Software AG (UK) Limited Pension & Life Assurance Scheme
Implementation Statement

For the scheme year ending 30 June 2025

Introduction

This implementation statement has been prepared by the Trustees of the Software AG (UK) Limited Pension & Life Assurance Scheme ("the Scheme"). The Scheme provides benefits calculated on a defined benefit (DB) basis for members in the DB Section and benefits calculated on a defined contribution (DC) basis for members in the DC Section.

The statement:

- sets out how, and to what extent, the policies set out in the Statement of Investment Principles ("the SIP") have been followed during the scheme year ending 30 June 2025;
- describes any review of the SIP, including an explanation of any changes made; and
- describes the voting behaviour by, or on behalf of, the Trustees over the same period.

Trustees' overall assessment

In the opinion of the Trustees, the policies as set out in the SIPs have been followed in full for the DC section and in part for the DB section for the scheme year ending 30 June 2025. Changes where appropriate to the investment strategy for the DB Section have been made throughout the scheme year, given the significantly improved scheme funding position. This was largely due to the increase in gilt yields since September 2022, where the scheme liabilities have fallen below the schemes assets. On actuarial and investment advice, a change to a lower risk funding basis has and will continue to be implemented. A new Statement of Investment Principles is now in place to reflect the changes deemed appropriate by the Trustees at this stage in the schemes' journey.

Review of the SIP

The Trustees' policies have been developed over time by the Trustees in conjunction with their investment consultant and are reviewed and updated periodically and at least every three years.

The SIP will be reviewed in 2026 following a review of the schemes position alongside the actuary, scheme advisers and sponsoring employer, and engagement with scheme members.

Investment objectives (DB Section)

The Trustees' primary objective for the DB Section is to ensure that the Scheme should be able to meet benefit payments as they fall due. The investment strategy for the Scheme is based on an analysis of its liability profile, the required investment return and the returns expected from the various asset classes. The Trustees review this investment strategy and the asset allocation as part of each triennial actuarial valuation. The Trustees may also review the asset allocation and the investment strategy outside the triennial valuation period, where necessary.

The Trustees receive regular investment and funding updates from its actuarial and investment advisers to help monitor progress against these objectives.

Investment objectives (DC Section)

The Scheme provides members in the DC Section with a range of funds in which to invest. These aim to deliver value for members and allow members to achieve the following:

- build retirement benefits to help support a reasonable standard of living in retirement;
- mitigate the risk of investment losses in the years approaching retirement due to adverse market conditions;
- tailor investments to meet his or her own needs, taking into account the way the member intends to use their benefits at and through retirement.

The Balanced Risk Lifestyle Strategy is the default investment strategy for the scheme. The Trustees believe this to be reasonable for those members that do not wish to make their own investment decisions. The objective of the default option is to generate investment growth whilst members are some distance from retirement, but then switch the investment mix automatically and gradually to lower risk assets as members near retirement, in line with the target lifestyle outcome. The default retirement outcome for the DC Section is 'cash'. This reduces the market risk for DB members who may wish to use their DC pots to a pay larger pension commencement lump sum (PCLS). The trustees currently plan to review the retirement outcome of the default investment strategy following engagement with members. Members who plan to keep their pension funds invested when they retire have the option to switch out of the lifestyling process to a self-select basis, to meet alternative investment requirements.

The investment strategies and performance is reviewed on a regular basis with the scheme's adviser and investment managers, where trustees have the opportunity to influence and challenge the underlying funds which make up the lifestyle strategy. It was concluded that the existing investment strategies remain appropriate.

A copy of the investment manager's 'Funds Assessment of Value' document can be found at CAML-AOV-Final-31.05.2025.pdf

Investment Strategy (DB Section)

The investment Strategy for the DB section is on track and the scheme is well on its way to achieving its long term objective of buying out member benefits with an insurance company. During the scheme year the measure to ensure that the scheme is adequately funded to meet its future obligations (Technical Provision) has increased. The scheme also has a significant surplus on a Buy-out basis.

The appointed investment managers hold a diversified mix of investments in line with their agreed benchmark and within their discretion to diverge from the benchmark. Within each major market each manager maintains a diversified portfolio of stocks through pooled vehicles and directly held Gilt-edged securities.

Other than making disinvestments to pay benefits, the Trustees have changed the mix of investments over the scheme year where appropriate, in order to provide a significant reduction in funding risk and achieve the schemes longer term objectives.

Investment Strategy (DC Section)

Each fund has a defined objective and the Trustees are satisfied that the funds and lifestyle strategies offered are appropriate for the different categories and ages of members.

In the event of an unexpected need to realise all or part of the assets of the portfolio, the Trustees require the investment managers to be able to realise the DC Section's investments in a reasonable timescale by reference to the market conditions existing at the time the disposal is required and subject to the best interests of the scheme. In the Trustees' opinion, all withdrawal requests were settled in a reasonable timescale during the scheme year ended 30 June 2025.

Policy in relation to risks (DB Section)

The Trustees consider the main risk to be that of the assets being insufficient to meet the DB Section's liabilities as they fall due. The Trustees have assessed the likelihood of future undesirable financial outcomes arising in the future.

The Trustees have adopted an asset allocation strategy to constrain the risk of scheme assets being managed outside the investment mandate.

Within each asset class, the investment managers are expected to maintain a portfolio of securities, which ensures that the risk being accepted in each market is broadly diversified.

During the scheme year the Trustees received investment monitoring reports and the progression of the DB Section's funding position is discussed at regular Trustee Meetings. There is no reliance on the sponsoring employer and the DB Scheme is in a very strong position with an initial Buy-In exercise in 2025 taking place, prior to a full Buy-Out in due course.

Policy in relation to risks (DC Section)

The Trustees have considered risk from a number of perspectives. These are:

- The risk that the investment returns over members' working lives will not keep pace with inflation and does not, therefore, provide an adequate retirement income;
- The risk that investment market movements in the period prior to retirement lead to a substantial reduction in the anticipated level of retirement income;
- The risk that investment market movements in the period just prior to retirement lead to a substantial reduction in the anticipated cash lump sum benefit.

To mitigate some of these risks, the Trustees have made available three lifestyle approaches and are comfortable that the funds offered are consistent with this approach.

The Trustees consider investment issues in detail at Trustee meetings. Performance reports are received on a quarterly basis.

Environmental, Social & Governance (ESG) Investing

The Trustees of the Scheme share the same values as the Software AG (UK) Limited's parent company. The Trustee has delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's Investment Managers on the understanding that they will deliver appropriate investment strategies based on the Trustee's beliefs. The policies and processes of the Investment Manager were specifically discussed with Trustees during the scheme year to the satisfaction of the Trustees.

Exercise of voting rights

The Trustees have delegated responsibility for the exercise of voting rights attached to the Scheme's investments to the Investment Managers who are required to vote according to the best practices laid out in the Financial Reporting Council's UK Stewardship Code. The Investment Manager uses a proxy voting service and obtains voting recommendations from a leading securities analysis company but has the option to vote contrary to recommendations based on its own independent research. The Trustees have reviewed the Investment Manager's Proxy Voting Policy and are satisfied that this approach operates in the interests of scheme members. Investment decisions are carefully considered within the context of detailed quantitative and qualitative research, taking into account factors such as the quality of management and board, the audit committee, capital structure, social & environmental issues, and conflicts of interest.

Exercising rights and responsibilities

The Investment Manager is expected to disclose details of its voting behaviour, report on the use of proxy voting advisers, and an explanation of the most significant votes cast.

The Trustees do not carry out a detailed review of the votes cast by or on behalf of their investment managers but rely on the requirement for their investment managers to provide detailed analysis of their voting behaviour. The Investment Manager did not cast any votes which were deemed to be significant during the scheme year.

The table below provides a summary of voting behaviour in respect of the DB and DC sections over the scheme year:

	Courtiers Total Return Cautious Risk Fund	Courtiers Total Return Balanced Risk Fund	Courtiers Total Return Growth Risk Fund	Courtiers Ethical Value Equity Income Fund
Value of Scheme assets at 30 June 2025: DB[1]	£0.00	£0.00	£0.00	£0.00
Value of Scheme assets at 30 June 2025: DC[2]	£1.65m	£10.32m	£2.59m	£0.04m
Number of unique meetings eligible to vote	68	68	69	36
Number of ballots	71	71	72	36
Number of resolutions eligible to vote	848	848	866	550
% of resolutions voted	100.00%	100.00%	100.00%	100.00%
% voted with management	80.00%	80.00%	80.42%	81.65%
% voted against management	20.00%	20.00%	19.58%	18.35%
% abstained from voting	0.00%	0.00%	0.00%	0.00%
% of resolutions voted with recommendation of proxy adviser	98.80%	98.80%	98.80%	98.50%
% of resolutions voted contrary to recommendation of proxy adviser	1.20%	1.20%	1.20%	1.50%

[1] DB Section also held £0.33m of cash and £70m of other non-voting assets as at 30 June 2025

[2] DC Section also held £0.72m of cash as at 30 June 2025

The Trustees are satisfied that the Investment Manager has fully exercised its voting rights on behalf of the Trustees and scheme members during the scheme year.

Policies in relation to investment manager arrangements

The Scheme's assets are invested in pooled funds which have their own policies and objectives. Charges for the investment funds and supplementary services are set by the Investment Manager based on the funds under management. There have been no changes to fund benchmarks or investment objectives during the scheme year.

The performance of the Investment Manager was reviewed and evaluated during the scheme year with the support of the Scheme's Investment Consultant.

Signed for and on behalf of the Trustees