

**THE ADOBE SYSTEMS SOFTWARE IRELAND LIMITED PENSION
SCHEME**

**ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Pensions Authority Number: PB 125045

The Adobe Systems Software Ireland Limited Pension Scheme

Annual Report for the year ended 31 December 2023

Contents

	Page
Trustee and Advisers	1 - 2
Trustee's Report	3 - 8
Statement of Trustee's Responsibilities	9
Independent Auditors' Report to the Trustee	10 - 11
Financial Statements	12 - 13
Notes to the Financial Statements	14 - 22
Appendices:	
Statement of Investment Policy Principles	
Investment Manager's Report	

The Adobe Systems Software Ireland Limited Pension Scheme

Annual Report for the year ended 31 December 2023

Trustee and Advisers

Trustee

Joseph G. Byrne & Sons Pension Trustees Limited
Elm House
Leopardstown Office Park
Sandyford
Dublin 18
D18 CX34

Directors:

Joseph V. Byrne

Peter G. Byrne

John E. Byrne

Independent Auditors

McCloskey & Co
Chartered Accountants and Statutory Auditors
Workhub
51 Bracken Road
Sandyford Business Park
Dublin 18
D18 CV48

Registered Administrator

Mercer (Ireland) Limited
Charlotte House
Charlemont Street
Dublin 2

Consultant

Mercer (Ireland) Limited

Investment Manager

Zurich Life Assurance plc
Zurich House
Frascati Road
Blackrock
Co. Dublin

* Mercer Aspire is provided by Mercer (Ireland) Limited and Zurich Life Assurance plc., as a unitised insurance policy with Zurich Life Assurance plc. The underlying investment managers for all Mercer Aspire portfolios and funds are selected and monitored by Mercer Global Investments Europe Limited.

The Adobe Systems Software Ireland Limited Pension Scheme

Annual Report for the year ended 31 December 2023

Trustee and Advisers

Underwriter

Utmost Corporate Solutions
Navan Business Park
Athlumney
Navan
Co. Meath C15 CCW8

Internal Auditor

Grant Thornton
Corporate Finance Limited
13 - 18 City Quay
Dublin 1

Risk Manager

Mercer Ireland Ltd
Charlotte House
Charlemont Street
Dublin 2

The Adobe Systems Software Ireland Limited Pension Scheme

Annual Report for the year ended 31 December 2023

Trustee's Report

Introduction

The Trustee presents the Annual Report on the operation of The Adobe Systems Software Ireland Limited Pension Scheme (the "Scheme") for the year ended 31 December 2023. The content of this report conforms to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 to 2022 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 developments for the year, investment matters and membership movements.

Queries in relation to Scheme benefits or related matters should be addressed, in the first instance to Manesh Patel, Adobe Systems Software Ireland Limited.

The Scheme

The Scheme, which operates on a defined contribution basis, was established to provide retirement and life assurance benefits for its members and is a distinct legal entity, separate in every respect from the principal employer, Adobe Systems Software Ireland Limited, 4 - 6 Riverwalk, Citywest Business Campus, Dublin 24. Membership is open to eligible employees of the principal employer.

In compliance with the Financial Services and Pensions Ombudsman Act 2017, a procedure has been put in place to facilitate Internal Dispute Resolution. Details of this procedure have been set out in the explanatory booklet which has been made available and distributed to members.

The Scheme is governed by the Trust Deed and Rules; members are entitled to inspect these documents or, on payment of a small charge, receive a copy of them. 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 benefit statement.

There have been no changes during the year to the Scheme information specified in Schedule C of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 to 2022.

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. In addition, 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 125045.

The Scheme is financed by contributions from the employer and members. Details of contributions and other financial developments during the year are set out herein.

The Adobe Systems Software Ireland Limited Pension Scheme

Annual Report for the year ended 31 December 2023

Trustee's Report

The Trustee

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

The Trustee and the Scheme administrator have access at all times to the Guidelines, Guidance Notes and Codes of Practice issued by The Pensions Authority in accordance with Section 10 of the Pensions Act 1990.

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 Trustee has adhered to their training obligations as required by the Pensions Act within the time limits set out therein.

The Trustee has access to appropriate training on their duties and responsibilities, however, no costs or expenses were incurred by the Scheme in respect of Trustee training during the year.

Management of the Scheme

The Trustee of the Scheme is detailed on page 1.

Unless otherwise indicated the Trustee, and the Trustee Directors thereof, served for the entire year and is still serving at the date of approval of the Annual Report.

Additional advisers to the Scheme are also outlined on pages 1 to 2.

Condition of the Scheme

The financial condition of the Scheme is dealt with in the Financial Developments and Investment Management sections of this report.

Statement of risks

Under the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 to 2022, the Trustee is required to describe the condition of the Scheme and the risks associated with the Scheme and disclose these to members.

As it is a "defined contribution" Scheme, where contribution levels are set down but the ultimate proceeds of those contributions cannot be forecast with certainty, it is not possible to provide a guarantee in relation to the level of benefits that will be received on retirement. The value of each member's pension is dependent on the amount of contributions paid, investment returns earned, charges deducted and the cost of buying annuities. The very nature of the Scheme means that there are financial and operational risks borne by the member. In brief, the following risks have been identified, amongst others:

- Investment returns may be poorer than expected, or the cost of purchasing an annuity when each member retires may be higher than expected. In such circumstances, the benefits payable from each members' retirement account may be less than the member was expecting. It is particularly important for each member to monitor this risk in the period close to retirement.
- The administration of the Scheme may fail to meet acceptable standards. The Scheme could fall out of statutory compliance, the Scheme could fall victim to fraud or negligence or the projected benefits communicated to members could differ from what will actually be payable.
- The investment manager made available for a members' retirement account may underperform relative to other investment managers, or the funds in which a members contributions are invested may underperform relative to other funds available.
- There may be regulatory or legislative changes that will restrict the level or type of benefits a member may receive and how they are taxed.

Apart from the last item, which is outside the control of the Trustee, the Trustee is satisfied that they are taking all reasonable steps to protect the members from the effects of these risks. For example, a range of funds are made available so that members can take control of their own investment risk. Experienced professional advisers, administrators and accountants are employed to minimise compliance and administrative risks. However, it is not possible to guard against every eventuality and, in particular, it may be appropriate for each member to take some investment risk with their retirement account with the aim of maximising their benefits.

Financial developments

The value of the Scheme's net assets increased from €21,083,444 at 31 December 2022 to €25,966,486 at 31 December 2023. This increase was accounted for by the net returns on investments of €2,353,572 together with the net additions from dealings with members of €2,529,470.

Benefits and payments to leavers amounted to €316,381 and premiums in respect of insured benefits amounted to €209,266.

Contributions

Contributions for the year amounted to €3,013,414. Contributions were paid in accordance with the rules of the Scheme and were received in full within 30 days of the year end.

The Trustee is satisfied that appropriate procedures have been put in place to ensure that contributions payable are received in accordance with the Trust Deed and Rules and the legislative requirements as set out under Section 58A of the Pensions Act 1990. This legislation sets out the following requirements:

- Member contributions must be received within 21 days from the end of the month in which they were deducted from pay.
- Employer contributions must be received within 21 days from the end of the month to which they relate.
- The Trustee must invest the contributions within a further 10 days from the end of the 21 day period.

All contributions were received and invested in accordance with the legislative requirements.

The above details have been extracted from the financial statements of the Scheme which form part of this report.

The Adobe Systems Software Ireland Limited Pension Scheme

Annual Report for the year ended 31 December 2023

Trustee's Report

Membership

The membership movements of the Scheme for the year are given below:

	Active Members	Life Insurance Only Members	Deferred Pensioners	Total
At 1 January 2023	205	55	129	389
New entrants	22	19	8	49
Leavers during the year	(10)	(26)	(4)	(40)
At 31 December 2023	<u>217</u>	<u>48</u>	<u>133</u>	<u>398</u>

Pensions

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 a defined contribution Scheme, retiring members have a number of options available to them on retirement which are set out in the explanatory booklet, which include 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 Trustee.

Alternatively, provided certain minimum income requirements are met, members may elect to transfer their funds to an Approved Retirement Fund (ARF) rather than purchase an annuity.

There are no pensions or pension increases being paid by or at the request of the Trustee for which the Scheme would not have a liability in the event of its winding up.

Investment management

It is the policy of the Trustee to delegate the management of the Scheme assets to a professional investment manager. The investment manager is detailed in the list of Scheme advisers on page 1.

The investment options are provided under the investment and communication framework known as Mercer Aspire. The Mercer Aspire framework, which is provided by Mercer (Ireland) Limited and Zurich Life Assurance plc., as a unitised insurance policy with Zurich Life Assurance plc. Mercer Global Investments Europe Limited ("MGIE") is appointed to manage the portfolio/funds of Mercer Aspire against agreed investment guidelines. MGIE does not select individual stocks but utilizing Mercer's global manager research capabilities, selects a range of "best in class" investment managers and/or funds.

The investment strategy is set out in its Statement of Investment Policy Principles as are the investment objectives, investment risk measurement methods and risk management processes to be used. A Statement of Investment Policy Principles adopted by the Trustee is included as one of the Appendices to this report.

The investment manager has, within specified mandates, total discretion in the investment of Scheme assets and the investment manager provides detailed reports to the Trustee on the strategy adopted and on the performance of the monies invested. A commentary by the investment manager on the performance achieved during the year is included in the Appendices to this report.

Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") requires the disclosure of the nature and extent of credit and market risks the investments are subject to and the risk management practices in place to manage these risks. These details are included in the investment risks note to the financial statements included with this report.

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.

Sustainable Finance Disclosure Regulations ("SFDR")

Under SFDR, the Trustee is viewed as financial market participants, whilst the Scheme is considered to be the financial product offered by the Trustee. Products under SFDR can be classified as those that have sustainable investment as its investment objective (Article 9) or those products that promote social or environmental characteristics, among other characteristics (Article 8). As the Scheme has not been classified under Article 8 or Article 9 of Regulation (EU) 2019/2088 (SFDR), the Trustee must therefore make the following disclosure:

- The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The Trustee continues to review the Scheme's approach to sustainability considerations and their current approach is documented in the Statement of Investment Policy Principles.

The Adobe Systems Software Ireland Limited Pension Scheme

Annual Report for the year ended 31 December 2023

Trustee's Report

Liabilities statement

As a Defined Contribution Scheme, all assets are held in respect of the liabilities for members' benefits expected to arise in the future with the exception of those assets that are not designated to members and are ultimately due back to the employers.

The liabilities have been valued using the applicable market value of the corresponding assets at the year end date.

The valuation of the Scheme net assets at 31 December 2023 is €25,966,486 (2022:€21,083,444) which equals the value of the Scheme liabilities at 31 December 2023.

Employer related investments

There were no employer related investments at any time during the year.

Subsequent events

Since the year end, there have been no significant events that would require amendment to or disclosure in the Annual Report.

In conclusion

We trust that members find this report informative and we are pleased to acknowledge the assistance received from the Employer and its staff during the year as well as from our various professional advisers.

Signed for and on behalf of the Trustee:

Director:  _____

Director:  _____

Date: 09/07/2024

09/07/2024

The Adobe Systems Software Ireland Limited Pension Scheme

Annual Report for the year ended 31 December 2023

Statement of Trustee's Responsibilities

The financial statements are the responsibility of the Trustee. Irish pension legislation requires the Trustee 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 amount and disposition of the assets and liabilities (other than liabilities to pay benefits in the future) at the end of the Scheme year and include a statement as to whether the financial statements have been prepared in accordance with the Statement of Recommended Practice - Financial Reports of Pension Schemes (Revised 2018), ("SORP"), subject to any material departures disclosed and explained in the financial statements.

Accordingly, the Trustee must ensure that it has supervised the preparation of the Scheme financial statements and ensure that:

- suitable accounting policies are selected and then applied consistently;
- reasonable and prudent judgements and estimates are made;
- the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up; and
- the SORP is followed, or particulars of any material departures are disclosed and explained.

The Trustee is required by law to have appropriate procedures in place throughout the Scheme year under review, to ensure that:

- contributions payable during the Scheme year are received by the Trustee 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 end of the Scheme year; and
- contributions payable are paid in accordance with the rules of the Scheme.

The Trustee is responsible for making available certain other information about the Scheme in the form of an Annual Report. The Trustee is 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 to 2022, including financial statements which show a true and fair view of the financial transactions of the Scheme in the year under review and of the assets and liabilities at the year end, other than liabilities for pensions and other benefits payable after the year end. They are also responsible for safeguarding the assets of the Scheme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, including the maintenance of an appropriate system of internal controls.

Signed for and on behalf of the Trustee:

Director:  _____

Director:  _____

Date: 09/07/2024

09/07/2024

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES AND MEMBERS OF
THE ADOBE SYSTEMS SOFTWARE IRELAND LIMITED PENSION SCHEME**

We have audited the financial statements of The Adobe Systems Software Ireland Limited Pension Scheme for the year ended 31 December 2023 which comprises the Fund account, the Net Assets Statement and the related notes.

These accounts on pages 12 to 23 have been prepared in accordance with the Statement of Recommended Practice Financial Reports of Pension Schemes (SORP), the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 to 2013 and the accounting policies set out on pages 14 to 15.

This report is made solely to the trustee and members of the pension scheme as a body. Our audit work has been undertaken so that we might state to the pension scheme's trustees and members 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 pension scheme and the trustee and members of the pensions scheme as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustee's

responsibilities for making available an annual report, including audited financial statements prepared in accordance with applicable Irish pension law and accounting standards generally accepted in Ireland, are set out in the Statement of Trustees' Responsibilities, on page 9.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Auditing Standards (UK and Ireland).

We report to you whether the accounts give a true and fair view of the financial transactions of the scheme during the scheme year and of the amount and disposition of its assets and liabilities, other than liabilities to pay benefits in the future, and whether the financial statements contain the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 to 2013.

We also report to you whether the contributions payable to the scheme during the scheme year have been received by the trustee within 30 days of the scheme year end and, in our opinion, paid in accordance with the scheme rules.

We read the other information which comprises the Trustees' Report, the Investment Manager Report and the brief outline of the scheme contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEE AND MEMBERS OF
THE ADOBE SYSTEMS SOFTWARE IRELAND LIMITED PENSION SCHEME**

Basis of audit opinion

We conducted our audit in accordance with International Auditing Standards (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

It also includes an assessment of the significant estimates and judgments made by or on behalf of the trustee in the preparation of the financial statements and of whether the accounting policies are appropriate to the scheme's circumstances, consistently applied and adequately disclosed.

Our work also included examination, on a test basis, of evidence relevant to the amounts of contributions payable to the scheme and the timing of those payments.

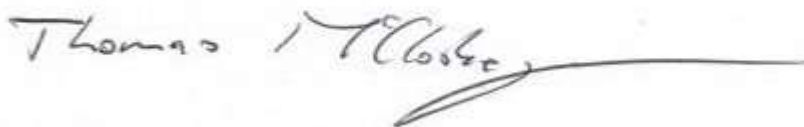
We planned and performed our audit to obtain all the information and explanations we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error, and that the contributions have been paid in accordance with the scheme rules and received within 30 days of the scheme year end.

In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion, the accounts give a true and fair view of the financial transactions of the scheme during the year ended 31 December 2023 and of the disposition at that date of its assets and liabilities, other than liabilities to pay benefits in the future and contain the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 to 2013.

In our opinion, the contributions payable to the scheme during the year ended 31 December 2023 have been received within 30 days of the end of the scheme year and have been paid in accordance with the scheme rules.



Thomas McCloskey
For and on behalf of:
McCloskey & Co
Chartered Accountants & Statutory Auditor
Workhub
51 Bracken Road,
Sandyford Business Park
Dublin 18
D18 CV48

9 July 2024

The Adobe Systems Software Ireland Limited Pension Scheme

Annual Report for the year ended 31 December 2023

Financial Statements

Fund Account

	Note	2023 €	2022 €
Employer contributions		1,386,085	1,317,999
Employee contributions		1,627,329	1,447,626
Total contributions	6	3,013,414	2,765,625
Transfers in	7	41,703	81,747
Other income	8	-	237,151
		3,055,117	3,084,523
Benefits paid or payable	9	(77,039)	(304,547)
Payments to and on account of leavers	10	(239,342)	(259,303)
Other payments	11	(209,266)	(230,499)
		(525,647)	(794,349)
Net additions from dealings with members		2,529,470	2,290,174
Returns on investments			
Change in market value of investments	12	2,353,572	(2,652,195)
Net returns on investments		2,353,572	(2,652,195)
Net increase/ (decrease) in the fund during the year		4,883,042	(362,021)
Net assets at 1 January/		21,083,444	21,445,465
Net assets at 31 December		25,966,486	21,083,444

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

Signed for and on behalf of the Trustee:

Director: 

Director: 

Date: 09/07/2024

09/07/2024

The Adobe Systems Software Ireland Limited Pension Scheme

Annual Report for the year ended 31 December 2023

Financial Statements

Statement of Net Assets (available for benefits)

	Note	2023 €	2022 €
Investment assets	12		
Pooled investment vehicles	14	26,043,525	21,083,446
Current assets	17	-	74,901
Current liabilities	18	(77,039)	(74,903)
Net assets at 31 December		<u>25,966,486</u>	<u>21,083,444</u>

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

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

Signed for and on behalf of the Trustee:

Director: 

Date: 09/07/2024

Director: 

09/07/2024

Basis of preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 to 2022, Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), and the guidance set out in the Statement of Recommended Practice - Financial Reports of Pension Schemes (Revised 2018) ("SORP").

The financial statements have been prepared on the going concern basis. In making this assessment, the Trustee has assessed the ability of the Scheme to meet its future obligations to pay member benefits as they fall due and the ability of the Employer to continue to meet their obligations to the Scheme. The Trustee believes that the Scheme remains well positioned to manage its risks successfully and expects that the Scheme will continue in operational existence for the foreseeable future.

1. Accounting policies

The significant accounting policies adopted by the Trustee which have been applied consistently in dealing with items which are considered material in relation to the Scheme's financial statements are as follows.

a. Valuation of investments

Investments are included 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, net asset value ("NAV") or most recent transaction price is used.

Unitised pooled investment vehicles which are not traded on an active market, but where the investment 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 using the last price provided by the investment manager at or before the year end.

b. Investment income

Investment income and interest on bank deposits is accounted for on the accruals basis. Income earned on investments in unit linked funds is not distributed but is accumulated within the capital of the funds

c. Investment management fees

Investment management fees are calculated as a percentage of the assets under management and these fees are borne by the Scheme. Fees relating to unit funds are not levied directly but are reflected in unit prices and also borne by the Scheme.

d. Contributions

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis in the month member contributions are deducted from the payroll. Employer additional, other and augmentation contributions are accounted for in accordance with the agreement under which they are paid, or in the absence of such an agreement, when received. Additional voluntary contributions from the members are accounted for, on an accruals basis, in the month deducted from the payroll. Additional voluntary contributions are invested alongside normal contributions in the same investment arrangements.

e. Payments in respect of benefits and on account of leavers

Benefits are accounted for in the period in which they fall due. Where there is a choice, benefits are accounted for in the period in which the member notifies the Trustee of their decision on the type or amount of benefit to be taken or if there is no member choice, they are accounted for on the date of retirement or leaving.

Where Trustee are required to settle tax liabilities on behalf of a member (such as when lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Scheme, this is shown separately within benefits.

The Adobe Systems Software Ireland Limited Pension Scheme

Annual Report for the year ended 31 December 2023

Notes to the Financial Statements

f. Foreign currencies

The Scheme's functional and presentation currency is the Euro (€).

Monetary items denominated in foreign currency are translated into Euro using the closing exchange rates at the Scheme year end. Foreign currency transactions are recorded in Euro at the spot exchange rate at the date of the transaction.

g. Expenses:

Expenses are accounted for on an accruals basis

h. Transfers to and from other Schemes:

Transfer values represent the amounts receivable and payable during the year for members who have either joined or left the Scheme. The values are accounted for upon liability being accepted by the receiving Scheme.

2. Taxation

The Scheme has been approved as an "exempt approved scheme" for the purposes of Section 774 of the Taxes Consolidation Act 1997 and thus Scheme income and gains are generally exempt from taxation.

3. Constitution of the Scheme

The Scheme was established as a Defined Contribution Scheme with effect from 02 January 2001 under a Definitive Trust dated 09 July 2001. 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.

4. Benefits

Pension benefits under the Scheme are provided by direct investment. The death in service benefits are secured by policies underwritten by the insurer to the Scheme.

5. Fees and expenses

With the exception of investment management fees which is borne by the Scheme all fees and expenses are borne by the principal employer.

6. Contributions

	2023 €	2022 €
Employer contributions:		
Normal	1,176,819	1,087,500
Term insurance policy	209,266	230,499
	<u>1,386,085</u>	<u>1,317,999</u>
Employee contributions:		
Normal	1,176,193	1,083,934
Additional voluntary contributions	451,136	363,692
	<u>1,627,329</u>	<u>1,447,626</u>
	<u>3,013,414</u>	<u>2,765,625</u>

The Adobe Systems Software Ireland Limited Pension Scheme

Annual Report for the year ended 31 December 2023

Notes to the Financial Statements

7. Transfers in

	2023 €	2022 €
Individual transfers in from other schemes	<u>41,703</u>	<u>81,747</u>

8. Other income

	2023 €	2022 €
Claims on term insurance policies	<u>-</u>	<u>237,151</u>

9. Benefits paid or payable

	2023 €	2022 €
Lump sum retirement benefits	19,260	-
Purchase of annuities	57,779	-
Lump sum death benefits	-	304,547
	<u>77,039</u>	<u>304,547</u>

10. Payments to and on account of leavers

	2023 €	2022 €
Refunds in respect of leavers	11,867	35,362
Individual transfers out to other schemes	227,475	223,941
	<u>239,342</u>	<u>259,303</u>

11. Other payments

	2023 €	2022 €
Premiums on term insurance policies	<u>209,266</u>	<u>230,499</u>

The Adobe Systems Software Ireland Limited Pension Scheme

Annual Report for the year ended 31 December 2023

Notes to the Financial Statements

12. Reconciliation of investments

	Market value at 1 January 2023 €	Cost of investments purchased €	Proceeds of sales of investments €	Change in market value €	Market value at 31 December 2023 €
Pooled investment vehicles	21,083,446	3,240,665	(634,158)	2,353,572	26,043,525

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 during the year.

Indirect costs are incurred through bid-offer spread on investments within pooled investment vehicles. The amounts of indirect transaction costs are not separately provided to the Scheme.

All fund managers are operating the pooled investment vehicles and is registered in the Republic of Ireland

13. Concentration of investments

The following investments each account for more than 5% of the Scheme's net assets at the year end:

	2023 €	%	2022 €	%
Zurich Life				
Aspire Moderate Growth S (SARS)	20,023,166	77.1	16,532,829	78.4
Passive Global Equity Hedged J (SCUJ)	5,070,746	19.5	3,975,520	18.9

14. Pooled investment vehicles

	2023 €	2022 €
Equity Funds	5,107,387	4,005,177
Fixed Interest Funds	80,407	74,898
Diversified Funds	20,721,306	16,872,165
Cash Funds	111,258	107,032
Annuity	23,167	24,174
	<u>26,043,525</u>	<u>21,083,446</u>

15. Fair value determination

In line with the guidelines set out in the SORP and FRS 102, for all financial instruments held at fair value, a retirement benefit Scheme is required to disclose, for each class of assets, an analysis of the level of fair value hierarchy. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value of financial instruments has been determined using the following fair value hierarchy:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.
Level 3	Unobservable inputs for the asset or liability. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

The Scheme's investment assets have been included at fair value using the above hierarchy levels as follows:

	2023 Level 1 €	2023 Level 2 €	2023 Level 3 €	2023 Total €
Pooled investment vehicles	-	26,043,525	-	26,043,525
	-	26,043,525	-	26,043,525

Analysis for the prior year end is as follows:

	2022 Level 1 €	2022 Level 2 €	2022 Level 3 €	2022 Total €
Pooled investment vehicles	-	21,083,446	-	21,083,446
	-	21,083,446	-	21,083,446

15.1 Defined contribution assets

	2023 €	2022 €
Designated to members	26,042,256	21,082,253
Not designated to members	1,269	1,193
	26,043,525	21,083,446

Note: The Not designated to members account is made up of units which arise as follows; members on leaving service can opt (if they are within the time limits prescribed by legislation) to take a refund of the value of their own contributions less tax at 20% and they therefore waive this right to the value of the employer contributions paid on their behalf. These employer units therefore no longer belong to the member who has taken a refund and become part of the Trustee's unallocated account.

16. Investment risks

Introduction

FRS 102 requires the disclosure of information in relation to certain investment risks. These are set out under FRS 102 as follows:

- **Credit risk:** 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:** comprises currency risk, interest rate risk and other price risk.
 - **Currency risk:** 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:** 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:** the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices, 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.

Investment Objectives

The investment objectives of the Trustees of the Scheme are:

- (a) To make available a range of investment vehicles which serve to adequately meet the varying investment needs and risk tolerances of Scheme members.
- (b) To provide appropriate information on these funds such that members are assisted in understanding and making their choice of fund.

Important Note for Scheme Members

Members must understand that the Trustees do not accept responsibility for the success or otherwise of the investment choices that members make. Members have responsibility to read and understand the documentation available to them so that the choices made by them adequately reflect their objectives and their own attitude to risk.

Investment Policy

The Scheme's investment strategy and implementation arrangements are outlined in the Statement of Investment Policy Principles (SIPP) which forms part of the Scheme's Trustee Annual report. Implementation of the investment strategy has been delegated to professional investment managers. The investment strategy and implementation arrangements of the Scheme are reviewed regularly by the Trustees.

Investment Framework and Implementation Arrangements

The investment options are provided under an investment and communications framework known as Aspire by Mercer (Ireland) Limited and Zurich Life Assurance plc. As part of the Aspire framework, Mercer Global Investments Europe Limited ("MGIE") manages the investment options against agreed investment guidelines. The underlying investment managers and funds chosen are structured within ring-fenced and regulated pooled funds operated by MGIE. Individual stocks are not selected by MGIE but, using Mercer's global manager research capabilities MGIE is responsible for selecting, blending and monitoring specialist investment managers on the Trustee's behalf in each area.

The investment strategy of the Plan is implemented using a range of regulated pooled investment vehicles. The investment options are provided under the Aspire framework by Mercer (Ireland) Limited and Zurich Life Assurance plc as a unitised insurance policy with Zurich Life Assurance plc ("Zurich"). The Scheme thus has a counterparty credit risk (described as direct credit risk under FRS102) to Zurich. Zurich is a regulated life assurance company and as such is required to comply with regulations applicable to the insurance sector.

(The Trustees conducted (legal) due diligence on the investment managers/providers prior to appointment.)

A summary of pooled investment vehicles by type of arrangement, as provided by the investment manager, is as follows:

	2023	2022
	€	€
Unit linked insurance contracts	26,043,525	21,083,446
	<u>26,043,525</u>	<u>21,083,446</u>

The Adobe Systems Software Ireland Limited Pension Scheme

Annual Report for the year ended 31 December 2023

Notes to the Financial Statements

16. Investment risks

Risk disclosure under FRS 102

The current investment options selected by the Trustees to offer to members is tabulated below. These options are exposed to indirect credit and market risks and the risk profile of each option, as required under FRS 102, is tabulated below.

Key:

- Significant impact
- Partial impact
- Low/Occasional impact
- No impact

Asset Class	Fund Name	Credit Risk	Market Risk		
			Currency	Interest rate	Other
Diversified Growth	Aspire High Growth Portfolio	●	●	●	●
Diversified Growth	Aspire Moderate Growth Portfolio	●	●	●	●
Diversified Growth	Aspire Cautious Growth Portfolio	●	●	●	●
Diversified Growth	Aspire Low Growth Portfolio	●	●	●	●
Diversified Assets	Aspire Stability Portfolio	●	○	●	●
Cash	Aspire Cash Portfolio	●	○	●	●
Equity	Passive Global Equity Hedged	●	○	●	●
Equity	Passive Emerging Markets Equity	●	●	●	●
Fixed Interest	Euro Bond	●	○	●	●
Fixed Interest	Annuity Matching Fund	●	○	●	●

For all investment options within the Aspire Framework, a range of highly rated specialist manager(s) is selected by MGIE.

Investment risk can be considered in a number of different ways and so there must be an element of subjectivity involved in the interpretation of the risks listed under FRS102 and in the assessment of their impact above.

It should be noted that the risks above are not independent; no asset class is risk free and combinations of the above risks (and others) can influence any asset as market conditions vary.

The value of assets held in each asset class/fund above is outlined in the Trustee Annual Report.

The Adobe Systems Software Ireland Limited Pension Scheme

Annual Report for the year ended 31 December 2023

Notes to the Financial Statements

17. Current assets

	2023 €	2022 €
Contributions due from the employer in respect of:		
- Term insurance policy	-	21,233
Bank account	-	53,668
	<u>-</u>	<u>74,901</u>

The current assets table above also includes death in service premium of €Nil (2022: €21,233) which is not designated to members.

18. Current liabilities

	2023 €	2022 €
Retirement benefits payable	77,039	-
Death benefits payable	-	40,984
Refunds of contributions payable	-	12,686
Term insurance premiums payable	-	21,233
	<u>77,039</u>	<u>74,903</u>

The current liabilities table above includes term insurance premium payable of €Nil (2022: €21,233) which is not designated to members.

19. Employer related investments

There were no employer related investments at any time during the year.

20. Contingent liabilities

As stated on page 13 of these financial statements, liabilities to pay pensions and other benefits in the future have not been taken into account. On that basis, in the opinion of the Trustee, the Scheme had no contingent liabilities at the year end.

21. Related party transactions

(a) The Trustee

The Trustee of the Scheme is detailed on page 1 of the report.

(b) Remuneration of the Trustee

The professional Trustee is remunerated on a fee basis and all fees are paid by the principal employer.

(c) Principal Employer

Adobe Systems Software Ireland Limited is the principal employer. The employer contributions to the Scheme are made in accordance with the Trust Deed.

(d) The Registered Administrator

Mercer (Ireland) Limited is the registered administrator.

Administration and consultancy fee charged by the registered administrator are paid by the principal employer.

The cash held by Mercer (Ireland) Limited at the year end on behalf of the Scheme was €Nil (2022: €53,668).

(e) The Investment Manager

* Zurich Life Assurance plc, was appointed by the Trustees to manage the Scheme's assets. The Investment Manager is remunerated on a fee basis calculated as a percentage of the assets under management. These fees are reflected in unit prices and borne by the Scheme.

22. Liabilities statement

As a defined contribution Scheme, all assets are held in respect of the liabilities for members' benefits expected to arise in the future with the exception of those assets that are not designated to members and are ultimately due back to the employers.

The liabilities have been valued using the applicable market value of the corresponding assets at the year end date.

The valuation of the Scheme net assets at 31 December 2023 is €25,966,486 (2022:€21,083,444) which equals the value of the Scheme liabilities at 31 December 2023.

23. Subsequent events

Since the year end, there have been no significant events that would require amendment to or disclosure in the financial statements.

24. Approval of financial statements

The financial statements were approved by the Trustee on 09/07/2024

Adobe Systems Software Ireland Limited Pension Scheme (“the Scheme”)

Statement of Investment Policy Principles

Introduction

The purpose of this Statement of Investment Policy Principles is to document the policies and guidelines that govern the management of the Scheme’s assets. It has been reviewed and adopted by the Trustees and outlines their objectives, how they measure risk, their processes for managing risk and their current investment policy.

The Statement takes into account the Pensions Authority 2016 DC Code: Investing Scheme Assets¹ and the IAPF Guidelines for Trustees².

The Trustees fulfil the requirements of the Occupational Pension Schemes (Investment) Regulations 2006 (as amended) which stipulate that such a Statement is put in place.

This Statement will be reviewed at least every three years, and also following any change in investment policy which affects the content of the Statement.

Investment Objectives

The investment objectives of the Trustees are:

- To provide a range of efficiently managed and appropriately priced investment options that meets the broad needs of the members of the Scheme;
- To provide appropriate information about those investment options so that members can make an informed choice.

Given these objectives, the Trustees have selected the Mercer Aspire framework for the Scheme. Mercer Aspire is provided by Mercer and Zurich Life Assurance plc. The Mercer Aspire framework was adopted in order to maximise efficiencies and provide access to well diversified funds managed by highly rated managers as well as high quality member communications. As part of this Mercer Global Investments Europe Limited (“MGIE”) manages the investment options against agreed investment guidelines. MGIE does not select individual stocks but, using Mercer’s global manager research capabilities is responsible for selecting, blending and monitoring specialist investment managers on the Trustee’s behalf in each area.

Notwithstanding the above, members must understand that the Trustees do not accept responsibility for the consequences of members investment decisions. Members have responsibility to read and understand the documentation available to them so that the choices made by them adequately reflect their objectives and their own attitude to risk.

Risk Measurement Methods

Given the defined contribution nature of the Scheme, the Trustees will determine the range of investment options to be offered to members, taking into account the circumstances of broad categories of members within the Scheme. Individual investment options are chosen to address the key investment risks faced by members, as identified by the Trustees.

The main risks considered by the Trustees are categorised as investment risks and member decision-making risks. Details of both are provided below (although this is not an exhaustive list of all risks):

Investment Risks

- That longer term investment returns do not keep up with inflation (inflation risk);
- That sufficient investment return in excess of inflation is not achieved over the long term;

¹ [http://www.pensionsauthority.ie/en/Trustees Registered Administrators/Codes of governance for DC schemes/DC Code 5 - Investing scheme assets.pdf](http://www.pensionsauthority.ie/en/Trustees%20Registered%20Administrators/Codes%20of%20governance%20for%20DC%20schemes/DC%20Code%205%20-%20Investing%20scheme%20assets.pdf)

² <http://www.iapf.ie/publications/trusteesupport/default.aspx?iid=656>

- That the value of a member's account moves significantly out of line with movements in annuity prices so that the member cannot afford to buy the same level of retirement income as previously (annuity risk);
- That members' accounts drop sharply in value because of investment market volatility (volatility risk).

The range of investment options chosen by the Trustees has been selected to help members address the above risks (should members wish to do so). The table in the Current Investment Policy section below identifies the risk which each investment option aims to address. In monitoring the overall investment arrangements, the Trustees consider whether each investment option continues to address the risk it was chosen to address.

Member Decision-making Risks

- That the member is overwhelmed by the number or complexity of investment choices (complexity risk);
- That the member does not get enough clear information to make an informed choice (inadequate information risk).

To address the above risks, the name of each investment option has been specifically selected to clearly describe its objective. In addition and in order to reflect members' decision making preferences, three broad categories of member have been identified as follows:

- **Do It For Me members:** Members who are uncomfortable with investment decision making or who wish to make one investment decision with a long life.
- **Help Me Do It members:** Members who wish to make an investment decision and who will review their decision every few years, but who would like some assistance to do that.
- **Leave Me To It members:** Members who are very comfortable with investment decision making and who are likely to review their investment selection on a regular basis.

The investment options selected by the Trustees have been selected to cater for members in each of these three categories. The table in the Current Investment Policy section is divided between these three member decision making zones.

Risk Management Processes

The Trustees will ensure that within the investment options that are available to each member:

- The risks outlined in the previous section can (if the member so chooses) be kept to a level that is appropriate for that individual member;
- Investments are, for the most part, limited to marketable securities that are traded on recognised/regulated markets;
- Investment in derivative instruments is made only in so far as it either contributes to a reduction of investment risks or facilitates efficient portfolio management. Any such derivative investment must avoid excessive risk exposure to a single counterparty and to other derivative operations; and
- The investment options are properly diversified in such a way as to avoid accumulations of risk. Investments in assets issued by the same issuer or by issuers belonging to the same group should not expose the member to excessive risk concentration.

Furthermore, the Trustees recognise the importance of providing appropriate information to members on the range of investment options offered to them, so that each member is in a position to make an informed decision on their choice of investment option(s). For members who do not wish to make an investment choice, the Trustees have carefully considered the appropriate default, as described below, under the Default Options section.

ESG, Stewardship, and Climate Change

The Trustees believe that environmental, social, and corporate governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustees also recognise that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

The Trustees have delegated day to day management of the assets to Mercer who in turn delegates responsibility for the investment of the assets to a range of underlying investment managers. These investment managers are expected to evaluate ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments, in accordance with Mercer's Sustainable Investment Policy and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. Mercer has committed to clearly communicate their stewardship expectations to appointed managers, actively monitor manager stewardship (voting and engagement) activities, engage to improve manager practices over time and provide transparency on the sustainable investment policy's implementation with investors.

The Trustees consider how ESG, climate change and stewardship is integrated within Mercer's investment processes and those of the underlying managers in the monitoring process. Mercer is expected to provide reporting on a regular basis, at least annually, on ESG integration progress, stewardship monitoring results, and climate-related metrics such as carbon footprinting for equities.

European Union Shareholders' Rights Regulation 2020

With respect to the European Union Shareholders' Rights Regulation 2020, the Trustees do not have a standalone engagement policy as the Scheme invests in pooled funds and therefore has no direct engagement with the underlying entities held. The Trustees have engaged with Mercer Global Investments Europe Limited (MGIE) and they have provided a copy of their Engagement Policy and confirmed that they are in compliance with the Regulation. An annual report is published by MGIE outlining how the Engagement Policy is implemented, and includes a general description of voting behaviour, a summary of significant votes taken and information on the use of the services of proxy advisors. Where external managers are employed, they have also provided a copy of their engagement policy and confirmed that they are in compliance with the regulation. The Scheme provides a range of investment options, including equity funds and multi-asset portfolios which include equity investment. The investment horizon of equity investment is medium to long term in nature, and the Trustees expect the managers to use their engagement activity to drive improved performance over those periods. The Trustees also expect investment manager appointments to be long-term in nature, and assess performance over longer-term periods.

Sustainable Finance Disclosure Regulations

The Trustee acknowledges that under Article 4 of the Disclosure Regulations there is a requirement to publish and maintain on a website whether principal adverse impacts of investment decisions on sustainability factors are considered. The Trustee is aware Level II regulations came into force in January 2023 but awaits further guidance from the Pensions Authority as to the practical application for occupational pension schemes.

This policy may be made publicly available in the future but is currently included within the SIPP as this is available to members each year through the Trustee Annual Report.

Current Investment Policy

As outlined above, the Trustees selected the Mercer Aspire framework for the Scheme. The investment options selected by the Trustees are outlined below. The performance objectives of the selected investment options are also provided below.

Under the Aspire framework, MGIE manages the investment options against agreed investment guidelines. MGIE does not select individual stocks but, using Mercer's global manager research capabilities is responsible for selecting, blending, monitoring and replacing specialist investment managers on the Trustees' behalf in each area.

Do It For Me members

Lifestyle strategies have been selected for Scheme members. A lifestyle strategy is designed to address the most important investment risks for members over time. Specifically, a lifestyle strategy aims to manage the risk of achieving insufficient growth over earlier time periods, while automatically reducing investment risk as a member approaches normal retirement. This is achieved by investing in long-term growth orientated assets (Aspire Moderate Growth Portfolio) when far from retirement and automatically moving to more conservative assets (such as cash) in the approach to retirement, as the member reaches Normal Retirement Age.

Scheme members can choose to invest in one of the three lifestyle strategies shown below. If a member chooses one of these lifestyle strategies, then 100% of their Retirement Account must be invested in their chosen strategy. The growth portfolio for all three strategies shown below is the Aspire Moderate Growth Portfolio. For each of these lifestyle strategies, a member's Retirement Account is gradually moved to lower risk portfolios over the last c. eight years before normal retirement.

1. **Aspire Retirement Strategy (Annuity)** – designed for members intending to take a mix of cash and annuity at retirement and which targets 50% core long-dated Eurozone government bonds and 50% cash by normal retirement date.

2. **Aspire Retirement Strategy (ARF)** – designed for members intending to continue investing using an ARF post retirement and which targets 75% cautious growth assets and 25% cash by normal retirement date.

3. **Aspire Retirement Strategy (Cash)** – designed for members intending to take their retirement account as a cash lump sum at retirement and which targets 100% cash by normal retirement date.

Default Option - Aspire Retirement Strategy (ARF)

The Trustees have identified the Aspire Retirement Strategy (ARF) as the default option to apply for new members joining the Scheme who do not explicitly select an investment option for the investment of their contributions.

Help Me Do It members

Asset Class	Portfolio name	Type of Management ¹	Benchmark/Long Term Target ²	Objective
Portfolios aiming to provide long term growth				
Diversified Growth	Aspire High Growth Portfolio	Active & passive	Cash plus 4.5 - 5.5% p.a.	Meet long term return target with target volatility of less than 25%
Diversified Growth	Aspire Moderate Growth Portfolio	Active & passive	Cash plus 3.5 - 4.5% p.a.	Meet long term return target with target volatility of less than 15%
Diversified Growth	Aspire Cautious Growth Portfolio	Active & passive	Cash plus 2 – 3% p.a.	Meet long term return target with target volatility of less than 10%
Diversified Growth	Aspire Low Growth Portfolio	Active & passive	Cash plus 1 - 2% p.a.	Meet long term return target with target volatility of less than 5%
Portfolio aiming to address volatility risk				
Diversified Assets	Aspire Stability Portfolio	Active & passive	Cash plus 0 - 1% p.a.	Meet long term return target with target volatility of less than 2%
Cash	Aspire Cash Portfolio	Active	FTSE 1 Month Euro Deposit ³	Meet benchmark with target volatility of less than 0.5%

Asset Class	Portfolio name	Type of Management ¹	Benchmark/Long Term Target ²	Objective
-------------	----------------	---------------------------------	---	-----------

1. For all investment options within the Aspire Framework, a range of highly rated specialist manager(s) is selected by MGIE.
2. All benchmarks / long term targets are measured gross of fees, unless otherwise stated.
3. Benchmark was 50% 1 Month Euro LIBID / 50% 1 Month Euro LIBOR until 1 March 2020.

Leave Me To It members

In addition to the portfolios under the Help Me Do It category above, the following funds are available to members in this category.

Asset Class	Portfolio name	Type of Management ¹	Benchmark/Long Term Target ²	Objective
-------------	----------------	---------------------------------	---	-----------

Fund aiming to address annuity risk

Bonds	Annuity Matching Fund	Passive	20% Bloomberg Barclays Euro Aggregate Corporate Index / 80% Nominal Long Bond Benchmark	Track Benchmark
-------	-----------------------	---------	---	-----------------

Funds aiming to provide long term growth

Equity	Passive Global Equity Hedged	Passive	MSCI World ex Selected Securities Hedged (NDR) Index	Perform in line with benchmark
Equity	Passive Emerging Markets Equity	Passive	MSCI Emerging Markets ex Selected Securities (NDR) Index	Perform in line with the benchmark
Bonds	Euro Bond	Passive	BofAML Euro Broad Market Index	Perform in line with benchmark

1. For all investment options within the Aspire Framework, a range of highly rated specialist manager(s) is selected by MGIE.
2. All benchmarks / long term targets are measured gross of fees, unless otherwise stated.

Communication

Information is available to members in a number of ways:

- Member booklet
- Fund factsheets
- Mercer JustASK Helpline +353 1 411 8505
- Presentations to members on investments
- Online account access on www.merceroneview.ie
- Online pension calculator
- Retirement planning seminar
- Pre-retirement newsletters
- One-to-one guidance at point of retirement

Regular opportunities to switch between investment options are also offered.

Effective Date of this Statement: February 2024

Adobe Systems Software Ireland Limited Pension Scheme

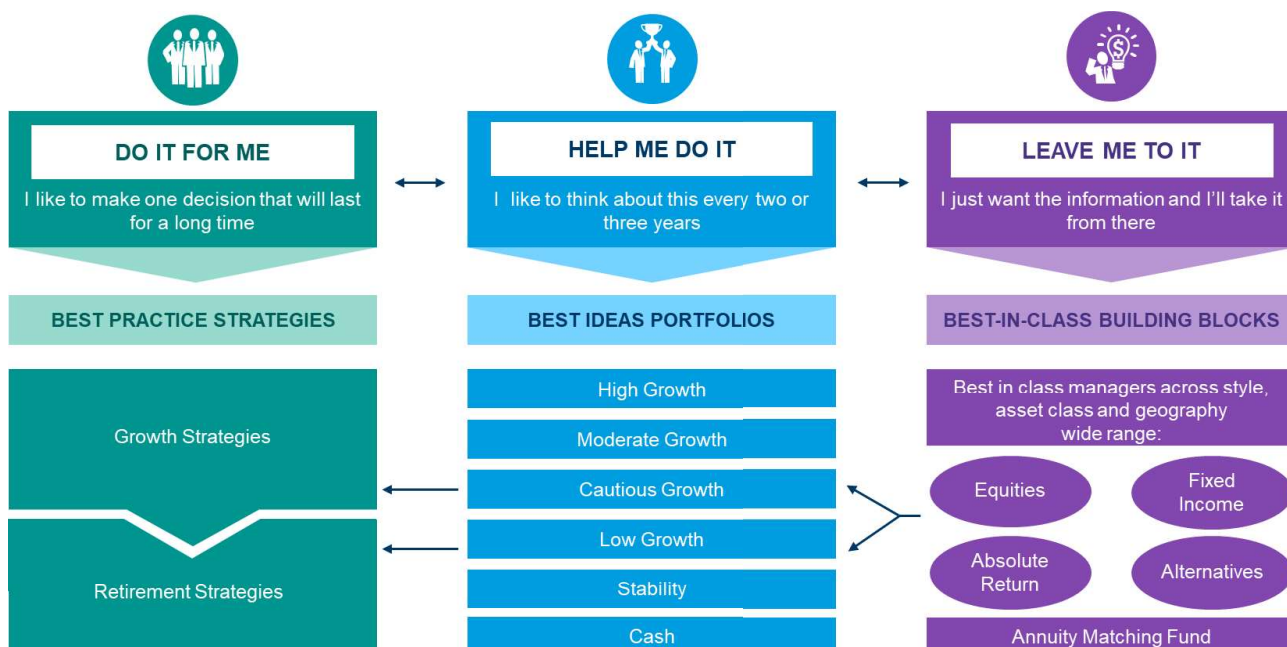
("the Scheme")

Investment Management Report for the 1-year period ending 31 December 2023

Mercer Aspire represents a dynamic approach to DC/AVC investment and provides scheme members with access to traditional and alternative asset classes, appropriate 'risk graded' diversified investment strategies and globally best-in-class investment managers. Mercer leverages their depth of resources and in-house expertise to provide sophisticated investment solutions in a robust and easily understood framework.

Mercer Aspire is structured around the three member zones as shown below, with the solution for each zone constructed according to Mercer's best thinking. Mercer provides Do It For Me members with access to a market leading 'default' strategy which will continue to evolve with best practice over time. The Help Me Do It zone provides access to a range of 'risk graded' strategies to meet differing risk profiles and the Leave Me To It zone contains a comprehensive range of market leading asset class strategies. The investment solution is then wrapped in a comprehensive member communication and governance framework aimed at delivering better outcomes for members, trustees and employers.

Mercer Aspire is used by the scheme in order to access Mercer's best investment thinking in an efficient manner. Within this framework, the Trustees select the investment range to offer to members, while Mercer selects, monitors and replaces (where necessary) investment managers.



Market Background

Global equity markets started January 2023 on a strong note due to a positive macro backdrop of China reopening, expectation of a Fed pause and warmer than expected weather in Europe sending gas prices lower. Central banks continue to fight inflation by tightening financial conditions which in turn slow economies down. Developed market equities stood higher with European and emerging markets outperforming. Developed government bonds delivered positive returns as yields fell following expectations that major central banks would pause their hiking cycle. Corporate bonds posted positive returns with Asian high yield bonds continuing to do well. Commodities ended the month lower as natural gas prices fell steeply but gold and copper performed strongly which offset some of the losses. The US dollar fell as the British pound, Japanese yen and the euro rallied.

In February, global equity markets fell as resilient economic data prompted fears that developed central banks would have to tighten policy aggressively to lower the inflation. Market equities ended lower with European and UK markets outperforming. Developed government bonds delivered negative returns as yields rose sharply reflecting expectations of higher policy rates set by key central banks. Corporate bonds posted negative returns. Commodities ended the month substantially lower as metals and energy fell. Economic data continued to show resilience with upside surprises in growth and employment. Low unemployment rates coupled with high job openings continued to put pressure on wages to rise which created recurrent inflationary pressures, although wage growth started to slow. The US dollar rallied against developed and emerging markets currencies.

Global equity markets rallied in March despite the banking sector strains following the collapse of Silicon Valley Bank and Credit Suisse. Developed market equities finished high with tech-heavy sectors outperforming and small caps underperforming. Emerging market equities also rallied high even as Chinese equities underperformed. Developed market government bonds delivered positive and corporate bonds underperformed government bonds as spreads widened. Commodities ended the month modestly lower driven by falling energy prices. The US dollar fell against developed market currencies.

April was a positive month for global equity markets as they put the banking troubles in the rear-view mirror. Developed market equities finished high with low volatility equities outperforming. US tech was broadly flat and emerging market equities finished lower, which was in line with Chinese equities. Developed market government bonds delivered modestly positive returns in the US but fell modestly in Europe. Corporate bonds underperformed government bonds as credit spreads widened. Commodities ended the month modestly lower driven by weakening agricultural commodity prices. The manufacturing sector is slowing but the services sector continues to expand driven by strong consumer demand. There are some early signs that labour markets are beginning to cool and wage growth beginning to slow. The US dollar fell against developed and emerging market currencies.

May saw global equities drop lower, however, there was a notable difference between sectors, as tech stocks were boosted by the excitement around Artificial Intelligence. Developed market equities finished low; US equities outperformed, in large part due to the strong rally seen in US tech. European and UK equities remained weak, and Chinese equities fell. Government bond yields were mixed in the developed world, rising in the US, UK, Canada but falling in Germany and Italy. The biggest moves were seen in the UK with the 10-yr gilt yield rising. Corporate bonds underperformed government bonds as credit spreads widened. Commodities ended lower driven by weakening oil and agricultural commodity prices. The US dollar rallied against both developed market currencies.

In June, global equity markets closed the quarter on a strong note, fueled by resilient growth data and decreasing annual inflation rates. Small cap equities and European equities outperformed, while emerging market equities faced pressure, largely influenced by China. Both the UK and Japanese equities recorded high finishes. Government bond yields experienced an increase, with UK yields remaining the most volatile due to concerns surrounding inflation. Corporate bonds outperformed government bonds as credit spreads tightened across the board. The European Central Bank raised rates as expected and maintained a generally hawkish stance. The US dollar weakened as the UK sterling and the euro rallied, while the Japanese yen continued its depreciation against the US dollar.

July was a positive month for markets as moderating inflation and resilient growth in the developed world spurred a broad rally. Global equities rose, however, the riskier parts (emerging markets, small caps etc.) of the market outperformed as investor sentiment improved. Bond yields rose in the developed world with the yield on the US 10-year bonds up due to some stronger than expected growth data, which in turn implied that interest rate cuts are not on the horizon, as the Fed will have more room for further tightening if inflation does not decline as forecasted. Commodities had a strong month as oil prices rose dramatically. The US dollar weakened, as the euro, sterling and yen rose.

August was a downbeat month for markets as they faced challenges from China's property market issues and weak macroeconomic data. Chinese equities fell, however, towards the end of the month the government made some policy announcements to boost the ailing property sector. Japanese equities declined due to the slide in the Japanese yen. Fixed income saw rising bond yields globally, particularly in US 10-year yields, with the Fed remaining data-dependent and open to interest rate hikes. Commodities experienced marginal declines, with higher oil prices but a sharp decrease in soft commodities. US equities outperformed marginally, while European equities underperformed.

In September, markets shifted focus to interest rates, expecting them to stay "higher for longer," leading to a significant bond sell-off. Developed world government bond yields rose, US and UK yields increased, however UK gilts resisted the sell-off due to softer-than-expected inflation. German and Japanese yields also rose. Global developed market equities weakened, small caps declined, European and Chinese equities underperformed, while UK equities outperformed. Japanese equities were in line with global equities. Commodities saw a rise, with higher oil prices, while gold, silver and agricultural commodities finished lower.

Markets in October continued to disappoint across regions amid concerns that the US interest rates may stay higher for longer on the back of above-target inflation and resilient labour market. The geopolitical tension with two ongoing wars only added to investors' worries. Global developed market equities fell, with small cap equities falling the most. All regional equities ended lower with Japanese equities falling, followed by the UK, EM and European equities. Equities were under pressure from rising bond yields, a move that was driven by buoyant economic activity data. Government bond yields rose sharply but there were some regional divergences. US 10y, Japanese 10y yields and UK gilts yields rose. German yields fell modestly. Commodities fell with oil prices down after an initial spike following the escalating conflict in the Middle East. Gold, silver and agricultural commodities all finished higher.

November was a positive month for both equities and bonds. Developed market equities had a very strong month in November with the technology sector outperforming. Emerging markets equities underperformed as Chinese equities continued to struggle. Government bonds yields declined sharply through November. Growth fixed income assets posted gains. Investment grade credit and High Yield bonds were boosted both by declining interest rates and a tightening of spreads. Emerging market debt had mixed relative returns with hard currency outperforming developed markets whereas the local currency index underperformed. Commodity prices continued to fall in November. The US dollar depreciated versus most G10 currencies including the Yen and Emerging market currencies rallied.

Financial markets were very strong in December. Equity returns rebounded and bond yields declined sharply driven by the improvement of the inflation outlook and expectations of interest rate cuts. Developed markets outperformed emerging markets as China struggled. US technology stocks led the way. Sovereign bond yields declined across all maturities. Global high yield returns were also positive as spreads contracted. Emerging Market Debt and Frontier Market Debt also delivered strong returns. Commodity prices declined, as oil prices fell. The US dollar index declined versus most major currencies and in particular versus the yen, which had a very strong quarter.

Aspire Portfolio / Fund	Valuation as at 31 December 2023	Performance for the 1 year period ending 31 December 2023
Help Me Do It	20,832,564	
Aspire High Growth Portfolio	559,398	11.3%
Aspire Moderate Growth Portfolio ^{1,2,3}	20,023,166	9.1%
Aspire Cautious Growth Portfolio ¹	131,610	7.1%
Aspire Low Growth Portfolio	5,811	5.7%
Aspire Stability Portfolio	1,321	3.9%
Aspire Cash Portfolio ^{1,2,3}	111,258	3.2%
Leave Me To It	5,210,961	
Passive Emerging Markets Equity	36,641	5.7%
Passive Global Equity Hedged	5,070,746	22.4%
Euro Bond	80,407	7.3%
Annuity Matching Fund ²	23,167	9.0%
Total Value (31 December 2023)	26,043,525	-

All performance figures above are gross of fees. Performance returns provided by Zurich and Refinitiv.

Valuation figures provided by Zurich. Figures may not sum to total due to rounding.

¹ These portfolios form part of the scheme's default lifestyle strategy for members which is the Aspire Retirement Strategy (ARF)

² These portfolios form part of a lifestyle strategy for the scheme, which is the Aspire Retirement Strategy (Annuity)

³ These portfolios form part of a lifestyle strategy for the scheme, which is the Aspire Retirement Strategy (Cash)

© 2024 Mercer LLC. All rights reserved.

Mercer (Ireland) Limited is regulated by the Central Bank of Ireland.

This contains confidential and proprietary information of Mercer and is intended for the exclusive use of the parties to whom it was provided by Mercer. Its content may not be modified, sold or otherwise provided, in whole or in part, to any other person or entity, without Mercer's written permission.

This does not contain regulated investment advice in respect of actions you should take. No investment decision should be made based on this information without obtaining prior specific, professional advice relating to your own circumstances. The findings, ratings and/or opinions expressed herein are the intellectual property of Mercer and are subject to change without notice. They are not intended to convey any guarantees as to the future performance of the investment products, asset classes or capital markets discussed. Past performance does not guarantee future results.

Information contained herein has been obtained from a range of third party sources. While the information is believed to be reliable, Mercer has not sought to verify it independently. As such, Mercer makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability (including for indirect, consequential or incidental damages), for any error, omission or inaccuracy in the data supplied by any third party.

This does not constitute an offer or a solicitation of an offer to buy or sell securities, commodities and/or any other financial instruments or products or constitute a solicitation on behalf of any of the investment managers, their affiliates, products or strategies that Mercer may evaluate or recommend.

Mercer's rating of an investment strategy signifies Mercer's opinion as to the strategy's prospects for outperforming a suitable benchmark, on a risk-adjusted basis, over a full market cycle. Strategies rated A are those assessed as having above average prospects. Those rated B are those assessed as having average prospects. Those rated C are assessed as having below average prospects. B+ is an intermediate category in between A and B. If the rating shown is N, or if no rating is shown at all, this signifies that the strategy is not currently rated by Mercer. Some strategies may carry an additional rating (e.g. T (Higher Tracking Error), P (Provisional), and W (Watch)). For the most recent approved ratings, and a fuller explanation of their meanings, refer to your Mercer representative or to the Mercer Global Investment Manager Database (GIMD™) as appropriate.

The term "strategy" is used in this context to refer to the process that leads to the construction of a portfolio of investments, regardless of whether it is offered in separate account format or through one or more funds. The rating assigned to a strategy may or may not be consistent with its historical performance. While the rating reflects Mercer's expectations on future performance relative to its benchmark, Mercer does not provide any guarantees that these expectations will be fulfilled.

Mercer does not generally take the investment management fees of a given manager into account in determining ratings. Managers' fees charged for a specific strategy will often vary among investors, either because of differing account sizes, inception dates or other factors. Mercer does not perform operational infrastructure due diligence or personal financial or criminal background checks on investment managers.

Mercer's research process and ratings do not include an evaluation of a manager's custodian, prime brokerage, or other vendor relationships or an assessment of its back office operations. Research is generally limited to the overall investment decision-making process used by managers.

Mercer's investment consulting business rates and/or recommends strategies of investment managers, some of whom are either Mercer clients, Mercer affiliates or clients of Mercer's affiliates. The services provided to those managers may include a broad range of consulting services as well as the sale of licenses to use Mercer's proprietary software and databases and/or subscriptions to Mercer's investment forums. Policies are in place to address these and any other conflicts of interest that may arise in the course of Mercer's business. This is only a summary of Mercer's conflicts of interest. For more information on Mercer's conflict of interest policies, contact your Mercer representative.

Mercer manager universes are constructed using data and information provided to Mercer either directly or via third party providers. The universes are intended to provide collective samples of strategies that best allow for robust peer group comparisons to be conducted over a chosen timeframe. Mercer does not assert that the peer groups are wholly representative of and applicable to all strategies available to individual investors. Universe distributions are calculated based on the data that was in our database at the time that the universe was constructed, and may therefore change over time due to additional information supplied by an investment manager or revisions to data.

Please also note:

- The value of investments can go down as well as up and you may not get back the amount you have invested. In addition, investments denominated in a foreign currency will fluctuate with the value of the currency.
- The valuation of investments in property based portfolios, including forestry, is generally a matter of a valuer's opinion, rather than fact.
- When there is no (or limited) recognised or secondary market, for example, but not limited to property, hedge funds, private equity, infrastructure, forestry, swap and other derivative based funds or portfolios it may be difficult for you to obtain reliable information about the value of the investments or deal in the investments.
- Where the investment is via a fund of funds the investment manager typically has to rely on the underlying managers for valuations of the interests in their funds.
- Care should be taken when comparing private equity / infrastructure performance (which is generally a money-weighted performance) with quoted investment performance (which is generally a time-weighted performance). Direct comparisons are not always possible.

Mercer (Ireland) Limited, trading as Mercer, is regulated by the Central Bank of Ireland.

Registered Office: Charlotte House, Charlemont Street, Dublin 2. Registered in Ireland No. 28158.

Directors: Sheila Duignan, John Mercer, Mary O'Malley, Patrick Healy and Cara Ryan

Copyright © 2024 Mercer (Ireland) Ltd. All rights reserved.



Mercer (Ireland) Limited
Charlotte House
Charlemont Street
Dublin 2
+353 1 6039700

Mercer (Ireland) Limited
Ground Floor, NSQ2
Navigation Square
Albert Quay
Cork
+353 21 4910900

Mercer (Ireland) Limited, trading as Mercer, is regulated by the Central Bank of Ireland.

Registered Office: Charlotte House, Charlemont Street, Dublin 2. Registered in Ireland No. 28158.
Directors: Sheila Duignan, John Mercer, Mary O'Malley, Patrick Healy and Cara Ryan.

