



# SAP Ireland Pension Scheme

Trustees' Annual Report for the year ended 31 December 2022

Prepared for           SAP Ireland Pension Scheme  
PB 83977

Prepared by           Aon on behalf of the Trustees

Aon Solutions Ireland Limited trading as Aon is regulated by the Central Bank of Ireland.  
Registered in Ireland No. 356441  
Registered office: Block D | Iveagh Court | Harcourt Road | Dublin 2 | Ireland.  
Directors: Mairead O'Mahony, Rachael Ingle, Ken Murphy, Paul Schultz (US), Patrick Wall.  
aon.com

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## Trustees and Advisers

**Principal Employer** SAP Service and Support Centre (Ireland) Limited,  
1012-1014 Kingswood Avenue, Citywest Business Campus, Dublin 24.

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**Other Participating Employers** SAP Ireland Limited  
SAP (UK) Limited  
Business Objects Software Limited  
SAP Ireland US-Financial Services Limited

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**Trustees** Liam Ryan  
Julian Moore  
Paul Cunningham  
Alan Fahey  
Kevin Conroy (Resigned 19 September 2023)  
Derrick Hurley  
Patricia O'Callaghan  
Yvonne McArdle (Resigned 01 March 2022)  
Sinah Imaschewski (Appointed 01 March 2022)

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**Key Function Holders** **Risk Management Key Function Holder:**  
Seamus O'Shea,  
Aon  
Email: seamus.oshea@aon.com

**Internal Audit Key Function Holder:**  
Rav Vithaldas,  
Ernst & Young  
Email: rav.vithaldas@ie.ey.com

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**Consultant & Registered Administrator** Aon Solutions Ireland Limited t/a Aon  
Block D, Iveagh Court, Harcourt Road, Dublin 2.

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**Investment Consultant** Aon Solutions Ireland Limited,  
Hibernian House,  
Building 5200,  
Cork Airport Business Park,  
Cork.

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**Investment Managers of Pension Fund** **Delegated Investment Provider**  
Aon Investments Limited  
The Aon Centre  
The Leadenhall Building  
122 Leadenhall Street  
London EC3V 4AN

**Fund Platform Provider**  
Irish Life Investment Managers Limited (ILIM),  
Beresford Court, 16 Beresford Place, Dublin 1.

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**Insurer of Death in Service Benefits**

Utmost Pan Europe dac,  
Navan Business Park, Athlumney, Navan, Co. Meath.

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**Independent Auditor**

KPMG,  
Chartered Accountants and Registered Auditor,  
1 Harbourmaster Place, IFSC, Dublin 1.

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**Pensions Authority Reference No.**

PB 83977

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**Pensions Authority**

Verschoye House, 28-30 Lower Mount Street, Dublin 2.

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If you have any queries on this Annual Report or on any aspect of the Scheme you should refer them, in the first instance, to:

Paula Kershaw,  
Aon,  
Block D,  
Iveagh Court,  
Harcourt Road,  
Dublin 2.  
Email: [paula.kershaw@aon.com](mailto:paula.kershaw@aon.com)

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# Trustees' Report

## Introduction

The Trustees are pleased to present their annual report to members of the SAP Ireland Pension Scheme for the year ended 31 December 2022. The content of this report conforms to the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended), as prescribed by the Minister for Social Protection under the Pensions Act, 1990. The report outlines the constitution and structure of the Scheme together with details of financial movements for the period, investment matters and membership movements.

The Scheme, which operates on a defined contribution basis, was established to provide retirement and life insurance benefits for its members and is a distinct legal entity, separate in every respect from the Principal Employer, SAP Service and Support Centre (Ireland) Limited. Membership is open to eligible employees of the Principal Employer and other participating employers.

The Scheme is governed by a Definitive Trust Deed and Rules which members are entitled to inspect or to request a copy of at any time. Details of members' benefits are also provided in the explanatory booklet which has been distributed to all members and individual details appear on each member's annual benefit statement.

The Scheme has been approved by the Revenue Commissioners as an "exempt approved scheme" under Section 774 of the Taxes Consolidation Act 1997 and as such its assets are generally allowed to accumulate free of income and capital gains taxes. Tax relief is given on employer and member contributions to the Scheme and certain lump sum payments to members can be paid free of tax. The Scheme has also been registered with the Pensions Authority and its registration number is PB 83977.

The Scheme is financed by contributions from the employers and employees. In addition to the employer contributions, the company pays insurance premiums in respect of death benefits. Details of contributions are set out in Note 4.

## Changes to the Scheme

The Investment Strategy review carried out in 2022 introduced a number of changes to funds available to members. Three new funds were introduced to the Self-Select range of funds. In addition the range of lifestyle funds increased from three to six and the default lifestyle strategy moved from the Target ARF Path Lifestyle Strategy to the Aon Balanced – Target ARF Fund. The changes were communicated to members via a News Letter e-mailed to members of the scheme in January 2022.

There have been no other changes since the previous Scheme year in the information specified in Schedule C of the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended).

## Trustees and Advisers

Stewardship of Scheme assets is in the hands of its Trustees. The right of members to select or approve the selection of trustees to the Scheme is set out in the Occupational Pension Schemes (Member Participation in the Selection of Persons for Appointment as Trustees) (No.3) Regulations, 1996, (S.I. No. 376 of 1996).

**Trustees and Advisers  
(continued)**

Under Clause 5 of the Trust Deed the Principal Employer has the power by Deed to appoint or remove trustees or amend the number of trustees. The Trustees have access to appropriate training on their duties and responsibilities as trustees. Section 59AA of the Pensions Act 1990, which requires trustees of pension schemes to undergo training, was brought into force on 1 February 2010 by virtue of the Social Welfare and Pensions Act 2008 (Section 28) (Commencement) Order 2009. The Trustees confirm that all Trustees have completed the necessary trustee training. No trustee training costs were incurred by the Scheme during the year.

The Trustees and the Registered Administrator have access at all times to the Trustee Handbook produced by the Pensions Authority and the Guidance Notes issued by the Pensions Authority from time to time.

The Trustees and Registered Administrator have appropriate procedures in place to ensure that:

- Contributions payable during the Scheme year are received by the Trustees in accordance with the timetable set out in Section 58A of the Pensions Act 1990 where applicable to the contributions and otherwise within 30 days of the Scheme year end, and
- Contributions payable have been paid in accordance with the rules of the Scheme.

**Internal Dispute  
Resolution (IDR)  
Procedures**

The Trustees have drawn up a set of procedures for dealing with complaints from actual or potential beneficiaries under the Scheme, as required by the Financial Services and Pensions Ombudsman.

A member/beneficiary may make a complaint in writing to the Trustees of the Scheme. The Trustees will review the complaint and make a decision on the matter. If the member/beneficiary is unhappy with the Trustees' decision, the member/beneficiary may make an appeal to the Financial Services and Pensions Ombudsman.

Further information about these IDR Procedures is available from the Total Rewards Partner in Ireland, Waterside 3, Citywest Business Campus, Dublin 24, D24 WA02.

**Pension Increases**

Annuities are bought from insurance companies at the time pensions come into payment. The members can choose the type of annuity to purchase from an appropriate selection made available to them. As this is a defined contribution scheme, retiring members have the option to secure whatever level of pension increases they require when purchasing an annuity on retirement with the realised value of their retirement account. The levels of increases are subject to the limits imposed by the Revenue Commissioners and the approval of the Trustees.

No discretionary increases have been granted by the Trustees, either to benefits in the course of payment or to benefits payable following termination of a member's service in relevant employment. The Trustees do not have resources at their disposal for the purpose of granting discretionary increases. Increases can only be made available where additional funding is made available to the Trustees by the employer.

**Financial Developments**

The financial development of the Scheme during the year is dealt with in the Financial Statements. A summary of the movements in the fund is shown below:

	€
<b>Opening Value of Fund as at 31 December 2021</b>	<b>162,238,401</b>
<b>Net Additions from Dealings with Members</b>	19,672,845
<b>Investment Returns</b>	(19,739,686)
<b>Closing Value of Fund as at 31 December 2022</b>	<b>162,171,560</b>

All contributions were received within 30 days of the Scheme year end and were paid in accordance with the Scheme Rules and the legislative requirements.

Details of self-investment during the year are noted in Note 15 on page 22 of this Report.

**Scheme Liabilities**

As this Scheme is a defined contribution scheme, the liabilities of the Scheme are limited to the assets of the Scheme; therefore, there are no year-end liabilities in excess of the assets of the Scheme. Further details are set out in the Valuation Report on page 57 of this report.

**Events Subsequent to the Scheme year end**

The impact of Covid-19 has continued post year end. The Trustees continue to monitor the situation.

On 24 February 2022, Russia began a military invasion of Ukraine. The conflict in Ukraine continues to be a key driver of global markets with commodity markets remaining volatile. It is not possible to estimate the impact of these events on the Scheme at this time. The Trustees will continue to monitor the position in conjunction with their investment advisers.

There are no other events post year end that would require amendments to or disclosure in these financial statements.

**IORPS II**

The Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs) – “IORP II” – was transposed into Irish law on 22 April 2021 by way of the European Union (Occupational Pension Schemes) Regulations 2021 (Statutory Instrument No. 128/2021). This is the most significant regulation to impact occupational pension schemes since the Pensions Act 1990.

The primary purpose of the IORP II Directive and transposing Regulations is to raise governance standards with a view to improving member outcomes. The administrative deadline for full compliance, with a few exceptions, is 31 December 2022. The Trustees are satisfied that the code of practice and the requirements of the code have been implemented.

**Statement of Risks**

Under the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended), the Trustees are required to describe the risks associated with the Scheme and disclose these to members. A

Statement of Risks adopted by the Trustees is set out on page 56 of this report.

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**Investment Management**

The Trustees have delegated the implementation of their selected range of investment options to Aon Investments Limited (AIL), (previously Hewitt Risk Management Services Limited). The Trustees retain overall responsibility for the Scheme's investments.

AIL is responsible for the selection of specialist Investment Managers and for blending the selected Investment Managers into individual unitised funds (where appropriate). The process of combining the different managers into an individual fund requires the appointment of an appropriate Fund Platform Provider. AIL, together with Aon Solutions Ireland Limited, has appointed Irish Life Investment Managers Limited (ILIM) to this role which is subject to regular review.

AIL monitors the appropriateness of the appointed Investment Managers (in collaboration with ILIM) and the allocations to individual investment mandates on an ongoing basis and will implement changes, together with ILIM, as necessary. AIL and ASIL will monitor the Fund Platform Provider and any new Fund Platform Provider which may be recommended to the Trustees, if necessary. The annual fees payable to the Investment Managers are based on the value of the assets under management. These fees are deducted from the funds at source and borne by the Scheme.

Overall responsibility for investments and their performance lies with the Trustees of the Scheme. The Trustees review the implementation of the investment strategy on an ongoing basis and, in consultation with the Investment Consultant, review the delegated funds at least once per year. The Trustees' Statement of Investment Policy Principles (SIPP) is set out on pages 38 to 55 of this report.

The investment manager and underlying investment managers have their own appointed custodians which have their own systems of internal control to ensure the safe custody of assets.

Investment management and investment consulting fees are included in the fund management charges and are borne by the Scheme members. All other fees are paid by the Principal Employer.

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**Sustainable Finance Disclosure Regulations (SFDR) Disclosures**

All of the Funds available under the Scheme have been classified under Article 6 as defined under the SFDR. The investments underlying these financial products do not take into account the EU criteria for environmentally sustainable economic activities.

The Trustees continue to review the Scheme's approach to sustainability risk considerations and its current approach is documented in the Statement of Investment Policy Principles on page 38 to 55 of this report.

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**Related Parties**

All related parties are noted in the Notes to the Financial Statements section of this Report, on pages 21 and 22.

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**Membership Movements**

The following is a summary of the Membership Movements for the Scheme Year ended 31 December 2022.

	<b>Active Members</b>	<b>Deferred Members</b>
<b>Membership @ 31/12/2021</b>	<b>2,092</b>	<b>1,303</b>
<b>Opening adjustment</b>	(10)	10
<b>New Actives</b>	238	-
<b>Actives to Deferred</b>	(198)	198
<b>Leavers Administered</b>	-	(79)
<b>Membership @ 31/12/2022</b>	<b>2,122</b>	<b>1,432</b>

In addition to the above, 76 members were covered for death benefits only at the year-end (2021: 106).

# Statement of Trustees' Responsibilities

The financial statements are the responsibility of the Trustees. Irish pension legislation requires the Trustees to make available for each Scheme year the annual report of the Scheme, including audited financial statements and the report of the auditor. The financial statements are required to show a true and fair view, in accordance with Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), of the financial transactions for the Scheme year and of the assets and liabilities (other than liabilities to pay benefits in the future) at the end of the Scheme year and contain the information specified in the Schedule to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 to 2022, including a statement as to whether the accounts have been prepared in accordance with the Statement of Recommended Practice Financial Reports of Pension Schemes.

Accordingly, the Trustees must ensure that in the preparation of the Scheme financial statements:

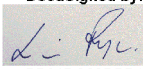
- suitable accounting policies are selected and then applied consistently;
- reasonable and prudent judgements and estimates are made;
- they have assessed the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so;
- the SORP is followed, or particulars of any material departures have been disclosed and explained; and
- for making available each year, commonly in the form of a Trustee's annual report, information about the scheme prescribed by pensions legislation, which they should ensure is consistent with the financial statements it accompanies.

The Trustees are required by law to have appropriate procedures in place throughout the year under review, to ensure that:

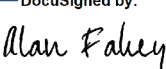
- contributions payable during the Scheme year are received by the Trustees in accordance with the timetable set out in Section 58A of the Pensions Act 1990, where applicable to the contributions and otherwise within 30 days of the Scheme year end; and
- contributions payable are paid in accordance with the rules of the Scheme.

The Trustees are responsible for making available certain other information about the Scheme in the form of an annual report. The Trustees are also responsible for ensuring that proper membership and financial records are kept on a timely basis sufficient to enable an annual report to be prepared for the Scheme containing the information specified in Regulation 7 of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended). The Trustee has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the scheme and to prevent and detect fraud and other irregularities, including the maintenance of appropriate internal controls. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Trustee:**

DocuSigned by:  
  
BB31DC22DBB1484...

**Trustee:**

DocuSigned by:  
  
FF5F04987DAC44B...

**Date:**

27-Sep-2023



**KPMG**  
**Audit**  
1 Harbourmaster Place  
IFSC  
Dublin 1  
D01 F6F5  
Ireland

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SAP IRELAND PENSION SCHEME**

### **Report on the audit of the financial statements**

#### ***Opinion***

We have audited the financial statements of SAP Ireland Pension Scheme ('the Scheme') for the year ended December 31, 2022 set out on pages 12 to 22, which comprise the Fund Account, Statement of Net Assets (available for benefits) and related notes, including the summary of significant accounting policies set out in note 3.

The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. This framework requires disclosure of any material departures from the Statement of Recommended Practice 'Financial Reports of Pension Schemes' in preparing the financial statements.

In our opinion:

- the financial statements give a true and fair view of the financial transactions of the Scheme during the year ended December 31, 2022 and of the amount and disposition at that date of its assets and liabilities other than liabilities to pay pensions and benefits after the end of that year;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements contain the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 to 2022, which is applicable and material to the Scheme.

#### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Conclusions relating to going concern***

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.



## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SAP IRELAND PENSION SCHEME (continued)**

### ***Other information***

The Trustees are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Trustees' Report and Trustees and Advisers Section, the Statement of Trustees' Responsibilities and the Appendices of the Trustee Annual Report (Investment Reports, Statement of Investment Policy Principles, Statement of Risks and Valuation Reports). The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work undertaken during the course of the audit we have not identified material misstatements in the other information.

### ***Our conclusions on other matters on which we are required to report by the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 to 2022, are set out below***

In our opinion, the contributions payable to the Scheme during the year ended December 31, 2022 have been received by the Trustees within 30 days of the end of the Scheme year, and have been paid in accordance with the Scheme's rules.

### **Respective responsibilities and restrictions on use**

#### ***Responsibilities of Trustees for the financial statements***

As explained more fully in the Trustees' responsibilities statement set out on page 8, the Trustees are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

#### ***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.



## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SAP IRELAND PENSION SCHEME (continued)

### *The purpose of our audit work and to whom we owe our responsibilities*

Our report is made solely to the Scheme Trustees, as a body, in accordance with the Pensions Act 1990. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

  
John Ahern

28 September 2023

for and on behalf of  
**KPMG**  
**Chartered Accountants, Statutory Audit Firm**  
1 Harbourmaster Place  
IFSC  
Dublin 1  
D01 F6F5

# Fund Account

Fund account for the year ended 31 December 2022

	Note	2022 €	2021 €
<b>Contributions and Benefits</b>			
Employer contributions	4	13,743,350	11,539,383
Member contributions	4	9,146,815	7,287,372
Individual transfers in	5	619,796	725,954
Other income	6	-	248,956
		<u>23,509,961</u>	<u>19,801,665</u>
Benefits payable	7	(1,426,429)	(856,199)
Payments to and on account of leavers	8	(2,128,483)	(1,062,605)
Group term life insurance	9	(282,204)	(251,936)
		<u>(3,837,116)</u>	<u>(2,170,740)</u>
<b>Net additions from dealings with members</b>		19,672,845	17,630,925
<b>Returns on Investments</b>			
Change in market value of investments	11	(19,739,686)	24,642,574
<b>Net Returns on Investments</b>		<u>(19,739,686)</u>	<u>24,642,574</u>
<b>Net Decrease\ Increase in the Fund</b>		(66,841)	42,273,499
<b>Net Assets as at 1 January</b>		<u>162,238,401</u>	<u>119,964,902</u>
<b>Net Assets as at 31 December</b>		<u><b>162,171,560</b></u>	<u><b>162,238,401</b></u>

The notes on pages 14 to 22 form part of these financial statements.

Signed for and on behalf of the Trustees

Trustee: 

Trustee: 

Date: 27-Sep-2023

# Statement of Net Assets (Available for Benefits)

As at 31 December 2022

	Note	2022 €	2021 €
<b>Designated to Members:</b>			
<b>Investment Assets</b>			
Pooled Investment Vehicles	11	160,060,760	160,315,128
<b>Current Assets</b>	12	2,039,950	1,718,920
<b>Current Liabilities</b>	13	(170,149)	(69,258)
		<u>161,930,561</u>	<u>161,964,790</u>
<b>Not Designated to Members:</b>			
Pooled Investment Vehicles	11	240,795	273,407
<b>Current Assets</b>	12	204	204
		<u>240,999</u>	<u>273,611</u>
<b>Net Assets as at 31 December</b>		<b><u>162,171,560</u></b>	<b><u>162,238,401</u></b>

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits, which fall due after the end of the Scheme year.

**The notes on pages 14 to 22 form part of these financial statements.**

Signed for and on behalf of the Trustees

Trustee: 

Trustee: 

Date: 27-Sep-2023

# Notes to the Financial Statements

## 1. The Fund

The Scheme was established as a Defined Contribution Scheme with effect from 1 October 1997 under a Definitive Trust Deed dated 19 August 1998. The Scheme is established as a trust under Irish law and has been registered with the Pensions Authority. The address for enquiries to the Scheme is included in the Trustees Report.

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## 2. Basis of Preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended) ("the Regulations"), the guidance set out in the Statement of Recommended Practice - Financial Reports of Pension Schemes (Revised 2018) ("the SORP"), and Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102").

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits, which fall due after the end of the Scheme year.

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## 3. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Scheme's financial statements:

### Accruals concept

The financial statements have been prepared on an accruals basis with the exception of individual transfers, which are recognised when received or paid, and benefits payable, which are recognised when the options available have been agreed.

### Contribution income

The employee normal contributions are accounted for in the month in which they were deducted from members.

The employers' normal contributions are recognised in the month to which they relate.

Employer augmentation contributions are accounted for in accordance with the agreement under which they are being paid.

In addition to their normal contributions under the Scheme, members may make additional voluntary contributions. Additional voluntary contributions from the members are accounted for, on an accruals basis, in the month deducted from members. The AVC assets are included with the main Scheme assets.

### Transfers to and from other Schemes

Individual transfer values represent the amounts received or paid during the year.

### Investment income

Income is accounted for on an accruals basis. Income earned on investments in unitised funds is not distributed but is accumulated with the capital of the funds and dealt with as part of the change in market value.



### **3. Accounting Policies (continued) Change in Market Value**

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

#### **Benefits payable/Payments to leavers**

Benefits payable and payments to leavers represent all valid benefit claims payable in respect of the year.

#### **Administrative expenses and investment management expenses**

Administrative expenses and investment management expenses when borne by the Scheme are accrued as they are incurred.

#### **Foreign currency translation**

The functional and presentation currency of the Scheme is Euro.

Transactions denominated in a foreign currency are translated into Euro and recorded at the rate prevailing on the date of the transaction.

Investments, current assets and current liabilities denominated in foreign currencies are translated using the Euro rate of exchange prevailing at the year-end. Foreign currency gains and losses arising on the translation of investments are included in the change in market value of investments in the Fund Account.

#### **Valuation and classification of investments**

Investment assets are included in the financial statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets. Otherwise, the closing single price, single dealing price or most recent transaction price is used.

Where quoted or other unit prices are not available, the Trustees adopt valuation techniques appropriate to the investment class.

The methods of determining fair value for the principal classes of investments are:

- Pooled investment vehicles which are traded on an active market are included at the quoted price, which is normally the bid price.
- Unitised pooled investment vehicles which are not traded on an active market but where the manager is able to demonstrate that they are priced daily, weekly or at each month end, and are actually traded on substantially all pricing days are included at the last price provided by the manager at or before the period end.
- The values of other pooled investment vehicles which are unquoted or not actively traded on a quoted market are estimated by the Trustees. Where the value of a pooled investment vehicle is primarily driven by the fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case an adjustment is made.

#### **Pooled Investment Vehicles**

Unitised pooled investment vehicles are stated at the latest bid prices quoted by the investment managers at the year-end.

**4. Contributions**

	<b>2022</b>	<b>2021</b>
	€	€
<b>Employer</b>		
Normal contributions	13,461,146	11,287,447
Risk contributions	282,204	251,936
<b>Total Employer Contributions</b>	<b>13,743,350</b>	<b>11,539,383</b>
<b>Member</b>		
Normal contributions	6,165,084	5,162,420
Additional voluntary contributions	2,981,731	2,124,952
<b>Total Member Contributions</b>	<b>9,146,815</b>	<b>7,287,372</b>
<b>Total</b>	<b>22,890,165</b>	<b>18,826,755</b>

**5. Individual transfers in**

	<b>2022</b>	<b>2021</b>
	€	€
Individual transfer values received	619,796	725,954
<b>Total</b>	<b>619,796</b>	<b>725,954</b>

**6. Other income**

	<b>2022</b>	<b>2021</b>
	€	€
Death in service claims	-	248,956
Other receipts	-	-
<b>Total</b>	<b>-</b>	<b>248,956</b>

**7. Benefits payable**

	<b>2022</b>	<b>2021</b>
	€	€
Retirement lump sums	348,513	144,689
Purchase of Approved Retirement Funds	983,142	373,683
Lump sum death benefits	94,774	337,827
<b>Total</b>	<b>1,426,429</b>	<b>856,199</b>

**8. Payments to and on account of leavers**

	<b>2022</b>	<b>2021</b>
	€	€
Individual transfers to other arrangements	2,116,586	1,041,647
Refunds of contributions	11,897	20,958
<b>Total</b>	<b>2,128,483</b>	<b>1,062,605</b>

## 9. Group Life Term Insurance

Death in service benefits are secured by a policy of term insurance underwritten by Utmost Pan Europe dac.

	2022	2021
	€	€
<b>Premiums on term insurance policies</b>	<b>282,204</b>	<b>251,936</b>

## 10. Fees and Other Expenses

All costs in relation to the administration of the Scheme are borne by SAP Services and Support Centre (Ireland) Limited. The Scheme pays investment management expenses.

## 11. Investments

### (a) Summary of movements in investments during the year

	Value at 31-12-21	Purchases at cost	Sales proceeds	Change in market value	Value at 31-12-22
	€	€	€	€	€
Pooled Investment Vehicles	160,588,535	23,084,742	(3,632,036)	(19,739,686)	160,301,555
	<b>160,588,535</b>	<b>23,084,742</b>	<b>(3,632,036)</b>	<b>(19,739,686)</b>	<b>160,301,555</b>
<b>Allocated to members</b>	160,315,128				160,060,760
<b>Allocated to employer</b>	273,407				240,795
	<b>160,588,535</b>				<b>160,301,555</b>

Investments purchased by the Scheme are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid. The Investment Manager holds the investment units on a pooled basis for the Trustees. The Scheme administrator allocates investment units to members. The Trustees may hold investment units representing the value of the employer contributions that have been retained by the Scheme that relate to members leaving the Scheme prior to vesting.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on the sales of investments during the year and foreign exchange differences arising on the translation of investments denominated in foreign currencies. Where the investments are held in unitised funds, the change in market value also includes expenses both implicit and explicit for the year and any reinvested income, where the income is not distributed.

Transaction costs include fees, commissions, stamp duty and other duties. Transaction costs are incurred by the Scheme in relation to transactions in pooled investment vehicles. Such costs are captured through the bid/offer spread of the pooled investment vehicles. The amounts of transaction costs are not separately provided to the Scheme.

The Investment Manager is remunerated on a fee basis calculated as a percentage of the assets under management and these fees are reflected in unit prices and borne by the members.

The fund manager operating the unitised funds is registered in the Republic of Ireland.

The Trustees have delegated the implementation of their selected range of investment options to Aon. Under this delegation Aon, on behalf of the Trustees, is responsible for the selection of specialist investment managers that make up these fund options.

#### (b) Summary of investments as a % of net assets

	2022 €	Net Assets %	2021 €	Net Assets %
<b>Pooled Investment Vehicles</b>				
<b>Irish Life Investment Managers Limited</b>				
ILIM Pension Levy Cash 2013	206	0.00%	206	0.00%
Aon Diversified Growth Fund (Series A)	2,213,490	1.36%	53,525,290	32.99%
Aon Passive Emerging Market Equity Fund (Series A)	696,571	0.43%	766,267	0.47%
Aon Passive Global Equity Fund (Series A)	4,858,514	3.00%	4,528,896	2.79%
Aon Cautious Growth Fund (Series A)	849,860	0.52%	502,625	0.31%
Aon Active Global Equity Fund (Series A)	1,825,714	1.13%	2,239,806	1.38%
Aon Pre-Retirement Bond Fund (Series A)	640,086	0.39%	1,041,056	0.64%
Aon Balanced Fund (Series A)	115,250,483	71.07%	853,454	0.53%
Aon Cash Fund (Series A)	2,522,433	1.56%	1,968,813	1.21%
Aon Growth Fund (Series A)	6,438,257	3.97%	95,162,122	58.66%
Aon Passive ESG Equity Fund (Series A)	93,399	0.06%	-	0.00%
Aon Moderate Growth Fund (Series A)	24,810,755	15.30%	-	0.00%
Aon Global Impact Fund (Series A)	101,787	0.06%	-	0.00%
	<b><u>160,301,555</u></b>		<b><u>160,588,535</u></b>	

#### (c) Pooled Investment Vehicles Categories

	2022 €	2021 €
<b>Pooled investment vehicles</b>		
Bond Funds	640,086	1,041,056
Cash Funds	2,522,639	1,969,019
Equity Funds	7,575,985	7,534,969
Multi Assets Funds	149,562,845	150,043,491
	<b><u>160,301,555</u></b>	<b><u>160,588,535</u></b>

#### (d) Concentration of Investments

Excluding investments in unit linked funds as outlined above there was no investment/security that accounted for more than 5% of the Scheme's net assets as at 31 December 2022 (2021: Nil).

#### (e) Investment Fair Value Hierarchy

The fair value of the Scheme's investment assets has been determined using the following hierarchy:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Pooled investment vehicles which are traded regularly are generally included in Level 2.

<b>At 31 December 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>Pooled investment vehicles</b>	-	160,301,555	-	160,301,555
	-	<b>160,301,555</b>	-	<b>160,301,555</b>

<b>At 31 December 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>Pooled investment vehicles</b>	-	160,588,535	-	160,588,535
	-	<b>160,588,535</b>	-	<b>160,588,535</b>

#### **(f) Investment Risks**

FRS 102 requires the disclosure of information in relation to certain investment risks.

**Credit risk:** this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

**Market risk:** this comprises currency risk, interest rate risk and other price risk.

- **Currency risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other price risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees determine the Scheme's investment strategy after taking advice from Aon Solutions Ireland Limited. The Scheme has exposure to the above risks because of the investments it makes in following the investment strategy set out below. The Trustees manage these risks taking into account the Scheme's strategic investment objectives. These investment objectives are monitored by the Trustees by regular reviews of the investment portfolio.

Further information on the Trustees' approach to risk management, credit and market risk is set out below.

#### **Investment strategy**

The Trustees' objective is to make available to members of the Scheme an appropriate range of investment options designed to generate income and capital growth, which together with new contributions from members and their employers, will provide a retirement amount with which the member can purchase a pension annuity (or other type of retirement product). The Statement of Investment Policy Principles (SIPP) outlines the investment objectives and strategy of the Scheme.

The investment fund classes offered to members include:

- Bonds
- Cash
- Equity
- Multi Asset

The day to day management of the underlying investments of the funds is the responsibility of the appointed Investment Manager, including the direct management of credit and market risks.

The Trustees have delegated the implementation of their investment strategy to Aon Investments Limited (AIL). Aon Solutions Ireland Limited reports to the Trustees on the underlying risks by quarterly investment reviews. The risks disclosed here relate to the Scheme's investments as a whole. Members are able to choose their own investments from the range of funds offered by the Trustees and therefore may face a different profile of risks from their individual choices compared with the Scheme as a whole.

### **Credit risk**

The Scheme is subject to direct credit risk through its holdings in pooled funds provided by the appointed Investment Manager. The Trustees only invest in funds where the fixed interest financial instruments and all counterparties are at least investment grade.

Credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled managers, the regulatory environments in which the pooled managers operate and diversification of investments across various funds/ investment managers. The Investment Manager is regulated by the Central Bank of Ireland. AIL carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitors any changes to the operating environment of the pooled manager. Pooled investment arrangements used by the Scheme comprise unit linked insurance contracts.

The Scheme is also subject to indirect credit and market risk arising from the underlying investments held in the funds available to members. Member level risk exposures will be dependent on the funds invested in by members.

### **Market Risk**

The Scheme is subject to indirect currency, interest rate and other price risk arising from the underlying financial instruments held in the funds on offer.

### **Currency Risk**

The Scheme is subject to indirect currency risk as some of the underlying investments of the Scheme's pooled investment vehicles are held in overseas markets. This risk applies to all funds apart from the Aon Pre-Retirement Bond Fund and the Aon Cash Fund. Currency risk is managed through diversification by the investment manager within the funds.

### **Interest Rate Risk**

The Scheme is subject to indirect interest rate risk primarily in the Bond and Cash funds and also in the Multi Asset funds.

### **Other price risk**

Indirect other price risk arises principally in relation to property, equities and bonds held in pooled investment vehicles. All of the Scheme's pooled investment funds are exposed to indirect other price risk apart from the Cash fund. The Scheme manages this exposure to overall price movements by holding a diverse portfolio of investments across various markets within each fund depending on the strategy for the fund.

See the table below for how these risks impact various fund classes.

	<b>Currency</b>	<b>Interest rate</b>	<b>Other Price</b>
<b>Equities</b>	✓	-	✓
<b>Bonds</b>	-	✓	✓
<b>Cash</b>	-	✓	-
<b>Multi Asset</b>	✓	✓	✓

Above excludes manager risk, cash flow risk, inflation risk, operational risk, covenant risk.

**12. Current Assets**

	<b>2022</b>	<b>2021</b>
	<b>€</b>	<b>€</b>
<b>Designated to Members:</b>		
Cash	46,972	1,701,920
Cash in transit at year end	134,935	17,000
Contributions Receivable	1,858,043	-
<b>Total Designated to Members</b>	<b>2,039,950</b>	<b>1,718,920</b>
<b>Not Designated to Members</b>		
Bank	204	204
<b>Total Not Designated to Members</b>	<b>204</b>	<b>204</b>
<b>Total</b>	<b>2,040,154</b>	<b>1,719,124</b>

**13. Current Liabilities**

	<b>2022</b>	<b>2021</b>
	<b>€</b>	<b>€</b>
<b>Designated to Members:</b>		
Benefits Payable	170,090	69,199
Contributions Prepaid	59	59
<b>Total Designated to Members</b>	<b>170,149</b>	<b>69,258</b>

**14. Related Party Transactions****Trustees**

The Trustees of the Pension Scheme are set out on page 1 of this report. All Trustees are members of the Scheme. Contributions include amounts in relation to the Trustees who are members of the Scheme and were paid in accordance with the Scheme rules for the year ended 31 December 2022.

**Remuneration of the Trustees**

No remuneration was due to or received by the Trustees for their services to the Scheme. (2021: Nil)

**Principal Employer and Participating Employers**

The Principal Employer and other participating employers are listed on page 1 of this Report. All administration costs are borne by the Principal Employer. The employer contributions are made in accordance with the Trust Deed.

**The Registered Administrator**

Aon Solutions Ireland Limited t/a Aon provides administration and consulting services to the Scheme. Fees in respect of such services are paid separately by the Principal Employer. Cash held on behalf of the Scheme at 31 December 2022 was €47,176 (2021: €1,702,124).

**14. Related Party Transactions (continued)****Investment Managers**

The Trustees have delegated the implementation of their selected range of investment options to Aon Investments Limited (AIL). Irish Life Investment Managers Limited (ILIM) is the Investment Manager and Fund Platform Provider.

The investment manager is remunerated on a fee basis calculated as a percentage of the assets under management and these fees are reflected in unit prices and borne by the Scheme.

**15. Self-Investment**

There were no employer-related investments at any time during the year, with the exception of the late remittance of contributions due in respect of the Trustees which, in accordance with Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended), constitutes self-investment.

The schedule below sets out the contribution amounts which were paid late during the year and the month to which they relate.

Month	ER	EE	AVC	Due	Received
	€	€	€		
Mar 22	4,079	9,064	-	21 Apr 22	27 May 22
Apr 22	4,678	10,432	-	21 May 22	27 May 22

**16. Taxation**

The Scheme has been approved by the Revenue Commissioners as an “exempt approved scheme” under Section 774 of the Taxes Consolidation Act 1997 and as such its assets are generally allowed to accumulate free of income and capital gains taxes.

**17. Contingent Liabilities**

There were no contingent liabilities or contractual commitments (except for the liabilities to pay pensions and other benefits in the future which have not been taken into account) at 31 December 2022 (2021: €Nil).

**18. Events Subsequent to the year end**

The impact of Covid-19 has continued post year end. The Trustees continue to monitor the situation.

On 24 February 2022, Russia began a military invasion of Ukraine. The conflict in Ukraine continues to be a key driver of global markets with commodity markets remaining volatile. It is not possible to estimate the impact of these events on the Scheme at this time. The Trustees will continue to monitor the position in conjunction with their investment advisers.

There are no other events post year end that would require amendments to or disclosure in these financial statements.

**19. Approval of the financial statements**

The financial statements were approved by the Trustees on: 27-Sep-2023



# Investment Reports



## Investment Manager's Report

### SAP IRELAND PENSION SCHEME 23552-01

#### Investment Report for Year Ended 31 December 2022

##### Investment Policy

The long term investment objectives of your pension fund are to achieve a return on fund assets which is sufficient, over the long-term, to meet your funding objectives and to earn a rate of return on assets that will exceed inflation and the risk free rate (cash).

In general, this will require a long-term investment return of at least price inflation plus 4% per annum. Examination of the long term return characteristics of asset types indicates that these objectives are most likely to be achieved by allocating a higher proportion of the fund to risk assets, such as equities and property with lower allocations to monetary assets such as bonds and cash. Each scheme however is unique and as such will have its own unique characteristics that determine the appropriate asset allocations between risk & monetary assets. Risk assets as outlined above whilst providing superior longer term returns, tend to be more volatile when compared with monetary assets which historically have provided lower returns but with less volatility.

##### Investment Performance

Global equities are down over the last twelve months, falling -15.6% in local currency terms although are down less in Euro terms, -12.6%, as the weaker euro boosted returns for euro based investors. Equities have fallen on concerns over tighter central bank policies, higher bond yields, slower growth and uncertainty over the potential fallout on growth and inflation following the invasion of Ukraine by Russia.

Eurozone bonds fell as yields rose through the year with the Eurozone 5yr+ sovereign bond benchmark down -24.4%. Bond yields rose given increasing concerns around inflation which resulted in an expectation of reduced policy accommodation from the ECB and other central banks. There has been a dramatic shift in monetary policy over the last year, from a low interest rate environment to one where official interest rates are rising and are expected to rise further.

Irish commercial property is slightly higher over the last twelve months, with the property fund rising 0.3%. Despite the disruption and uncertainty posed by the Covid-19 pandemic, inward investment into Irish property remained relatively high during the last year. Rental values in the modern office space have held up well despite the pandemic, while the industrial/logistics sector has experienced strong growth over the last twelve months.

Commodities rose 26.0% over the last twelve months and are up 34.2% in Euro terms due to tight supplies. Concerns over possible supply disruptions and sanctions following Russia's invasion of Ukraine have helped push commodity prices higher.

## SCHEME SUMMARY INFORMATION

Fund Code	Fund Name	Opening Value	Contributions / Withdrawals	Gain / Loss	Closing Value
AAEA	Aon Active Global Equity Fund	€2,239,806.10	€27,354.61	€(441,446.82)	€1,825,713.89
ABFA	Aon Balanced Fund (Series A)	€853,454.25	€121,231,498.87	€(6,834,470.06)	€115,250,483.06
AHCA	Aon Cash Fund (Series A)	€1,968,813.29	€560,342.50	€(6,722.70)	€2,522,433.09
ACFA	Aon Cautious Growth Fund (Series A)	€502,624.99	€375,030.42	€(27,795.25)	€849,860.16
ADGA	Aon Diversified Growth Fund (Series A)	€53,525,290.10	€(49,413,413.83)	€(1,898,385.90)	€2,213,490.37
AGIMA	Aon Global Impact Fund (Series A)	-	€112,200.50	€(10,414.12)	€101,786.38
AGFA	Aon Growth Fund (Series A)	€95,162,122.21	€(81,199,168.88)	€(7,524,696.56)	€6,438,256.77
AMGFA	Aon Moderate Growth Fund (Series A)	-	€26,756,331.61	€(1,945,576.79)	€24,810,754.82
AEM1	Aon Passive Emerging Market	€766,267.01	€41,514.68	€(111,210.67)	€696,571.02
AESGA	Aon Passive ESG Equity Fund	-	€98,938.92	€(5,539.61)	€93,399.31
APEA	Aon Passive Global Equity Fund	€4,528,895.80	€958,875.58	€(629,257.57)	€4,858,513.81
APBA	Aon Pre-Retirement Bond Fund	€1,041,055.47	€(96,799.14)	€(304,170.00)	€640,086.33
PL13	Pension Levy Cash 2013	€206.22	-	-	€206.22
<b>Total</b>		<b>€160,588,535.44</b>			<b>€160,301,555.23</b>

Fund Code	Fund Name	Opening Units	Price	Opening Value	Closing Units	Price	Closing Value
AAEA	Aon Active Global Equity Fund	1,210,706	€1.850	€2,239,806.10	1,231,095	€1.483	€1,825,713.89
ABFA	Aon Balanced Fund (Series A)	490,773	€1.739	€853,454.25	75,130,693	€1.534	€115,250,483.06
AHCA	Aon Cash Fund (Series A)	2,038,109	€0.966	€1,968,813.29	2,619,349	€0.963	€2,522,433.09
ACFA	Aon Cautious Growth Fund	482,829	€1.041	€502,624.99	845,632	€1.005	€849,860.16
ADGA	Aon Diversified Growth Fund	46,787,841	€1.144	€53,525,290.10	2,076,445	€1.066	€2,213,490.37
AGIMA	Aon Global Impact Fund	-	-	-	112,347	€0.906	€101,786.38
AGFA	Aon Growth Fund (Series A)	52,200,835	€1.823	€95,162,122.21	4,026,427	€1.599	€6,438,256.77
AMGFA	Aon Moderate Growth Fund	-	-	-	27,845,965	€0.891	€24,810,754.82
AEM1	Aon Passive Emerging Market	613,996	€1.248	€766,267.01	657,763	€1.059	€696,571.02
AESGA	Aon Passive ESG Equity Fund	-	-	-	107,727	€0.867	€93,399.31
APEA	Aon Passive Global Equity	2,061,400	€2.197	€4,528,895.80	2,534,436	€1.917	€4,858,513.81
APBA	Aon Pre-Retirement Bond	786,890	€1.323	€1,041,055.47	716,782	€0.893	€640,086.33
PL13	Pension Levy Cash 2013	210	€0.982	€206.22	210	€0.982	€206.22
<b>Total</b>				<b>€160,588,535.44</b>			<b>€160,301,555.23</b>

### PERFORMANCE AS AT 31 DECEMBER 2022

Fund Name	QTD	YTD	1 Year	3 Years p.a.	5 Years p.a.	10 Years p.a.	Since Launch p.a.
Aon Active Global Equity Fund (Series A)	-0.3%	-19.8%	-19.8%	0.4%	4.1%	-	5.6%
Aon Balanced Fund (Series A)	2.7%	-11.8%	-11.8%	2.0%	4.0%	-	6.4%

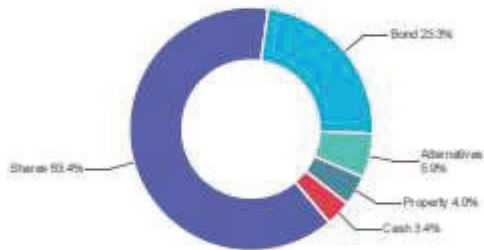
## PERFORMANCE AS AT 31 DECEMBER 2022

Fund Name	QTD	YTD	1 Year	3 Years p.a.	5 Years p.a.	10 Years p.a.	Since Launch p.a.
Aon Cash Fund (Series A)	0.1%	-0.3%	-0.3%	-0.5%	-0.5%	-	-0.5%
Aon Cautious Growth Fund (Series A)	0.8%	-3.5%	-3.5%	-0.3%	-0.5%	-	0.1%
Aon Diversified Growth Fund (Series A)	1.3%	-6.8%	-6.8%	0.8%	0.7%	-	0.9%
Aon Global Impact Fund (Series A)	3.0%	-20.2%	-20.2%	-	-	-	-7.4%
Aon Growth Fund (Series A)	3.5%	-12.3%	-12.3%	3.9%	6.2%	-	6.4%
Aon Moderate Growth Fund (Series A)	2.2%	-10.9%	0.0%	-	-	-	0.0%
Aon Passive Emerging Market Equity Fund	0.6%	-15.1%	-15.1%	-1.1%	0.8%	-	1.1%
Aon Passive ESG Equity Fund (Series A)	0.1%	-13.3%	-	-	-	-	-
Aon Passive Global Equity Fund (Series A)	0.7%	-12.7%	-12.7%	6.2%	8.2%	-	9.3%
Aon Pre-Retirement Bond Fund (Series A)	-3.6%	-32.5%	-32.5%	-11.9%	-4.5%	-	-1.5%
Pension Levy Cash 2013	0.2%	0.0%	0.0%	-0.3%	-0.3%	-	-0.2%

## AON BALANCED FUND (SERIES A)

The Fund invests in a wide variety of passive components including equities, bonds, property, infrastructure and cash. This fund tracks a composite benchmark constructed of the underlying indices. The strategy aims to achieve a return in excess of Irish inflation plus 3% over time, with a medium/high exposure to market volatility risk. This fund may be suitable if you have a number of years until the time you draw down your retirement funds, or if you have a medium / high tolerance to market volatility risk.

### ASSET ALLOCATION



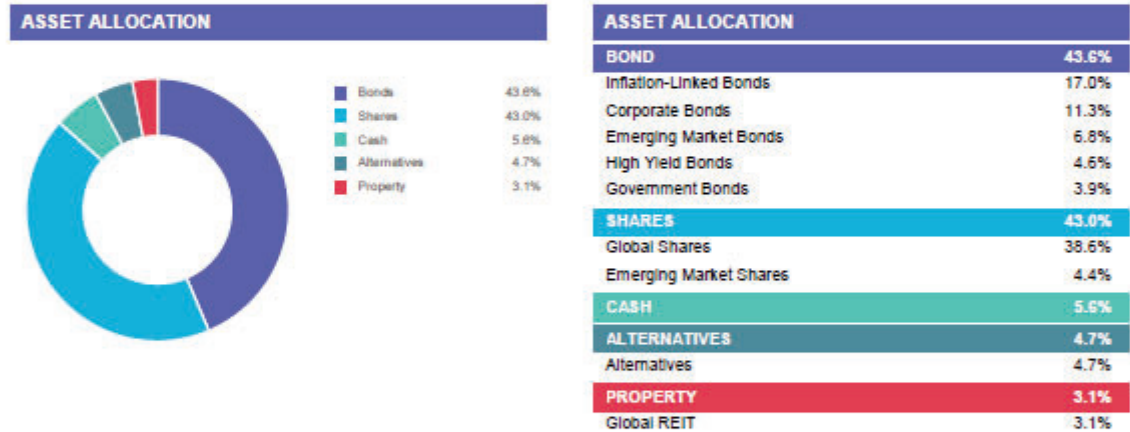
<b>SHARES</b>	<b>63.4%</b>
Multi Factor ESG Low Carbon Equities	41.0%
Global Shares	16.0%
Emerging Market Shares	6.4%
<b>BOND</b>	<b>25.3%</b>
Inflation-Linked Bonds	10.5%
Corporate Bonds	5.2%
Emerging Market Bonds	3.1%
Government Bonds	2.4%
High Yield Bonds	2.1%
<b>ALTERNATIVES</b>	<b>5.5%</b>
<b>PROPERTY</b>	<b>4.0%</b>
<b>CASH</b>	<b>3.4%</b>

### PERFORMANCE AS AT 31/12/2022

	1 Month	3 Month	1 Year	3 Year p.a.	5 Year p.a.	Since Launch p.a.
Fund	-5.19%	2.75%	-11.79%	2.01%	3.96%	6.41%
Benchmark	-5.28%	2.64%	-11.71%	3.25%	5.13%	6.97%

## AON MODERATE GROWTH FUND (SERIES A)

This is a multi-asset fund, invested in indexed fixed income and equity assets as well as a minor allocation to cash. The fund is intended to generate positive returns over time with lower volatility relative to a general equity or managed fund. The allocations within the fund are reviewed and amended when relevant by Aon.



**PERFORMANCE AS AT 31/12/2022**

	Since Launch p.a.	1 Year	1 Month	3 Month
Fund	0.00%	0.00%	-4.50%	2.18%
Benchmark	-0.14%	-11.47%	-4.43%	2.24%

## AON GROWTH FUND (SERIES A)

The fund aims to perform in line with its benchmark gross of fees over rolling three year periods by investing primarily in a range of passive funds that provide exposure to global equities. The fund is managed by ILIM in conjunction with Aon Hewitt. Underlying passive equity strategies within the fund are reviewed on an ongoing basis and replaced when deemed necessary.

### ASSET ALLOCATION



### ASSET ALLOCATION

<b>SHARES</b>	<b>90.0%</b>
Global Shares	80.9%
Emerging Market Shares	9.1%
<b>ALTERNATIVES</b>	<b>6.0%</b>
Alternatives	6.0%
<b>PROPERTY</b>	<b>4.0%</b>
Global REIT	4.0%

### PERFORMANCE AS AT 31/12/2022

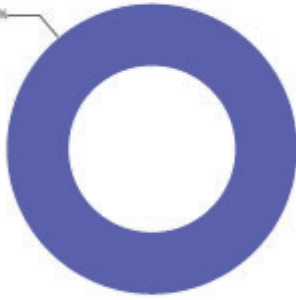
	1 Month	3 Month	1 Year	3 Year p.a.	5 Year p.a.	Since Launch p.a.
Fund	-5.94%	3.50%	-12.29%	3.94%	6.23%	6.40%
Benchmark	-5.90%	3.63%	-11.91%	5.29%	7.63%	7.44%

## AON PASSIVE GLOBAL EQUITY FUND (SERIES A)

This fund is passively managed investing in global shares. The fund aims to deliver a return in line with its benchmark before fees which is a blend of various developed world and advanced emerging market, regional equity indices.

### ASSET ALLOCATION

Shares 100.0%



### ASSET ALLOCATION

SHARES	100.0%
Global Shares	100.0%

### PERFORMANCE AS AT 31/12/2022

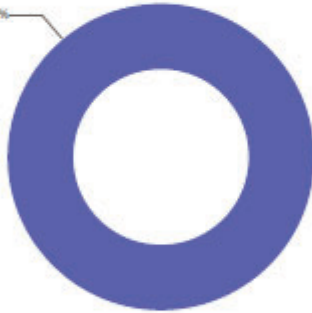
	1 Month	3 Month	1 Year	3 Year p.a.	5 Year p.a.	Since Launch p.a.
Fund	-7.66%	0.74%	-12.75%	6.25%	8.16%	9.30%
Benchmark	-7.62%	0.76%	-12.78%	6.57%	8.57%	9.75%

## AON CASH FUND (SERIES A)

This fund is actively managed and invests in a mix of cash deposits with different maturities and other cash like instruments. The objective of the fund is to provide capital protection. However it is not guaranteed and aims to deliver a return in line with interest rates being achieved on short term cash deposit rates. The fund can invest in deposits, short dated bonds and other money market instruments. All investments within the fund are Euro denominated. The fund is measured against the 3 Month EURIBOR Index for comparison purposes.

### ASSET ALLOCATION

Cash 100.0%



### ASSET ALLOCATION

CASH	100.0%
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### PERFORMANCE AS AT 31/12/2022

	1 Month	3 Month	1 Year	3 Year p.a.	5 Year p.a.	Since Launch p.a.
Fund	0.10%	0.10%	-0.31%	-0.51%	-0.53%	-0.50%
Benchmark	0.18%	0.44%	0.33%	-0.22%	-0.27%	-0.26%



## AON DIVERSIFIED GROWTH FUND (SERIES A)

The fund aims to outperform its benchmark by 4% p.a. gross of fees over rolling three year periods by investing in a range of multi-asset strategies from various fund managers thereby giving an overall exposure to a wide range of different asset types at any one time. The fund is managed by ILIM in conjunction with Aon Hewitt. Underlying fund managers within the fund are reviewed on an ongoing basis and replaced when deemed necessary.

### ASSET ALLOCATION



### ALTERNATIVES LISTED BY MANAGER



### PERFORMANCE AS AT 31/12/2022

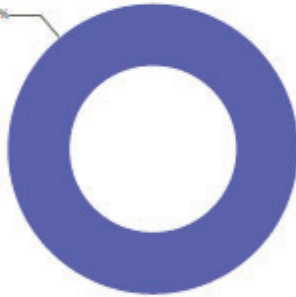
	1 Month	3 Month	1 Year	3 Year p.a.	5 Year p.a.	Since Launch p.a.
Fund	-2.38%	1.33%	-6.82%	0.76%	0.71%	0.86%
Benchmark	0.18%	0.44%	0.33%	-0.22%	-0.27%	-0.26%

## AON ACTIVE GLOBAL EQUITY FUND (SERIES A)

The fund aims to outperform its benchmark gross of fees over rolling three year periods by investing in a range of funds that provide exposure to global equities. The fund is managed by ILM in conjunction with Aon Hewitt. Underlying fund managers within the fund are reviewed on an ongoing basis and replaced when deemed necessary.

### ASSET ALLOCATION

Shares 100.0%



### ASSET ALLOCATION

SHARES	100.0%
Global Shares	100.0%

### PERFORMANCE AS AT 31/12/2022

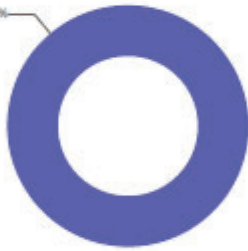
	1 Month	3 Month	1 Year	3 Year p.a.	5 Year p.a.	Since Launch p.a.
Fund	-4.45%	-0.27%	-19.84%	0.36%	4.08%	5.60%
Benchmark	-7.62%	0.76%	-12.78%	6.72%	8.67%	8.97%

## AON CAUTIOUS GROWTH FUND (SERIES A)

The fund aims to outperform its benchmark by 2% p.a. gross of fees over rolling three year periods by investing in a range of funds, which provide exposure to global fixed income strategies, currencies and money markets. The Fund is not a guaranteed fund.

### ASSET ALLOCATION

Alternatives 100.0%



### ASSET ALLOCATION

ALTERNATIVES	100.0%
Alternatives	100.0%

### PERFORMANCE AS AT 31/12/2022

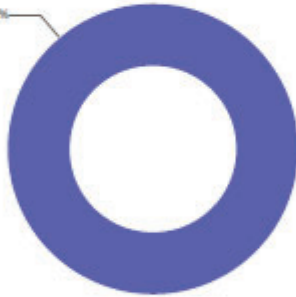
	1 Month	3 Month	1 Year	3 Year p.a.	5 Year p.a.	Since Launch p.a.
Fund	0.80%	0.80%	-3.46%	-0.30%	-0.47%	0.07%
Benchmark	0.18%	0.44%	0.33%	-0.22%	-0.27%	-0.26%

## AON PASSIVE EMERGING MARKET EQUITY FUND

This fund is passively managed and invests in emerging market equities. The fund aims to perform in line with the MSCI Emerging Markets Equity Index before fees. This fund is designed to achieve emerging markets equity fund returns on a consistent basis.

### ASSET ALLOCATION

Shares 100.0%



### ASSET ALLOCATION

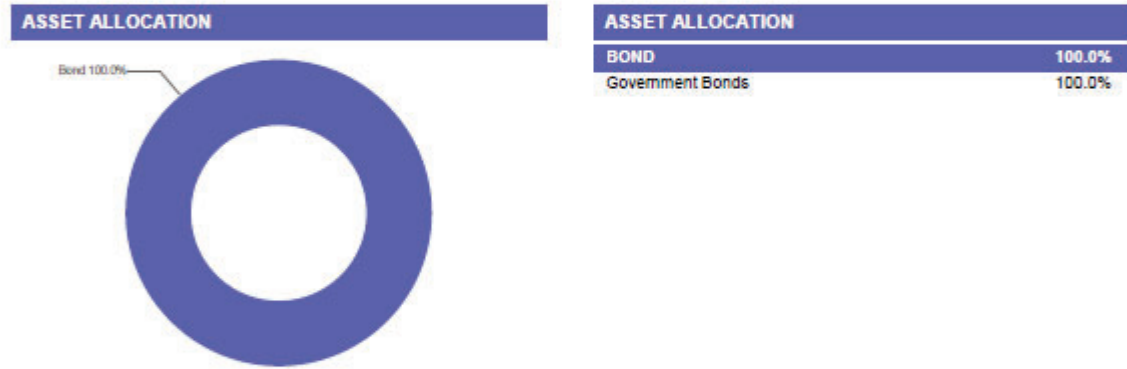
SHARES	100.0%
Emerging Market Shares	100.0%

### PERFORMANCE AS AT 31/12/2022

	1 Month	3 Month	1 Year	3 Year p.a.	5 Year p.a.	Since Launch p.a.
Fund	-4.85%	0.57%	-15.14%	-1.11%	0.75%	1.11%
Benchmark	-4.83%	0.78%	-14.48%	-0.68%	1.33%	1.46%

## AON PRE-RETIREMENT BOND FUND (SERIES A)

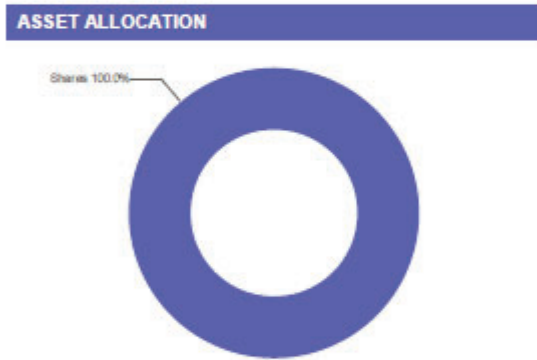
This fund is a passively managed fund that invests in long dated AAA/AA rated Eurozone Government Bonds. The fund aims to perform in line with the ICE BofAML EMU Government Bond >10 Year AAA/AA Index before fees. Government bonds rise and fall in value so this fund can rise and fall in value.



PERFORMANCE AS AT 31/12/2022						
	1 Month	3 Month	1 Year	3 Year p.a.	5 Year p.a.	Since Launch p.a.
Fund	-8.06%	-3.56%	-32.50%	-11.87%	-4.55%	-1.48%
Benchmark	-9.00%	-3.45%	-32.38%	-11.73%	-4.39%	-1.31%

## AON GLOBAL IMPACT FUND (SERIES A)

The fund aims to outperform its benchmark gross of fees over rolling three-year periods by investing in a range of component funds designed to generate positive, measurable social and environmental impacts alongside attractive risk-adjusted returns.



**ASSET ALLOCATION**

SHARES	100.0%
Global Shares	100.0%

External asset managers may change over time.

**PERFORMANCE AS AT 31/12/2022**

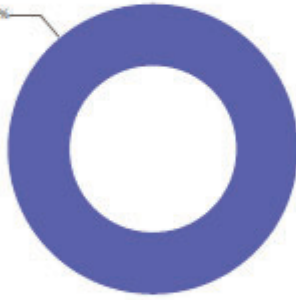
	1 Month	3 Month	1 Year	Since Launch p.a.
Fund	-3.62%	2.96%	-20.25%	-7.40%
Benchmark	-7.62%	0.76%	-12.78%	-1.32%

## AON PASSIVE ESG EQUITY FUND (SERIES A)

The fund follows the MSCI World ESG Screened ex Select Conventional Weapons Index. This index is designed to screen out controversial business areas while maintaining a risk profile similar to traditional global equity benchmarks. It is comprised of global companies screened for exposure to thermal coal, weapons, tobacco and other controversial industries. These companies are excluded based on specific environmental, social and governance (ESG) criteria.

### ASSET ALLOCATION

Shares 100.0%



### ASSET ALLOCATION

SHARES	100.0%
Global Shares	100.0%

### PERFORMANCE AS AT 31/12/2022

	1 Month	3 Month	Since Launch
Fund	-7.86%	0.12%	-13.30%
Benchmark	-7.89%	0.06%	-13.34%

# Statement of Investment Policy Principles



# Statement of Investment Policy Principles

SAP Ireland Pension Scheme

Prepared for: The Trustees  
Prepared by: Aon  
Date: 14 February 2022

For professional clients only.





## Statement of Investment Policy Principles

### General Principles and Objectives

This Statement of Investment Policy Principles has been prepared on behalf of the Trustees of the SAP Ireland Pension Scheme (the Scheme). SAP Ireland Limited, SAP Service and Support Centre (Ireland) Limited, SAP Ireland US-Financial Services Limited and Business Objects Software Limited are the Scheme Sponsors. The Trustees are charged with primary responsibility for the management and oversight of the Scheme. The Trustees have taken expert advice from their investment consultants, Aon, in setting out their Principles and Objectives.

The Trustees' principal investment objective is to assist the members in maximising their benefits in retirement subject to acceptable levels of risk during their working life. More specifically, the Trustees recognise that:

1. Individual members have differing investment needs and that these may change during the course of their working lives;
2. Individual members have differing attitudes to risk.

In order to allow members choose an investment strategy which is appropriate to their individual circumstances, the Trustees have decided on a range of investment options which have the following characteristics:

- They cover the entire risk/return spectrum (from low risk/low return to high risk/high return) and are easily distinguishable from one another
- They are diversified and managed by experienced, professional investment managers
- They carry fees which are appropriate for the asset class
- They can be combined to achieve different risk/return characteristics.

In addition to a comprehensive range of individual fund options, the Trustees offer a range of investment strategies (called lifestyle strategies) which combine individual fund options in a defined manner focusing on investment growth during a member's early working life while gradually reducing the investment risk profile over the period to retirement.

### Investment Strategy Review

The investment strategy and range of investment funds is continually reviewed by the trustees with the assistance of their investment advisor. A formal full strategy review is undertaken every three years.

### Information

The current range of investment fund choices are detailed in Appendix A, page 11.

Details of the Lifestyle strategies, including the Default strategy are shown in Appendix B, page 12.

The Trustees policies on Responsible Investment are contained in Appendix C, page 15.

#### Statement of Investment Policy Principles

The most recent Investment Strategy Review completed in 2021 incorporated the following changes:

- An additional Lifestyle strategy was introduced which targets a higher long-term return for members with a higher risk capacity. The Lifestyle strategies available to members are:
  - The 'Balanced' Lifestyle strategy, which targets long-term real returns with moderate levels of risk, incorporates a significant allocation to growth assets over a member's lifetime with increasing allocations to lower risk assets as members near retirement.
  - The 'Adventurous' Lifestyle strategy, which targets higher long-term real returns, incorporates a higher allocation to growth assets than the Balanced Lifestyle and would be likely to have greater levels of volatility in returns. The allocation to growth assets is reduced as members near retirement.
- Both Lifestyle strategies provide three alternative pre-retirement de-risking options in the 7 years before retirement; these are designed to reflect a particular target drawdown strategy (Approved Retirement Fund, All Cash, or Annuity purchase).
- The fund composition of the Lifestyle strategies was changed from a mix of active and passive funds to all-passive funds which resulted in lower investment management costs for members.
- Three additional funds were added to the self-select fund range to expand the range of choice for members and provide greater access to strategies which incorporate Environmental, Social and Governance (ESG) criteria. The Trustees' approach to ESG is detailed in the section on Responsible Investment on page 5.

## Default Investment Strategy

The Trustees strongly encourage individual members to make their own investment decisions based on their individual circumstances and their attitude to risk while operating within the choices available.

Where members wish to delegate the decision-making process to the Trustees, the Trustees have established a default investment strategy which is reasonable for any member not wishing to make his/her own investment decisions.

The default investment strategy has the following main objectives:

1. To maximise the value of members' retirement benefits subject to acceptable levels of risk
2. To protect the value of those benefits as members approach retirement.

#### Statement of Investment Policy Principles

The selected default investment strategy is the Balanced Approved Retirement Fund (ARF) Target Lifestyle Strategy and is outlined in Appendix B. The Trustees recognise that the Approved Retirement Fund (ARF) Target Lifestyle Strategy may not necessarily result in the "best" outcome as it assumes all members:

- Know in advance when they are going to retire
- Will take all, or the majority of, their benefits in a pre-determined way – in this case to convert the majority of their accumulated retirement account into an Approved Retirement Fund (ARF) at retirement (subject to meeting the necessary conditions).

If members do not propose to take their benefits in a pre-determined way or are targeting to retire at a date other than Normal Pension Date, they may need to adjust their investment strategy accordingly.

The Default Strategy is kept under close review by the Trustees to ensure its continued suitability to the needs of the average member and can be easily changed in the future if deemed appropriate.

## Strategy Implementation

The Trustees have delegated the implementation of their selected range of investment options to Aon.

Under this delegation, Aon, on behalf of the Trustees, is responsible for the selection of specialist investment managers and for blending the selected investment managers into individual unitised funds (where appropriate).

The process of combining the different managers into an individual fund requires the appointment of an appropriate fund platform provider and Aon is also responsible for the appointment of this party.

Aon will monitor the appropriateness of the appointed investment managers, the allocations to individual investment mandates and the fund platform provider on an ongoing basis and will implement any changes deemed necessary and consult with the trustees where required.

## Risk

The Trustees have identified a number of investment risks to members' retirement benefits. These risks are listed below along with the actions that the Trustees have taken in an effort to address and mitigate them.

1. The risk that members choose inappropriate funds or that the number and type of funds offered is sub-optimal for the needs of some members.

*The Trustees have addressed this risk by providing clearly differentiated funds which capture the full spectrum in relation to risk/return profiles as well as a range of lifestyle investment strategies. In addition, the Trustees ensure that members have access to clearly described explanatory information which outlines the different characteristics of the funds/strategies available.*

Statement of Investment Policy Principles

2. The risk that an individual member does not feel competent to make investment decisions.

*This risk has been addressed by the creation of a default investment strategy which is suitable for a typical member.*

3. The risk that unfavourable market movements in the years just prior to retirement lead to a substantial reduction in a member's retirement account and hence in the anticipated cash lump sum benefit.

*This risk has been addressed by the Trustees offering a cash fund option and a Cash Target Lifestyle Strategy as one of the three pre-retirement de-risking options available under each Lifestyle Strategy.*

4. The risk that unfavourable market movements in the years just prior to retirement lead to a reduction in the amount of pension that can be secured by purchasing an annuity.

*This risk has been addressed by the Trustees offering a bond fund option and an Annuity Target Lifestyle Strategy as one of the three pre-retirement de-risking options available under each Lifestyle Strategy.*

5. The risk that the individual investment options do not achieve their expected objectives.

*The Trustees address this risk through the ongoing monitoring of their investment arrangements with formal reporting received on a regular basis. In addition, Aon, on behalf of the Trustees, monitors the ongoing appropriateness of the investment fund options including the appointed investment managers and the fund platform providers on a continuous basis.*

6. The risk that the risk profile of the individual investment options deviates from the intended risk profile.

*The Trustees address this risk through the ongoing monitoring of their investment arrangements with formal reporting received on a regular basis. In addition, Aon, on behalf of the Trustees, monitor the appointed investment managers and the fund platform providers on a continuous basis.*

## Responsible Investment

In setting the Scheme's investment strategy, the Trustees' primary concern is to act in the best financial interests of the members of the Scheme, seeking the best return that is consistent with a prudent and appropriate level of risk.

The Trustees acknowledge that an understanding of financially material considerations including Environmental, Social and Governance (ESG) factors (such as climate change) and risks related to these factors is necessary to allow them to discharge their fiduciary duties in a prudent manner.

The Trustees are aware of their regulatory responsibilities in relation to responsible investment and sustainability and have taken the necessary steps to ensure compliance with their requirements under IORP II, the EU Shareholders Rights Regulations 2020 and the EU Sustainable Finance Disclosures Regulation 2019.

Statement of Investment Policy Principles

The Trustees have received training on responsible investment, have completed a Responsible Investment survey, had a meeting to discuss their responsible investment beliefs and have finalised their Responsible Investment Policies which are incorporated as Appendix C to this SIPP.

The Trustees have delegated the implementation of their investment strategy to Aon. The following responsible investment criteria are integrated into the Scheme's investment options:

- Within the Lifestyle strategies, including the Default strategy, the majority of the equity allocation incorporates meaningful exclusions which target some of the core themes around responsible investing. The primary focus is climate change, but the core themes also include a number of global social concerns.
- Funds with similar exclusions are available as self-select investment options.
- The self-select investment options have been expanded to include an ESG-specific passive global equity fund and an actively managed global equity fund focussed on Impact investing.
- For every investment choice, the underlying investment managers are assessed and rated by Aon on ESG criteria.

As part of ongoing monitoring of the Scheme's investments, the Trustees use ESG ratings information provided by their delegated investment provider, Aon, to monitor the level of integration of ESG on a quarterly basis.

The Trustees intend to take the following additional steps to monitor and assess ESG related risks and opportunities in order to comply with regulatory requirements:

- The Trustees will undertake regular training on responsible investment to understand how ESG factors, including climate change, could impact the Scheme's investments.
- The Trustees, in consultation with their investment advisor and with the Scheme Sponsor, will keep their policy on responsible investment under regular review and ensure it continues to be incorporated into the investment strategy and fund selections, where appropriate and feasible. These reviews will take place at least every three years in conjunction with the triennial review of investment strategy or earlier if a change in regulations or investment circumstances so requires.
- The Trustees will publish details of the policy and monitor its implementation.
- The Trustees will include ESG-related risks, including climate change, on the Scheme's risk register as part of ongoing risk assessment and monitoring.

## Statement of Investment Policy Principles

## Governance

The Trustees are responsible for the investment of the Scheme assets. The Trustees take professional advice and, on the basis of this advice, make decisions on the fund choices to be made available to members and the implementation strategy to be adopted. The fund choices and lifestyle strategies are reviewed at regular Trustee meetings with a detailed formal review undertaken at least every three years. The last formal review was undertaken in 2019 with advice from the Trustees' investment advisers.

The Trustees have established the following decision-making structure:

Trustees	Investment Consultant	Delegated Investment Provider
Set structures, processes and objectives for carrying out their role	Provide advice on the investment of the Plan assets, including the appropriateness of the range of investment options and implementation strategy	Select specialist investment managers and a fund platform provider to implement Trustees' chosen range of investment options
Select investment consultant to provide advice	Provide advice on this statement	Monitor the appropriateness of appointed investment managers/fund platform provider on an ongoing basis
Select the investment options/strategies which are made available to members	Provide required training	Select individual investments with regard to their suitability for their mandate and diversification
Select an appropriate implementation strategy	Monitor and report to Trustees on implementation of investment strategy	
Monitor investment advisers, the appropriateness of the range of investment options and implementation strategy		
Make ongoing decisions relevant to the operational principles of the Plan's investment strategy		
Continue to ensure that the Trustees have sufficient training to enable them to make appropriate decisions with the help of the investment advisers.		

Statement of Investment Policy Principles

## Investment Guidelines

The Trustees have delegated the implementation of their selected investment strategy to Aon. Due to the size and nature of the Scheme's investments, investment will be on a unitised basis.

While the Trustees recognise that they cannot restrict investments in pooled or unitised vehicles, the Trustees will seek confirmation on an annual basis from Aon in relation to the following principles in each of the investment fund options:

1. That the assets are properly diversified in such a way as to avoid excess reliance on any particular asset, issuer or group of undertakings and so as to avoid accumulations of risk in the portfolio as a whole
2. Whether there has been any further investment in a security where the value of the security as a proportion of the total value of a fund exceeds 5%\*. (\*excluding government bonds)
3. Whether any investment accounts for more than 5% of the issued capital of any one company
4. Subject to point (2) above, investing in unlisted securities is permitted up to a limit of 7.5% of a fund
5. Investment in derivative instruments may be made only in so far as they (a) contribute to a reduction of risks; or (b) facilitate efficient portfolio management, including the reduction of cost or the generation of additional capital or income with an acceptable level of risk. Any such investment must be made and managed so as to avoid excessive risk exposure to a single counterparty and to other derivative operations
6. Investments must consist predominantly of investments admitted to trading on regulated markets. Investments in assets which are not admitted to trading on such markets must in any event be kept to a prudent level.

## Monitoring of Strategy Implementation

The Trustees will review the implementation of their investment strategy and the delegated service provider, Aon, on an ongoing basis.

## Member Communication

The Trustees are committed to providing members with timely and professional information on an ongoing basis in order to assist them in making investment decisions. Members will, therefore, be provided with information regarding all currently available investment options (including historical return, risk level, and fees).

Members will also receive information through a more broad-based communications program designed to help them to set specific retirement goals and effectively utilise the available investment options to help them meet those goals.

The Trustees will receive quarterly investment reports as well as periodic advice from their advisor, Aon, if and when appropriate in respect of material changes to the fund(s) or strategy(s), as well as an annual overview.

## Review of This Statement

This Statement of Investment Policy Principles will formally be reviewed by the Trustees at least every three years but may be revised by the Trustees at any time. Any necessary changes will be made in consultation with the Sponsor.



### Compliance with this Statement

The Trustees will monitor compliance with this Statement annually.

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## Appendix A — Investment Options

Risk Category	Fund	Asset Allocation	Objective	Benchmark
<b>Equity Funds</b>				
7	Aon Passive Emerging Markets Equity Fund	Emerging market equities	To perform in line with its benchmark gross of fees	MSCI Emerging Markets Equity Index
6	Aon Passive Global Equity Fund	Global equities	To perform in line with its benchmark gross of fees	FTSE World Index
6	Aon Active Global Equity Fund	Global equities	To outperform its benchmark gross of fees over rolling three-year periods	FTSE World Index
6	Aon Global Impact Fund	Global equities, based on specific ESG criteria	To outperform its benchmark gross of fees over rolling three-year periods	MSCI World Index
6	Aon Passive ESG Equity Fund	Global equities, excluding companies based on specific ESG criteria	To perform in line with its benchmark gross of fees	MSCI World ESG Screened ex Select Conventional Weapons Index
<b>Multi Asset Funds</b>				
6	Aon Growth Fund	Multiple asset classes including equities, property and infrastructure	To achieve a return in excess of Irish inflation plus 4% p.a. over time	Composite benchmark constructed of the underlying indices
5	Aon Balanced Fund	Multiple asset classes including equities, property, infrastructure, bonds and cash	To achieve a return in excess of Irish inflation plus 3% p.a. over time	Composite benchmark constructed of the underlying indices
4	Aon Moderate Growth Fund	Multiple asset classes including equities, property, infrastructure, bonds and cash	To achieve a return in excess of Irish inflation plus 2% p.a. over time	Composite benchmark constructed of the underlying indices
3	Aon Diversified Growth Fund	Multiple asset classes including equities, bonds and alternative investments	To outperform its benchmark by 4% p.a. gross of fees over rolling three-year periods	3-month Euribor
<b>Bond &amp; Cash Funds</b>				
4	Aon Pre-Retirement Bond Fund	Eurozone long dated high grade fixed interest government bonds	To perform in line with its benchmark gross of fees	Bank of America Merrill Lynch AAA/AA >10-year Euro Government Bond Index
2	Aon Cautious Growth Fund	Multiple asset classes including fixed income strategies, currencies and money markets	To outperform its benchmark by 2% p.a. gross of fees over rolling three-year periods	3-month Euribor
1	Aon Cash Fund	Euro denominated deposits, short-dated bonds and cash and cash equivalent instruments	To outperform its benchmark gross of fees	3-month Euribor

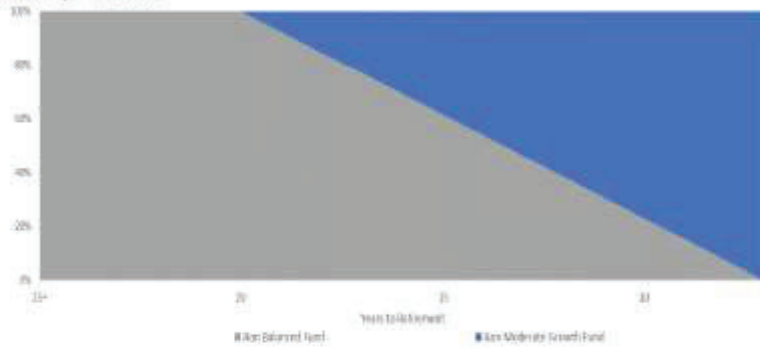
## Appendix B – Lifestyle Strategies

Lifestyle Strategies	
<p>The Trustees have made available a number of Lifestyle Strategies (i.e. the <b>Adventurous Lifestyle Strategy</b>, the <b>Balanced Lifestyle Strategy</b>) from which members choose the one that best suits their risk tolerance (i.e. High or Medium).</p> <p>The underlying mix of investments in the Growth Phase varies depending on the chosen Lifestyle Strategy. At the Target Benefit Phase, 7 years from retirement, there are also three options (i.e. <b>Target ARF Pathway</b>, <b>Target Cash Pathway</b>, <b>Target Annuity Pathway</b>) from which members choose the one that best suits how they wish to draw their retirement benefits.</p> <p>The Default Investment Strategy is the <b>Balanced Lifestyle Strategy - Target ARF Pathway</b>.</p>	
Strategy Name	Objective & Suitability
<b>Balanced Lifestyle Strategy</b>	<p>The Balanced Lifestyle Strategy has been designed for members who have a Moderate risk tolerance.</p> <p>The Strategy invests in a mix of multi-asset funds with the aim of achieving real long-term growth while automatically increasing the allocation to less-risky assets as members near retirement. This is called the Growth Phase.</p> <p>Up to seven years before Normal Retirement Age, the Strategy will begin to differ according to how members might want to take their benefits upon retirement (i.e. Target Cash Pathway, Target ARF Pathway, or Target Annuity Pathway). This is called the Target Benefit Phase.</p>
<b>Adventurous Lifestyle Strategy</b>	<p>The Adventurous Lifestyle Strategy has been designed by Aon for members who have a high tolerance for risk. The Strategy invests in a mix of multi-asset funds with the aim of achieving real long-term growth while automatically increasing the allocation to less-risky assets as members near retirement. This is called the Growth Phase.</p> <p>Up to seven years before Normal Retirement Age, the Strategy will begin to differ according to how members might want to take their benefits upon retirement (i.e. Target Cash Pathway, Target ARF Pathway, or Target Annuity Pathway). This is called the Target Benefit Phase.</p>
Default Option	
<b>Balanced Lifestyle Strategy - Target ARF Pathway</b>	<p>Suitable for members who have a Moderate risk tolerance and who intend to convert the majority of their accumulated retirement account into an Approved Retirement Fund (ARF) at retirement (subject to meeting the necessary conditions). It gradually reduces investment risk throughout the members' career, in particular over the 7 years before the member reaches Normal Pension Date.</p>

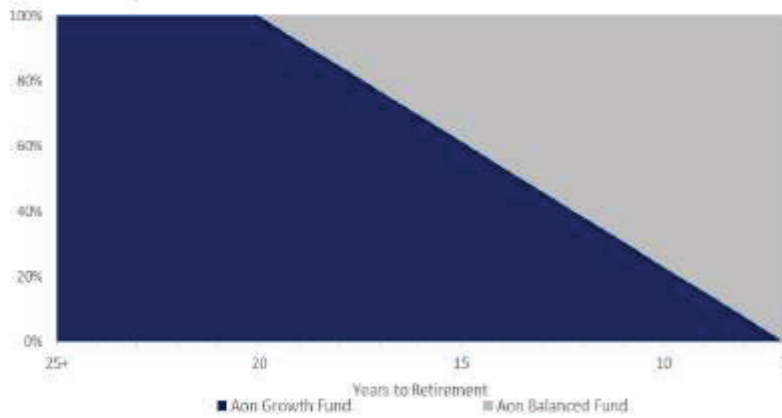
## Lifestyle Glidepath Illustrations

### Lifestyle Strategies - Growth Phase

Balanced Lifestyle - Growth Phase



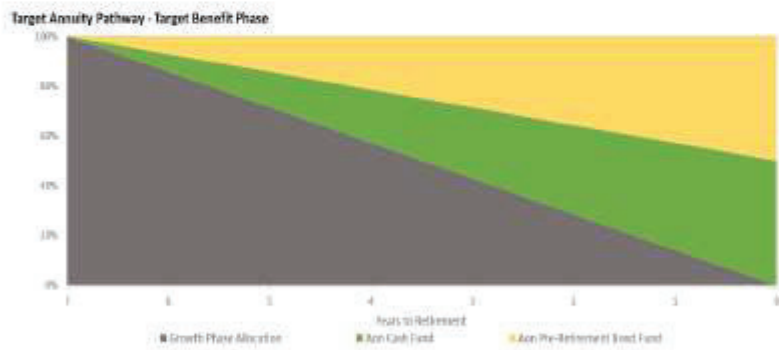
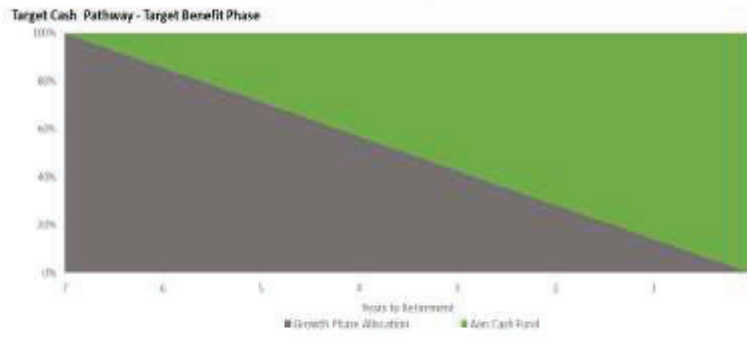
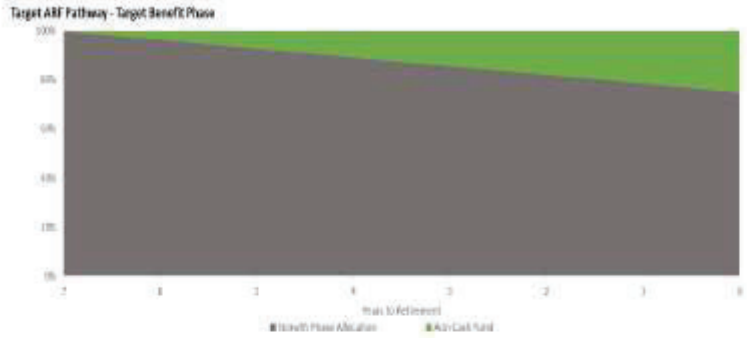
Adventurous Lifestyle - Growth Phase



#### Information

The Default Investment Strategy is the Balanced Lifestyle Strategy - Target ARF Pathway

### Lifestyle Strategies - Target Benefit Phase



## Appendix C

# Responsible Investment Policies

### 1. Responsible Investment Beliefs

#### Beliefs and Principles

- We believe Environmental, Social and Governance (ESG) considerations can be financially material.
- We believe that taking ESG considerations into account will lead to better returns and lower risk.
- We do not believe financial factors should be our only concern when making investment decisions.
- It is important that we act as responsible owners and engage with the companies we invest in.

#### ESG Considerations

- We believe that climate change will impact on returns within a time frame that we are concerned about.
- We believe that Investments that take into account ESG considerations will generate better risk-adjusted returns.
- We believe that poorly governed companies are more likely to underperform.
- We will seek to adopt climate-related policies and metrics for all asset classes that we invest in as far as we can.
- We do not believe financial factors should be our only concern when making investment decisions.

#### Implementation Approach

- We believe we should not be invested in companies whose principal business activity may have environmental consequences.
- We believe responsible investment is applicable to some/all asset classes, but this should not lead to significantly higher fees.
- Climate change will feature more prominently as a risk factor when reviewing our investment strategy.

#### Members and Other Stakeholders

- We will endeavour to gather members' views on responsible investment issues and may reflect those views in the way the Scheme's assets are invested, where appropriate.

#### Environmental, Social and Governance ('ESG') Considerations

The European Union (Occupational Pension Schemes) Regulations 2021, which transposed the IORP II Directive into Irish law, state that the system of governance shall include ESG factors related to investment assets in investment decisions.

The regulations further state that the risk management system shall cover ESG risks relating to the investment portfolio and the management thereof.

In addition, the EU Sustainable Financial Disclosures Regulations 2019 ('SFDR') requires pension schemes to publish information about their policies on the integration of sustainability risks in their investment decision-making process.

Further, the Second EU Shareholders' Rights Directive 2020 ('SRD II') requires Trustees to disclose their arrangements with their asset managers, including matter related to ESG.

The Trustees have undertaken extensive training on Responsible Investment. The key consensus Responsible Investment Beliefs of the Trustees and their policies on Responsible Investment are incorporated in this document.

- We believe that our members would expect us to reflect their views and values in the scheme's investment portfolio.
- We will incorporate our Responsible Investment policies into the way that we engage and communicate with members and other stakeholders.

#### **Fund managers and investment consultant**

- Our investment consultant will advise on regulation and best practice, and will assist us in developing our own policies.
- We expect our consultant to integrate Responsible Investment into every aspect of their advice to us.
- We will investigate our fund managers' approaches to responsible investment, engagement and ESG integration.
- We will review in detail periodically how our fund managers deliver on responsible investment.

## **2. Arrangements with asset managers**

The European Union (Shareholders' Rights) Regulations 2020 transposed the Second EU Shareholders' Rights Directive ('SRD II') into Irish law in 2020, and the regulations require Trustees to disclose their arrangements with their asset manager, including matters related to ESG.

**The trustees have appointed Aon as their fiduciary manager, who they consider to be their asset manager. References in this policy to 'underlying asset managers' refers to those asset managers which Aon in turn appoints to manage investment on behalf of the Trustee.**

The trustees recognise that the arrangements with their **fiduciary manager**, and correspondingly the **underlying asset managers**, are important to ensure that interests are aligned. In particular, the trustees seek to ensure that the fiduciary manager is incentivised to operate in a manner that generates the best long-term results for the Scheme and its members.

The trustees receive reports and verbal updates at least quarterly from the fiduciary manager on various items including the investment strategy, performance, and ratings of their asset managers. The trustees focus on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Scheme objectives and assess the fiduciary manager over 3-year periods.

The trustees also receive annual reports on the monitoring and engagement activities carried out by their fiduciary manager, which supports the trustees in determining the extent to which the Scheme's engagement policy has been followed throughout the year.

The trustees are supported in this monitoring activity by their investment consultant.

The trustees share the policies, as set out in this SIPP, with the Scheme's fiduciary manager and request that they review and confirm whether their approach is in alignment with the trustees' policies.

The trustees delegate the ongoing monitoring of underlying asset managers to the fiduciary manager. The fiduciary manager monitors the Scheme's investments to consider the extent to which the investment strategy and decisions of the underlying asset managers are aligned with the investment objectives of the Scheme. This includes monitoring the extent to which the underlying asset managers make decisions based on assessments about medium and long-term financial and non-financial performance.

Where the fiduciary manager is considered to make decisions that are not in line with the trustees' policies, expectations, or the other considerations set out above, the trustees will engage with the fiduciary manager to understand the circumstances and materiality of the decisions made.

There is typically no set duration for arrangements with the fiduciary manager, although the continued appointment will be reviewed periodically. Similarly, there are no set durations for arrangements with the underlying asset managers that the fiduciary manager invests in, although this is regularly reviewed as part of the manager research and portfolio management processes in place.

### 3. Engagement Policy

SRD II also requires Trustees to develop an engagement policy.

The purpose of the Engagement Policy is to set out the Trustees approach to engaging with companies they invest in in terms of sustainability and Environmental, Social and Governance factors.

The trustees recognise the importance of their role as a steward of capital and the need to ensure the highest standards of governance and promotion of corporate responsibility in the underlying companies and assets in which the Scheme invests, as ultimately this creates long-term financial value for the Scheme and its members.

As the Trustees invest largely in pooled funds, the Trustees will appoint Investment Managers who engage with companies where ESG issues are a concern and provide proxy voting on ESG issues. The Trustees will require their Investment Managers to regularly report on their engagement activities.

Where the Investment Manager invests, on behalf of the Trustees, in a company that does not appear to be pursuing sound ethical business practices and/or displaying appropriate environmental responsibility, the Investment Managers will seek to persuade that company to operate in a more socially and environmentally responsible manner by, among other possible forms of engagement:



- Raising issues relating to ethical business practices and environmental responsibility at Annual General Meetings
- Exercising its shareholder’s right to vote on such issues

The trustees will annually review the stewardship activity of the fiduciary manager to ensure the Scheme’s engagement policy is being appropriately implemented in practice. The trustees will receive annual reports on engagement activity carried out by their fiduciary manager, these reports include detailed voting and engagement information from underlying asset managers.

As part of the fiduciary manager’s management of the Scheme’s assets, the trustees expect the manager to:

- Ensure that (where appropriate) underlying asset managers exercise the trustees’ voting rights in relation to the Scheme’s assets; and
- Report to the trustees on stewardship activity by underlying asset managers as required.

The trustees may engage with their fiduciary manager, who in turn is able to engage with underlying asset managers, investee company or other stakeholders, on matters including the performance, strategy, risks, social and environmental impact, corporate governance, capital structure, and management of actual or potential conflicts of interest, of the underlying investments made. Where a significant concern is identified, the trustees will consider, on a case by case basis, a range of methods by which they would monitor and engage so as to bring about the best long-term outcomes for the Scheme.

#### 4. Sustainability Risks - Remuneration Policy

Under Article 5(1) of the Sustainable Financial Disclosures Regulations (“SFDR”), the Scheme is required to include in its remuneration policy information on how the policy is consistent with the integration of sustainability risks. A ‘sustainability risk’ is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the Scheme investments.

The trustees have developed a Remuneration Policy which should be referred to for information on how the Policy is consistent with the integration of sustainability risks. It should be read in conjunction with this Statement.

#### 5. Principal Adverse Impact Statement

The Trustees do not consider the adverse impacts of investment decisions on sustainability factors, as per Article 4 of the Sustainable Financial Disclosures Regulations (“SFDR”), due to the size, nature and scale of activities undertaken by the Scheme. The Trustees will keep this under review and may consider adverse impacts in the future.

## Statement of Risks

The Trustees' primary responsibility is to ensure that members receive the benefits to which they are entitled under the rules of the Scheme. In order to provide for these future benefit payments, the Trustees invest the assets of the Scheme in a range of investments chosen by the member.

The Trustees are required to provide a statement of the risks associated with the Scheme to Scheme members.

In a defined contribution scheme the main types of risks and the steps being taken by the Trustees to minimise these risks are as follows: -

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### Risks

**The assets may not achieve the expected return**

### Steps being taken to minimise risk

This risk will be addressed by ongoing monitoring of investment performance. See the Statement of Investment Policy Principles as set out on pages 38 to 55 of this report.

**Some of the assets may be misappropriated**

The Trustees have appointed professional investment managers who have custodial agreements in place etc. (see Statement of Investment Policy Principles).

**The employer may not pay contributions as they fall due**

The Trustees monitor the receipt of contributions and pursue any shortfall. If this is not successful, the Trustees would report the matter to the Pensions Authority.

**The employer may decide to terminate its liability to contribute to the Scheme**

In this event, the Trustees are required to wind up the Scheme and provide benefits for members in accordance with the Rules and the Pensions Act, 1990. Future benefit accrual will also cease in these circumstances.

In addition to the shortfall risks outlined above, there is also the risk that the records relating to Scheme members may not be correct.

**The Scheme administration records may not be correct and may fail to comply with the Pensions Act, 1990**

The Trustees have entered into a service level agreement with the administrator which sets out the administrator's responsibilities.

The Trustees receive regular administration reports from the administrator.

The Pensions Authority has powers to pursue breaches of the Pensions Act, 1990 and the Financial Services and Pensions Ombudsman may investigate any complaints.

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# Valuation Report

In accordance with Section 56(2A) of the Pensions Act, 1990 (as amended), the Trustees of the Scheme have caused this valuation report to be prepared setting out the liabilities of the Scheme as at the last day of the Scheme year.

As at 31 December 2022 the Scheme's liabilities amounted to €162,341,709, which was the value of the Scheme's investments together with the current assets assuming that the Scheme wound up at that date. This value is not guaranteed and will go up or down with investment returns.

In a defined contribution scheme all assets are held in respect of the members benefits with the exception of those assets that are not designated to members and which are ultimately due back to the employers. The liabilities have been valued using the applicable market value of the corresponding assets.

The split of the liabilities between those designated to members and those not designated to members is as follows:

	<b>Member Designated</b>	<b>Non - Designated</b>	<b>Total</b>
	€	€	€
<b>Current Liabilities</b>	170,149	-	170,149
<b>Future Liabilities</b>	161,930,561	240,999	162,171,560
<b>Total</b>	<b>162,100,710</b>	<b>240,999</b>	<b>162,341,709</b>

Note 1: The Current Liabilities are liabilities that have been identified as payable at the year-end date.

Note 2: Future Liabilities are all liabilities that become payable after the year end date and represent the value of the net assets of the Scheme at the year end.

Signed for and on behalf of the Trustees

Trustee: 

Trustee: 

Date: 27-Sep-2023