

Swisslog (UK) Limited Pension Scheme

Statement of Investment Principles

This Statement of Investment Principles covers the Swisslog (UK) Ltd Pension Scheme, a defined contribution arrangement, administered by Clerical Medical Investment Group Ltd and is set out in three parts. Firstly, the objectives and implementation and secondly the funds available to the members and finally, the Trustees' overall policy on issues that apply to the process. In preparing this statement the Trustees have consulted with the sponsoring employer and have sought advice from its investment and legal advisors. This Scheme is not used by the sponsoring employer as a "qualifying scheme" for the purposes of auto-enrolment.

1. Scheme Investment Objective

The Scheme provides a range of funds for the members and holds units of the various funds as directed by the members. Its key aim is to provide a range of investments that are suitable for meeting members' long and short-term investment objectives. The Trustees recognise that members of the Fund have differing investment needs and that these may change during the course of members' working lives. They also recognise that members have different time horizons and attitudes to risk. The Trustees believe that members should be able to make their own investment decisions based on their individual circumstances.

1.1 Strategy

The Trustees' policy is to provide suitable information for members so that they can make appropriate investment decisions. The range of funds was chosen by the Trustees after taking expert advice from the Trustees' investment advisers. In choosing the Scheme's investment options, it is the Trustees' policy to consider:

- A full range of asset classes.
- The suitability of the possible styles of investment management and the need for manager diversification.
- The suitability of each asset class for a defined contribution scheme.
- The need for appropriate diversification of asset classes.
- That environmental, social and governance (ESG) factors are likely to be one area of market inefficiency and so managers may be able to improve risk-adjusted returns by taking account of ESG factors;
- Long-term environmental, social and economic sustainability; and
- Costs have a significant impact on long-term performance and therefore obtaining value for money from the investments is important.

The Trustees expect the long-term return on the investment options that invest predominantly in equities to exceed price inflation and general salary growth. The long-term returns on the bond and cash options are expected to be lower while providing less volatility than that of the predominantly equity options. However, the bond funds offered on the investment platform are expected to broadly match the price of

annuities, giving some protection in the amount of secured pension for members closer to retirement. Cash funds will provide protection against changes in short-term capital values, and may be appropriate for members receiving part of their retirement benefits in the form of tax-free cash or who may wish to take the whole fund in cash.

The Trustees aim to offer members a range of investment options made available through the Clerical Medical investment platform. The total assets held within the Defined Contribution scheme within each unit fund will depend on the individual choices made by members for the investment of their contributions. After taking advice, the Trustees have also made lifestyle options, matching various degrees of risk tolerance, available to members.

1.2 Risk Measurement and Management

The Trustees recognise the key risk is that members will have insufficient income in retirement or an income that does not meet their expectations. The Trustees considered this risk when setting the investment options and strategy for the Scheme. The Trustees' policy in respect of risk measurement methods and risk management processes is set out below.

The Trustees consider the following sources of risk in designing the investment options:

- The risk that the investment return over member's working lives does not keep pace with inflation - *"inflation risk"*
- The risk that relative market movements in the years just prior to retirement lead to a substantial reduction in pension and cash lump sum secured - *"conversion risk"*
- The risk that members end up with insufficient funds at retirement with which to secure a reasonable income through not having taken enough risk whilst the opportunity was available - *"opportunity cost risk"*
- The risk that the chosen investment manager underperforms - *"manager risk"*
- The risk of a fall in the value of the member's fund - *"capital risk"*
- The risk of fraud, poor advice or acts of negligence - *"operational risk"*. The Trustees have sought to minimise such risk by ensuring that all advisers and third party service providers are suitably qualified and experienced.
- Environmental, social and corporate governance (ESG) factors are sources of risk to the Scheme's investments which could be financially material, over both the short and longer term. These potentially include risks relating to factors such as climate change, unsustainable business practices, and unsound corporate governance.

Due to the complex and interrelated nature of these risks, the Trustees consider these risks in a qualitative rather than quantitative manner as part of each formal strategy review. The Trustees' policy is to review the range of funds offered and the suitability of the lifestyle options at least every three years.

These risks are considered as part of each normal strategy review. In addition, the Trustees measure risk in terms of the performance of the assets compared to their benchmarks on a regular basis, at least annually, along with monitoring any significant issues with the fund managers that may impact their ability to meet performance targets.

2. Investment Options

The Trustees can encourage their managers to improve their practices where appropriate but recognise that all the assets are held in pooled funds in which the Trustees have limited influence over the manager's investment practices.

The Clerical Medical investment platform is grouped into the following categories:

- Clerical Medical Lifestyle Investment Programmes

Clerical Medical lifestyle investment programmes invest in a number of different funds with varying aims and investment risks, automatically moving towards lower risk funds over the duration of the pension plan. All programmes invest in equities to some extent and this will reduce as the member gets closer to retirement. Each programme has been designed to suit different attitudes to investment risk, so the move from equities to lower risk investments differs for each programme. The lifestyle investment programmes are designed by Clerical Medical. Management of the investments within each programme is delegated to one of two managers: a subsidiary of Aberdeen Asset Management; and BlackRock (formerly BGI).

- Clerical Medical Unit-linked Pension Funds Managed by Abrdn

These Clerical Medical pension funds are run by Abrdn, and offer a variety of investment styles and asset classes to choose from. These Clerical Medical pension funds are provided by Clerical Medical Investment Group Limited, and marketed and administered by Scottish Widows.

- Clerical Medical Unit-linked Pension Funds Managed by Other Fund Managers

Covering a wide range of asset classes, geographical locations, sectors and management styles, these Clerical Medical pension funds provide building blocks to help create bespoke investment portfolios.

- Clerical Medical With-Profits Fund

The Clerical Medical With-Profits fund is designed to generate capital growth and provide some guarantees over the medium to long term, whilst also providing some stability against market volatility in the short term.

- Clerical Medical's Own Funds

The investment platform offers the following investment funds:

2.1 Lifestyle Investment Programmes	
Fund Name	Summary of the Fund
<i>Abrdn Cautious Option</i>	Pension contributions will be initially invested in the Cautious and Balanced Funds. Ten years from normal retirement date the pension fund will gradually move to the Cautious Fund. New contributions will be invested in the Cautious Fund.

	<p>Five years from normal retirement date the pension fund will gradually move to the Non-Equity Fund. New contributions will be invested in the Non-Equity Fund.</p> <p>Two years from normal retirement date the investments will gradually move to the Retirement Protection and Halifax Funds.</p> <p>New contributions will be invested in the Retirement Protection and the Halifax Funds.</p>
<i>BlackRock Cautious Lifestyle</i>	<p>Pension contributions will be initially invested in the BlackRock UK Equity Index, BlackRock world (Ex UK) Equity Index, BlackRock Over 5 Years Index Linked Gilt and BlackRock Corporate Bond Index Funds.</p> <p>Ten years from normal retirement date the pension fund will gradually move to the BlackRock Corporate Bond Index and BlackRock Over 15 Years Gilt Index Funds. New contributions will also be invested in these funds.</p> <p>Five years from normal retirement date the pension fund will gradually move to the Clerical Medical Cash, BlackRock Corporate Bond Index and BlackRock Over 15 years Gilt Index Funds. New contributions will also be invested in these funds'</p>
<i>Abrdn Balanced Option</i>	<p>Pension contributions will be initially invested in the Balanced and UK Growth Funds. Ten years from normal retirement date the pension fund will gradually move to the Balanced Fund. New contributions will be invested in the Balanced Fund.</p> <p>Five years from normal retirement date the pension fund will gradually move to the Cautious and Non-Equity Funds. New contributions will be invested in the Cautious and Non-Equity Funds.</p> <p>Two years from normal retirement date the investments will gradually move to the Retirement Protection and Halifax Funds. New contributions will be invested in the Retirement Protection and the Halifax Funds.</p>
<i>BlackRock Balanced Lifestyle</i>	<p>Pension contributions will be initially invested in the BlackRock UK Equity Index, BlackRock World (Ex UK) Equity Index, BlackRock Over 5 Years Index Linked Gilt and BlackRock Corporate Bond Index Funds.</p> <p>Ten years from normal retirement date the pension fund will gradually move to the BlackRock Corporate Bond Index and BlackRock Over 15 Years Gilt Index Funds. New contributions will also be invested in these funds.</p> <p>Five years from normal retirement date the pension fund will gradually move to the Clerical Medical Cash, BlackRock Corporate Bond Index and BlackRock Over 15 years Gilt Index Funds. New contributions will also be invested in these funds.</p>

<i>Abrdn Adventurous Option</i>	<p>Pension contributions will be initially invested in the UK Growth and International Funds. Ten years from normal retirement date the pension fund will gradually move to the Balanced Fund. New contributions will be invested in the Balanced Fund.</p> <p>Five years from normal retirement date the pension fund will gradually move to the Cautious Fund. New contributions will be invested in the Cautious Fund.</p> <p>Two years from normal retirement date the investments will gradually move to the Retirement Protection and Halifax Funds. New contributions will be invested in the Retirement Protection and the Halifax Funds.</p>
<i>BlackRock Aggressive Lifestyle</i>	<p>Pension contributions will be initially invested in the BlackRock UK Equity Index and BlackRock World (Ex UK) Equity Index Funds. Ten years from normal retirement date the pension fund will gradually move to the BlackRock Corporate Bond Index and BlackRock Over 15 Years Gilt Index Funds. New contributions will also be invested in these funds.</p> <p>Five years from normal retirement date the pension fund will gradually move to the Clerical Medical Cash, BlackRock Corporate Bond Index and BlackRock Over 15 Years Gilt Index Funds. New contributions will also be invested in these funds.</p>

2.2 Clerical Medical Unit-linked Pension Funds Managed by Abrdn	
Fund Available	ABI Classification Sector
<i>Adventurous Fund</i>	Flexible Investment
<i>Balanced Fund</i>	Mixed Investment 40% - 85% Shares
<i>Balanced Fund of Funds</i>	Mixed Investment 40% - 85% Shares
<i>Cash Fund</i>	Money Market
<i>Cautious Fund</i>	Mixed Investment 20% - 60% Shares
<i>Ethical Fund</i>	Global Equities
<i>European Fund</i>	Europe excluding UK Equities
<i>Far Eastern Fund</i>	Asia Pacific excluding Japan Equities
<i>Gilt & Fixed Interest Fund</i>	Sterling Fixed Interest
<i>Global Equity/ Tracker Fund</i>	Global Equities
<i>Halifax Fund</i>	Money Market
<i>International Growth Fund</i>	Global Equities
<i>Japanese Fund</i>	Japan Equities
<i>Non-Equity, Fund</i>	Mixed Investment 0% -35% Shares
<i>North American Fund</i>	North America Equities
<i>Retirement Protection Fund</i>	Sterling Long Bond
<i>Smaller Companies Fund</i>	UK Smaller Companies
<i>UK Equity Income Fund</i>	UK Equity Income
<i>UK Equity Tracker Fund</i>	UK All Companies
<i>UK Growth Fund</i>	UK All Companies
<i>UK Index-Linked Gilt Fund</i>	UK Index-Linked Gilts

UK Property Fund	UK Direct Property
CM UK Smaller Companies Fund	UK Smaller Companies

2.3 Clerical Medical Unit-linked Pension Funds Managed by Other Fund Managers		
Manager	Fund Available	ABI Classification Sector
BlackRock	<i>Corporate Bond Fund</i>	Sterling Fixed Interest
	<i>Over 15 Year Gilt Fund</i>	Sterling Long Bond
	<i>Over 5 Year Index-Linked Gilt Fund</i>	UK Index-Linked Gilts
	<i>UK Equity Fund</i>	UK Equity Income
	<i>World (Ex UK) Fund</i>	Global Equities
Fidelity	<i>Fidelity Defensive Managed Fund</i>	Mixed Investment 0% -35% Shares
	<i>Fidelity MoneyBuilder Growth Fund</i>	UK All Companies
	<i>Fidelity MoneyBuilder Income Fund</i>	Sterling Corporate Bond
	<i>Fidelity Worldwide Special Situations Fund</i>	Global Equities
Insight Investment Management	<i>Dynamic Return Fund</i>	Flexible Investment
	<i>Target Return Fund</i>	Specialist
	<i>UK Equity Fund of Funds</i>	UK All Companies
Invesco Perpetual	<i>Invesco Perpetual Distribution Fund</i>	Mixed Investment 20% - 60% Shares
	<i>Invesco Perpetual Global Bond Fund</i>	Global Fixed Interest
	<i>Invesco Perpetual High Income Fund</i>	UK Equity Income

BNY Mellon (was Newton)	<i>Boston Company US Opportunities Fund</i>	North America Equities
	<i>Newton Balanced Fund</i>	Mixed Investment 40% - 85% Shares
	<i>Newton Continental European Fund</i>	Europe excluding UK equities
	<i>Newton Global Equity Fund</i>	Global Equities
	<i>Newton Higher Income Fund</i>	UK Equity Income
	<i>Newton International Bond Fund</i>	Global Fixed Interest
	<i>Newton Managed Fund</i>	Flexible Investment
	<i>Newton Oriental Fund</i>	Asia Pacific excluding Japan Equities
	<i>Newton Phoenix Fund</i>	Mixed Investment 20% - 60% Shares
	<i>Newton UK Equity Fund</i>	UK All Companies
Schroders	<i>Schroder Corporate Bond Fund</i>	Sterling Corporate Bond
	<i>Schroder Gilt & Fixed Interest Fund</i>	UK Gifts
	<i>Schroder Global Equity Fund</i>	Global Equities
	<i>Schroder Managed Balanced Fund</i>	Mixed Investment 40% - 85% Shares
	<i>Schroder Monthly High Income Fund</i>	Sterling High Yield
	<i>Schroder UK Mid 250 Fund</i>	UK All Companies
UBS	<i>UBS Global Allocation Fund</i>	Mixed Investment 40% - 85% Shares
	<i>UBS Global Growth Fund</i>	Global Equities
	<i>UBS UK Opportunities Fund</i>	UK All Companies
	<i>UBS US Equity Fund</i>	North America Equities

2.4 Clerical Medical With-Profits Fund

The With-Profits fund is designed to generate capital growth and provide some guarantees over the medium to long term, whilst also providing some stability against market volatility in the short term. This is achieved by combining a member's money with that of other with-profits investors, all collectively sharing in the performance of the fund. This fund is invested in a mix of assets - shares in UK and overseas companies, property, fixed-interest investments and other types of investment (including cash).

There are two types of with-profits bonus:

A regular bonus (sometimes called 'bonus interest'), which may be added to increase an investment's face value over time. The rate is decided once a year, but can be changed at other times in exceptional circumstances. It is added to the investment by increasing the face value of the units in the With-Profits Fund (the unit price) throughout the coming year. The unit price is guaranteed not to decrease over time. On death, or if money is taken out of the With-Profits Fund at the selected retirement date, any regular bonus included in the face value of the units is guaranteed.

A possible final bonus (sometimes called 'terminal bonus'), which may be added when money is taken out of the With-Profits Fund. The amount of this bonus is normally reviewed twice a year, but in exceptional circumstances can be changed at other times if investment conditions change significantly.

2.5 This section lists each fund (including Clerical Medical's own funds) within its ABI sector, together with the Fund aim:

Fund	Fund Aim
Asia Pacific excluding Japan Equities sector	
<i>Far Eastern Fund</i>	The fund aims to achieve long-term capital growth by investing mainly in Far Eastern companies (excluding Japanese companies).
<i>CM Newton Oriental Fund</i>	To achieve capital growth by investing in the Asian and Pacific markets. excluding Japan.
Europe excluding UK Equities sector	
<i>European Fund</i>	The fund aims to achieve long-term capital growth by investing mainly in European companies excluding the UK.
<i>CM Newton Continental European Fund</i>	To achieve capital growth from a carefully selected portfolio of Continental European equities.
Flexible Investment Sector	
<i>Adventurous Fund</i>	The fund aims to achieve long-term capital growth by gaining exposure almost exclusively to UK and overseas equities, but with some flexibility to gain a minority exposure to commercial property and fixed interest stocks.
<i>Dynamic Return Fund</i>	The fund aims to achieve long-term capital growth through gaining exposure to a diversified range of asset classes.
<i>CM Newton Managed Fund</i>	To maximise the total return from income and capital growth from a portfolio of UK, EU and international securities.
Global Equities Sector	
<i>Ethical Fund</i>	The fund aims to achieve long-term capital growth by investing in companies whose activities are considered ethical, both in terms of their primary activities as well as in the means of achieving them.

<i>Global Equity Tracker Fund</i>	To achieve long-term capital growth by investing in a diversified international portfolio of equity or equity related securities traded on the major stock markets of the world. The fund has an emphasis on companies with a large capitalisation, although the portfolio may also include selected shares of medium and small companies where significant growth potential has been identified.
<i>International Growth Fund</i>	The fund aims to achieve capital growth in the long term by investing in a diversified global portfolio.
<i>CM Fidelity Worldwide Special Situations Fund</i>	The fund is managed with the aim of achieving long-term capital growth by investing in an actively managed portfolio primarily of UK & International equities.
<i>CM Newton Global Equity Fund</i>	To achieve capital growth from a portfolio of international securities.
<i>CM Schroder Global Equity Fund</i>	To achieve a high total return by investing principally in equities listed on stock markets around the world.
<i>CM UBS Global Growth Fund</i>	To achieve long-term growth through <i>active</i> management of a diversified portfolio invested in global equities other than UK equities.
<i>CM BlackRock World (Ex UK) Fund</i>	To achieve long-term growth by investing in the shares of overseas companies in order to achieve a return that is consistent with that of the FTSE All-World Developed ex-UK Index.
Global Fixed Interest Sector	
<i>CM Invesco Perpetual Global Bond Fund</i>	The fund aims to achieve a combination of income and capital growth over the medium to long term by investing primarily in debt securities and currencies globally: Debt securities include government bonds, as well as securities issued by supranational bodies, local authorities, national public bodies and corporate issuers. The fund may also invest in high yield, unrated, convertible, sub-investment grade debt securities. Financial derivative instruments can be used for investment purposes and for efficient portfolio management.
<i>CM Newton international Bond Fund</i>	The fund aims to maximise the total return from the income and capital growth in the world bond markets through investment predominantly in Government and other public securities. The fund may also invest in deposits, derivative instruments, and collective investment schemes.
Japan Equities Sector	
<i>Japanese Fund</i>	The fund aims to achieve long-term capital growth from investments in a broad range of Japanese companies.
Mixed Investment 0% - 35% Shares Sector	
<i>Non-Equity Fund</i>	The fund aims to provide a long-term total return gaining exposure almost exclusively to a range of commercial property, fixed interest and index-linked stocks.
<i>CM Fidelity Defensive Managed Fund</i>	To achieve capital growth through investment in a wide range of Fidelity investment funds. Primarily invested in a combination of UK corporate and government bonds and other fixed income and money market securities, preference shares and convertibles.

Mixed Investment 20% - 60% Shares Sector	
<i>Cautious Fund</i>	The fund aims to achieve long-term capital growth by gaining exposure to UK equities, commercial property and fixed interest stocks. The fund will normally operate a broadly equal weighting between the equity and non-equity classes with flexibility to move over and underweight positions in any asset class to meet market circumstances.
<i>CM Invesco Perpetual Distribution Fund</i>	The fund aims to achieve a combination of income and capital growth over the medium to long term by investing primarily in corporate and government debt securities globally (which may be unrated or sub-investment grade) and equities. Financial derivative instruments can be used for investment purposes and for efficient portfolio management. Any income generated will not be distributed but added to the fund value.
<i>CM Newton Phoenix Fund</i>	To achieve long-term capital growth from a balanced portfolio in a range of international markets.
Mixed Investment 40% – 85% Shares Sector	
<i>Balanced Fund</i>	The fund aims to achieve long-term capital growth by gaining exposure predominately to UK and overseas equities, with flexibility to gain a minority exposure to commercial property and fixed interest stocks.
<i>Balanced Fund of Funds</i>	The objective of the fund is to achieve capital growth. The policy of the fund is to gain exposure to one or more of the following asset classes: fixed income, cash, near cash and deposits, equities, property, collective Investment schemes which have as their objective an absolute or target return, structured products or any other geographic or economic sectors of the world. Exposure to these asset classes will generally be achieved through investment in collective investment schemes, but may be achieved by direct investment, except in the case of property. The fund may also invest in other transferable securities, money market instruments and derivatives.
<i>CM Newton Balanced Fund</i>	To achieve a balance between capital growth and income from a portfolio of UK and international securities. Any income generated will not be distributed but added to the fund value.
<i>CM Schroder Managed Balanced Fund</i>	To achieve capital growth through a balanced exposure to international equities and bonds, by investing primarily in authorised unit trusts managed by Schroders.
<i>CM UBS Global Allocation Fund</i>	To achieve long-term capital growth through the active management of a diversified portfolio invested in domestic and international equities, bonds and cash.
Money Market Sector	
<i>Cash Fund</i>	The fund aims to provide long-term growth consistent with high levels of capital security by investing mainly in short-term securities.
<i>Halifax Fund</i>	The fund invests in deposits within the Lloyds Banking Group. The rate of return varies in line with changes in interest rates which, together with the annual management charge, is reflected in the unit price. If interest rates fall below the level of the annual management charge the unit price will fall. The unit price will also fall if the bank holding the deposits becomes insolvent.

North American Equities Sector	
<i>North American Fund</i>	The fund aims to achieve long-term capital growth by investing mainly in North American companies.
<i>CM Boston Company US Opportunities Fund</i>	To achieve capital growth from a portfolio of US equities.
<i>CM UBS US Equity Fund</i>	To achieve long-term growth through active management of a diversified portfolio primarily invested in US equities.
Specialist Sector	
<i>Target Return Fund</i>	The fund aims to deliver positive returns on an annual basis with the prospect of long-term capital growth commensurate with returns from equities but with a lower volatility.
Sterling Corporate Bond Sector	
<i>CM Fidelity MoneyBuilder Income Fund</i>	To achieve an attractive level of income from a portfolio primarily invested in GBP-denominated fixed-interest securities. Any income generated will not be distributed, but added to the fund value.
<i>CM Schroder Corporate Bond Fund</i>	To achieve an optimum level of interest (or yield) with the lowest possible level of risk by investing in bonds and other fixed interest securities, primarily those issued by UK companies and the British Government. Any income generated will not be distributed, but added to the fund value.

Sterling Fixed Interest Sector	
<i>Gilt & Fixed Interest Fund</i>	To provide long-term growth by investing in a range of fixed-interest assets.
<i>CM BlackRock Corporate Bond Fund</i>	To achieve long-term growth by investing in investment grade corporate bonds denominated in sterling. The fund aims to achieve a return that is consistent with that of the iBoxx Sterling Non-Gilts Index.
Sterling High Yield Sector	
<i>CM Schroder Monthly High Income Fund</i>	To provide a high level of income, which is distributed monthly by investing in a diverse portfolio of bonds. Any income generated will not be distributed, but added to the fund value.
Sterling Long Bond Sector	
<i>Retirement Protection Fund</i>	To broadly match the performance of those UK gilt edged stocks which influence market yields for pension annuity rates by investing totally in long-dated stocks.
<i>CM BlackRock Over 15 Year Gilt Fund</i>	To achieve long-term growth by investing in UK government fixed income securities (gilts) that have a maturity period of 15 years or longer. The fund aims to achieve a return that is consistent with that of the FTSE UK Gilts Over 15 Years Index.
UK All Companies Sector	
<i>UK Equity Fund of Funds</i>	To achieve long-term capital growth by investing predominantly in units of collective investment schemes which invest in any sector of the UK economy. The fund may also invest directly in securities in such sectors.

<i>UK Equity Tracker Fund</i>	To achieve long-term capital growth by investing in a representative sample of UK equities and for these assets to match the total return performance of the FTSE All Share Index.
<i>UK Growth Fund</i>	The fund aims to achieve long-term capital growth by investing mainly in UK companies.
<i>CM Fidelity MoneyBuilder Growth Fund</i>	To achieve a combination of income and long-term capital growth from a portfolio primarily made up of shares of UK companies. Any income generated will not be distributed, but added to the fund value.
<i>CM Newton UK Equity Fund</i>	To achieve capital growth and provide income from a portfolio of predominantly UK equities. Any income generated will not be distributed. but added to the fund value.
<i>CM Schroder UK Mid 250 Fund</i>	To achieve long-term capital growth by investing in the medium-sized companies listed on the FTSE Mid 250 Index.
<i>CM UBS UK Opportunities Fund</i>	To achieve long-term growth through active management of a diversified portfolio invested primarily in UK equities.
UK Equity Income Sector	
<i>UK Equity Income Fund</i>	The fund aims to provide an above average income, together with prospects of capital appreciation over the longer term, derived mainly from a portfolio of securities in UK companies. Any income generated will not be distributed. but added to the fund value.
<i>CM Invesco Perpetual High Income Fund</i>	To achieve a high level of income, together with capital growth by primarily investing in companies listed in the UK. Any income generated will not be distributed. but added to the fund value.
<i>CM Newton Higher Income Fund</i>	To achieve increasing distribution on a calendar year basis with long-term capital growth. Any income generated will not be distributed. but added to the fund value.
<i>CM BlackRock UK Equity Fund</i>	To achieve long-term growth by investing in shares of UK companies in order to achieve a return that is consistent with that of the FTSE All-Share Index.
UK Gilts Sector	
<i>CM Schroder Gilt & Fixed Interest Fund</i>	The fund aims to achieve a high level of income with the potential for capital growth, from investment in a diversified portfolio of sterling denominated fixed interest securities. Any income generated will not be distributed. but added to the fund value.
UK Index-Linked Gilts Sector	
<i>UK Index-Linked Gilt Fund</i>	The fund aims to maximise total returns by investing primarily in index-linked interest bearing securities issued by the UK government with flexibility to gain exposure to a minority holding in other fixed interest stocks.
<i>CM BlackRock Over 5 Years Index-Linked Gilt Fund</i>	To achieve long-term growth by investing in UK government index-linked securities (index-linked gilts) that have a maturity period of 5 years or longer. The fund aims to achieve a return that is consistent with that of the FTSE UK Gilts Index-Linked Over 5 Years Index.
UK Smaller Companies Sector	
<i>Smaller Companies Fund</i>	The fund aims to achieve long-term capital growth through investing mainly in smaller companies. principally in the UK.
<i>CM UK Smaller Companies Fund</i>	To achieve long-term capital growth through the active management of a diversified portfolio invested primarily in the equities of UK smaller companies.

2.6 The Scheme offers the following two investment strategies to its members:

- Lifestyle, which follows a balanced investment approach and automatically moves the member's accumulated fund (and new contributions) into less volatile investment options as the member approaches retirement. This involves switching from return-seeking assets, which aim for long-term growth in excess of inflation, to lower risk assets as a member approached their nominated retirement age.
- Freestyle, which gives the member the freedom to choose and manage their own mix of investments from the options available.

3. Trustees' Policy

3.1 Governance

The Trustees of the Scheme recognise that their primary duty is to safeguard the members' financial interests. Further that they are responsible for the type and range of units on offer within this defined contribution Scheme. In making decisions the Trustees have taken into account whether they have authority in law, the appropriate training and access to expert advice in order to make an informed decision. The Trustees have established the following decision making structure:

- Agree, in consultation with the Employer, the method of delivery of a defined contribution scheme to members
- Agree the range of investment choices, including life-styling options, to be made available to members
- Monitor investment options against overall objectives
- Review the performance of the fund managers on a regular basis and replace them when deemed appropriate
- Ensure that the Scheme is administered in a fully compliant manner and that contributions are paid over timely and in accordance with the Scheme Payment Schedule
- Ensure that members, both active and deferred receive value for money

3.2 Investment Choice

The Trustees allow all members complete flexibility to choose their own investment funds (from the options available) at the point of joining the Scheme and allow subsequently the switching of investments in and out of the various funds (to change the mix of investments) at any time prior to their retirement. Currently, Clerical Medical makes no charge for doing this.

The Trustees have not incorporated a "default strategy", nor is the Scheme used for auto-enrolment qualifying purposes.

3.3 Charges

Under the contract signed on 11th September 2001, Clerical Medical levy a flat rate annual management charge (AMC) on contributions (both Employer and Employee) of 0.69% p.a.

3.4. Financially material considerations and non-financial matters

The Trustees have considered how environmental, social, governance ("ESG") and ethical factors should be taken into account in the selection, retention and realisation of investments, given the time horizon of the Scheme and its members.

The Trustees expect the investment managers to take account of financially material considerations (including climate change and other ESG considerations). The Trustees seek to appoint managers that have appropriate skills and processes to do this, and from time to time review how their managers are taking account of these issues in practice.

The Trustees have limited influence over managers' investment practices as assets are held in pooled funds, but they encourage their managers to improve their practices where appropriate.

The Trustees do not take into account any non-financial matters (i.e. matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention and realisation of investments.

8. Voting and engagement

The Trustees recognise their responsibilities as owners of capital, and believe that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. By dint of investing in pooled funds, the Trustees have delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG considerations. They expect the investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers' general policies on stewardship, as provided to the Trustees from time to time, considering the long-term financial interests of the beneficiaries.

3.4 Review

The Trustees will review this SIP at least every three years and immediately following any significant change in market conditions. The Trustees will take advice and consult with the Sponsoring Employer over any changes to the SIP.

Signed on behalf of the Trustees of the Swisslog (UK) Limited Pension Scheme

Name: *Harriet Dunscombe*

Date: August 2023