

Airbus UK Pension Trustee

March 2021

Airbus Group UK Pension Scheme Changes to your investment options

The Trustees regularly review the investment options available within the Plan to ensure they remain appropriate and provide value for members. Following the latest review, working with our investment advisers, we have decided to make some updates to the Lifestyle strategies and Self-Select fund range offered.

What changes are being made?

This change affects each of the Lifestyle strategies and also creates two new fund options for those members who choose their own individual investment funds, as follows:

- The blend of equity investments in the Growth Phase of the Lifestyle strategies has changed
- This reflects more exposure to world developed markets including some emerging markets
- A new Airbus Global Equity Blend fund is being used for this
- During the Switching Phase a new fund, called the BlackRock Short Duration Credit Fund is being introduced to smooth the movement into Cash at retirement.
- The BlackRock Short Duration Credit Fund and the Airbus Global Equity Blend Fund will be available to self-select investors
- There will be a 'Blackout period' between 13th and 16th April to enable the changes to be made; during this time you will not be able to move your funds.

What do the changes mean for you?

The changes will happen automatically from April. If you are invested in one of the three Lifestyle strategies your investments will automatically switch into the new allocations.

If you self-select your funds you will be able to consider using these two new funds from 16th April.

How does the Lifestyle option work?

Lifestyle options are split into two key phases, the Growth Phase and the Switching Phase.

The Growth Phase

This is the same in each of the Lifestyle options with the aim of achieving good long-term growth for your savings. During the Growth Phase, the Lifestyle option invests mainly in equities.

The Switching Phase

This Switching Phase starts 15 years before your Target Retirement Age. How your savings are invested during the Switching Phase depends on your Lifestyle option.

Changes to some of the underlying Funds in the Airbus Lifestyle

The Trustee has decided to make some adjustments to the underlying funds which make up the Airbus Lifestyle strategies.

Providing pensions for the employees of Airbus

Airbus UK Pension Trustee

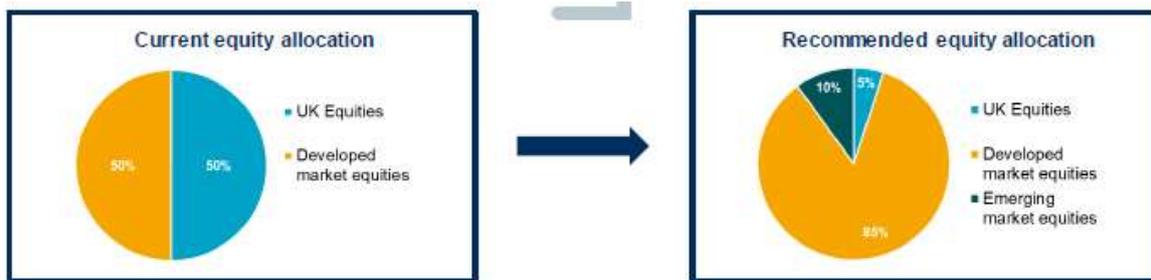
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Company Registration No. 4867485

Growth phase

During the Growth Phase, which is up to 15 years before Target Retirement Age, global equities will still be the dominant feature. However the blend of different geographical markets is changing. Currently 50% of the assets are in the UK and 50% in fixed proportions of International Equities which cover “developed economies”. The new shape of global equities will reduce the UK allocation and increase World (ex UK) equities and also introduce some Emerging Market equities. This will create a blend of equity investments which are closer to the overall global market capital exposure, plus a small bias towards emerging markets. Emerging markets are expected to benefit from higher levels of economic growth.

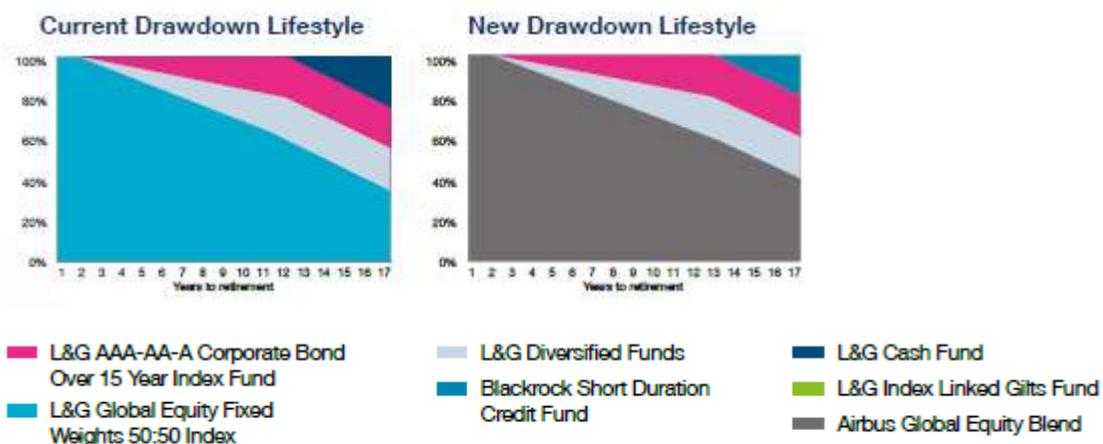


We will also consolidate the pool of assets in the Growth Phase into a tailored fund called the Airbus Global Equity Blend. As the Trustee will keep the investments under review, this will enable more swift changes to be made to allocations within the Growth Phase portion in the future.

Switching Phase

The only change to the Switching Phase has been to introduce the BlackRock Short Duration Credit fund in the final years as you approach retirement. This will slightly enhance returns compared to the L&G Cash Fund but still retain very low risk. This new fund will fully replace the L&G Cash Fund within the Airbus Drawdown Lifestyle Fund. In the alternative Airbus Cash Lifestyle Fund we will retain 50% in the L&G Cash Fund.

The overall shape of the Airbus Drawdown Lifestyle Fund transition will change, as follows:



Changes to the self-select fund range

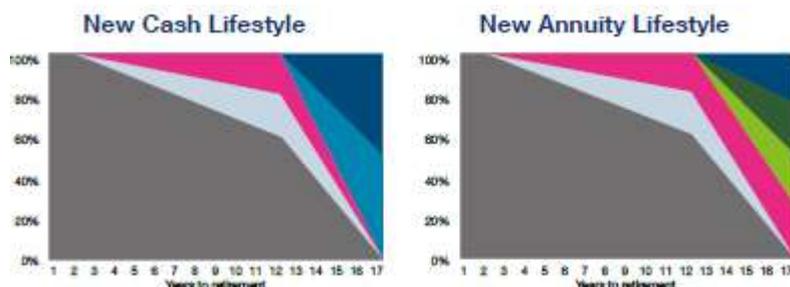
If you want to make your own choices regarding investment of your pot, the Trustees offer a range of alternative funds on the Legal & General platform. You cannot choose your own investment funds and be in the Lifestyle Fund at the same time.

Airbus UK Pension Trustee

The two new funds “BlackRock Short Duration Credit fund” and the new “Airbus Global Equity Blend” will be available to members as a self-select option from 16 April 2021 once the blackout is lifted.

Information about all the funds available can be found on the Legal & General website including individual fund factsheets and an updated investment guide.

The three new Lifestyle strategies are shown below.



What do you need to do?

If you are in the one of the Airbus Lifestyle Funds these changes will be happen automatically and **you do not need to take any action**, unless you decide to switch out of the Lifestyle Fund (see below).

The movement of assets between the L&G Cash Fund and the BlackRock Short Duration Fund will happen in one go as there is very limited market impact on such a switch. However, since the movement between the different equity funds may be affected by the relative volatility of equity and currency markets the switches will happen gradually over a period of about three months. This will greatly reduce volatility.

There will be no charges incurred as a result of these fund switches.

Black-out period

In order to set up the new fund structure and manage the transition efficiently there will need to be a short period during which no asset trading can occur within the Scheme.

This means no transfers out from the Scheme or individual investment switches (for employees who have chosen to self-select investment funds) can take place during this “Black-Out Period”. The Black-Out Period will run from 13th to 16th April. If you plan to retire around that time we will work with Legal & General and with you to avoid any unnecessary delays.

If you decide that you want to switch your pot out of the Airbus Lifestyle Fund and into your own self-select funds, you will need to do this securely on-line. Investment switch requests are processed through Manage Your Account on the L&G website, here:

<https://www.legalandgeneral.com/workplace/a/airbus/helpful-resources/manage-your-account/>

If you have any questions about this process please contact the Pensions Team at ukpensions@airbus.com

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