



T-Mobile International UK Pension Scheme

Member Newsletter 2022

The headlines

- Strengthening your Trustee Board
- Update on the latest funding position, the amount of surplus and security this provides
- Review of our administrators and the appointment of Barnett Waddingham as the DB Section Scheme Administrator
- Want to know more? Visit the Scheme website to find important Scheme documents



Read on for more information...

Welcome from the Chair

Welcome to our 2022 Newsletter, our update summarising developments within the T-Mobile International UK Pension Scheme ('the **Scheme**').

I hope that you and your families are all keeping safe and well. Lockdowns have come and gone, meanwhile the Trustee continues to look after your pension benefit within the Scheme.

Hello, goodbye and thank you

Hello, first of all from me, Joanne Fairbairn, Chair of the Trustee Board and an Independent Trustee representing PTL Governance Ltd. There are some other new faces, strengthening the Trustee Board:

- Sally Minchella joined the Board as a Company Nominated Trustee Director, representing LawDeb Pension Trustees.
- Claire Hilton remains on the Trustee Board, but her role has changed. Claire retired as a Company Nominated Trustee Director and, due to her wealth of experience and knowledge, was immediately elected as a Member Nominated Trustee Director (MNTD).
- Tim Lee has also been re-elected as a MNTD.
- Steve Carrodus and Jeremy Lane have both stepped down since the last newsletter and I would like to thank them both for all their hard work.

Further details about the Trustee are at the end of this Newsletter under '*A recap of who the Trustee Directors are...*'

Funding

During 2021 we completed a valuation of the Scheme, as at 31 December 2019, which compares the value of the Scheme's assets against the expected cost of paying all the pension and other benefits that are expected to be paid from the Scheme in future. This detailed analysis is often referred to as a triennial valuation, as it is only undertaken every three years. We're pleased to let you know that the Scheme continues to be estimated to have a surplus of assets as at 31 December 2019.

New Scheme administrator

Following an extensive independent market review focusing on the quality of member service, including the adoption of online facilities, the Trustee appointed Barnett Waddingham as the administrator for the DB Section of the Scheme, from May 2020.

In relation to the DC Section, Fidelity will remain the appointed administrators until the transition of funds to the new Master Trust arrangement with Legal & General is complete. This is expected to take place in February 2022. Details were communicated to all DC members in mid-December 2021 and a summary is set out in the 'What's coming next' section of the newsletter.

Member website

We would encourage you to use the member website as you continue to plan and monitor your pension savings. You can access this via: <https://tmipensions.co.uk/>.

- All members can access 4me from the BWebStream website, under the Barnett Waddingham tab, which provides useful tools and information to help you learn and plan for the future.

- DB members can also access their individual BWebStream account. This is a secure portal where you can review your benefits, request retirement and transfer quotations and update your personal details. Further details are set out on page 10.
- DC members, with Money Purchase benefits, can access their individual accounts through a secure portal, where you can monitor your investment returns, allocation of fund and current transfer value. Further details are set out on page 14.

Important Scheme documents

The Scheme is required to produce a number of documents for members on an annual basis:

- Chair's Statement - this sets out how the DC Section of the Scheme complies with governance standards.
- Implementation Statement - this a new statement for both the DB and DC Sections and sets out how the Scheme's policies on investments, including voting and engagement, have been followed.

These are included in the Annual Report and Accounts and are also available on the website. I would encourage you to read them. A list of other useful Scheme documents, held on the website, are at the end of this Newsletter under '*Important Scheme Documents*'

We hope you find the information in this Newsletter of interest. Let us know if there's anything you'd like to hear more about in future editions.

Regards

Joanne Fairbairn
Chair, T-Mobile International UK Pension Trustee Limited



Defined Benefit (DB) Section update

Scheme Funding – an update from the actuary

Actuarial Valuation

As at 31 December 2019, we undertook a detailed analysis of the Scheme's funding position - a check of how much we expect the Scheme's liabilities (members' benefits) to cost, compared with the value of the Scheme's assets to determine the 'funding level'. This is known as an actuarial valuation and is undertaken every three years.

The funding level of the Scheme, as at 31 December 2019 showed that the Scheme was estimated to be 109.1% funded, i.e. there are expected to be sufficient funds available to pay benefits to members as they fall due. The equivalent funding level as at 31 December 2016, at the time of the last actuarial valuation, was 106.7%. So, whilst the funding position has improved it should be noted that various factors, including investment markets and interest rates, have a direct impact on the value placed on the Scheme's assets and liabilities.

In addition to the actuarial valuation, the Scheme Actuary also provides an annual funding update, which provides an approximate update to the funding level, during the intervening years.

How much money does Deutsche Telekom UK Limited pay into the Scheme?

The actuarial valuation also looks at the cost of new benefits building up each year and works out how much Deutsche Telekom UK Limited needs to pay each year in order to cover this cost. It was agreed that Deutsche Telekom UK Limited will pay 43.5% of members pensionable salary each year (less members' mandatory or notional contributions) for those who continue to build up pension benefits in the Scheme.

In addition to these contributions, the Trustee has engaged with Deutsche Telekom UK Limited who has shown its support by agreeing to pay additional contributions of £2.78 million to the Scheme each year until 31 March 2029, the primary goal being to improve the funding level further in order to protect it more against investment and other risks. The Trustee and Deutsche Telekom UK Limited have agreed to target a higher funding level, known as the Long-Term Funding Target.

Has COVID-19 affected the Scheme?

Like many UK pension schemes, the value of the Scheme's assets fell as the effect of COVID-19 was felt in the investment markets in March 2020. However, they have since bounced back to pre-pandemic levels.

Over this period the Trustee has continued to operate efficiently, with Trustee Directors staying in regular contact and making use of virtual meetings. In addition, the Scheme administrators have made changes to the way they work in order to be able to continue to serve you effectively.

Summary Funding Statement

We have also completed an update of the Scheme's funding position as at 31 December 2020 and a copy of this is included with this Newsletter and can be found on the member website at: <http://tmipensions.co.uk>. The Summary Funding Statement also provides an update of the funding position as at 31 December 2019, after the actuarial valuation, for comparison purposes.

Investment update – DB Section

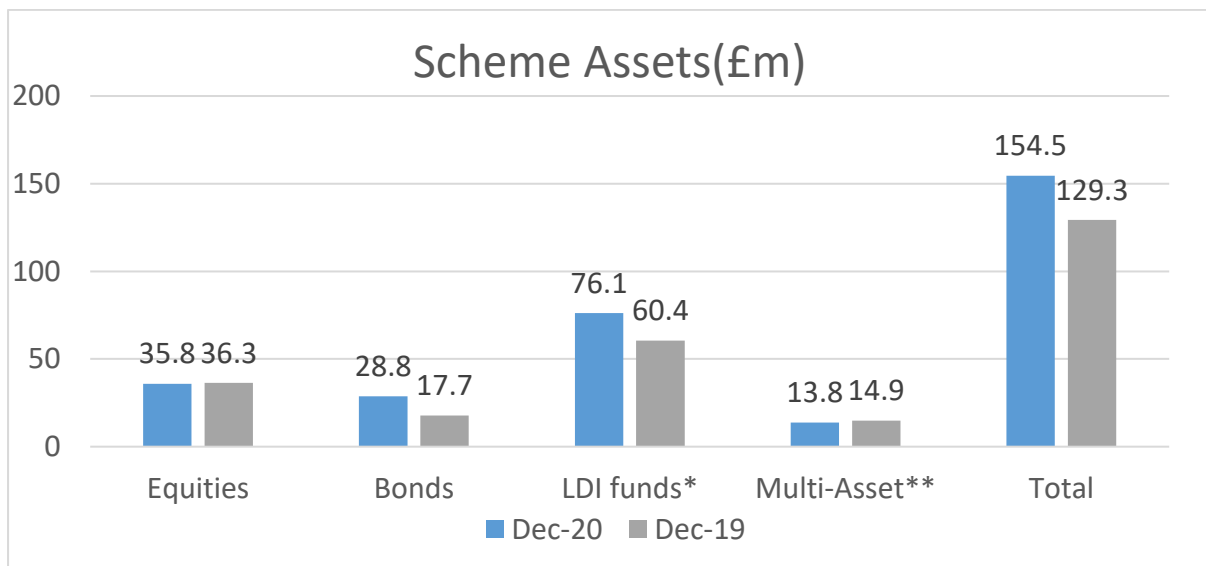
As mentioned above, the Trustee and Company agreed a Long-Term Funding Target (LTFT). This target is intended to allow the Scheme to become sufficiently well-funded so that it will become less dependent upon the Company for funding over the longer-term.

In order to reach the LTFT the Trustee’s appointed an Asset Manager, BlackRock, whose primary objective is to improve the Scheme’s funding level. The Trustee has permitted BlackRock to invest in various asset classes, within pre agreed ranges. These asset classes include equities, bonds and liability matching assets. This arrangement means the level of overall investment risk always remains within an agreed risk tolerance and reduces further as the funding position improves.

In addition, the Trustee receives advice from its Investment Advisor, Aon, regarding the monitoring of BlackRock and the ongoing appropriateness of the Scheme’s assets portfolio.

Asset valuation

The value of asset under investments in the DB Section, at the end of 2020 (and 2019 for comparison), are summarised below:



Source: Report and Accounts for the year ended 31 December 2020

* LDI Funds – Liability Driven investment, fund chosen to mimic market movement to the Scheme’s liabilities.

** Multi-Asset Funds – a combination of asset classes (such as cash, equity or bonds).

How are the DB investments performing?

The Scheme’s main aim for the DB Section is to achieve a level of funding that is sufficient to pay all members’ promised benefits. The actual investment return (before fees) is shown below:

	1 January 2020 to 31 December 2020 (one year, %)
Scheme Return	18.7
Scheme Benchmark	15.0

The Scheme’s benchmark is based on the liabilities of the Scheme and how those values have changed, rather than on market indices (such as the performance of global stock markets). The above means that the investments increased in value by more than the estimated cost of providing the benefits over the year, which led to an improvement in the Scheme’s funding level.

Investing responsibly

Responsible investment, including environmental, social and governance factors (ESG) is an area of increasing importance for pension schemes. The Trustee is pleased to demonstrate how seriously it takes these concerns, by taking positive steps for the Scheme.

The Trustee considers ESG, including climate change and ethical investments, when selecting the Scheme's investments. The Trustee expects its investment managers to take climate change and ESG into account and monitors their performance to ensure they do so.

Within its passive US equity investments, the Scheme will not invest in controversial weapons or thermal coal mines and BlackRock and the Scheme's other investment managers are directly engaging with companies across all the Scheme's investments that do not meet their minimum standards on areas such as climate, governance and public policy.

Further climate-related regulations and disclosures are expected in the near future, and the Trustee will continue to keep ESG at the forefront of its investment decisions.

New DB Implementation Statement

There is a new requirement for pension trustees, including the Scheme's Trustee, to produce an annual Implementation Statement each year. This sets out the Trustee's adherence to the voting and engagement policies which are stated in the Trustee's Statement of Investment Principles (SIP) for the underlying investments of the Scheme.

As part of this, the Trustee provides a description of its voting behaviour (for the equity investments in particular). As the assets of the Scheme are all invested in pooled funds*, the Trustee is unable to direct the voting rights. However, the Scheme's investment managers carry out voting and engagement activities on behalf of the Trustee.

The Trustee, working with its investment adviser, has prepared this year's DB Implementation Statement which can be found, along with the Scheme's Statement of Investment Principles, on the *Important Scheme Documents* tab at: <http://tmipensions.co.uk/important-scheme-documents>

*Pooled funds are a way of combining money from many parties into a large fund spread across many investments. Investing in this way can be easier and less risky for each participant than buying shares in companies individually.



Defined Contribution (DC) Section Update

This update focusses on documents which have been produced in respect of the year to 31 December 2020, including:

- Chair's Statement
- Implementation Statement

These documents can be viewed on the Scheme website: <http://tmipensions.co.uk/important-scheme-documents>. Highlights on both these documents are detailed below.

Chair's Statement

The Trustee's professional advisers for the DC section (Barnett Waddingham) have carried out a Value for Members (VFM) assessment of the DC arrangement.

This is a legal requirement and considers whether services provided under the DC Section are suitable, relevant and valued by all members as well as whether they have performed effectively over the past year and will continue to do so. The Trustee is delighted to confirm that following an assessment, the DC arrangement continues to offer **excellent value** to members.

Information on the VFM assessment and other information on the governance of the Scheme is confirmed in the Chair's Annual Governance Statement. The full version of this Statement forms part of the Trustee Report and Accounts for the year ending 31 December 2020 (a copy of which can be requested from Barnett Waddingham).

The Trustee will continue to carry out this assessment on at least an annual basis, however we thought it would be helpful to outline some of the key features of the Scheme's DC section that create value for members:

Competitive charges

The only costs paid for by you, the member, are those that cover the management and governance of the investments. All other costs, for example those for the administration services and governance of the Scheme, are paid for by the Company. This increases the value you receive from the charges you pay. The Trustee has benchmarked the charges that members' pay which apply to the default investment option and have found that they are in line with other pension schemes of a similar size and structure.

Investment update – DC Section investments

If you are a member with money purchase investments in the Scheme, you will have received a money purchase benefit statement, which will contain a Statutory Money Purchase Illustration ("SMPI"). By law, the Scheme must provide you with a SMPI on an annual basis, which gives an illustration of what your benefits could be at retirement, with particular assumptions about the future rate of investment growth and your salary growth.

The current range of money purchase investment funds, provided through Fidelity, together with net performance of the funds for the year up to 31 December 2020, is detailed below:

Fund	1-year return to 31/12/20 (%)	3-year annualised return to 31/12/20 (%p.a.)	Fund charges (%p.a.)
Fidelity BlackRock UK Equity Index Fund	-9.7%	-0.8%	0.21%
Fidelity BlackRock European Equity Index Fund	8.8%	5.6%	0.28%
Fidelity BlackRock US Equity Index Fund	16.0%	13.6%	0.26%

Fund	1-year return to 31/12/20 (%)	3-year annualised return to 31/12/20 (%p.a.)	Fund charges (%p.a.)
Fidelity BlackRock Global Equity (50/50) Fund	1.1%	3.8%	0.26%
Fidelity BlackRock Over 15 Years UK Gilt Index Fund	14.2%	8.5%	0.20%
Fidelity BlackRock Over 5 Years UK Index Linked Gilt Fund	12.7%	6.0%	0.20%
Fidelity BlackRock Cash Fund	0.20%	0.40%	0.18%
Fidelity BlackRock Corporate Bond Fund	7.9%	5.0%	0.25%
Fidelity BlackRock Emerging Markets Fund	12.2%	5.0%	0.55%
Fidelity BlackRock Japanese Equity Index Fund	11.2%	5.8%	0.35%
Fidelity BlackRock Pacific Rim Equity Index Fund	14.2%	5.4%	0.35%
Fidelity Diversified Markets Pension Fund	-2.8%	1.7%	0.60%

Source: Fidelity

New DC Implementation Statement

Just like the DB Section, there is also a new requirement for the DC Section to produce an annual Implementation Statement for the year ending 31 December 2020. This sets out the Trustee's adherence to the voting and engagement policies which are stated in the Trustees' Statement of Investment Principles (SIP) for the underlying investments of the Scheme.

As part of this, the Trustee provides a description of their voting behaviour (for the equity investments in particular). The Trustee is unable to direct the voting rights. However, the Scheme's investment managers carry out voting and engagement activities on behalf of the Trustee.

The Trustee, working with its investment adviser, Barnett Waddingham, has prepared the first Scheme DC Implementation Statement. This has been prepared based on information supplied by Fidelity who manage the Scheme funds.

Check your DC retirement savings

For members who have benefits in the DC Section of the Scheme, it is your responsibility to make sure that you are saving enough into your personal account to provide the income you would like to have in retirement. Please do ensure that you regularly review both the amount you are saving and the funds you are saving into. If you wish to see a projection of how much you could expect to receive at retirement, please visit:

<https://www.fidelity.co.uk/retirement/calculators/> for further information. Please note, this tool cannot be used in relation to any Defined Benefit pensions payable under the Scheme.

A New Plan

DTUK takes pride in providing a comprehensive range of benefits which provide real value to its employees. One of the key benefits is our pension arrangements.

With this in mind, a Working Group comprising members from DTUK, the Trustee and its advisers have been reviewing the Defined Contribution Section of the T-Mobile International UK Pension Scheme, to ensure that we are providing a modern, future-proof scheme for members that will give members greater flexibility e.g. wider retirement options, improved member charges and a "to and through" retirement flexible investment approach

The Working Group recommended that future and current benefits be transferred from Fidelity to Legal & General and this was communicated to all DC members in mid-December 2021. The new plan

launched on 1 November 2021 and from that date all DC contributions (including AVCs and the Money Purchase Top Up) have been paid into the new plan at the same levels as had been payable in the current scheme. The transfer of current DC benefits into the new plan is planned for 3 February 2022.

The Scheme in figures

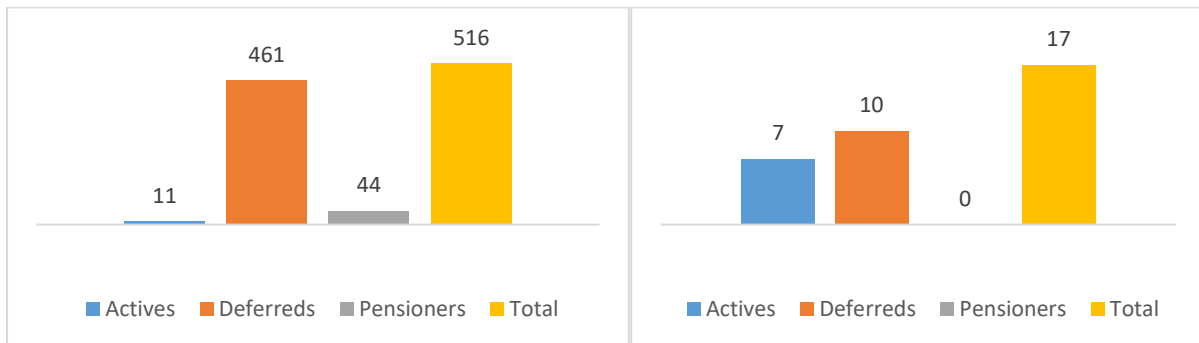
Scheme accounts as at 31 December 2020

Scheme assets at 31 December 2019	£135.1m
Total contributions received into the Scheme	+£3.3m
Change in value of investments	+£24.8m
Total outgoings (e.g. pension payments)	-£1.3m
Scheme assets at 31 December 2020	£161.9m

Scheme membership as at December 2020

DB Section

DC Section



A clean bill of health

The Scheme's accounts are audited by Crowe UK LLP. Each year they conduct an independent review of the Scheme's accounts.

Once again, this year they have confirmed in the Scheme's Report and Accounts that our accounts show a true and fair view of the Scheme's financial transactions, that the accounts have been properly prepared, and that they contain the information required by the Pensions Act 1995.

A copy of the Scheme's accounts are available on request.

BWebstream – DB Section member self-service

Did you know you have online access to your pension administered by Barnett Waddingham? If you have a DB pension in the Scheme, you can view and update your details via their Member self-service website through BWebstream – a secure and easy to use tool to help you manage your pension online, whenever and wherever suits you.

Online access to your pension smoothing the process of keeping on track with your long-term retirement goals.

You'll need to register to use this service. It's a simple process which needs your National Insurance (NI) number and date of birth and should only take a few minutes to complete.

If you need help with registering, you can contact Barnett Waddingham using the contact details below. Once you have registered, you will be able to:

- Produce estimated retirement illustrations in respect of your defined benefit pension (this will not include any AVC's held with Fidelity)
- Check and update your personal information, including your address and details of your spouse/partner
- Amend your nominations of who you would like the Trustee to bear in mind when paying benefits after you die
- Decide how you want to receive information in the future (paper or electronic)
- Access online copies of important documents from the Scheme through secure access

If you have any questions regarding your registration for online access or if you have problems accessing your account, please contact Barnett Waddingham on **0141 447 0799 (+44 141 447 0799 from overseas)**. Lines are open during usual office hours, Monday to Friday.

What's GMP and does it affect me?

What is it?

Scheme members who built up benefits in the predecessor scheme (the T-Mobile UK Pension Scheme) Between April 1978 and April 1997 were contracted-out of the state pension, and instead built up a Guaranteed Minimum Pension (GMP) as part of their pension benefits. These were later moved into the Scheme.

So, if you were a member of the predecessor Scheme during that time you may have a GMP. It is a 'minimum', so it mostly sits unnoticed behind your Scheme pension. But sometimes, if you want to retire early for example, it may limit when and how you can take your benefits.

What is happening?

Since May 1990 schemes had to provide equal benefits to men and women. Whilst this has been done for total benefits, it was not clear until recently that GMPs, as an element of pension, also had to be 'equalised'.

GMPs are different for men and women in two main ways:

- Women earned GMP at a faster rate than men.
- Women can take their GMP from age 60, but men can only take their GMP from age 65.

To ensure you are not being treated unfairly, if you were in the predecessor Scheme between 17 May 1990 and 5 April 1997, we will be checking your pension to see if it needs to be equalised.

When will any adjustments be made?

The calculations are complex for most people, so it will be some time before we can tell you what the effect is on your benefits – for some people there will be no change. We hope to be able to confirm any changes over the next few years.

Changes to the Retail Prices Index (RPI) from 2030

You may have read in the press that the Government and UK Statistics Authority have decided that the Retail Prices Index (RPI) will be aligned with CPIH (consumer price inflation including owner-occupiers' housing costs) from 2030.

The pension you receive from the Scheme that receives increases based on RPI inflation will still be protected from inflation; however, that measure of inflation will be changing from 2030.

Watch out for scams!

The financial worry caused by the COVID-19 pandemic is being exploited by scammers. Action Fraud received 637 reports of pension scams in 2020, of which 545 were passed out to UK law enforcement. Here's a list of the top three warning signs to watch out for:

- Cold calling – this is a big warning sign. If anyone calls or emails you about your pension savings, they are doing so illegally.
- It sounds too good to be true. If someone tells you about an investment with high returns and no risk, it's likely to be a fraud.
- Offers to release cash from a pension before the age of 55, with no mention of the potential tax bill for accessing your pension savings early.

If you want to find out more visit the Money Helper's website:

<https://www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam>

If you're worried about an investment being suspect, visit www.actionfraud.police.uk or call 0300 123 2040

Frozen Lifetime Allowance

The Lifetime Allowance (LTA) is the maximum amount of tax efficient pension savings you can make.

The Chancellor announced in his recent Budget that, with effect from 6 April 2021, the standard LTA will remain at £1,073,100 for at least the next five tax years.

The freeze means that the LTA will start to affect more people over time. If you think you might be affected by this, please ensure that you factor this into your retirement planning.

If you want to find out more about the LTA, visit the Money Helper's website:

<https://www.moneyhelper.org.uk/en/pensions-and-retirement/building-your-retirement-pot/lifetime-allowance-for-pension-savings>

Keep in touch

Finally, I would like to remind you to help us keep in touch with you. If your contact details change in future, please get in touch with the Scheme's administrators. If you are a member of the DB Section, then this is Barnett Waddingham. If you are a member of the DC Section, then the administrator is Fidelity (for the current scheme) and Legal & General (for the new plan).

Also, if you haven't completed a Nomination Form, or there's been a change in your family circumstances since you submitted it, please visit the member website to find out how you can update your details. The Trustee has to decide the recipients of any death benefits, and this form will give important guidance to them if you die whilst still a member of the Scheme.

Where possible, the Trustee Directors are planning to send future newsletters and Scheme communications to you electronically (rather than by hard copy in the post). These may be sent to you by e-mail or posted on the member website (website details set out above). To enable us to send communications electronically, please ensure that you have provided your current e-mail address to the Scheme administrators. If you do not wish to receive communications electronically, please let the Trustee Directors know by writing to the Scheme Secretary at Willis Towers Watson, the contact details for whom can be found in the 'contact points' section towards the end of the newsletter.

Data protection

Your data is extremely important, and the Trustee is committed to protecting your data and privacy. The Scheme's Privacy Notice can be found on our website too. It outlines the data we store about members to administer the Scheme, as well as how we use this data.



A recap of who the Trustee Directors are...

The Scheme is managed by a Trustee Company, T-Mobile International UK Pension Trustee Limited, and the Scheme's assets are kept entirely separate from Deutsche Telekom (UK) Limited. This legal separation is really important as it means Deutsche Telekom (UK) Limited's financial assets are independent from those of the Scheme and ensures that the Scheme assets are only used for the purposes of the Scheme, such as paying pensions and lump sums to you or your dependants.

The Trustee Company has five Trustee Directors, who make decisions about the Scheme and are responsible for running it. As a member of the Scheme, you might not ever have direct contact with the Trustee Directors, but their role is to act in your best interests so it's worth knowing who they are and what they do.

Three of the current Trustee Directors have been appointed by Deutsche Telekom (UK) Limited and two are Member Nominated Directors.

Two of the company nominated directors, Jo and Sally, are independent professional trustees. An independent professional trustee is someone who has no connection to the Scheme and is therefore independent, they are also a professional, in that being a pension trustee is their full-time role, they have extensive pensions experience and professional pension related qualifications. Their role is to support and challenge the Trustee Board.

The third company nominated director is James, who is a Director and employee of Deutsche Telekom (UK) Limited.

The full Trustee Board is:

• PTL Governance Ltd (Chair); represented by Jo Fairbairn	Company Nominated Director
• The Law Debenture Pension Trust Corporation plc; represented by Sally Minchella	Company Nominated Director
• James Rowe	Company Nominated Director
• Claire Hilton	Member Nominated Director
• Tim Lee	Member Nominated Director

Contact points

If you have any queries regarding DB Section benefits, please contact:

T-Mobile International UK Pensions Scheme
 Pension Administration
Barnett Waddingham LLP
 Hartwell House
 55-61 Victoria Street
 Bristol
 BS1 6AD

Tel: 0333 11 11 222
 Email: TMobile.admin@Barnett-Waddingham.co.uk
 Web: www.logon.bwebstream.com

If you have any queries regarding money purchase benefits including DC Section benefits and AVCs, please contact:

<p>T-Mobile International UK Pensions (the current Scheme)</p> <p>T-Mobile International UK Pensions Team Fidelity Pensions Service Centre Beech Gate Millfield Lane Lower Kingswood Tadworth Surrey KT20 6RP</p> <p>Tel: 0800 368 68 68 Email: pensions.service@fil.com Web: www.planviewer.fidelity.co.uk</p>	<p>The Master Trust Managed by Legal & General (the new plan)</p> <p>You can find further information about the New Plan through the microsite, which can be accessed through the following link:</p> <p>https://www.legalandgeneral.com/workplace/d/deutsche-telekom-uk/helpful-resources/</p>
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The Scheme's administration teams should be your main contact for day-to-day enquiries and questions about your personal benefits; however, you can also contact the Trustee Secretary, represented by WTW, if you have any concerns about the Scheme in general at the following address:

T-Mobile International UK Pensions Team
WTW
 4 Falcon Way
 Shire Park
 Welwyn Garden City
 Herts
 AL7 1TW

Email: suzanne.smith@willistowerswatson.com

Important Scheme Documents

As a Scheme member, you have a right to see various Scheme documents. If you would like to see a copy of any of documents listed below, you should email WTW using the address details above.

- [Annual Report and Accounts](#)
- [Actuarial Valuation Reports](#)
- [Internal Dispute Resolution Procedure](#)

You can also access the documents below directly from the T-Mobile International UK Pension Scheme website on: <http://tmipensions.co.uk>

- [Summary Funding Statement](#)
- [Statement of Investment Principles](#)
- [Chair's Statement](#)
- [Implementation Statement](#)



Useful websites

There are a number of organisations that can provide useful information on pensions. The websites for these organisations are listed below:

The Pensions Regulator

www.thepensionsregulator.gov.uk

The Money Helper

The Money Helper brings together the support and services of three government backed financial guidance providers: the Money Advice Service, the Pensions Advisory Service and Pension Wise
<https://www.moneyhelper.org.uk/>

Tax relief on your pension contributions

You can get tax relief on your pension contributions. However, the government also imposes a limit on how much tax relief can be offset on pension contributions. Further information on this can be found at the Money Helper's website, using the following link:

<https://www.moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions>

Financial advice

The law does not allow anyone connected with the Company's pension arrangements to give you financial advice about building up your pension benefits and how you take those benefits in your retirement. It is your responsibility to make decisions about your personal savings and retirement.

However should you wish to consult an Independent Financial Adviser (IFA) It is your responsibility to check that whoever advises you is qualified and authorised to do so.

www.unbiased.co.uk



T-Mobile International UK Pension Scheme (“the Scheme”)

Summary Funding Statement

The DB section's financial strength is measured by comparing the value of its assets against the target level of assets that the Trustee and the Company expect is appropriate to hold now to meet promised pension benefits (also known as the liabilities). If the Scheme has fewer assets than liabilities, it is said to have a “deficit” and if assets are greater than liabilities, the Scheme is said to have a “surplus”.

The Scheme Actuary is required to carry out this calculation at least every three years and report on it in the actuarial valuation. In the interim, the Trustee monitors the funding level regularly and the Scheme Actuary also prepares annual actuarial reports. The latest formal actuarial valuation of the Scheme was completed in June 2021 with an effective date of 31 December 2019. The latest actuarial report was completed in October 2021 with an effective date of 31 December 2020. The next annual actuarial report will be carried out as at 31 December 2021, and the Trustee will have 12 months to finalise this.

How has the Scheme’s funding position evolved since the 31 December 2016 valuation?

The following table compares the most recent actuarial valuation results as at 31 December 2019 and shows how the position of the Scheme has changed since the last actuarial valuation as at 31 December 2016. It also shows the estimated position detailed in the latest actuarial report as at 31 December 2020.

Valuation statement	31 December 2020 £m	31 December 2019 £m	31 December 2018 £m	31 December 2017 £m	31 December 2016 £m
Liabilities	138	119	102	101	97
Assets	156	130	109	116	104
Surplus / (Deficit)	18	11	7	15	7
Funding level (assets ÷ technical provisions)	113%	109%	107%	114%	107%

The above funding positions represent a ‘snapshot’ of the Scheme’s finances at a point in time. The funding position will change over time as the Scheme’s assets and liabilities are linked to changes in financial markets.

What were the reasons for the change in funding position?

The funding position of the Scheme improved slightly between the actuarial update as at 31 December 2018 and the actuarial valuation as at 31 December 2019, mainly due to investment returns being better than expected and the payment of additional contributions by the Company. This was partially offset by changes in market conditions which led to an increase in the value placed on liabilities.

In the year from 31 December 2019 to 31 December 2020 the position improved further for similar reasons; strong investment returns and the payment of additional contributions by the Company more than offset an increase in liabilities due to changes in market conditions.

Payments to the Company

The Trustee must tell you if there have been any payments to the Company out of Scheme funds since the last time we reported the Scheme's funding position to you. There have not been any.

The Pensions Regulator's powers

The Pensions Regulator can change the Scheme, give directions about working out liabilities or impose a schedule of contributions to be paid to the Scheme. The Trustee is pleased to say that the Pensions Regulator has not needed to use its powers in this way for the Scheme.

What is the Scheme's solvency ("Buy-out") position?

The above financial assessments assume that the Scheme will continue to operate in the future. It is also a legal requirement to provide details of the position of the Scheme on the basis that it were about to be closed and 'bought-out' with an insurance company, known as "winding up". However, this does not mean that the Company is thinking of winding up the Scheme. The Company is demonstrating its long-term commitment to the funding of the Scheme through the regular additional contributions it is making.

If the Scheme had wound up on 31 December 2019, it is estimated that the Scheme's assets would have been sufficient to secure around 63% of the value of all members' benefits with an insurance company. This equates to a deficit as at 31 December 2019 on the solvency basis of around £75m. This is the "buy-out" position.

It may be, however, that the Company would not be able to pay this full amount (e.g. if the Company became insolvent) and in this case, you might not get the full amount of pension you have built up even if the Scheme was fully funded on an ongoing basis at the time. If this is the case, then the Pension Protection Fund might then be able to take over and pay some compensation to members. Further information and guidance regarding what happens if schemes are wound up is available on the Pension Protection Fund's website at www.pensionprotectionfund.org.uk or by writing to the Pension Protection Fund at Renaissance, 12 Dingwall Road, Croydon, Surrey, CR0 2NA.

The estimated winding up cost assumes that benefits will be secured by buying insurance policies. Insurers are obliged to take a very cautious view of the future and need to make a profit. The cost of securing pensions in this way also incorporates the future expenses involved in administration. By contrast, our funding plan assumes that the Company will continue in business and support the Scheme.

Should I be wary of pension scams?

The Pensions Regulator, along with HM Revenue and Customs and the Financial Conduct Authority, has warned against "early release of pension" offers.

Please be alert to anyone approaching you with pension offers that appear to be suspicious and, if in doubt, seek independent financial advice.

For more information visit the Pension Regulator's website:

www.thepensionsregulator.gov.uk/pension-scams.aspx

Is my personal data safe?

The General Data Protection Regulation (GDPR), has applied since 25 May 2018 and continues to apply following the United Kingdom's exit from the European Union.

The Trustee uses your personal information to (amongst other reasons) communicate with you, record and pay benefits to you or your beneficiaries, administer the Trust, and meet regulatory or other legal obligations.

We share personal information with third parties, such as our administrators, the Company, and other suppliers who provide services (such as for IT, communication or tracing reasons). In some circumstances, we or these third parties may transfer personal information outside the United Kingdom and the European Economic Area.

When making these disclosures or transfers, we take steps to protect your personal information.

For more detailed information on how we use and disclose your personal information, the protections we apply, the legal basis for our use of your information and your data protection rights under the GDPR, please visit <http://tmipensions.co.uk>.

Where can I get more information?

If you have any other questions, or would like any more information, please do get in touch by contacting the Scheme Administrator, Barnett Waddingham.

A list of documents which provide further information is attached. If you would like us to send you a copy of any of these documents, please let us know. If you change your address please let us know (using the details above) in order that we can update our records.

Yours sincerely

Joanne Fairbairn
Chairman of the Trustee

January 2022

Additional documents available on request

The Statement of Funding Principles

This explains how we plan to make sure enough money is paid into the Scheme to provide the benefits that members have built up.

The Statement of Investment Principles

This explains how we invest the money paid into the Scheme.

The Schedule of Contributions

This shows how much money is being paid into the Scheme by the Company and the contributing members and includes a certificate from the Actuary showing that it is sufficient.

The Annual Report and Accounts of the Scheme

This includes details of the Scheme's income and expenditure and net assets for the year ended 31 December 2020. If you require previous years' copies these are available.

The Formal Actuarial Valuation Report as at 31 December 2019

This contains details of the Actuary's detailed assessment of the Scheme's financial situation as at 31 December 2019.