

University of Oxford Staff Pension Scheme ('OSPS' or 'the Scheme')

Scheme facts and figures




This document contains key figures illustrating the development of our Scheme over the year that ended on 31 March 2022.

Defined Benefit (DB) section – Funding reminder

You may recall from previous Trustee newsletters that we regularly publish a 'summary funding statement' – a statement of the Scheme's funding level, the balance between the money building up in the Scheme and the benefits it needs to pay. We have this balance checked every three years in a formal process known as a valuation and receive less formal updates in the years between valuations.

A valuation is currently going on using information about the Scheme from 31 March 2022, so there is no summary funding statement this time. Below is a reminder of the funding level at the previous valuation in 31 March 2019, and the subsequent updates. As explained in last year's newsletter, the key reason behind the improvement in the funding level at 31 March 2021 was the increase in the value of the Scheme's assets. This was in line with the economy recovering from the initial impact of the pandemic.

There has of course been further volatility in the markets since then, in particular during the weeks leading up to this newsletter's publication. However, due to the nature of the Scheme's investments, this turmoil has not caused the same issues for us that other schemes have faced. We will have more detail once the latest valuation is complete, but early signs show that the funding level has remained strong, and possibly increased further.

	Valuation at 31 March 2019	Update at 31 March 2020	Update at 31 March 2021
Value of OSPS's assets	£735.3 million	£727.3 million	£910.7 million
Funding target	£848.1 million	£893.9 million	£926.9 million
Shortfall	£112.8 million	£166.6 million	£16.2 million
			
Funding level	87%	81%	98%

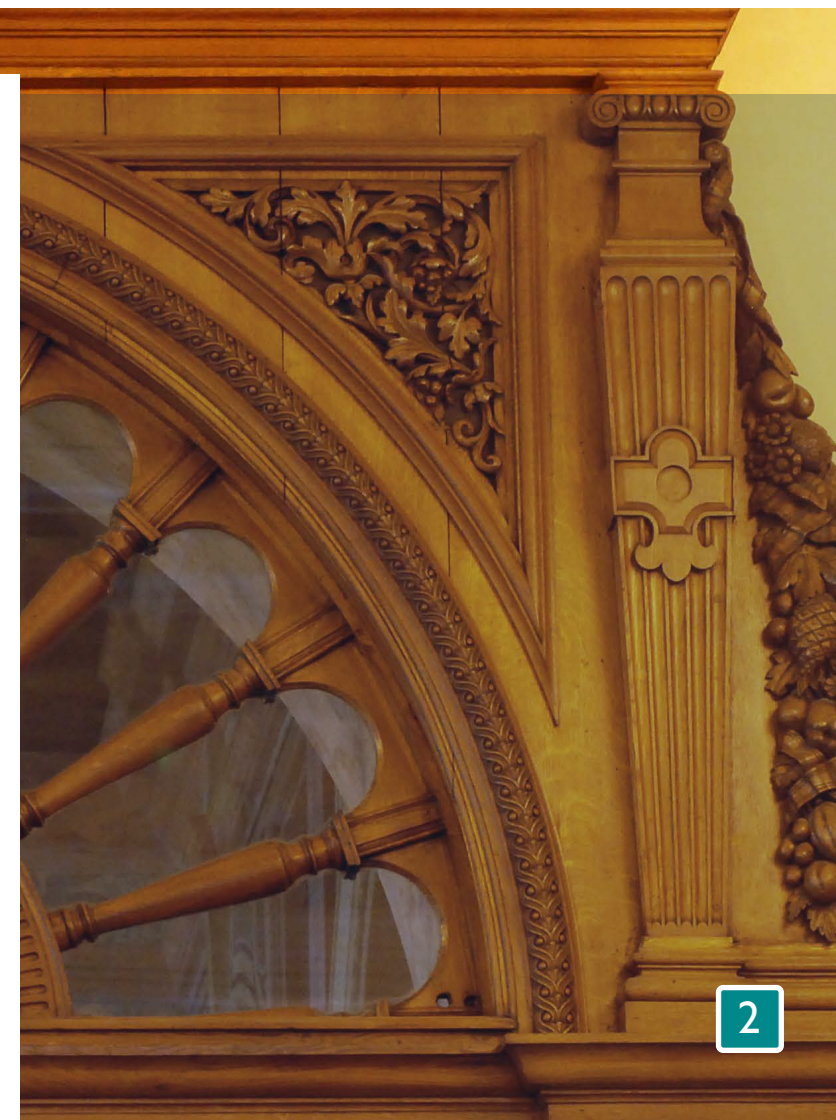


From the accounts

This section includes a summary of the Scheme accounts from our formal Annual Report for the year ending on 31 March 2022. Our auditors, Grant Thornton UK LLP, have approved the full accounts.

If you would like to see the full Annual Report & Financial Statements, please visit the 'Documents' section of the OSPS website at: <https://finance.admin.ox.ac.uk/osps-documents>

	DB section	Investment Builder section	Total
	£000s	£000s	£000s
Income			
Employers' contributions (including salary sacrifice)	23,168	7,052	30,220
Members' ordinary contributions	2,305	913	3,218
Members' additional voluntary contributions	114	164	278
Transfers in	-	735	735
Investment income	7,384	-	7,384
Total income	32,971	8,864	41,835
Expenditure			
Pensions	17,721	16	17,737
Cash sums paid when members retired or died	5,537	450	5,987
Payments for members leaving OSPS	352	122	474
Administration and investment management fees	1,965	363	2,328
Total expenditure	25,575	951	26,526
Value of the Scheme's assets at 31 March 2021	913,202	15,847	929,049
The difference between income and expenditure	7,396	7,913	15,309
The change in the market value of the Scheme's investments	42,930	711	43,641
Value of the Scheme's assets at 31 March 2022	963,528	24,471	987,999



Member numbers

	CARE section	Investment Builder section	Total 2022	Total 2021
Active members – currently contributing and building up benefits	2,796	3,086	5,882	5,865
Deferred members – no longer contributing, but with benefits in the Section to take at retirement	6,846	2,076	8,922	8,047
Pensioners (including dependants of members who have died) – now receiving their benefits	4,468	–	4,468	4,313
Total	14,110	5,162	19,272	18,225

Investment update

DB (CARE) section

Broadly, there has been no change to our investment strategy over the year. We are continuing to spread the Scheme's assets across a range of fund managers, regions and asset types so that if any particular investments underperform, it need not affect the rest of the fund (you may recall the term for this is 'diversification').

	Asset type	% range of overall assets
Growth investments – funds which are expected to deliver relatively high returns, but also carry a higher risk.	Equities (or company shares).	30% to 50%
	Property	5% to 15%
	Illiquid credit	5% to 15%
	Other illiquid investments (such as infrastructure)	0% to 10%
Protection investments – funds which are expected to be more stable than growth investments and change value broadly in line with the cost of providing pensions.	Credit (including corporate bonds)	15% to 25%
	Matching assets (currently gilts, which are bonds issued by the Government)	10% to 15%
	Cash	0% to 5%

Type of investment	At 31 March 2019
Growth investments	
Global equities (shares in companies worldwide, including the UK and emerging markets)	45.6%
Commercial property (offices and retail)	7.9%
Illiquid credit	11.0%
Infrastructure (transport and information networks, utilities, renewable power)	7.0%
Protection investments	
Index-linked gilts (loans to the Government with returns linked to inflation)	10.5%
Corporate bonds (loans to companies, paying interest) and inflation opportunities (investments that generate income linked to inflation)	13.6%
Cash and other investments (including cash held by the fund managers and amounts to be re-invested)	4.4%
Total	100%

The table below shows the current spread of investment managers and the investments they hold. Since the date of the last newsletter we have diversified our growth investments further through appointing Ares Management Luxembourg and Copenhagen Infrastructure Partners.

Manager	Type of investment held
Ares Management Luxembourg	Illiquid credit
Baillie Gifford	Global equities
BlackRock Advisors (UK) Limited	Corporate bonds and diversified growth
Columbia Threadneedle Portfolio Services Limited	Property
Copenhagen Infrastructure Partners	Infrastructure
DIF Management BV	Infrastructure
Generation Investment Management LLP	Global equities
M&G Investment Management	Inflation opportunities
Macquarie Investment Management (UK) Limited	Infrastructure
Sands Capital Funds	Emerging market equities
State Street Global Advisors	Passively-managed equities and bonds

Investment performance

We monitor the individual managers' performance using agreed targets or 'benchmarks'. We also have a benchmark for the whole DB section's investment performance. The table below shows the whole DB section's investment performance, compared to its benchmark, over one, three and five years ending on 31 March 2022.

At 31 March 2022	Scheme	Benchmark
Over one year	3.4%	8.7%
Yearly average over three years	7.7% a year	8.3% a year
Yearly average over five years	7.0% a year	7.1% a year

Investment Builder section

In the same way as the investments held by the DC section, many Pathway funds benefitted from the economic recovery over the year to 31 March 2022 and gave positive returns.

For up-to-date information on all the Pathway funds, log into 'Manage your account' on the pension website.

