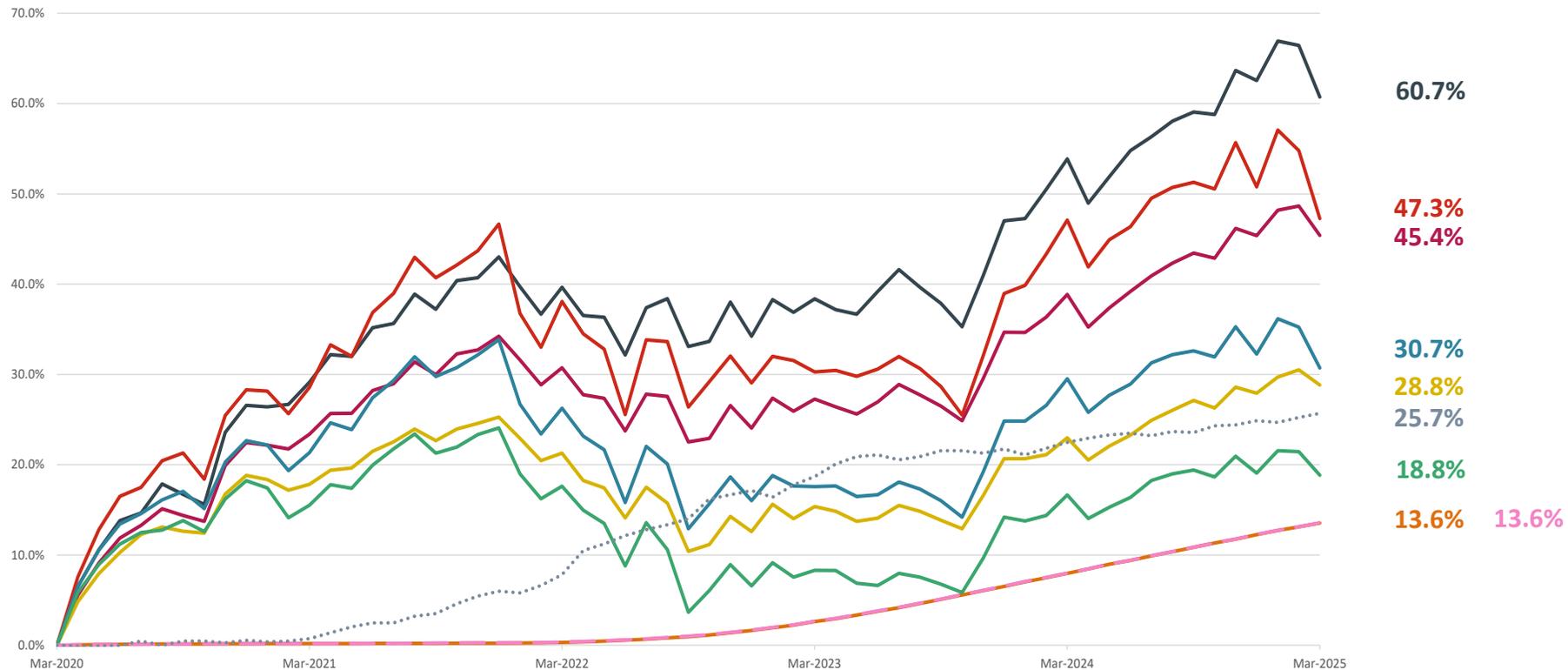


Performance and risk metrics:

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.



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

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.

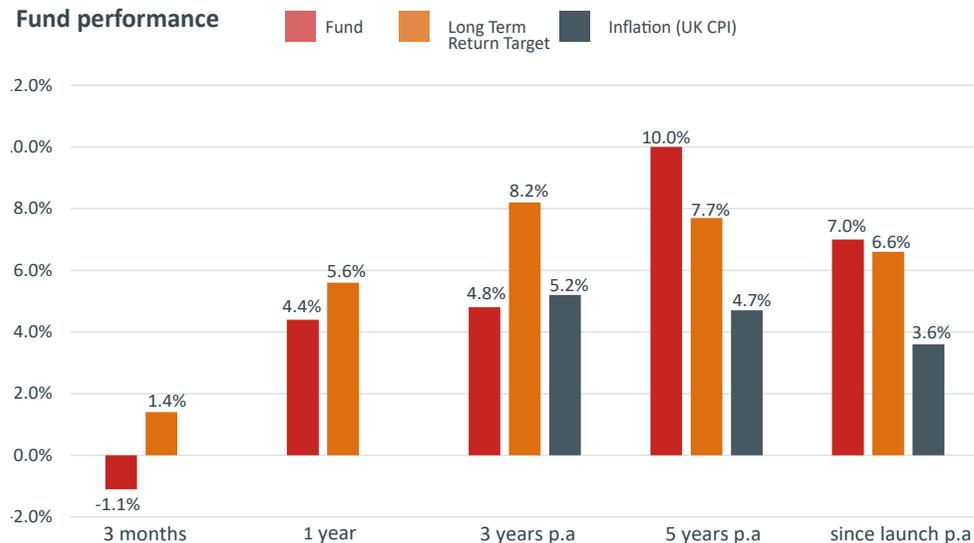
Performance summary

- The Fund delivered negative returns over the quarter, driven mostly by its allocation to global developed markets equity. Private markets and fixed income allocations were positive, which softened losses.
- The Fund is ahead of its Long-Term Return Target over longer time periods, with the underperformance over the last 3 years resulting from the high inflationary environment experienced in recent years.

Risk Measures:

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

Fund performance

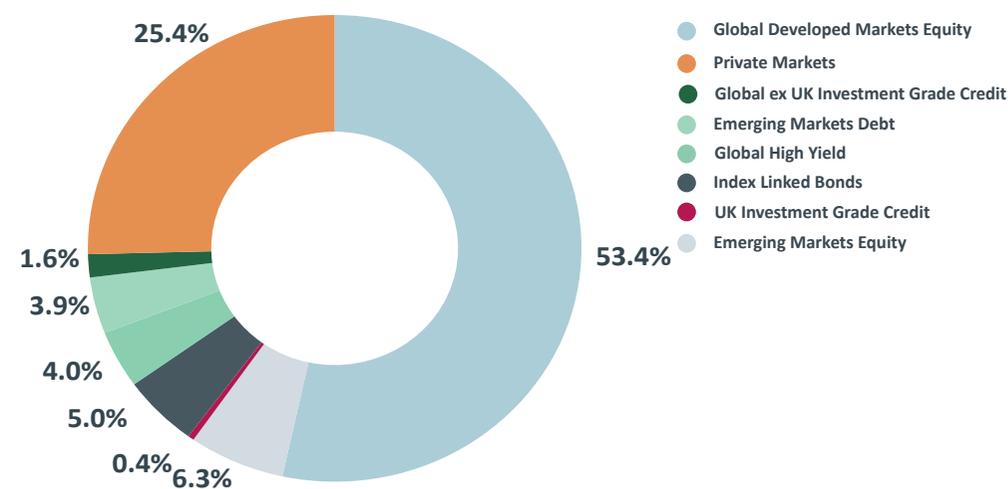


Fund Facts

| | |
|-------------------------|------------------------|
| Long Term Return Target | CPI+ 3.0% p.a.* |
| Launch date | 3 October 2016 |
| Fees (before subsidy) | 0.30% |
| Fees (after subsidy) | 0.00% |
| Fund Size | £2,065.2m |
| 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.

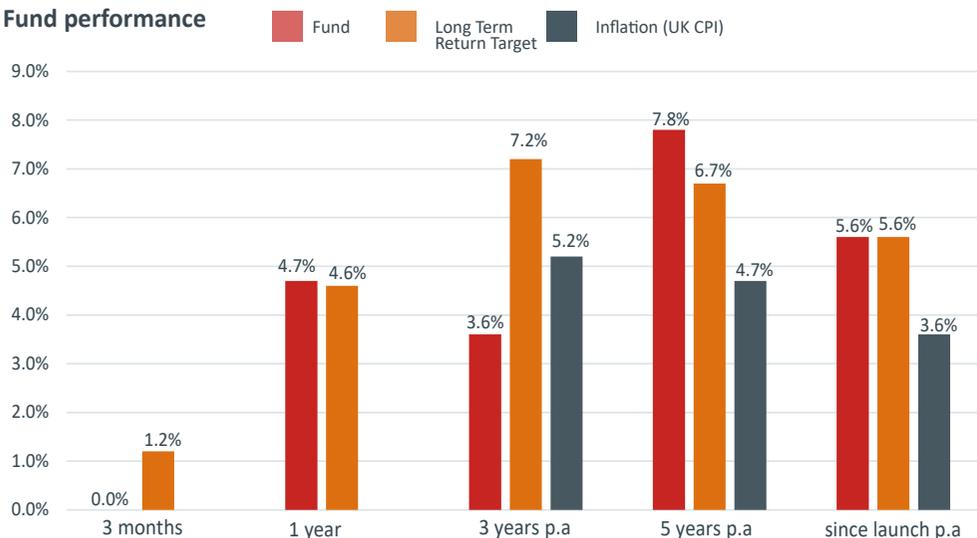
Performance summary

- The Fund delivered flat returns over the quarter as negative performance of the global developed market equity holdings were offset by positive contributions from private markets and fixed income allocations.
- The Fund is ahead of its Long-Term Return Target over longer time periods, with the underperformance over the last 3 years resulting from the high inflationary environment experienced in recent years.

Risk Measures:

Five-year annualised fund volatility: **6.7%**

Fund performance

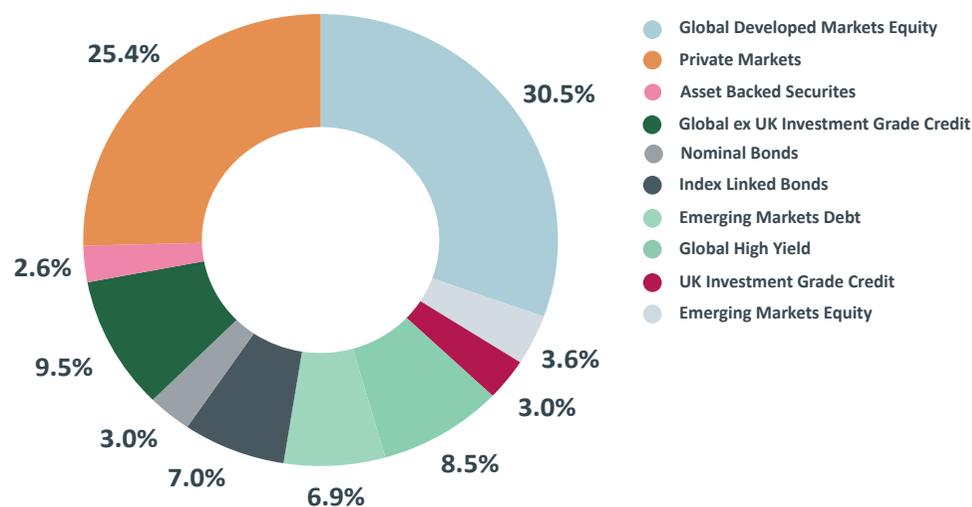


Fund Facts

| | |
|-------------------------|------------------------|
| 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 | £452.1m |
| 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 [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.

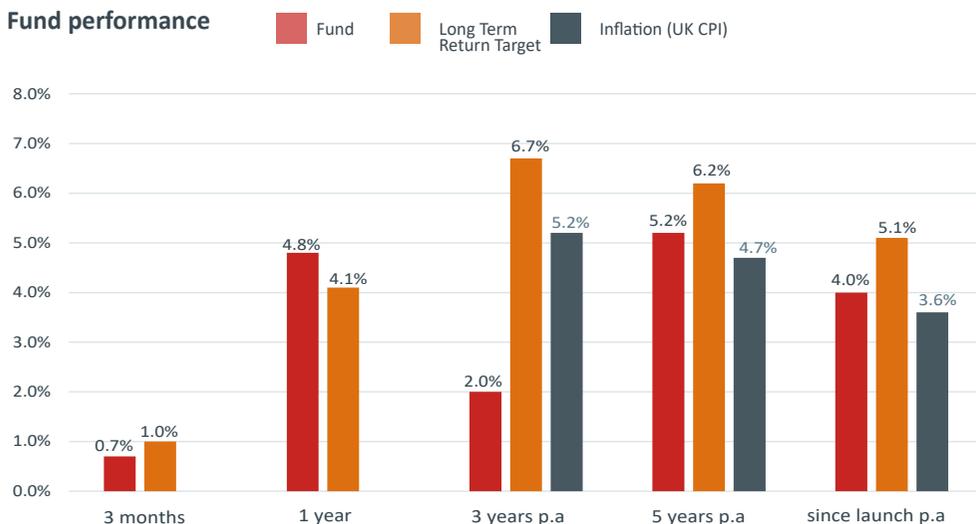
Performance summary

- The Fund delivered positive returns over the quarter, driven mostly by its allocation to private markets and fixed income assets, which delivered positive returns over the period, offsetting losses from equity holdings.
- 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: **6.0%**

Fund performance

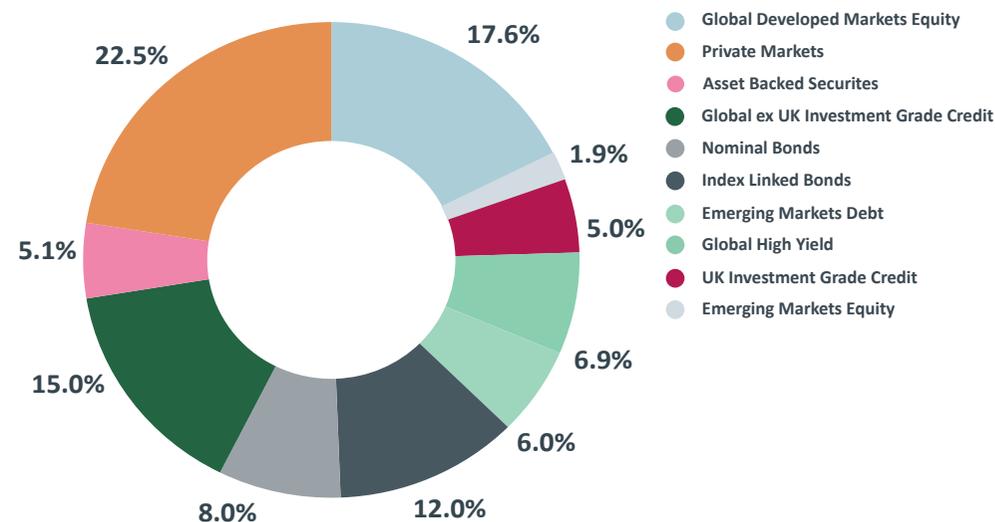


Fund Facts

| | |
|-------------------------|------------------------|
| 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 | £240.2m |
| 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

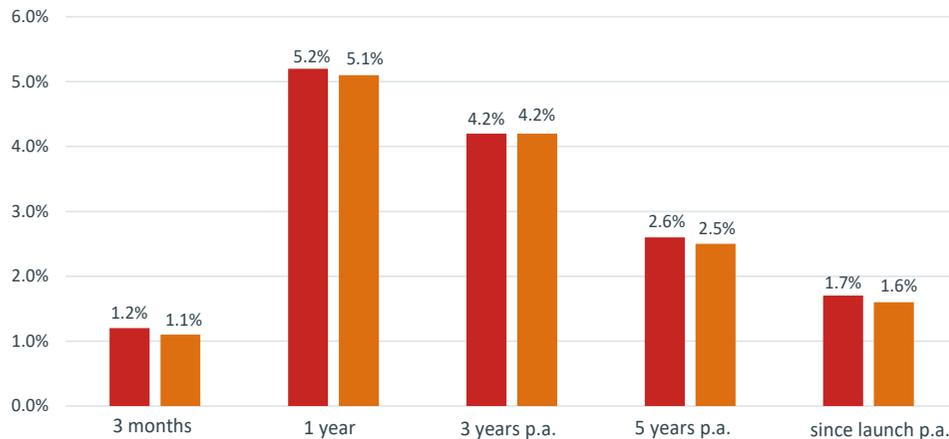
- The Fund produced a return in line with short term interest rates, as expected. Short term interest rates, which are set by Bank of England's Monetary Policy Committee were reduced by 0.25% in February, to 4.5%.

Risk Measures:

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

Fund performance

■ Fund ■ Benchmark



Fund Facts

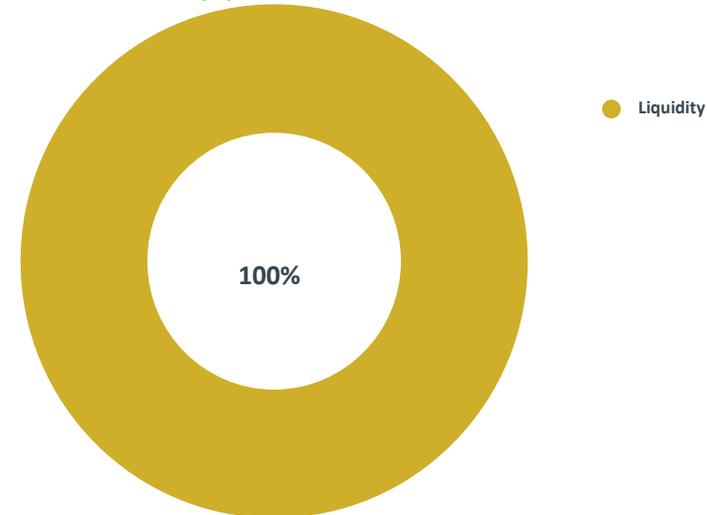
| | |
|-----------------------|-----------------------|
| Benchmark | SONIA* |
| Launch date | 3 October 2016 |
| Fees (before subsidy) | 0.10% |
| Fees (after subsidy) | 0.00% |
| Fund Size | £167.9m |
| Management style | Active |

*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.

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.

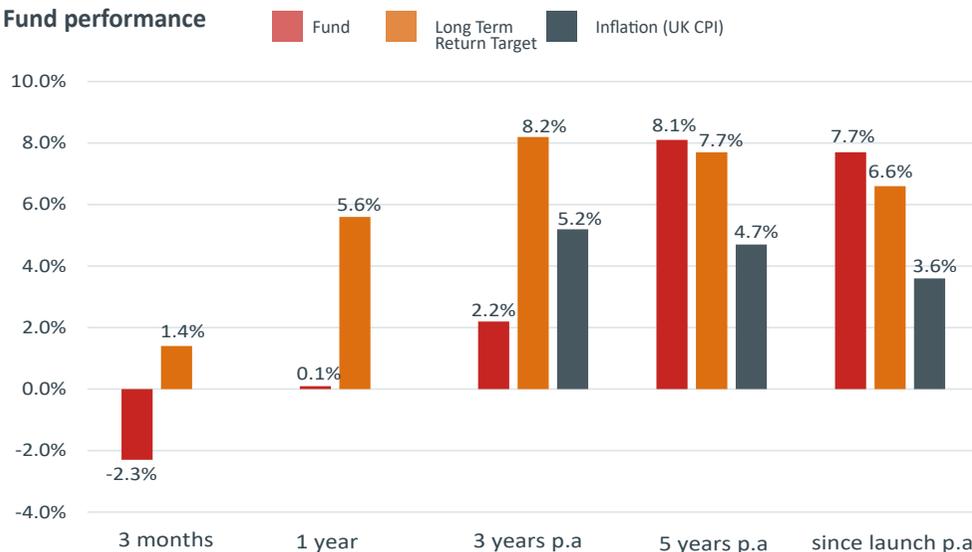
Performance summary

- The Fund delivered negative returns over the quarter, driven mostly by its allocation to global developed market equity. Private markets and fixed income allocations were positive, which softened losses.
- The Fund is ahead of its Long-Term Return Target over longer periods, with the underperformance over the last 3 years resulting from the high inflationary environment experienced in recent years.

Risk Measures:

Five-year annualised fund volatility: **10.4%**

Fund performance



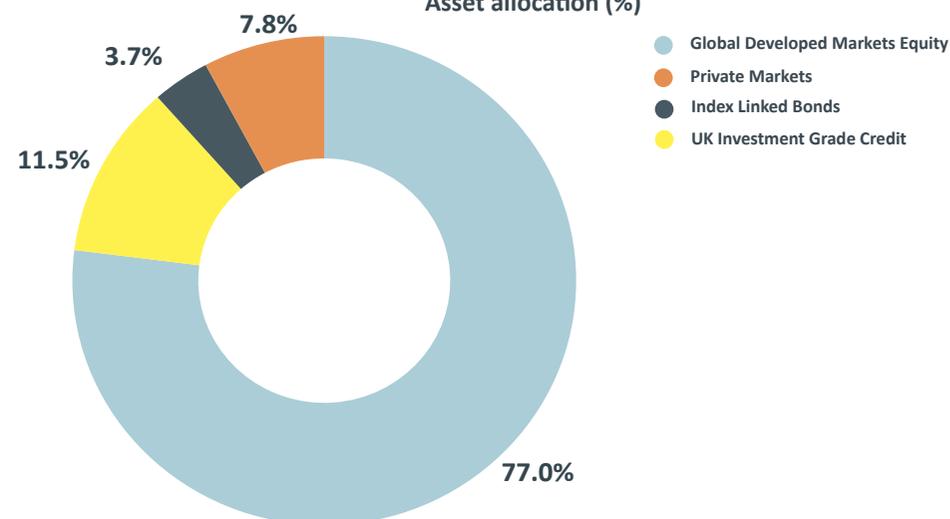
Fund Facts

| | |
|-------------------------|------------------------|
| 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 | £130.9m |
| 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 [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.

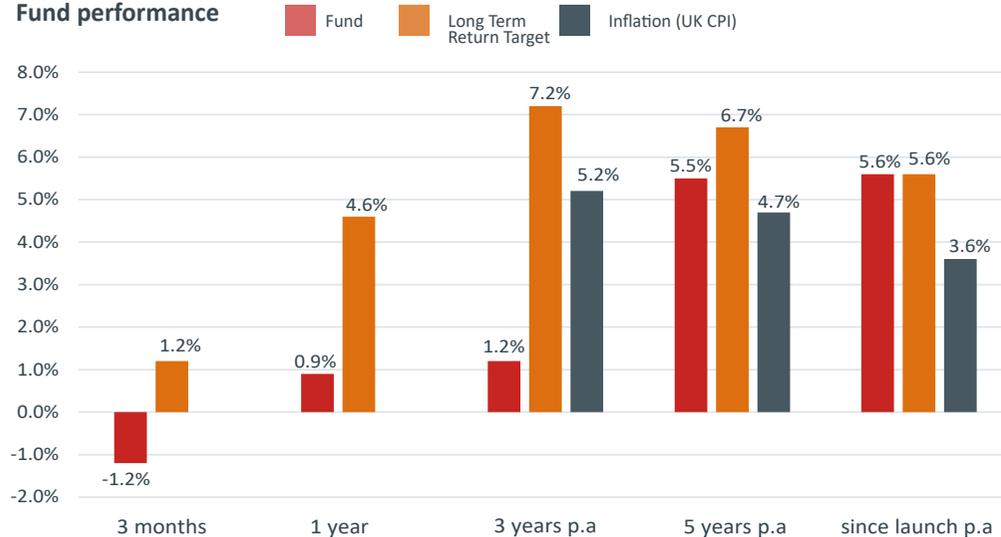
Performance summary

- The Fund delivered negative returns over the quarter, driven mostly by its allocation to global developed market equity. Private markets and fixed income allocations were positive, which softened losses.
- The Fund is behind 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: **8.7%**

Fund performance

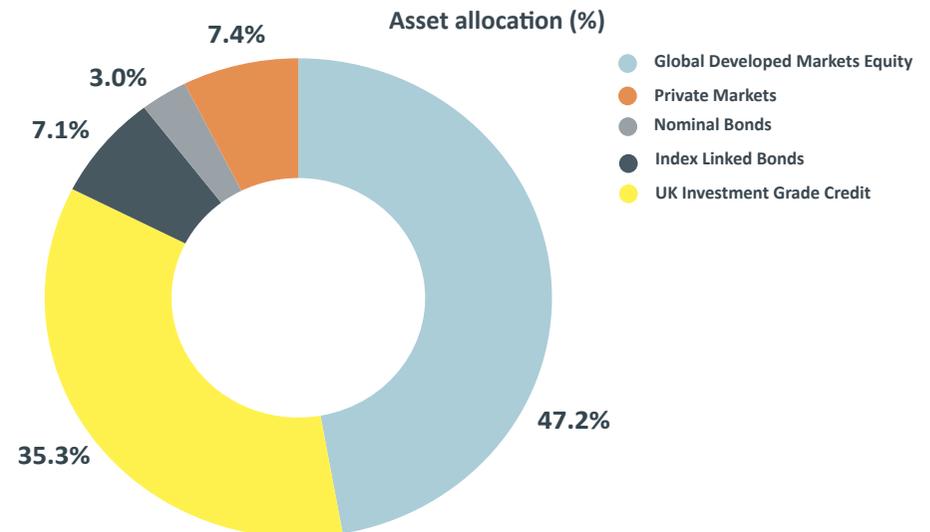


Fund Facts

| | |
|-------------------------|------------------------|
| 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 | £27.9m |
| 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 [here](#).

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



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.

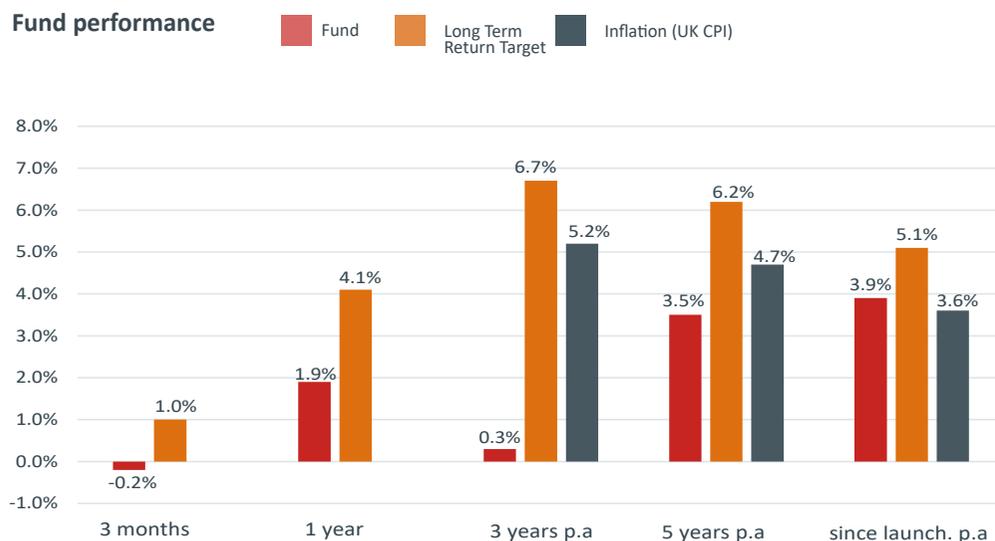
Performance summary

- The Fund delivered marginally negative returns over the quarter, driven mostly by its allocation to global developed market equity. Private markets and fixed income allocations were positive which softened losses.
- 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: **7.6%**

Fund performance

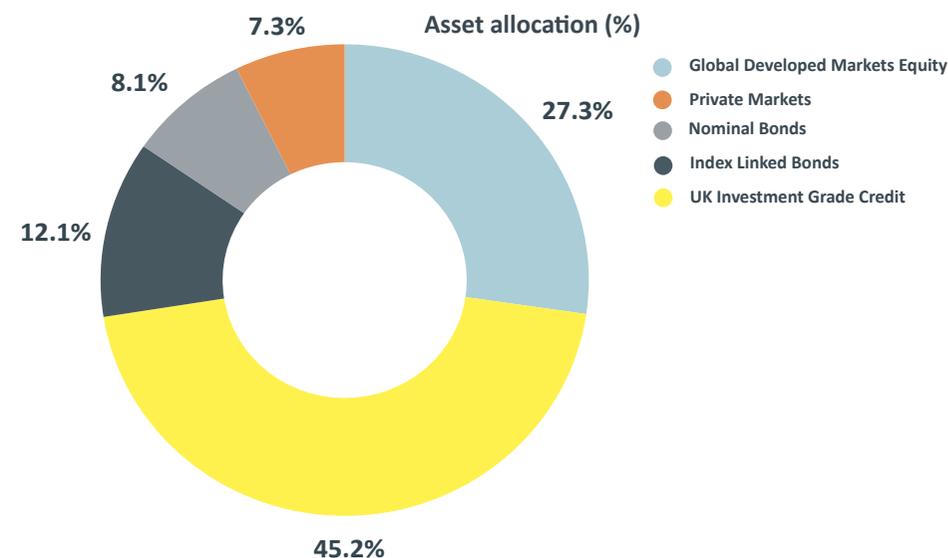


Fund Facts

| | |
|-------------------------|------------------------|
| 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 | £14.9m |
| 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 [here](#).

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



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](#).

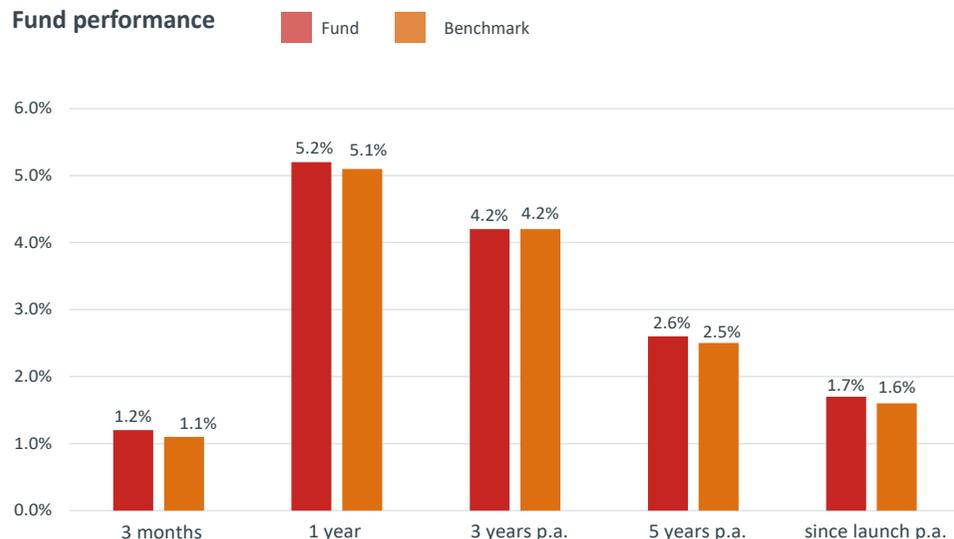
Performance summary

- 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 February, to 4.5%.

Risk Measures:

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

Fund performance



Fund Facts

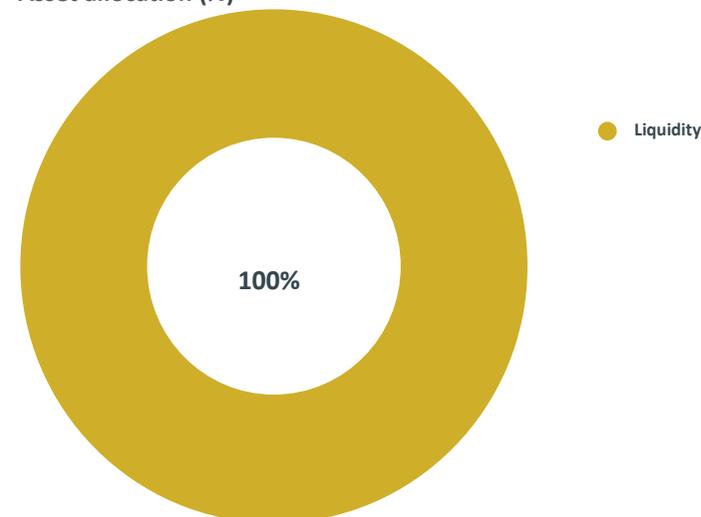
| | |
|-----------------------|-----------------------|
| Benchmark | SONIA* |
| Launch date | 3 October 2016 |
| Fees (before subsidy) | 0.10% |
| Fees (after subsidy) | 0.00% |
| Fund Size | £8.3m |
| Management style | Active |

*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 (%)



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

Performance and risk metrics:

Let Me Do It

Comparative risk

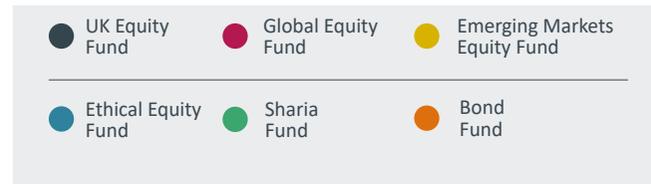
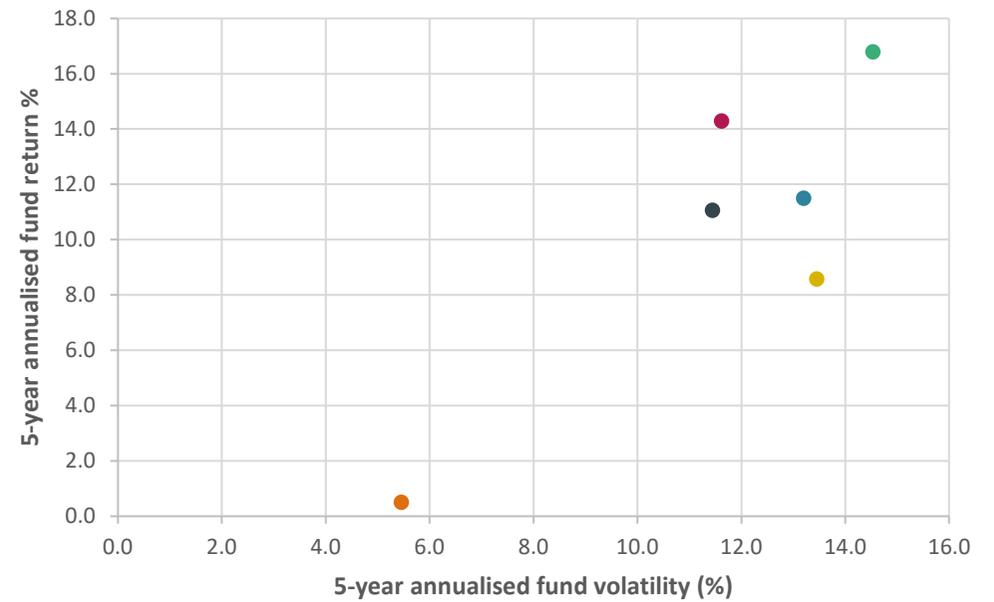
Risk Factor

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.

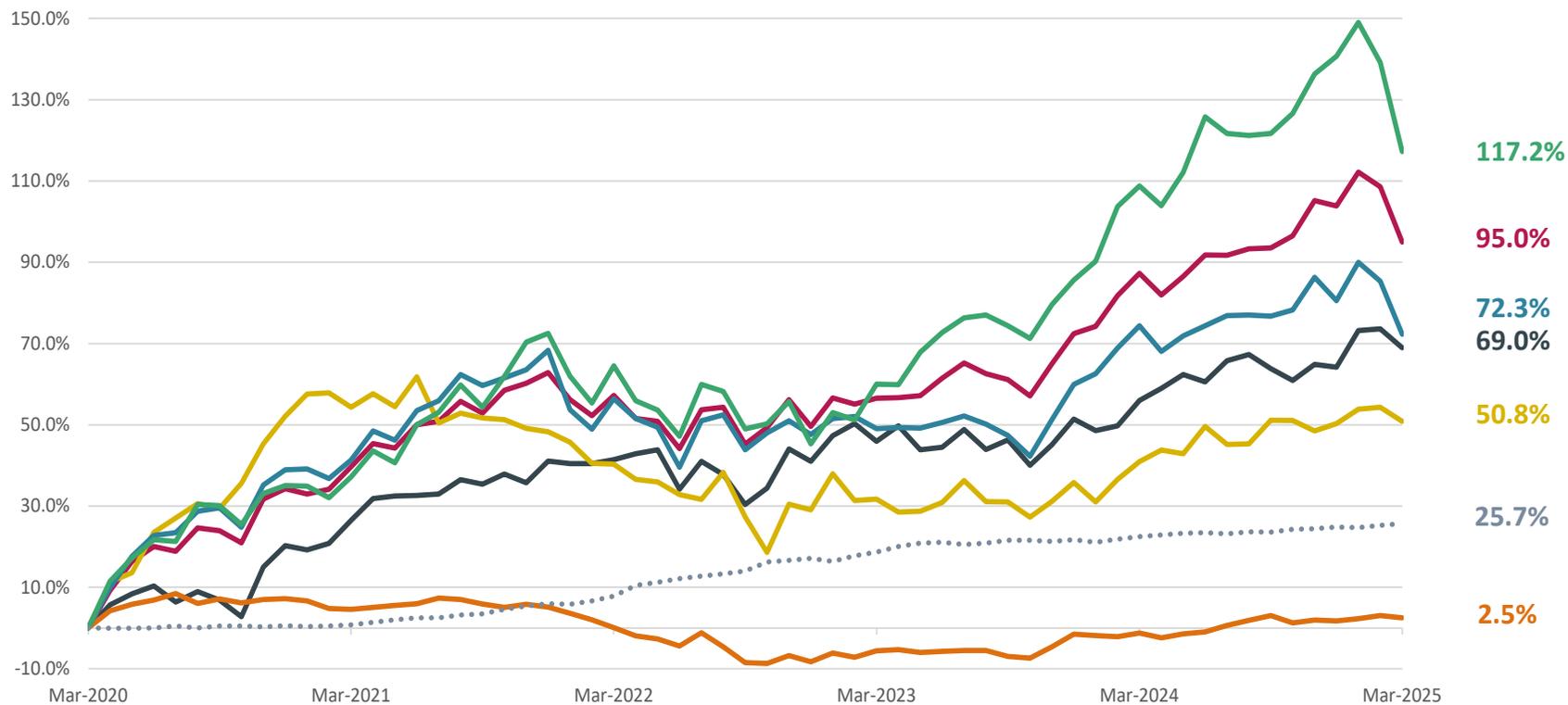


Performance and risk metrics:

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

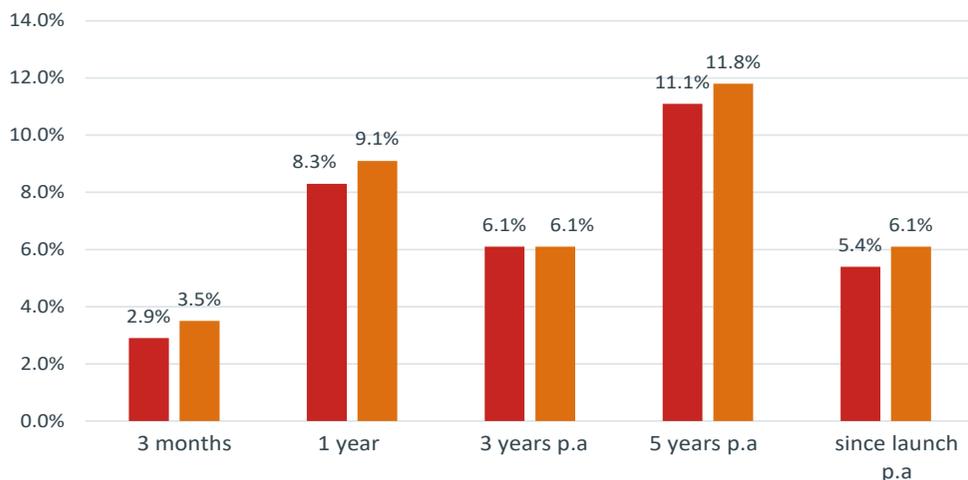
- The Fund delivered positive returns over the quarter.
- UK equity markets were positive over the quarter, as a number of domestic sectors performed well as investors rotated from US stocks into other markets and sectors including financials, energy and healthcare stocks in which the UK has higher weightings.

Risk Measures:

Five-year annualised fund volatility: **11.4%**

Fund performance

■ Fund ■ Benchmark



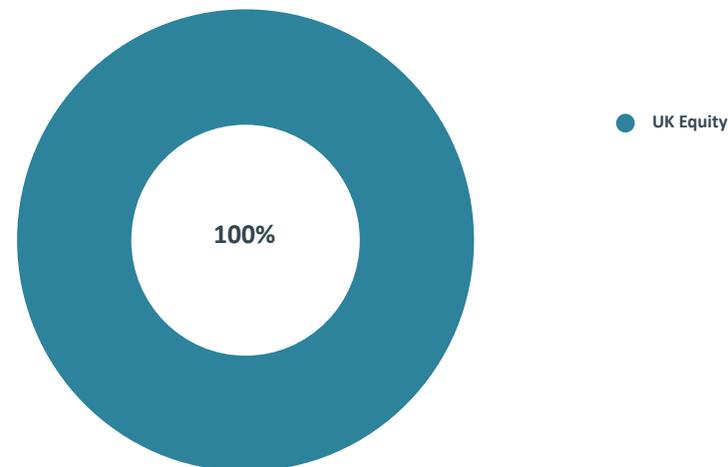
Fund Facts

| | |
|-----------------------|--|
| 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 | £38.0m |
| 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 (%)



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

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.

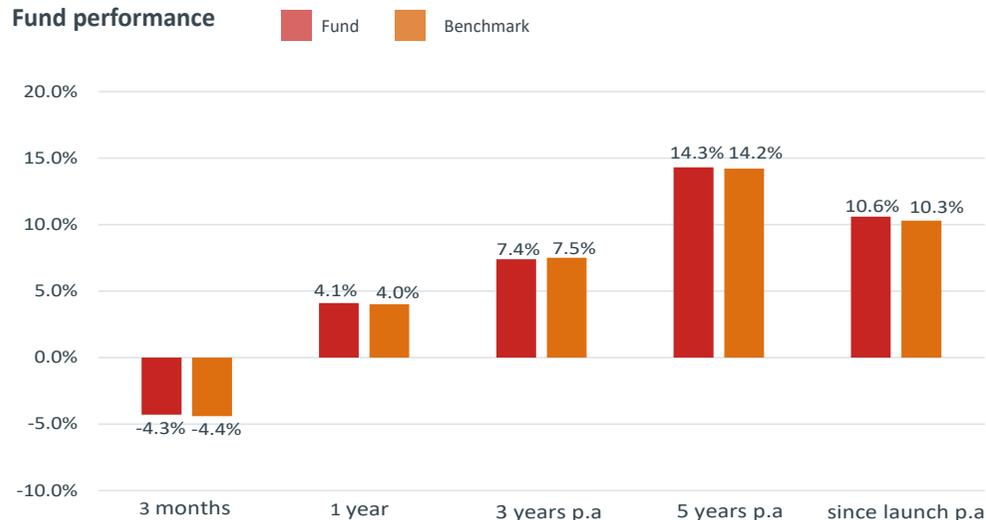
Performance summary

- The Fund delivered negative absolute returns over the quarter as US technology and consumer discretionary sectors led losses on the back of weakening sentiment around the AI theme and potential concerns around the impact of tariffs on global trade.
- In Q4 2024, 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.

Risk Measures:

Five-year annualised fund volatility: **11.6%**

Fund performance



Fund Facts

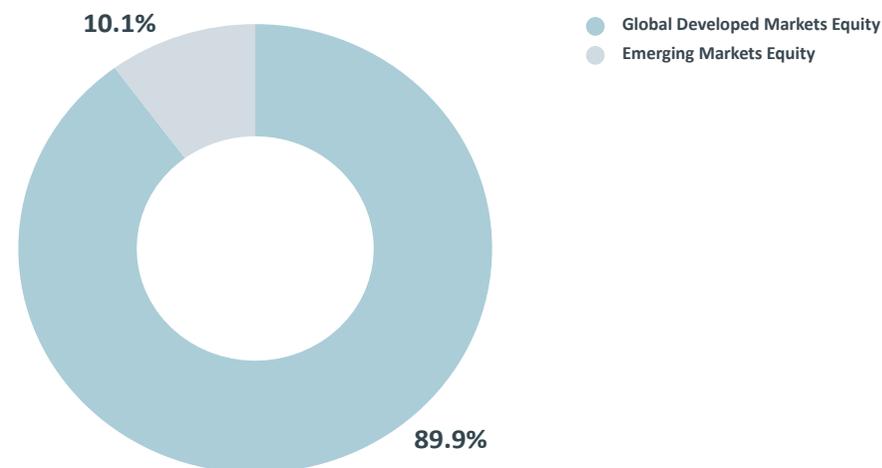
| | |
|-----------------------|-----------------------|
| Benchmark | Composite* |
| Launch date | 3 October 2016 |
| Fees (before subsidy) | 0.10% |
| Fees (after subsidy) | 0.00% |
| Fund Size | £168.6m |
| Management style | Passive |

*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.

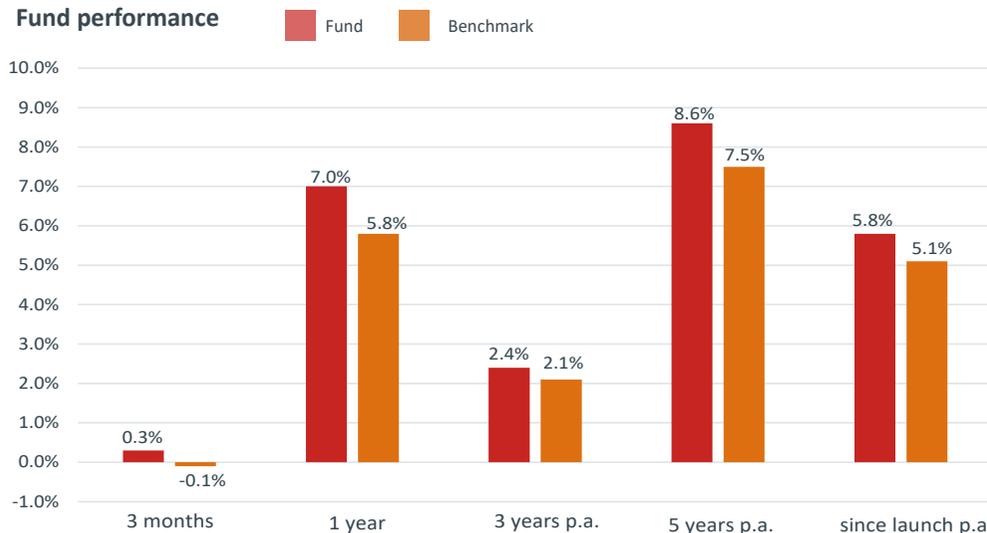
Performance summary

- The Fund delivered positive absolute returns over the quarter and was ahead of its broad market benchmark.
- Emerging markets had a marginally positive quarter and outperformed developed markets more broadly as falling US yields and a weaker US dollar were generally supportive. China was a significant positive performance contributor as it benefited from optimism around AI capabilities following the release of DeepSeek's lower cost AI model. Some European emerging markets also benefited on the back of an improved outlook for the Eurozone following fiscal policy changes in Germany.

Risk Measures:

Five-year annualised fund volatility: **13.5%**

Fund performance

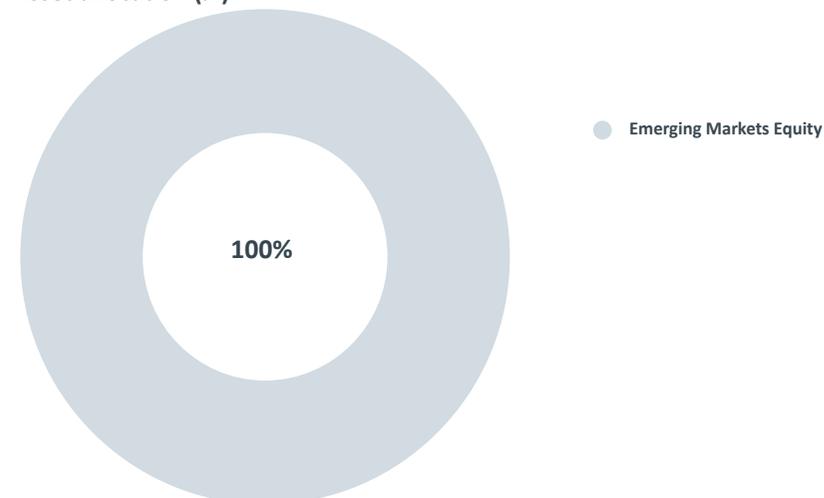


Fund Facts

| | |
|-----------------------|-------------------------------------|
| 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.

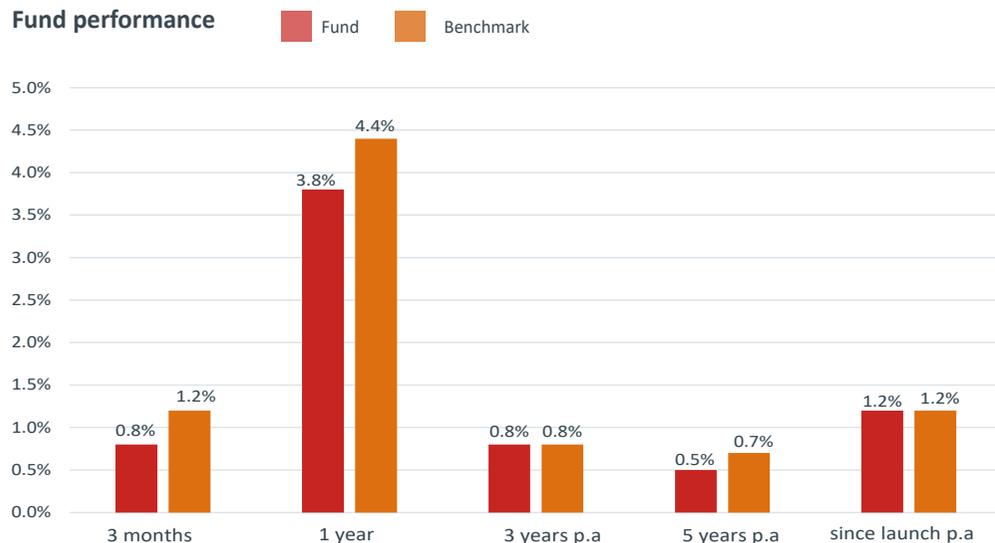
Performance summary

- The Fund delivered positive absolute returns over the quarter but was behind benchmark.
- The last first quarter of 2025 was mixed for global bond markets as investors sought to digest political and macro-economic events. Generally investment grade credit and government bonds outperformed higher yield (lower credit quality) bonds.

Risk Measures:

Five-year annualised fund volatility: **5.5%**

Fund performance

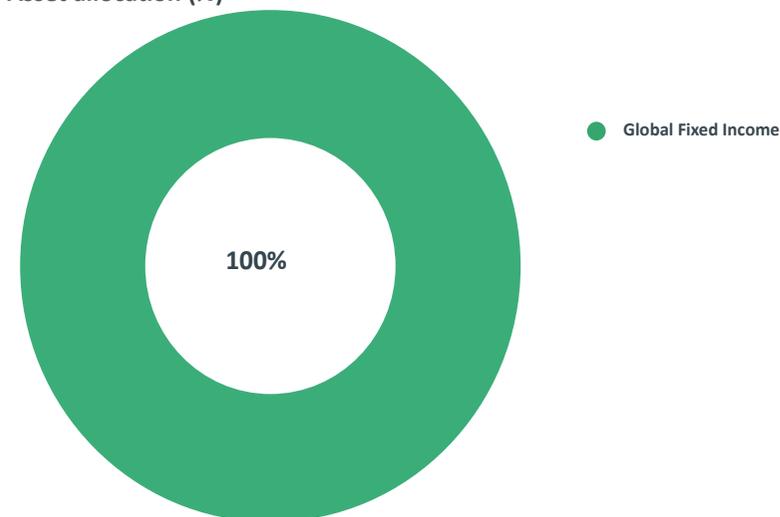


Fund Facts

| | |
|-----------------------|----------------|
| Benchmark | Composite* |
| Launch date | 3 October 2016 |
| Fees (before subsidy) | 0.20% |
| Fees (after subsidy) | 0.00% |
| Fund Size | £22.1m |
| 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.

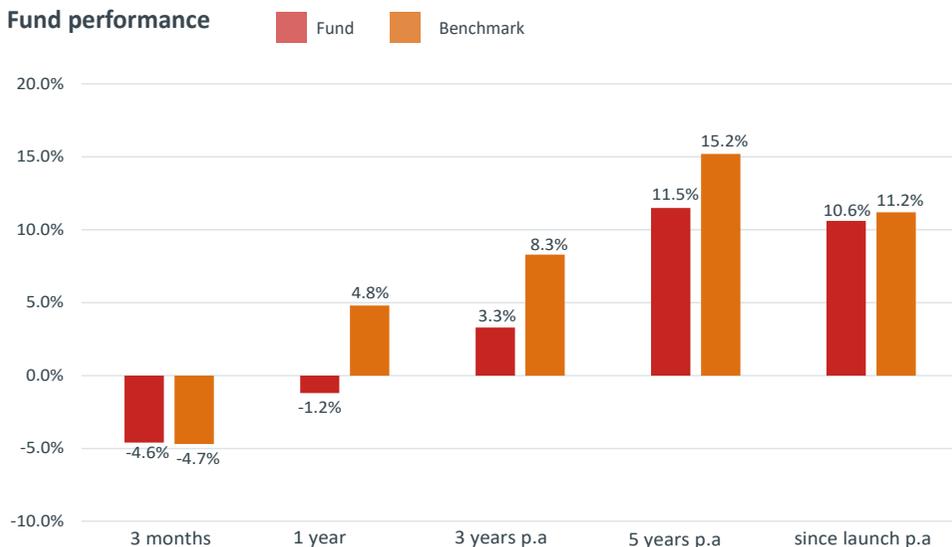
Performance summary

- The Fund delivered 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

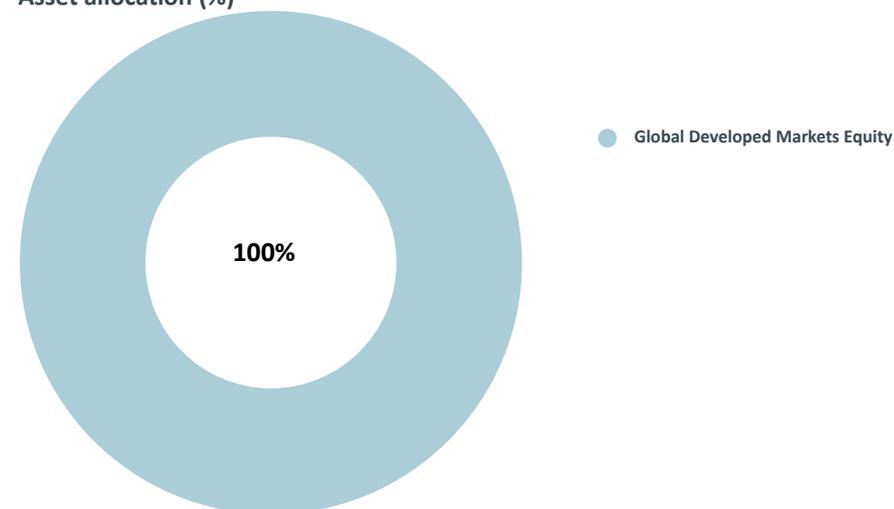


Q1 2025

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 (%)



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

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.

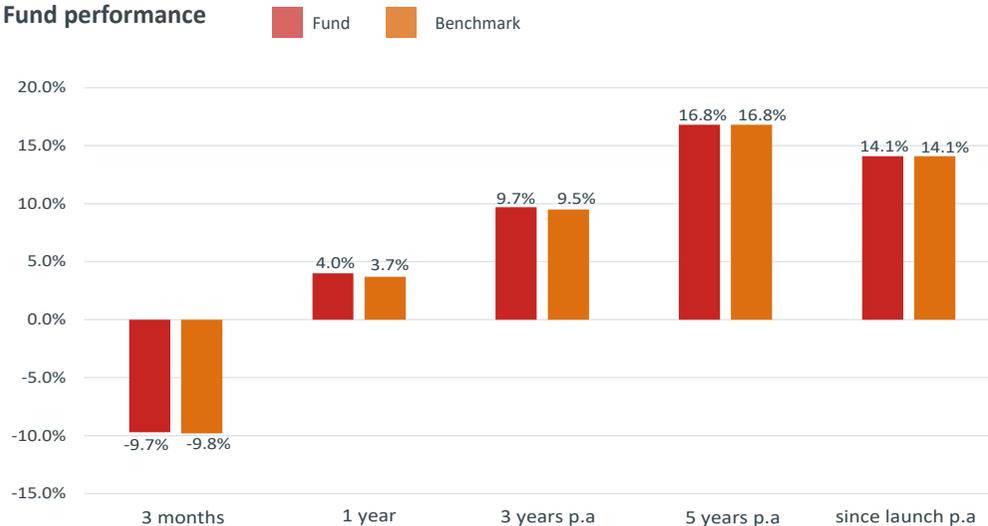
Performance summary

- The Fund delivered negative 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 US technology stocks were the primary driver of negative performance over the quarter.

Risk Measures:

Five-year annualised fund volatility: **14.5%**

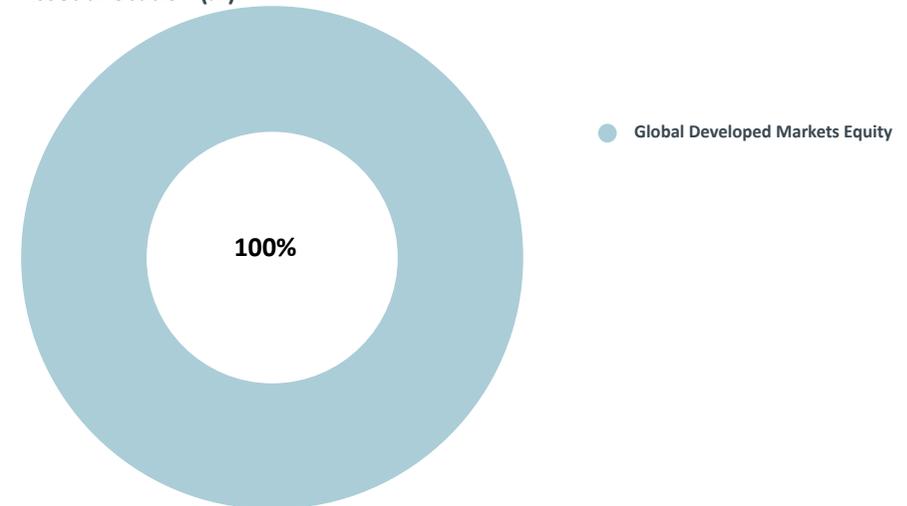
Fund performance



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 | £73.0m |
| 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 | 53% | 30% | 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 | | | | | 38% | 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 | 6% | 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% | 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 | | 3% | 5% | | | | | | | | | | | | GB00BDD9NJ41 |
| LGIM UK Nominal | Nominal Bonds | 0% | 2% | 4% | | 0% | 2% | 4% | | | | | | | | Fund information |
| LGIM Overseas Bond Index (hedged) | Nominal Bonds | 0% | 2% | 4% | | 0% | 2% | 4% | | | | | | | | Fund information |
| LGIM Global Inflation Linked Bond (hedged) | Index Linked Bonds | 3% | 4% | 6% | | 2% | 4% | 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 | 7% | 5% | 3% | | | | | | | | | | | | n/a* |
| PMG Secure Credit (Short Duration) | Private Markets | | 5% | 7% | | | | | | | | | | | | n/a* |
| PMG Opportunistic Infrastructure | Private Markets | 4% | 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 March 2025 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.

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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