

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

Scheme facts and figures

This document contains key figures explaining the development of our Scheme over the year that ended on 31 March 2023.

Funding reminder: Defined Benefit (DB) section

The Scheme undergoes regular actuarial valuations – or financial health checks – every three years, with the Scheme actuary providing less formal updates in the years between valuations.

We recently published our latest summary funding statement, reporting on the financial position of the Defined Benefit (DB) Section of the Scheme following:

- the latest valuation at 31 March 2022, and
- the most recent interim update at 31 March 2023.




On the next page we summarise the outcomes of these, alongside the update at 31 March 2021 so you can see how the Scheme is developing.

As a reminder, the valuation compares:

- A. the value of the Scheme's assets at the valuation date, with
- B. its funding target – that is, an estimate of the amount it will need to pay the benefits built up to that date.

If the value of A is greater than the value of B, the Scheme has more than enough money to pay all members' benefits into the future. If the value of B is greater than the value of A, there is a funding 'shortfall'. As part of a valuation, we agree the level of future contributions payable to the Scheme, for example, to help remove any funding shortfall.

Results snapshot

	Update at 31 March 2021	Valuation at 31 March 2022	Update at 31 March 2023
Value of the Scheme's assets (DB Section)	£910.7 million	£961.2 million	£893.5 million
Funding target	£926.9 million	£914.3 million	£772.8 million
Surplus/(Shortfall)	(£16.2 million)	£46.9 million	£120.7 million
			
Funding level	98%	105%	116%

Please refer to our recent summary funding statement – available on the [pension website](#) – for more details.

From the accounts

This section includes a summary of the Scheme accounts for the year ending on 31 March 2023. The figures are from our Annual Report & Financial Statements for the same year. If you would like to see the full report, please visit the 'Documents' section of the [pension website](#).

	DB section	Investment Builder section	Total
	£000s	£000s	£000s
Income			
Employers' contributions (including salary sacrifice)	22,599	9,551	32,150
Members' ordinary contributions	2,103	1,305	3,408
Members' additional voluntary contributions	68	174	242
Transfers in	-	518	518
Other income	-	15	15
Investment income	11,020	7	11,027
Total income	35,790	11,570	47,360
Expenditure			
Pensions	18,950	6	18,956
Cash sums paid when members retired or died	5,832	536	6,368
Payments for members leaving the Scheme	257	563	820
Administration and investment management fees	2,290	573	2,863
Total expenditure	27,329	1,678	29,007
Value of the Scheme's assets at 31 March 2022	963,528	24,471	987,999
The difference between income and expenditure	8,461	9,892	18,353
The change in the market value of the Scheme's investments	(76,933)	(867)	(77,800)
Value of the Scheme's assets at 31 March 2023	895,056	33,496	928,552



Membership

	DB section	Investment Builder section	Total 2023	Total 2022
Active members – currently contributing and building up benefits	2,409	3,805	6,214	5,882
Deferred members – no longer contributing, but with benefits in the Section to take at retirement	6,951	2,885	9,836	8,922
Pensioners (including dependants of members who have died) – now receiving their benefits	4,613	-	4,613	4,468
Total	13,973	6,690	20,663	19,272

Investment update

DB (CARE) section

[Following the outcome of the 2022 valuation, we are carrying out a review of the current investment strategy. We will report on any subsequent changes in our next update.]

In the meantime, we continue 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.

The table below shows our target ranges for the various asset types.

	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 which 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%

The table below shows the actual investment spread at 31 March 2023.

Type of investment	At 31 March 2023
Growth investments	
Global equities (shares in companies worldwide, including the UK and emerging markets)	22.3%
Commercial property (offices and retail)	7.6%
Illiquid credit	14.9%
Infrastructure (renewable energy, transport and information networks, utilities)	10.0%
Protection investments	
Index-linked gilts (loans to the Government with returns linked to inflation)	32.9%
Corporate bonds (loans to companies, paying interest) and inflation opportunities (investments that generate income linked to inflation)	12.2%
Cash and other investments (including cash held by the fund managers and amounts to be re-invested)	0.1%
Total	100%

The table below shows the current spread of investment managers and the investments they hold.

Manager	Type of investment held
Ares Capital Management LLC	Illiquid credit
Baillie Gifford & Co. Limited	Global equities
BlackRock Advisors (UK) Limited	Corporate bonds
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
State Street Global Advisors Limited	Government bonds and cash

Investment performance

We monitor the performance of the individual managers and the DB section as a whole using agreed 'benchmarks'. These are agreed expectations rather than strict targets. This is because they can sometimes be negative due to how the markets are expected to perform.

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 2023.

At 31 March 2023	Scheme	Benchmark
Over one year	-8.6%	-2.3%
Yearly average over three years	5.7% a year	8.4% a year
Yearly average over five years	4.4% a year	6.0% a year

Over the year, the Scheme underperformed its benchmark mainly due to the poor relative performance from Baillie Gifford Global Equities and in particular from M&G Inflation Opportunities, which was challenged against a notably high inflation benchmark. Both funds were fully disinvested post Scheme year-end to reduce risk within the investment portfolio. The Scheme however saw a notable improvement in its funding position driven by a reduction in liabilities as interest rates rose, with a positive outcome despite a difficult financial market affected by geopolitical tensions and elevated inflationary pressures.

Investment Builder section

The return on investments in the DC section over the year to 31 March 2023 varied. Some funds exceeded their benchmark, while others underperformed. You can see up-to-date investment returns for all the Target Date funds by logging into 'Manage Your Account' on Legal & General's **OSPS website**.