

## Summary Funding Statement at 31 March 2023

The Vodafone Group Pension Scheme (the Scheme) consists of two Sections: the Vodafone Section which includes former members of the JO Grant & Taylor (London) Limited Staff Pension Scheme, and the Cable and Wireless Worldwide (CWW) Section.

Every three years, the Scheme Actuary carries out a full actuarial valuation of the Scheme's assets and liabilities. We like to think of this as a 'health check' of the Scheme's finances. Between each triennial valuation, the Scheme Actuary produces an 'actuarial report' which is an updated estimate of the Scheme's funding position based on the assumptions used at the last actuarial valuation.

The most recent actuarial valuation of the Scheme (as at 31 March 2022) was completed in December 2022. The Scheme Actuary has also produced an actuarial report as at 31 March 2023. In these calculations, the Scheme Actuary has assumed that the Scheme will continue to be run in the same way as it is currently, which is known as an 'ongoing basis'. These calculations provide a snapshot of the position of the Scheme as at 31 March 2023, the Trustee also closely monitors the ongoing position at other times during the year.

Below, we've summarised the funding position from the latest actuarial report as at 31 March 2023 and have included the 31 March 2022 actuarial valuation to show how the position has changed.

### Vodafone Section

For the Vodafone Section, the financial position at the actuarial report date (31 March 2023) reduced from 103% funded to 94% funded over the period to 31 March 2023.



Although there are no proposals to wind-up the Scheme, the Scheme Actuary also carried out a valuation on the basis that the Vodafone Section wound up on 31 March 2022. The funding level on this basis (known as the discontinuance funding level) was 78%, a deficit of £835m which was much improved when comparing to the previous valuation (31 March 2019) where the deficit was £1,377m. The Trustee is required by law to include this information.

### CWW Section

For the CWW Section the financial position reduced from 107% funded to 104% funded in the year to 31 March 2023. This Section of the Scheme is more mature than the Vodafone Section and hence a higher level of liabilities are hedged which reduced the volatility during the year.



Although there are no proposals to wind-up the Scheme, the Scheme Actuary also carried out a valuation on the basis that the CWW Section wound up on 31 March 2022. The funding level on this basis (known as the discontinuance funding level) was 92%, a deficit of £220m which

was much improved when comparing to the previous valuation (as at 31 March 2019) when the deficit was £678m. The Trustee is required by law to include this information.

## What is the context behind the changes in financial position?

As members may be aware, there was a high level of market volatility following the gilt crisis in the Autumn of 2022 which created changes in the financial position for both Sections of the Scheme in the year to 31 March 2023.

These changes in financial position were driven by a significant increase in Government bond (Gilt) yields. This increase in Gilt yields, which are used to value the Scheme's liabilities, caused a decrease in the value of these liabilities. However, like many UK schemes, our approach to managing risk involves adopting an investment strategy which looks to broadly invest in assets that match the risks associated with our liabilities. As a result of this strategy, the Scheme's assets have also decreased in value (since a lower asset value is sufficient to cover the liabilities when there is an expected higher return). In addition, due to lower-than-expected returns on certain Scheme assets, the reduction in asset value has been greater than the reduction in liabilities, resulting in a lower funding position.

## What ongoing support does the Company provide to the Scheme?

Due to both sections being in surplus at the valuation date (strong funding position), the Company was not required to agree a recovery plan or pay any contributions. The Company remains committed to its ongoing support of the Scheme.

## What would I need to know if the Scheme were to wind up?

It is not intended or expected that the Scheme will wind up in the foreseeable future. However, if the Scheme were to discontinue, the Company would have to pay enough money into the Scheme to secure all members' benefits through an insurance company. If the Company didn't have enough money to secure benefits in full, and the Scheme was eligible, the Pension Protection Fund would take over the Scheme and pay compensation to members, up to a limit that would be determined by the Pension Protection Fund should this happen. Information about the compensation provided by the Pension Protection Fund can be found on its website: [www.pensionprotectionfund.org.uk](http://www.pensionprotectionfund.org.uk).

## Future valuations

The Scheme's next full actuarial valuation for both Sections will be on 31 March 2025 with results expected by 30 June 2026. The Pensions Regulator has not needed to use its powers to change the Scheme, give direction on working out its funding target, or impose contribution rates on the Scheme.

We are also required to inform you whether a payment has been made to the employer, as permitted under the Pensions Act 1995, since we last sent you a Summary Funding Statement. We can confirm that no such payment has been made

### Useful information

**Liabilities** – an estimate of the amount the Scheme needs to pay in benefits to members, both now and in the future.  
**Assets** – the value of the Scheme's investments and monies held to pay benefits to members.

#### Beware of scammers!

Scammers are targeting pension savings of all sizes – make sure you know how to spot the signs. Find out more information by visiting the [scams information page](#) on the Vodafone pensions website.

#### Going digital

Don't forget that you have access to information about your Scheme pension via your [online ePA account](#). Once you log in, you can view details of your pension and make changes to your personal details. We are gradually introducing additional functionality to enable you to fully manage your Scheme pension online. [Log in now](#). If you have problems logging in, [contact the Scheme administrator, WTW](#).

If you are a former member of the JO Grant & Taylor (London) Limited Staff Pension Scheme, your benefits are administered by Equiniti. You can [contact the Equiniti team](#) for any queries in relation to your Scheme benefits.

#### Your beneficiaries

It is important to keep your Scheme pension nomination of beneficiaries up to date. It will make it simpler and quicker for the Scheme Trustee to make the payment of any discretionary benefits due to your beneficiaries in the event of your death. You can change your nomination of beneficiaries by logging in to your [online ePA account](#).

If you are a former member of the JO Grant & Taylor (London) Limited Staff Pension Scheme, [contact the Equiniti team](#) to make updates to your nomination of beneficiaries.