

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 24pt; font-weight: bold;">2019</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2019 or fiscal plan year beginning <u>01/01/2019</u> and ending <u>12/31/2019</u>	
A This return/report is for:	☐ a multiemployer plan ☒ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☐ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description) _____

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>AT&T/WARNERMEDIA PENSION BENEFIT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>10/01/1943</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>10/01/1943</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>10/01/1943</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>WARNER MEDIA, LLC</u> <u>P.O. BOX 132160</u> <u>DALLAS, TX 75313-2169</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>82-2449954</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>210-351-3333</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>515210</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>82-2449954</u>	2c Plan Sponsor's telephone number <u>210-351-3333</u>	2d Business code (see instructions) <u>515210</u>	
2b Employer Identification Number (EIN) <u>82-2449954</u>					
2c Plan Sponsor's telephone number <u>210-351-3333</u>					
2d Business code (see instructions) <u>515210</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2020	PAUL W. STEPHENS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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3a Plan administrator's name and address ☐ Same as Plan Sponsor AT&T SERVICES, INC. P.O. BOX 132160 DALLAS, TX 75313-2160	3b Administrator's EIN 74-2782655 3c Administrator's telephone number 210-351-3333
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name WARNER MEDIA, LLC c Plan Name WARNER MEDIA, LLC PENSION PLAN	4b EIN 82-2449954 4d PN 001
5 Total number of participants at the beginning of the plan year	5 27178
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 3291 6a(2) 153947 6b 177947 6c 99124 6d 431018 6e 27554 6f 458572 6g 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1B 1C 3F 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions: 4L	

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☒ 1 **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2019 Form M-1 annual report. If the plan was not required to file the 2019 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2019 This Form is Open to Public Inspection
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019	
A Name of plan AT&T/WARNERMEDIA PENSION BENEFIT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 WARNER MEDIA, LLC	D Employer Identification Number (EIN) 82-2449954

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier TRANSAMERICA LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
39-0989781	86231	02323-061	0	01/01/2019	12/31/2019

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).
(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 373651**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**
Specify nature of costs ▶**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ STABLE VALUE OPTION**b** Balance at the end of the previous year **7b** 225466**c** Additions: (1) Contributions deposited during the year **7c(1)** 894512
(2) Dividends and credits **7c(2)**
(3) Interest credited during the year **7c(3)** 170472
(4) Transferred from separate account **7c(4)** 166270
(5) Other (specify below) **7c(5)**
▶(6) Total additions **7c(6)** 1231254**d** Total of balance and additions (add lines **7b** and **7c(6)**) **7d** 1456720**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 770416
(2) Administration charge made by carrier **7e(2)**
(3) Transferred to separate account **7e(3)** 166270
(4) Other (specify below) **7e(4)** 146383
▶ OTHER(5) Total deductions **7e(5)** 1083069**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) **7f** 373651

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	0
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	0
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	

Specify nature of costs.

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2019 This Form is Open to Public Inspection
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>AT&T/WARNERMEDIA PENSION BENEFIT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>WARNER MEDIA, LLC</u>	D Employer Identification Number (EIN) <u>82-2449954</u>
E Type of plan: ☐ Single ☒ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2019</u>	
2 Assets:	
a Market value	2a <u>2484423611</u>
b Actuarial value	2b <u>2484423611</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment.....	(1) Number of participants <u>7781</u> (2) Vested Funding Target <u>733630416</u> (3) Total Funding Target <u>733630416</u>
b For terminated vested participants.....	<u>16147</u> <u>1154695852</u> <u>1154695852</u>
c For active participants	<u>3291</u> <u>329734497</u> <u>331616569</u>
d Total.....	<u>27219</u> <u>2218060765</u> <u>2219942837</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 <u>5.56</u> %
6 Target normal cost.....	6 <u>10113000</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	
Signature of actuary <u>BRIAN J. WALKER, ASA, EA</u>	<u>09/24/2020</u> Date
Type or print name of actuary <u>AON CONSULTING, INC.</u>	<u>20-06719</u> Most recent enrollment number
Firm name <u>5005 LBJ FREEWAY</u> <u>14TH FLOOR</u> <u>DALLAS, TX 75244</u>	<u>214-989-2679</u> Telephone number (including area code)
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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Schedule SB (Form 5500) 2019
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Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	617991575	1183689
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	4375000	0
9 Amount remaining (line 7 minus line 8)	613616575	1183689
10 Interest on line 9 using prior year's actual return of <u>-4.36</u> %	-26753683	-51609
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.72</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	586862892	1132080

Part III Funding Percentages

14 Funding target attainment percentage	14	85.42 %
15 Adjusted funding target attainment percentage	15	111.91 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	95.85 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
3.74 %2nd segment:
5.35 %3rd segment:
6.11 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

0

22 Weighted average retirement age**22**

61

23 Mortality table(s) (see instructions)☐

Prescribed - combined

☒

Prescribed - separate

☐

Substitute

Part VI Miscellaneous Items**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) **29** 0**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6) **31a** 10113000**b** Excess assets, if applicable, but not greater than line 31a **31b** 96000**32** Amortization installments:**a** Net shortfall amortization installment Outstanding Balance 0 Installment 0**b** Waiver amortization installment 0 0**33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) **34** 10017000**35** Balances elected for use to offset funding requirement Carryover balance 10017000 Prefunding balance 0 Total balance 10017000**36** Additional cash requirement (line 34 minus line 35) **36** 0**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 0**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) **38a** 0**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b****39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) **39** 0**40** Unpaid minimum required contributions for all years **40** 0**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2019
		This Form is Open to Public Inspection.

For calendar plan year 2019 or fiscal plan year beginning **01/01/2019** and ending **12/31/2019**

A Name of plan AT&T/WARNERMEDIA PENSION BENEFIT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 WARNER MEDIA, LLC	D Employer Identification Number (EIN) 82-2449954	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
AG CAPITAL RECOVERY PARTNERS VII LP

26-4216120

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
AG SUPER FUND, LP

13-3701947

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
AQR CAPITAL MANAGEMENT LLC

90-6194032

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
BEACON CAPITAL PARTNERS, LLC

04-3506116

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

CENTERBRIDGE CREDIT PARTNERS TE LP

80-0521543

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

CENTERBRIDGE SPECIAL CREDIT PARTNER

94-3474341

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

DEMARCHE ASSOCIATES, INC.

43-1493130

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

DODGE & COX

94-1441976

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

GLOBAL INFRASTRUCTURE PARTNERS

98-0522311

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

JPMORGAN CHASE

13-4994650

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

LEEDS EQUITY ASSOCIATES, LP

26-1640945

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

OAKTREE CAPITAL MANAGEMENT LP

26-0189082

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

OFI GLOBAL TRUST CO.

13-3459790

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PIMCO

33-0629048

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

POLUNIN CAPITAL PARTNERS, LLC

46-7425989

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

SPRUCEGROVE INVESTMENT MANAGEMENT

98-0399967

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

STATE STREET GLOBAL ADVISORS

81-4017137

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51 31 52 50	NONE	13753974	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTL OPRTNS

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 50	NONE	3436727	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

WILLIS TOWERS WATSON

27-0676603

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50 17 70 34	NONE	530885	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

WARNER MEDIA, LLC

82-2449954

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
14 50	PLAN SPONSOR	180149	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

THE BANK OF NEW YORK MELLON

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 50 25 52 31 99	NONE	176741	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

MILLER & CHEVALIER CHARTERED

52-1212890

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29 50	NONE	164851	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

AON

22-2232264

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50	NONE	143847	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

MITCHELL & TITUS LLP

13-2781641

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	60500	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

ANDERSEN TAX

26-1437743

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	37933	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRICEWATERHOUSECOOPERS LLP

13-4008324

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
17 50 70	NONE	21750	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	WILLIS TOWERS WATSON US LLC	b EIN:	27-0676603
c Position:	ENROLLED ACTUARY		
d Address:	8 CAMPUS DRIVE 4TH FLOOR PARSIPPANY, NJ 07054-1050	e Telephone:	973-290-2500

Explanation: AS A RESULT OF A CHANGE IN THE FIRMS PROVIDING ACTUARIAL SERVICES, THE ENROLLED ACTUARY HAS CHANGED.

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2019 This Form is Open to Public Inspection.
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan <u>AT&T/WARNERMEDIA PENSION BENEFIT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>WARNER MEDIA, LLC</u>	D Employer Identification Number (EIN) <u>82-2449954</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SSGA MSCI ACWI MIN VOL INDX NL QIB</u>		
b Name of sponsor of entity listed in (a): <u>STATE STREET GLOBAL ADVISORS</u>		
c EIN-PN <u>90-0337987-460</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>AQR INTERNATIONAL ENHANCED EQUITY C</u>		
b Name of sponsor of entity listed in (a): <u>GLOBAL TRUST COMPANY - AQR</u>		
c EIN-PN <u>90-6194032-007</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>ADAMS STREET PRTSHP FD-2002 US FD</u>		
b Name of sponsor of entity listed in (a): <u>ADAMS STREET PARTNERS, LLC</u>		
c EIN-PN <u>36-4486500-001</u>	d Entity code <u>E</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SPRUCEGROVE US INT'L POOLED FUND</u>		
b Name of sponsor of entity listed in (a): <u>SPRUCEGROVE INVESTMENT MANAGEMENT LTD</u>		
c EIN-PN <u>98-0399967-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SBC MASTER PENSION TRUST</u>		
b Name of sponsor of entity listed in (a): <u>AT&T INC.</u>		
c EIN-PN <u>43-1301883-020</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>53673893518</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SSGA S&P500 FLGSHP NONLENDING FUND</u>		
b Name of sponsor of entity listed in (a): <u>STATE STREET GLOBAL ADVISORS</u>		
c EIN-PN <u>04-0025081-004</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2019 This Form is Open to Public Inspection
For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan AT&T/WARNERMEDIA PENSION BENEFIT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 WARNER MEDIA, LLC	D Employer Identification Number (EIN) 82-2449954	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)	20132171	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	65042157	341868
(2) U.S. Government securities	1c(2)	823563152	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	905776161	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)	109439615	0
(5) Partnership/joint venture interests	1c(5)	70405055	0
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)	380739596	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	53673893518
(12) Value of interest in 103-12 investment entities.....	1c(12)	946292	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	23288465	1273207
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	225466	373651
(15) Other.....	1c(15)	27659795	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	120148641	0
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	2547366566	53675882244

Liabilities

g Benefit claims payable	1g	96295	0
h Operating payables	1h	14264492	0
i Acquisition indebtedness	1i		
j Other liabilities	1j	48678463	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	63039250	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	2484327316	53675882244
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	3707	
(B) U.S. Government securities	2b(1)(B)	18219638	
(C) Corporate debt instruments	2b(1)(C)	42457503	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	6353275	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		67034123
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	8122881	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	98476	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		8221357
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	2862791130	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	2726893154	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		135897976
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	190238501	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		190238501

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		96587020
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		7165894
c Other income	2c		3077637
d Total income. Add all income amounts in column (b) and enter total	2d		508222508

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	360291162	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		360291162
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	1136507	
(2) Contract administrator fees	2i(2)	3436727	
(3) Investment advisory and management fees	2i(3)	13753974	
(4) Other	2i(4)	7961454	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		26288662
j Total expenses. Add all expense amounts in column (b) and enter total	2j		386579824

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		121642684
l Transfers of assets:			
(1) To this plan	2l(1)		51069912244
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MITCHELL & TITUS LLP

(2) EIN: 13-2781641

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....			
4d		X	
e Was this plan covered by a fidelity bond?	X		25000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?.....			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4269643. (See instructions.)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2019</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan AT&T/WARNERMEDIA PENSION BENEFIT PLAN		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 WARNER MEDIA, LLC		D Employer Identification Number (EIN) 82-2449954
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-3510934		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year		3 3451
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☒ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month Day Year If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☒ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☒ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2019 v. 190130		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****14c**

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year

b The corresponding number for the second preceding plan year

15a**15b**

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers

16a**16b**

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 39.8 % Investment-Grade Debt: 28.5 % High-Yield Debt: 1.9 % Real Estate: 9.5 % Other: 20.3 %

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☒ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

- a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☒ No

- b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

ACCOUNTANT'S OPINION AND FINANCIAL STATEMENTS

Schedule H, Line 3

PLAN NAME: AT&T/WARNERMEDIA PENSION BENEFIT PLAN

EIN: 82-2449954

PLAN NUMBER: 001

Warner Media, LLC – AT&T/WarnerMedia Pension Benefit Plan, Financial Statements,
12/31/2019.

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

**Financial Statements
For the Years Ended December 31, 2019 and 2018
With Independent Auditor's Report**

AT&T/WARNERMEDIA PENSION BENEFIT PLAN
Years Ended December 31, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
AT&T/WarnerMedia Pension Benefit Plan

We have audited the accompanying financial statements of AT&T/WarnerMedia Pension Benefit Plan, which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the AT&T/WarnerMedia Pension Benefit Plan at December 31, 2019 and 2018, and the changes in its financial status for the year ended December 31, 2019, in accordance with accounting principles generally accepted in the United States of America.

Supplemental Schedules

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2019 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mitchell Titus, LLP

October 13, 2020

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Statements of Net Assets Available for Benefits

(Dollars In Thousands)

	December 31,	
	2019	2018
Assets		
Investments at fair value:		
Plan interest in SBC Master Pension Trust	\$ 53,673,894	\$ -
Cash and cash equivalents	342	65,042
Group annuity contract	374	225
U.S. Government and agency securities	-	791,211
U.S. Government and agency securities - loaned	-	32,352
Other fixed income securities	-	926,390
Other fixed income securities – loaned	-	5,366
Common stocks	-	169,493
Common stocks – loaned	-	9,941
Commingled trust funds	-	428,514
Registered investment companies	1,273	23,288
Other investments	-	75,412
Total investments at fair value	53,675,883	2,527,234
Receivables for securities sold	-	4,303
Accrued investment income	-	15,830
Total assets	53,675,883	2,547,367
Liabilities		
Collateral due for securities on loan	-	48,678
Payables for securities purchased	-	8,300
Other liabilities	-	5,965
Total liabilities	-	62,943
Net assets available for benefits	\$ 53,675,883	\$ 2,484,424

The accompanying notes are an integral part of these financial statements.

AT&T/WARNERMEDIA PENSION BENEFIT PLAN
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2019
(Dollars In Thousands)

Net assets available for benefits at beginning of year	\$ 2,484,424
Changes in net assets:	
Investment income, net of fees	61,502
Net realized and unrealized appreciation in the fair value of investments	432,870
Net investment gain	494,372
Benefits paid to participants	(360,291)
Administrative expenses	(12,535)
Net change before transfer	121,546
Transfer from AT&T Pension Benefit Plan (Note 1)	51,069,913
Net assets available for benefits at end of year	<u><u>\$ 53,675,883</u></u>

The accompanying notes are an integral part of these financial statements.

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements

(Dollars in Thousands)

1. DESCRIPTION OF THE PLAN

The following is an abbreviated description of the AT&T/WarnerMedia Pension Benefit Plan (formerly known as the Warner Media, LLC Pension Plan) (the “Plan”). Warner Media, LLC (“WarnerMedia”), the successor by Merger (as defined below) to Time Warner Inc. (“Time Warner”), is the Plan sponsor. More complete descriptions of the Plan are provided in the Plan documents, as amended, and the summary plan descriptions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

General

The Plan is a noncontributory defined benefit plan that covers employees who had completed one year of eligible service prior to July 1, 2010 with WarnerMedia (formerly Time Warner) and/or its participating subsidiaries and who had otherwise satisfied the applicable participation rules. The Plan sponsor and other participating employers are referred to herein as the “Company” or “Employing Companies”. Employees covered by a collective bargaining agreement are eligible only if their agreement provides for Plan coverage.

On June 14, 2018, Time Warner merged into a direct, wholly owned subsidiary of AT&T Inc. (“AT&T”) through a series of related transactions (the “Merger”).

Effective July 1, 2018, the Plan was amended to change the name of the Plan to the Warner Media, LLC Pension Plan.

Effective October 29, 2019, the Plan was amended to change the name of the Plan to the AT&T/WarnerMedia Pension Benefit Plan.

Prior to December 31, 2019, the Plan is the only participating plan in the Time Warner Inc. Master Pension Trust (the “Time Warner Trust”), for which the trustee is The Bank of New York Mellon (the “Trustee”). Effective December 31, 2019, the AT&T Pension Benefit Plan (“AT&T Plan”) was merged into this Plan. As a result, AT&T plan assets totaling approximately \$51,069,913 were transferred into the Plan on December 31, 2019. The Time Warner Trust merged into the SBC Master Pension Trust (“MPT”) which includes the AT&T Plan and the AT&T Puerto Rico Pension Benefit Plan (“PR Plan”) with MPT being the surviving trust as the sole funding medium for the Plan.

Pension Benefits

Benefits under the Plan are based on a participant’s years of eligible service and eligible compensation, as defined in the Plan. A participant’s eligible compensation is limited by the Internal Revenue Code of 1986, as amended (the “Code”). A participant’s benefits are 100% vested after five years of eligible service.

Effective after June 30, 2010, benefits provided under the Plan stopped accruing for additional years of service and the Plan was closed to new hires and employees who had not completed one year of eligible service prior to July 1, 2010. After December 31, 2013, pay increases are not taken into consideration when determining a participant’s benefits under the Plan. However, years of service will continue to count for vesting and early retirement.

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

Effective December 31, 2019, the AT&T Plan was merged into this Plan. After the merger, the AT&T Plan became a Component Part (“AT&T Component Part”) under the Plan. The AT&T Component Part covers the majority of all U.S. bargained and nonbargained employees of the participating subsidiaries of AT&T. Employees of participating subsidiaries are eligible to participate in the AT&T Component Part if they meet the eligibility requirements for the underlying applicable program, which are discussed below. The following descriptions of the AT&T Component Part provide general information. The Plan is summarized in the Summary Plan Descriptions, which have been distributed to all participants.

The AT&T Component Part maintains the following programs, under which participants’ benefits are calculated based on the plan from which they were merged:

Bargained Cash Balance Program

The Bargained Cash Balance Program maintains benefits for various collective bargaining units that have negotiated for their members to receive this specific cash balance form of pension benefit, but excludes new hires from certain collective bargaining units beginning August 8, 2009.

Under the Bargained Cash Balance Program, employee pension benefits are calculated using a cash balance formula applying a percentage of pay that is credited to a notional account that accrues interest at a market rate based on the yield on 30-year U.S. Treasury securities.

Employees of certain collectively bargained units become eligible to participate in the Bargained Cash Balance Program if they have completed one year of service and are vested after five years of service (effective January 1, 2010, for active employees, three years of service). Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity, or joint and survivor annuity in accordance with the terms of the AT&T Plan.

Bargained Cash Balance Program #2

The Bargained Cash Balance Program #2 maintains benefits for various collective bargaining units that have negotiated for their members to receive this specific cash balance form of pension benefit and includes a substantial majority of bargained employees hired after August 8, 2009.

Under the Bargained Cash Balance Program #2, employee pension benefits are calculated using a cash balance formula applying a percentage of pay based on age plus 2% supplemental credits of pay that exceeds the Social Security Wage Base, which is credited to a notional account that accrues 4.5% interest. Employees become eligible to participate in the Bargained Cash Balance Program #2 if they have completed one year of service and are vested after three years of service. Once vested and following a termination of employment, employees may generally elect to receive their benefit in the form of an annuity or a joint and survivor annuity (and for certain bargained groups a lump sum) in accordance with the terms of the AT&T Plan.

Southwest Program

The Southwest Program maintains benefits for various collective bargaining units that have negotiated for their members to receive this pension benefit and covers participants employed by a Southwest Participating Company, as defined by the AT&T Plan, but excludes most new hires after various negotiated dates beginning August 8, 2009.

Under the Southwest Program, employee pension benefits for bargained employees are generally calculated using a pension benefit formula based on a flat dollar amount per year of service according to job classification.

Employees of certain collectively bargained units become eligible to participate in the Southwest Program if they have completed one year of service and are vested after five years of service (effective January 1, 2010, for active employees represented by certain, but not all, collective bargaining agreements, three years of service). Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity, or joint and survivor annuity in accordance with the terms of the AT&T Plan.

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

Nonbargained Program

The Nonbargained Program maintains benefits of certain nonbargained participants (with the exception of those programs mentioned below, which cover nonbargained participants) of the AT&T Plan who are employed by a Nonbargained Participating Company, as defined by the AT&T Plan, and who were hired prior to January 1, 2007. The Nonbargained Program also contains benefits of certain individuals who were formerly employees of Ameritech Publishing Ventures, Inc. (APVI) and whose benefit was frozen in 1993.

At December 31, 2004, the nonbargained employees' pension calculation formula was a cash balance plan formula, with a minimum benefit based upon a stated percentage of employees' adjusted career income. A nonbargained employee's pension benefit was the greater of the amount calculated under (i) the cash balance or defined lump sum formula or (ii) the traditional benefit formula. The Nonbargained Program was amended, effective January 15, 2005, to freeze benefit accruals under the cash balance and defined lump sum benefit formulas and to require that all future benefit accruals be based upon the plan's traditional pension formula (i.e., a stated percentage of an employee's adjusted career income). Each nonbargained employee's existing cash balance or defined lump sum will continue to earn interest at a variable annual market rate based on 30-year U.S. Treasury securities.

The program is limited to eligible employees hired prior to January 1, 2007. Employees are vested after five years of service (effective January 1, 2010, for active employees, three years of service). Once vested and following a termination of employment, employees may elect to receive the portion of their previous pension benefit derived under the cash balance or defined lump sum as a lump sum or an annuity. The remaining pension benefit, if any, will be paid as a joint and survivor annuity, or life annuity if its value exceeds a stated monthly amount in accordance with the terms of the AT&T Plan. Effective January 1, 2018, employees terminating on or after May 25, 2018 who commence their benefit on or after June 1, 2018 are eligible to receive their total benefit as a lump sum.

Effective January 1, 2013, this program document was restructured to include benefits previously provided under the Midwest Publishing Ventures Program document which was eliminated.

West Program

The West Program maintains benefits for various collective bargaining units that have negotiated for their members to receive this pension benefit and covers participants employed by a West Participating Company, as defined by the AT&T Plan, but excludes most new hires after various negotiated dates beginning August 8, 2009.

Under the West Program, employee pension benefits are generally calculated using a pension benefit formula based on a flat dollar amount per year of service according to job classification.

Employees of certain collectively bargained units become eligible to participate in the West Program if they have completed one year of service and are vested after five years of service. Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum if elected within the applicable time period specified under the AT&T Plan, life annuity, or joint and survivor annuity in accordance with the terms of the AT&T Plan.

East Program

The East Program maintains benefits for various collective bargaining units that have negotiated for their members to receive this pension benefit and covers participants employed by an East Participating Company, as defined by the AT&T Plan but excludes most new hires after various negotiated dates beginning August 8, 2009.

Under the East Program, employee pension benefits are generally calculated using a cash balance formula applying basic benefit credits determined based on pay and service category and promotion credits where applicable, which are credited to a notional account that accrues interest determined based on a negotiated interest crediting rate, the greater of 4% or the annual market rate based on 30-year U.S. Treasury securities.

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

Employees of certain collectively bargained units become eligible to participate in the East Program if they have completed one year of service and are vested after five years of service (effective January 1, 2010, for active employees, three years of service). Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity, joint and survivor annuity, life annuity with a lump sum to surviving spouse or estate, or a combination of lump sum and life annuity in accordance with the terms of the AT&T Plan.

Midwest Program

The Midwest Program maintains benefits for various collective bargaining units that have negotiated for their members to receive this pension benefit and covers participants employed by a Midwest Participating Company, as defined by the AT&T Plan, but excludes most new hires after various negotiated dates beginning August 8, 2009. The Midwest Program also contains benefits of certain individuals who were formerly employees of APVI and whose benefit was frozen in 1993.

Under the Midwest Program, employee pension benefits are generally calculated using a pension benefit formula based on a flat dollar amount per year of service according to job classification.

Employees of certain collectively bargained units become eligible to participate in the Midwest Program if they have completed one year of service after attaining age 21 and are vested after five years of service. Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity, or joint and survivor annuity in accordance with the terms of the AT&T Plan.

Effective January 1, 2013, this program document was restructured to include benefits previously provided under the Midwest Publishing Ventures Program document which was eliminated.

Mobility Program

The Mobility Program maintains benefits of (i) all U.S. nonbargained employees hired prior to January 1, 2006, employed by a Mobility Participating Company and (ii) bargained participants whose collective bargaining units have negotiated for their members to receive this pension benefit, and covers participants employed by a Mobility Participating Company, as defined by the AT&T Plan, but excludes most new hires after various negotiated dates beginning January 1, 2010.

Under the Mobility Program, employee pension benefits are generally calculated using a cash balance formula applying basic benefit credits determined based on pay, which are credited to a notional account that accrues interest at a market rate based on the yield on 30-year Treasury securities.

Employees of certain collectively bargained units, and certain management employees hired to a participating employer before January 1, 2006, become eligible to participate in the Mobility Program if they have completed one year of service and are vested after five years of service (effective January 1, 2010, for active employees, three years of service). Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity, or joint and survivor annuity in accordance with the terms of the AT&T Plan.

The Mobility Program also maintains benefits accrued under the Southern New England Telephone (SNET) bargaining units in the Communications Workers of America (CWA) District 1 and members of the Pacific Bell Wireless Facilities bargaining unit in the CWA District 9. Benefits accrued under District 1 ceased December 31, 2005, and benefits accrued under District 9 ceased December 31, 2002. Accrued benefits will be administered pursuant to the provisions of the AT&T Plan.

AT&T Legacy Management Program

The AT&T Legacy Management Program maintains benefits of certain nonbargained employees hired prior to January 1, 2007, employed by an AT&T Legacy Management Participating Company, as defined by the AT&T Plan.

Under the AT&T Legacy Management Program, employee pension benefits are generally calculated under a cash balance formula calculated as basic credits as a percentage of pay based on an age credit factor plus supplemental

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

credits of pay (again based on an age credit factor) that exceeds the Social Security Wage Base, which is credited to a notional account that accrues interest at an annual rate of 4%. Active participants of a participating company at January 1, 1997, also participate in a frozen pension formula that provides for a minimum pension benefit based on a formula that included pensionable compensation and net credit service through July 31, 1997, or a formula based on an average annual pensionable compensation for a three-year pay base averaging period through December 1996. Participants with a greater annuity benefit from prior plan formulas will receive the greater amount.

The program is limited to eligible employees hired prior to January 1, 2007. Employees are vested after five years of service (effective January 1, 2010, for active employees, three years of service). Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a life annuity or joint and survivor annuity in accordance with the terms of the AT&T Plan. However, the participant can instead elect to receive a lump sum amount up to a certain threshold, with the remainder paid as an annuity. Effective January 1, 2018, employees terminating on or after May 25, 2018 who commence their benefit on or after June 1, 2018 are eligible to receive their benefit as a single lump sum payment.

Mobility Bargained Program

The Mobility Bargained Program maintains benefits for various collective bargaining units that have negotiated for their members to receive this pension benefit and covers participants employed by a Mobility Bargained Participating Company, as defined by the AT&T Plan, but excludes most new hires after various negotiated dates beginning January 1, 2009.

Under the Mobility Bargained Program, employee pension benefits are generally calculated using a pension benefit formula based on a flat dollar amount per year of service according to job classification. Employees of certain collectively bargained units become eligible to participate in the Mobility Bargained Program if they have completed one year of service and are vested after five years of service. Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a life annuity or joint and survivor annuity, and in some limited cases, a lump sum, in accordance with the terms of the AT&T Plan.

Management Cash Balance Program

The Management Cash Balance Program maintains benefits of specified nonbargained employees of the AT&T Controlled Group, as defined by the AT&T Plan, generally hired on or after January 1, 2007 (except for certain AT&T Mobility Services, LLC employees hired on or after January 1, 2006). This Program was frozen to new hire managers effective January 1, 2015.

Under the Management Cash Balance Program, employee pension benefits are calculated using a cash balance formula applying basic credits as a percentage of pay based on an age credit factor, plus 2% supplemental credits of pay that exceeds the Social Security Wage Base, which is credited to a notional account that accrues 4.5% interest.

Employees become eligible to participate in the Management Cash Balance Program if they have completed one year of service and are vested after three years of service. Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a life annuity or joint and survivor annuity in accordance with the terms of the AT&T Plan. Effective January 1, 2015, employees terminating after such date are eligible to receive their benefit as a single lump sum payment. Effective January 1, 2017, all employees regardless of termination date are eligible to receive their benefit as a single lump sum payment. This benefit applies to specified nonbargained employees of the AT&T Controlled Group, as defined by the AT&T Plan, generally hired on or after January 1, 2007 (except for certain AT&T Mobility Services, LLC employees hired on or after January 1, 2006). This Program was frozen to new hire managers effective January 1, 2015.

Southeast Management Program

The Southeast Management Program maintains benefits for certain nonbargained employees hired prior to January 1, 2007, employed by a Southeast Management Participating Company, as defined by the AT&T Plan.

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

Under the Southeast Management Program, employee pension benefits are generally calculated using a cash balance formula calculated as basic credits as a percentage of pay based on service plus 3% supplemental credits of pay that exceeds the Social Security Wage Base, which is credited to a notional account that accrues interest at the greater of 3.79% or a market rate based on the yield on 30-year Treasury securities. Certain specified participants as of June 30, 1993, also participate in a frozen pension formula that provides a minimum pension benefit based on a formula that included pensionable compensation through June 30, 1993, and net credited service through December 31, 2005. Participants with an accrued benefit from the prior plan formula will receive the greater amount.

The program is limited to eligible employees hired prior to January 1, 2007. Employees are vested after three years of service. Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity or joint and survivor annuity in accordance with the terms of the AT&T Plan.

Southeast Program

The Southeast Program maintains benefits for various collective bargaining units that have negotiated for their members to receive this pension benefit and covers participants employed by a Southeast Participating Company, as defined by the AT&T Plan but excludes most new hires after various negotiated dates beginning August 8, 2009.

Under the Southeast Program, employee pension benefits are generally calculated using a cash balance formula based on credits, determined by reference to pension bands that are credited to a notional account that accrues interest at a market rate based on the yield on 30-year U.S. Treasury securities. Benefits prior to January 1, 1999, remain under the traditional dollar per year of service annuity pension formula.

Employees of certain collectively bargained units become eligible to participate in the Southeast Program immediately and are vested after five years of service (effective January 1, 2010, for certain active employees, three years of service). Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity, joint and survivor annuity, or a combination of lump sum and annuity in accordance with the terms of the AT&T Plan.

AT&T Legacy Bargained Program

The AT&T Legacy Bargained Program maintains benefits for various collective bargaining units that have negotiated for their members to receive this pension benefit and covers participants employed by an AT&T Legacy Bargained Participating Company, as defined by the AT&T Plan, but excludes most new hires after various negotiated dates beginning August 8, 2009.

Under the AT&T Legacy Bargained Program, employee pension benefits are generally calculated using a cash balance formula based on credits, determined by reference to pension bands that are credited to a notional account that accrues interest at the annual market rate based on the yield of 30 year US Treasury securities, and effective January 1, 2013, no less than 3.75%, depending upon the provisions of the applicable bargaining agreement. Certain participants who met certain eligibility requirements as of September 30, 1998, are generally eligible for a traditional dollar per year of service annuity pension formula (and receive the greater of this traditional formula and the cash balance benefit).

Employees of certain collectively bargained units become eligible to participate in the AT&T Legacy Bargained Program immediately upon attainment of age 21 and are vested after five years of service (effective January 1, 2010, for active employees, three years of service). Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity, or joint and survivor annuity in accordance with the terms of the AT&T Plan.

DIRECTV Program

The DIRECTV Program maintains benefits for certain nonbargained employees hired prior to January 1, 2016, employed by a DIRECTV Participating Company, as defined by the AT&T Plan.

The DIRECTV Program covers many of the employees of DIRECTV and certain subsidiary companies, provides benefits to be paid to eligible employees or their beneficiaries upon retirement. Certain participants, who elected to

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

contribute prior to July 1, 2010, are eligible to contribute and receive a contributory benefit, while all other participants are eligible for a noncontributory benefit. In addition, some participants are eligible for a cash balance benefit. In connection with the July 2015 merger, DIRECTV became a wholly-owned subsidiary of AT&T.

Effective December 1, 2001, the DIRECTV Program established a cash balance alternative. Employees with a noncontributory benefit will receive the greater of their existing noncontributory benefit or the new cash balance benefit. Effective December 1, 2006, all DIRECTV employees, including certain Customer Call Center employees who had not previously participated in the AT&T Plan, were eligible to become AT&T Plan participants and accrue cash balance benefits, after completing one year of service. Effective December 1, 2007, the cash balance crediting rate for all new participants changed from a range of 2% to 4%; to rates of 3%, 3.5%, and 4% depending on years of vesting service. The DIRECTV Program was frozen to new entrants effective January 1, 2016. Effective November 30, 2019, all contributory and noncontributory benefits covered under the DIRECTV Program were frozen, and applicable employees began accruing a DIRECTV Program cash balance account.

Funding Policy

The Company contributes to the Plan to provide assets intended to meet the benefits to be paid to participants. The Company's current funding policy is to make contributions in amounts at least sufficient to satisfy the Code and ERISA funding requirements. In 2019 and 2018, the Plan met the minimum funding standards of ERISA.

Time Warner made a discretionary employer contribution of \$500,000 to the Plan on June 14, 2018, prior to the consummation of the Merger.

Plan Termination

While the Plan sponsor has not expressed any intent to terminate the Plan, it may do so at any time, subject to the provisions of ERISA. In the event of any such termination, participants would become fully vested in their accumulated plan benefits and the net assets of the Plan would be allocated among participants and beneficiaries in accordance with the provisions of Title IV of ERISA. Any assets remaining after satisfaction of the Plan's benefit obligations would revert to the Company. Whether a participant's accumulated plan benefits will be paid when a defined benefit plan is terminated depends on the amount of the net assets in a plan, the priority of the participant's benefits in relation to the claims of other participants, and the portion of the participant's benefits that are guaranteed by the Pension Benefit Guaranty Corporation at that time. Accordingly, the benefits of some participants in a plan may be fully or partially covered by its net assets, while the benefits of other participants may not be covered at all.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Costs and expenses incurred for the purchase, sale or transfer of investments reflected in the accompanying financial statements are considered a cost of the investment or a reduction in the proceeds of a sale, as appropriate. Investment management fees and investment evaluation costs are paid by the Plan and are included in Investment income, net of fees in the Statement of Changes in Net Assets Available for Benefits.

Administrative Expenses

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

Certain administrative costs are charged to the Plan as permitted under ERISA, including, for example, fees for actuarial, auditing, custodial, recordkeeping and trustee services. Other administrative costs, such as compensation of employees responsible for the ongoing administration of the Plan, are paid by the Plan sponsor.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements and notes thereto. Actual results could differ from those estimates.

Plan contributions are made and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

Payment of Benefits

Benefits paid to participants are recorded when paid.

Recent Accounting Standards

In February 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2017-06 “Employee Benefit Plan Master Trust Reporting” (ASU 2017-06). ASU 2017-06 requires plans to report interests in a master trust and changes in the value of that interest as separate line items on the plan’s financial statements. The plans must also disclose the master trust’s investments by general type as well as other assets and liabilities and disclose the dollar amount of the plan’s interest in each category disclosed. The new standard is effective for fiscal years beginning after December 15, 2018 with retrospective application. The Plan has adopted this standard retrospectively.

In July 2018, the FASB issued Accounting Standards Update No. 2018-09 “Codification Improvements” (ASU-2018-09). ASU 2018-09 requires a plan to evaluate its investments to determine whether a readily determinable fair value exists or if investments qualify for the net asset value per share practical expedient and can be excluded from the fair value hierarchy disclosure. The new standard is effective for fiscal years beginning after December 15, 2019. The Plan has adopted this standard, prospectively.

In August 2018, the FASB issued Accounting Standards Update No. 2018-13 “Fair Value Measurement (Topic 820) Disclosure Framework- Changes to the Disclosure Requirements for Fair Value Measurement” (“ASU 2018-13”). ASU 2018-13 eliminates and modifies certain disclosure requirements for fair value measurements of non-public entities. The eliminated disclosure requirements include (i) the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, (ii) the policy for timing of transfers between fair value hierarchy levels, (iii) the valuation processes for Level 3 fair value measurements and (iv) the changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period. The modified disclosure requirements include (i) In lieu of a rollforward for Level 3 fair value measurements disclosing the transfers

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

into and out of Level 3 of the fair value hierarchy and purchases and issuances of Level 3 assets and liabilities and (ii) for entities that use the practical expedient measure of fair value the requirement disclosing the timing of liquidation of an investee's assets and the date when restrictions from redemption might lapse only if the investee has communicated the timing to the entity or announced the timing publicly. The new standard is effective for fiscal years beginning after December 15, 2019 with certain retrospective applications. Early adoption is permitted. Management is currently evaluating the impact of the adoption of this standard.

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 4 for additional information and disclosures related to fair value measurements.

Securities denominated in non-U.S. currencies are translated into U.S. dollars at the exchange rates in effect as of the date of the Statements of Net Assets Available for Benefits.

Purchases and sales of investments are recorded on a trade date basis. Realized gains and losses on sales of securities are recognized on the trade date and are determined on the basis of the average cost method. Dividends are recorded on the ex-dividend date. Interest income is recognized on an accrual basis.

Subsequent Events

The Plan's management evaluated subsequent events for the Plan through October 13, 2020, the date the financial statements were available to be issued, and determined there were no material subsequent events other than as disclosed in Note 9.

3. INVESTMENTS

The assets of the Plan were primarily held in the Time Warner Trust. As of December 31, 2019, all assets held in the Time Warner Trust have been transferred to MPT. The fair value of the Plan's assets that are not held in the Time Warner Master Trust was not material as of December 31, 2018. All assets are reflected in the Plan's Statements of Net Assets Available for Benefits.

The Plan's investments are in a variety of financial assets that are exposed to risks such as interest rate, foreign currency exchange rate, market and credit risk. Due to these risks, it is possible that the value of the Plan's investments will change in the near term, which could materially affect the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

An investment policy, investment guidelines and asset allocation policy are determined, and an investment manager is appointed to manage the Plan's assets in accordance with such policies and guidelines. The investment manager may also appoint sub-advisors to manage specific portfolio strategies, which are subject to guidelines relevant to the particular strategy. The investment manager and the sub-advisors appointed by the investment manager exercise discretionary authority, subject to certain limitations, for the purchase, sale, and management of the investments of the MPT and the Plan that have been allocated to them for such purposes.

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

The investment policy for the Plan is to invest in assets in a manner that minimizes funded status volatility and achieves and maintains a fully funded status for the Plan in order to pay current and future participant benefits from Plan assets. For Plan years 2019 and 2018 and through the date of these financial statements, the asset allocation target for the Plan under the Company's investment policy has been approximately 40% growth assets comprised primarily of equity investments and 60% fixed income investments.

The investment manager and certain sub-advisors for the Plan's investments are authorized to use derivative financial instruments, either directly or within a commingled fund structure, in accordance with established guidelines. Derivative financial instruments may be used for the purpose of managing interest rate and foreign exchange risk and for yield enhancement. The derivative financial instruments are recorded as other investments either as an asset or a liability, depending on whether the instrument is in a gain or loss position. Changes in the fair value of derivative financial instruments are recorded in the Statement of Changes in Net Assets Available for Benefits; therefore, no gains or losses are deferred. At December 31, 2019 and 2018, the fair value of the derivative financial instruments held by the Plan was not material. The derivative financial instruments held by the Plan at December 31, 2019 and 2018 consisted of futures, swap and option contracts.

The Plan participates in a securities lending program under which The Bank of New York Mellon (the "Bank") is authorized to lend certain Plan securities. To secure a loan under the program, a borrower provides collateral in the form of cash ("Cash Collateral") and/or U.S. Government and agency securities ("Securities Collateral") at 102% to 105% of the fair value of the borrowed securities. Securities that have been loaned, as well as the Securities Collateral, are marked to market on a daily basis by the Bank, and the Cash Collateral is adjusted accordingly for the securities secured by that collateral. The Plan has the right to recover the securities on loan from the Plan from the borrower on demand. The Bank has agreed to indemnify the Plan against any loss resulting from any failure of a borrower to return securities on loan from the Plan. As of December 31, 2019, the securities lending program has been discontinued. At December 31, 2018, the fair value of securities on loan from the Plan was approximately \$47,700 and the liability for collateral held by the Plan with respect to the securities on loan was approximately \$48,700 (comprised of approximately \$4,400 of Cash Collateral and \$44,300 of Securities Collateral).

The Cash Collateral is invested in a separate account managed exclusively for the Time Warner Trust and the Plan by the Bank and is invested in overnight repurchase agreements collateralized by U.S. Government and agency securities (the "Managed Cash Collateral Account"). The Bank is not required to indemnify the Plan against any investment losses in the Managed Cash Collateral Account. The Managed Cash Collateral Account is exempt from the registration requirements of the Investment Company Act of 1940 (the "Act").

The securities on loan at December 31, 2018 are presented in the Plan's Statements of Net Assets Available for Benefits. The Plan's earnings on securities lending activities during 2018 are recorded in the Plan's Statement of Changes in Net Assets Available for Benefits.

4. FAIR VALUE MEASUREMENTS

ASC 820, Fair Value Measurement, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets and liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted market prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Plan management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2019 and 2018.

The following table presents information about the Plan's assets and liabilities required to be carried at fair value on a recurring basis, prior to the transfer to the MPT (as described in Note. 1), as of December 31, 2019 and 2018. As of December 31, 2019 and 2018, there were no assets or liabilities outside of the MPT classified as Level 3.

	2019		
	Level 1	Level 2	Total
Assets			
Cash and cash equivalents ^(a)	\$ 342	\$ -	\$ 342
Group annuity contract	-	374	374
U.S. Government and agency securities ^(b)	-	-	-
Other fixed income securities	-	-	-
Common stocks	-	-	-
Registered investment companies	1,273	-	1,273
Other investments:			
Derivatives	-	-	-
Total assets	1,615	374	1,989
Liabilities			
Derivatives	-	-	-
Total	\$ 1,615	\$ 374	\$ 1,989

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

	2018		
	Level 1	Level 2	Total
Assets			
Cash and cash equivalents ^(a)	\$ 65,042	\$ -	\$ 65,042
Group annuity contract	-	225	225
U.S. Government and agency securities ^(b)	6,962	784,249	791,211
U.S. Government and agency securities - loaned	-	32,352	32,352
Other fixed income securities	-	926,390	926,390
Other fixed income securities - loaned	-	5,366	5,366
Common stocks	169,493	-	169,493
Common stocks - loaned	9,941	-	9,941
Registered investment companies	23,288	-	23,288
Other investments:			
Derivatives	2,199	2,779	4,978
Total assets	276,925	1,751,361	2,028,286
Liabilities			
Derivatives	(2,400)	-	(2,400)
Total	\$ 274,525	\$ 1,751,361	\$ 2,025,886

^(a) As of December 31, 2019 and 2018, cash and cash equivalents primarily consisted of \$342 of cash and \$60,200 of money market funds, respectively.

^(b) As of December 31, 2019 and 2018, U.S. Government and agency securities included \$0 and \$44,300, respectively, of Securities Collateral for securities on loan.

Investments that are measured at fair value using the net asset value per share as a practical expedient have not been categorized in the fair value tables above and are as follows:

	December 31,	
	2019	2018
Asset Category		
Commingled trust funds	\$ -	\$ 428,514
Other investments:		
Limited partnerships	-	46,805
Hedge fund investments	-	22,682
103-12 investment	-	947
Total	\$ -	\$ 498,948

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Cash equivalents: Cash equivalents consist of investments in money market funds valued at net asset value per unit equal to one dollar and are classified as a Level 1 investment in the fair value hierarchy.

Group annuity contract: The Plan's group annuity contract is invested in a fixed-dollar deposit fund, is recorded at contract value at an amount that approximates fair value and is classified as a Level 2 investment in the fair value hierarchy.

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

Fixed income securities: Fixed income securities that trade on an active market are valued at the closing price as reported on the active market on which the individual securities are traded and are classified as Level 1 investments in the fair value hierarchy. Securities not traded on an active market are valued based on yields currently available on comparable securities of issuers with similar credit ratings and are classified as Level 2 investments in the fair value hierarchy. When quoted prices are not available for identical or similar securities, the securities are valued using a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks. In such cases, the securities are classified as Level 3 investments in the fair value hierarchy.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded and classified as Level 1 investments in the fair value hierarchy.

Commingled trust funds: Valued at the net asset value per unit as reported to the Trustee by the investment manager managing such trust funds. Valuations by the investment manager of the investments of the commingled trust funds in securities that are traded in public markets for which quoted prices are readily available are based on the quoted market price of each such investment at the valuation date. Any investments not traded in public markets or for which quoted prices are not readily available are valued by the investment manager at an amount that approximates fair value generally based on the verifiable fair value of similar securities at the valuation date. Commingled trust funds have various procedures governing liquidity. Although some funds supply daily liquidity upon demand, others have rules and procedures governing liquidity. These may include advance notification requirements and specific periodic dates for providing such liquidity. Additionally, some commingled trust funds may reserve the right, from time to time, to be exercised at the funds' discretion to limit the portion of an investment that may be redeemed at any one time either by an individual investor or in the aggregate by all such investors in the fund.

Registered investment companies: Consist of mutual funds, which are valued at the closing price of shares held by the Plan at year end and are classified as Level 1 investments in the fair value hierarchy.

Other investments:

Limited partnerships and 103-12 investments: The fair values of the investments in this category are estimated using the net asset value of the underlying investments. The underlying investments are primarily in publicly traded equity securities and in securities of private companies for which various valuation methodologies have been used to determine their values, including discounted cash flows and comparable company multiples.

The Plan does not have the right to redeem its limited partnership investments at its discretion, although the Plan may, subject to the consent of the general partner(s) of the limited partnership, sell such investments back to the limited partnership or separately to another limited partner or other third party investor at a negotiated value that may or may not approximate the most recent stated fair value at the time of such sale.

The Plan receives distributions from time to time from its limited partnership investments as the individual investments of the limited partnership are liquidated over the term of the partnership agreement, which is generally 10 to 15 years. At December 31, 2019 and 2018, the Plan's unfunded commitments related to limited partnerships and 103-12 investments were approximately \$26,725 and \$29,600, respectively.

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

Hedge fund investments: The fair values of the investments in this category are estimated using the net asset value of the underlying investments. The underlying investments are primarily in publicly traded securities that are valued at the closing price reported on the active market on which the individual securities are traded. In addition, these funds may have underlying investments in non-publicly traded securities for which quoted prices are not readily available. Such securities are valued by the investment manager at an amount that approximates fair value generally based on the verifiable fair value of similar securities at the valuation date.

The Plan's right to redeem its hedge fund investments varies according to the contractual agreements with each of the individual hedge fund managers. The redemption policies of the hedge funds provide for periodic redemptions at intervals that range from monthly to annually with notice periods ranging from 30 to 180 days. Some of the hedge funds do not permit redemption for an initial period of time following an investment in the fund, which, for the Plan's hedge fund investments, range between 6 months and 3 years.

Additionally, the Plan's hedge fund investment managers may limit the portion of an investment that can be redeemed at any one time, either by an individual investor or in the aggregate by all of the investors in the hedge fund. At both December 31, 2019 and 2018, the Plan's unfunded commitments related to hedge fund investments were approximately \$1,500.

Other: At December 31, 2019 and 2018, other investments consisted of derivative instruments, which were comprised of futures, swap, and option contracts. Futures and option contracts are generally valued at the closing settlement price reported on the active market on which the individual securities are traded and are classified as Level 1 investments in the fair value hierarchy. Where observable prices are not available, fair value is based on prices and rates observed in the primary market for similar instruments. In such cases, futures and option contracts are classified as Level 3 investments in the fair value hierarchy. Swap contracts consist of total return equity swaps that are intended to protect a portion of the Plan's equity investments from losses due to declines in the equity market. Such swaps are valued as the net amount due to or from the Plan in accordance with the terms of the contract based on an underlying options position for the applicable equity index and are classified as Level 2 investments in the fair value hierarchy.

See Note 8 for the fair value hierarchy for the MPT investments effective December 31, 2019.

5. TRANSACTIONS WITH PARTIES-IN-INTEREST

In connection with the Merger, the outstanding shares of Time Warner common stock were converted into the right to receive cash and shares of AT&T common stock. Following the conversion, there are no shares of Time Warner common stock outstanding. At December 31, 2019 and 2018, the Plan held approximately \$118,333 and \$94,200 in AT&T common stock and \$24,477 and \$26,000 of bonds issued by or guaranteed by AT&T, respectively.

Prior to the completion of the Merger, the Plan could purchase or sell shares of Time Warner common stock on the open market or directly from or to Time Warner. The Plan's purchases of Time Warner securities could not exceed 10% of the fair value of the Plan's assets. Such holdings could only exceed 10% of the fair value of the Plan's assets due to subsequent market fluctuations.

Following the completion of the Merger, AT&T is a party-in-interest to the Plan and the Time Warner Trust. Certain of the Plan's investments are securities issued by AT&T or its affiliates. Although the Plan's investments in these securities qualify as party-in-interest transactions, they are exempt from the prohibited

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

transaction rules under ERISA because such holdings do not exceed 10% of the fair value of the Plan's assets. The Plan may purchase or sell shares of AT&T common stock on the open market or directly from or to AT&T. The Plan's purchases of securities issued by AT&T and its affiliates may not exceed 10% of the fair value of the Plan's assets. Such holdings may only exceed 10% of the fair value of the Plan's assets due to subsequent market fluctuations.

State Street Global Advisors ("State Street"), a division of State Street Bank and Trust Company, was the fiduciary and the investment manager of the Time Warner Trust. State Street Bank and Trust Company is a "bank" as defined in the Investment Advisers Act of 1940, as amended and, as such, is not required to register with the Securities and Exchange Commission.

At December 31, 2019, the MPT held \$179,223 in AT&T common stock and \$140,591 of bonds guaranteed by AT&T. At December 31, 2019, the MPT held \$8,806,400 in Preferred Interests. Certain Private Equity, Fixed Income and Real Asset investments of the MPT are managed by JP Morgan Investment Management Inc., an affiliate of the trustee. These investments qualify as party-in-interest transactions, which are exempt from the prohibited transactions rules of ERISA.

The investment manager of the Time Warner Trust has the authority to engage other investment managers as sub-advisors to manage certain Plan investments. Certain Plan investments are managed by the Trustee.

Although the Trustee's management of such Plan investments qualifies as a party-in-interest transaction, this transaction is exempt from the prohibited transaction rules under ERISA.

In addition, certain of the Plan's investments are securities issued by the Trustee, the Plan's investment manager, other service providers and their affiliated entities. Although the Plan's investments in these securities also qualify as party-in-interest transactions, they are exempt from the prohibited transaction rules under ERISA.

6. ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are the future pension benefit payments that have been earned by participants and have yet to be paid. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated participants or their beneficiaries and (b) active participants or their beneficiaries.

Due to the plan merger described in Note 1, the actuarial present value of the accumulated plan benefit information is valued as of December 31, 2019 rather than January 1, 2019. A reconciliation is performed below for the change in the actuarial present value of accumulated plan benefits from January 1, 2018 to December 31, 2019.

As of December 31, 2019 and January 1, 2018, the accumulated plan benefits for active participants at Time Warner are based on their years of service as of June 30, 2010 and their eligible average compensation during the five consecutive calendar years prior to January 1, 2014 in which they received their highest eligible compensation. Benefits payable under all circumstances are included to the extent they are deemed attributable to participant service rendered to the valuation date.

The actuarial present value of accumulated plan benefits has been determined by an independent actuary and represents the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

the probability of payment (by means of adjustments such as for death, disability, termination or retirement) between the valuation date and the expected date of payment.

The actuarial present value of the accumulated plan benefit information is as follows:

	<u>December 31, 2019</u>	<u>January 1, 2018</u>
Vested benefits:		
Participants currently receiving payments	\$ 21,784,676	\$ 689,491
Other participants	20,056,910	1,476,450
Total vested benefits	<u>41,841,586</u>	<u>2,165,941</u>
Nonvested benefits	<u>1,589,497</u>	<u>1,429</u>
Total actuarial present value of accumulated plan benefits	\$ 43,431,083	\$ 2,167,370

The change in the actuarial present value of accumulated plan benefits is due to the following:

Actuarial present value of accumulated plan benefits - January 1, 2018	\$ 2,167,370
Change in actuarial assumptions and experience gains/losses	(116,111)
Increase for interest due to decrease in the discount period	121,162
Benefits paid	<u>(122,125)</u>
Actuarial present value of accumulated plan benefits- January 1, 2019	\$ 2,050,296
Actuarial present value of accumulated plan benefits - January 1, 2019	\$ 2,050,296
Change in actuarial assumptions and experience gains/losses	19,468
Plan amendments	53,748
Increase for interest due to decrease in the discount period	121,744
Benefits paid	<u>(360,291)</u>
Merger of AT&T Plan into the Plan	<u>41,546,118</u>
Actuarial present value of accumulated plan benefits- December 31, 2019	\$ 43,431,083

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Notes to Financial Statements – Continued

(Dollars in Thousands)

For 2019 and 2018, actuarial values were computed using the traditional unit credit method and were based on the following significant underlying assumptions:

Assumed rate of return on investments and accumulated plan benefits discount rate	As of December 31, 2019: 6.50%
	As of January 1, 2018: 5.75% per annum, net of assumed expenses of 0.5%
Retirement age	Actuarially determined based on probability of retirement at certain ages
Life expectancy	For 2019, for the WarnerMedia portion of the plan, the Pri-2012 Mortality Tables, projected generationally with Scale MP-2019. For 2019, for the AT&T portion of the plan, pre-commencement mortality based on Pri-2012 Mortality Tables projected generationally with Scale MP-2019 and post-commencement mortality based on AT&T's custom mortality table projected generationally with Projection Scale MP-2019
	For 2018, the RP-2014 Mortality Table, using generational Scale MP-2017 calculated using the RP-2014 Mortality Table adjusted backward to 2006 using Scale MP-2014, then projected forward with generational Scale MP-2017.

These actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

7. TAX STATUS OF PLAN

The Plan has received a determination letter from the Internal Revenue Service ("IRS") dated April 23, 2014 stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain their qualification. Although the IRS no longer allows determination letter requests except in limited circumstances, the plan administrator has indicated that it will take the necessary steps, if any, to maintain the Plan's operations in compliance with the IRC, should any tax qualification issues arise.

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

8. SBC MASTER PENSION TRUST (MPT)

All assets of the Plan are maintained in the MPT effective December 31, 2019. The purpose of the MPT is the collective investment of the assets of participating plans sponsored by AT&T. The assets are allocated among the participating plans by assigning to each plan those transactions that can be specifically identified, and allocating among all plans the net investment income, gains and losses, and expenses of the MPT, in proportion to the market value of the assets assigned to each plan.

At December 31, 2019, JPMorgan Chase Bank N.A. was the trustee for the MPT. The following table sets forth, by percentage, each plans' participation in the MPT, excluding Preferred Interests which are all allocated to the AT&T/WarnerMedia Pension Benefit Plan in 2019.

	2019
AT&T Puerto Rico Pension Benefit Plan	0.0780%
AT&T/WarnerMedia Pension Benefit Plan	99.9220%

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

The net assets held under the MPT agreement as of December 31, 2019 are summarized below:

Assets	AT&T/WM Plan	PR Plan	Total
Non-interest bearing cash	\$ 85,961	\$ 67	\$ 86,028
Interest bearing investments	2,139,532	1,288	2,140,820
Pooled separate accounts	772,208	603	772,811
Common/collective trust funds	1,214,321	813	1,215,134
103-12 investment entities	1,741,361	1,360	1,742,721
U.S. Government and governmental agencies bonds and notes	5,134,454	3,445	5,137,899
U.S. Government and governmental agencies bonds and notes-loaned	1,004,121	784	1,004,905
Corporate and other bonds and notes	10,198,983	7,181	10,206,164
Corporate and other bonds and notes-loaned	266,434	208	266,642
Equities	11,555,065	8,916	11,563,981
Equities-loaned	449,500	351	449,851
Mortgage Backed Securities	552,802	409	553,211
Preferred interest	8,806,400	-	8,806,400
Partnership/Joint venture interests	6,190,948	4,802	6,195,750
Real assets	3,258,094	2,545	3,260,639
Non-publically traded registered investment companies	398,764	311	399,075
Collateral – securities lending	1,759,634	1,374	1,761,008
Total investments	55,442,621	34,390	55,477,011
Receivable for securities sold	239,117	170	239,287
Contribution receivable	-	2,191	2,191
Receivable for investments sold short	435,735	340	436,075
Unrealized appreciation on foreign currency contracts	4,845	4	4,849
Variation margin receivable	2,747	-	2,747
Accrued income	300,053	114	300,167
Other receivables	17,765	15	17,780
Total assets	56,528,844	37,291	56,566,135
Liabilities			
Overdrafts	26,585	21	26,606
Payable for securities lending	1,759,634	1,374	1,761,008
Payable for securities purchased	534,481	398	534,879
Investments sold short (proceeds of \$442,031)	468,438	366	468,804
Written options payable (premiums of (\$309))	147	-	147
Variation margin payable	16,863	10	16,873
Unrealized depreciation on foreign currency contracts	1,228	1	1,229
Accrued liabilities	47,574	28	47,602
Total liabilities	2,854,950	2,198	2,857,148
Net assets of the MPT	\$ 53,673,894	\$ 35,093	\$ 53,708,987

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

The following is the net increase in the fair value of net assets for the year ended December 31, 2019 for the MPT:

Additions

Net appreciation in fair value of investments	\$ 6,402,946
Investment income	1,663,376
Employer contributions	2,191
Total additions	<u>8,068,513</u>

Deductions

Pension and death benefits	5,998,078
Trustee and investment management fees and administrative expenses	251,689
Total deductions	<u>6,249,767</u>

Net increase before transfers 1,818,746

Transfers of assets resulting from Mandatory Portability Agreement	1,692
Transfers to Evoque Pension Plan	(5,316)
Transfers from Time Warner Trust	2,603,981

Net increase after transfers 4,419,103

Net assets of the MPT:

Beginning of year 49,289,884

End of year \$ 53,708,987

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

The following table sets forth by level, within the fair value hierarchy, the MPT's assets at fair value as of December 31, 2019*:

	Level 1	Level 2	Level 3	Total
Non-interest bearing cash	\$ 86,019	\$ 9	\$ –	\$ 86,028
Interest bearing investments	557,798	–	–	557,798
Foreign currency contracts	–	4,849	–	4,849
Equity securities	11,996,013	11,048	6,771	12,013,832
Preferred interest	–	–	8,806,400	8,806,400
Corporate and other bonds and notes	–	10,468,329	4,477	10,472,806
U.S. Government bonds and notes	49,236	6,093,568	–	6,142,804
Mortgage backed securities	–	551,397	1,814	553,211
Real assets	–	–	2,972,078	2,972,078
Securities lending collateral	103,009	1,657,999	–	1,761,008
Receivable for variation margin	2,747	–	–	2,747
Assets at fair value	12,794,822	18,787,199	11,791,540	43,373,561
Overdrafts	26,606	–	–	26,606
Unrealized depreciation on foreign currency contracts	–	1,229	–	1,229
Investments sold short	467,790	1,014	–	468,804
Written options payable	147	–	–	147
Payable for variation margin	16,873	–	–	16,873
Liabilities at fair value	511,416	2,243	–	513,659
Net assets and liabilities fair value hierarchy table	\$ 12,283,406	\$ 18,784,956	\$ 11,791,540	\$ 42,859,902
Assets held at net asset value practical expedient:				
Common/collective trust funds				1,215,134
Pooled separate accounts				772,811
Partnership/joint venture interests				6,195,750
Interest bearing investments				1,583,022
103-12 investments				1,742,721
Non-publically traded registered investment companies				399,075
Real estate funds				288,561
Total assets held at net asset value practical expedient:				12,197,074
Other assets (liabilities)				(1,347,989)
Net assets of the MPT				\$ 53,708,987

* December 31, 2019 fair value hierarchy table above includes the net assets of approximately \$2,603,981 transferred from the Time Warner Trust and allocated to the three levels as of December 31, 2019.

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

Additional Disclosures Related to MPT Assets Measured at NAV as of December 31, 2019:

Investment Class-Sub Class		Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Real assets	Open-end funds ²	\$ 424,251	\$ –	Quarterly	45-90 days
	Closed-end funds ³	1,434,696	951,504	No redemption rights	NA
Partnership/Joint Venture	Closed-end funds ⁴	4,655,137	2,090,230	No redemption rights	NA
Fixed Income	Closed-end funds ⁶	120,674	94,290	No redemption rights	NA
Common/ collective trust funds, 103-12 investments and Other:	Interest bearing investments ⁹	1,647,565	–	Daily	NA
	Hedge funds ¹	817,800	–	Monthly, Annually	3-90 days
	Fixed income ⁷	113,005	–	Daily, Monthly	3-5 days
	Equities ⁸	1,591,902	445	Daily, Monthly	1-30 days
	Open-end funds ⁵	1,392,044	–	Monthly, Quarterly	5-30 days
Total		<u>\$ 12,197,074</u>	<u>\$ 3,136,469</u>		

(1) This class includes both directional and nondirectional hedge fund strategies. These investments can be redeemed provided the funds have sufficient liquidity; otherwise, unredeemed amounts are rolled forward to the next period. It is estimated that the redemption from one fund, which the MPT has elected to exit, will occur over the next 3 years given favorable market conditions.

(2) This class includes three real estate funds that invest primarily in U.S. commercial real estate. These are open-ended funds with no final termination dates. These investments can be redeemed quarterly provided the funds have sufficient liquidity; otherwise, unredeemed amounts are rolled forward to the next quarter. There are no current plans to sell any of these funds.

(3) This class includes real estate and natural resource investment funds that invest in U.S. and international real assets. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the funds will be liquidated over the next 10 years given favorable market conditions. There are no current plans to sell any of these funds.

(4) This class includes private equity funds that invest in U.S. and international companies. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the funds will be liquidated over the next 10 years given favorable conditions. There are no current plans to sell any of these funds.

(5) This class includes several fixed income funds that invest primarily in U.S. fixed income securities, however may also invest in non-U.S. securities. These are open-ended funds with no final termination dates. These investments can be redeemed on a monthly or quarterly basis. Redemptions are subject to available cash in the funds. These funds do not make regular distributions. Unless redeemed, assets are reinvested as the investments of the funds are liquidated or mature. There are no current plans to sell any of these funds.

(6) This class includes several fixed income funds or funds of funds that invest primarily in mezzanine debt securities or distressed debt securities or funds. These funds invest primarily in U.S. fixed income securities but may also invest in non-U.S. securities. These investments can never

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

be redeemed. Distributions from each fund will be received as the underlying investments of the funds are liquidated or matured. It is estimated that the underlying assets of the funds will be liquidated over the next 7 years given favorable market conditions. There are no current plans to sell any of these funds.

- (7) This class includes fixed income commingled funds that invest primarily in publicly traded fixed income securities. These funds are approved by AT&T for a manager to utilize on a discretionary tactical basis as part of a broad fixed income mandate. These are open-ended funds with no final termination dates.
- (8) This class includes equity commingled funds that invest primarily in publicly traded U.S. and non-U.S. equity securities. These funds are selected by AT&T, and AT&T determines the timing and amount of contributions/redemptions. These are open ended funds with no final termination dates.
- (9) This class includes funds that invest primarily in publicly traded short-term fixed income securities and emerging market equity securities. These funds are approved by AT&T. These are open ended funds with no final termination dates.

Real assets held by the MPT includes approximately 78 separate real estate properties totaling approximately \$2,972,078 at December 31, 2019. These Level 3 investments are valued by an independent real estate appraiser in accordance with the Uniform Standards of Professional Appraisal Practice and in compliance with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute. The reports are reviewed and approved by a member of the Appraisal Institute with the professional designation MAI as well as an independent valuation consultant retained by the MPT.

Properties are appraised using common methods of analysis: the cost, sales comparison and income capitalization approach, with the final estimated fair value giving most consideration to the method(s) deemed most applicable to the specific characteristics of the property.

The cost approach includes analyzing comparable land sales to determine the underlying land value of the property, which is valued based upon its highest and best use. Replacement cost is estimated using actual cost comparison and/or the current version of a nationally recognized cost estimating service.

The sales comparison approach utilizes market comparable properties, and includes analysis of the properties, the nature of the buyers and sellers, and a description of the transaction including terms of the sale and the source of the data.

The income capitalization approach includes analysis of market rent, existing contract rent, competitive occupancy rates, existing property vacancy and forecast absorption, historical, current and market expenses, projected capital expenditures and the derived net operating income and cash flow. In this valuation, net operating income is converted to value under the direct capitalization and discounted cash flow methods. The following significant inputs were made available in the third-party appraisals of the MPT's real assets, the significant inputs by property type at December 31, 2019:

	Weighted-Average Discount Rate	Year-One Capitalization rate
Retail – Regional Mall	6.00%	4.49%
Retail – Non-Regional Mall	7.20%	3.77%
Office	6.36%	4.30%
Industrial	5.85%	4.05%
Residential	6.15%	3.92%

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

The estimated fair values may vary significantly from the prices at which the properties would actually sell, since market prices of the investments can only be determined by negotiation between a willing buyer and seller. Management believes these estimates to be reasonable approximations of market prices.

The table below sets forth a summary of changes in the fair value of the MPT's Level 3 investment assets for the year ended December 31, 2019.

	Equities	Preferred Interest	Corporate and Other Bonds and Notes	Real Assets	Total
Balance, beginning of year	\$ 1,222	\$ 8,748,800	\$ 3,345	\$ 2,616,937	\$ 11,370,304
Realized gains (losses)	(211)	-	55	63,550	63,394
Unrealized gains (losses)	482	57,600	253	163,188	221,523
Transfers in	5,635	-	4,675	133,823	144,133
Transfers out	-	-	(6,040)	-	(6,040)
Purchases	-	-	6,827	227,689	234,516
Sales	(357)	-	(2,824)	(233,109)	(236,290)
Balance, end of year	\$ 6,771	\$ 8,806,400	\$ 6,291	\$ 2,972,078	\$ 11,791,540

Derivatives

In the normal course of operations, MPT assets and liabilities may include derivative financial instruments (futures, options, and foreign currency contracts). These derivatives may involve, in varying degrees, elements of credit and market risks in excess of more traditional investment holdings, such as equity and debt instruments. The contract or notional amounts disclosed in this footnote and the amounts of realized and unrealized gain and loss on derivative instruments during the period presented below provide a measure of the MPT's involvement in such instruments but are not indicative of potential loss. The intent is to use derivative financial instruments as investments to gain exposure to certain markets and as economic hedges to manage equity price and foreign currency exchange rate risk associated with the MPT's investments. The MPT's fiduciaries do not anticipate any material adverse effect on the MPT's financial position resulting from its involvement in these instruments.

The following tables show the gross amounts of recognized financial assets and liabilities (i.e. before offsetting) and the amounts offset in the MPT statement of net assets. Financial assets and liabilities are only offset when the MPT currently has a legally enforceable right to set off the recognized amounts and the MPT intends to either settle on a net basis or realize the asset and settle the liability simultaneously. A right of set off is the MPT's legal right to settle an amount payable to a creditor by applying against it an amount receivable from the same counterparty. The relevant legal jurisdiction and laws applicable to the relationships between the parties need to be considered when assessing whether a current legally enforceable right to set off exists. The MPT has collateral held at the futures clearing house related to futures contracts in the tables below.

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Notes to Financial Statements – Continued

(Dollars in Thousands)

As of December 31, 2019 gross and offset amounts reflected in the MPT statement was:

	Gross Amount Recognized	Gross Amount Offset	Net Amount Recognized	Cash Collateral received/ (pledged)	Net Amount
Forward foreign currency exchange rate contracts:					
Assets	\$ 4,849	\$ -	\$ 4,849	\$ 601	\$ 5,450
Liabilities	(1,229)	-	(1,229)	(1,094)	(2,323)
Net	3,620	-	3,620 ¹	(493)	3,127
Futures contracts:					
Assets					
Bond index	-	-	-	21,678	21,678
Equity index	1,252,214	(1,249,480)	2,734	39,025	41,759
Interest rate	4,889,367	(4,884,301)	5,066	-	5,066
Liabilities					
Bond index	-	-	-	(152)	(152)
Equity index	-	(1,146)	(1,146)	(206)	(1,352)
Interest rate	(2,425,045)	2,404,274	(20,780)	-	(20,780)
Net	3,716,527	(3,730,653)	(14,126) ²	60,345	46,219
Options contracts					
Written options	(147)	-	(147)	-	(147)
Total derivatives	\$ 3,720,000	\$ (3,730,653)	\$ (10,653)	\$ 59,852	\$ 49,199

(1) These amounts are included within the balance of unrealized appreciation and unrealized depreciation on foreign currency contracts of the Net Assets of the MPT.

(2) Recognized as variation margin receivable in the Net Assets of the MPT.

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

Futures Contracts

On behalf of the Pension Plans, investment managers for the MPT enter into various futures contracts to economically hedge investments in domestic equity, international equity and fixed income securities. The futures contracts held in the MPT are used primarily for two reasons: 1) a cost-effective way to manage the overall asset allocation of the MPT, and 2) a cost-effective way to implement and manage duration and yield curve strategy in the fixed income portfolio. The investments in the MPT are subject to equity price risk and interest rate risk, in the normal course of pursuing investment objectives.

Futures contracts, which are considered derivatives under ASC Topic 815, *Derivative and Hedging*, are agreements between two parties to buy or sell a security at a set price on a future date and are standardized and exchange-traded. Upon entering into such a contract on behalf of the Pension Plans, the investment managers are required to pledge to the broker an amount of cash or securities equal to the minimum “initial margin” requirements of the exchange on which the contract is traded. Pursuant to the contract, the investment managers agree to receive from or pay to the broker an amount of cash or securities equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as variation margin and are recorded on a daily basis by the trustee as a realized gain or loss equal to the difference in the value of the contract between daily closing prices. Upon entering into such contracts, the MPT bears the risk of interest or exchange rates or securities prices moving unexpectedly, in which case the MPT may not achieve the anticipated benefits of the futures contracts and may realize a loss. With futures, there is minimal counterparty credit risk to the MPT because futures are exchange-traded and the exchange’s clearinghouse, as counterparty to all exchange-traded futures, guarantees the futures against default.

The fair value of the open futures contracts disclosed below, includes cumulative appreciation/ (depreciation) of futures contracts, but only the current day’s variation margin receivable or payable is reported separately in the net assets of the MPT and are included in the statements of net assets available for benefits to the extent of each plan’s ownership in the MPT. Similarly, the gains and losses on open futures contracts are reflected in the net change in fair value of net assets for the MPT and are included within each plan’s net investment gain (loss) from Plan’s interest in the MPT.

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

At December 31, 2019, open futures contracts held in the MPT were as follows:

Risk Type	Type of Contract	Number of Contracts		Expiration	Notional	Fair Value
		Buy/(Sell)			Value	
Equity Index	Amsterdam Index Future	86	Jan-20		11,664	(66)
Equity Index	CAC 40 Index	475	Jan-20		31,700	(75)
Equity Index	DAX Index Future	65	Mar-20		24,144	(138)
Equity Index	Euro Stoxx 50	633	Mar-20		26,525	(239)
Equity Index	FTSE 100 Index	423	Mar-20		42,224	67
Equity Index	FTSE/MIB Future	71	Mar-20		9,286	(18)
Equity Index	Hang Seng Index	56	Jan-20		10,073	94
Equity Index	IBEX 35 Index	75	Jan-20		8,017	(47)
Equity Index	Mini MSCI EAFE Future	1,907	Mar-20		193,328	853
Equity Index	Mini MSCI Emerging Market	3,117	Mar-20		171,175	3,408
Equity Index	OMXS30 Ind Future	435	Jan-20		8,301	(92)
Equity Index	Russell 1000 Mini Future	93	Mar-20		8,168	132
Equity Index	Russell 2000 Mini Future	554	Mar-20		45,592	684
Equity Index	S&P 400 EMINI Future	177	Mar-20		36,086	461
Equity Index	S&P 500 EMINI Future	2,870	Mar-20		456,251	7,412
Equity Index	S&P 60 IX Futures	333	Mar-20		51,069	77
Equity Index	SGX CNX Nifty Future	249	Jan-20		6,151	(53)
Equity Index	SPI 200 Futures	158	Mar-20		18,513	(540)
Equity Index	Taiwan Index Future	23	Jan-20		1,062	(5)
Equity Index	Topix Index	511	Mar-20		80,891	79
Interest Rate	90 Day Eurodollar Future	537	Mar-21		132,210	(55)
Interest Rate	90 Day Eurodollar Future	(400)	Dec-20		(98,485)	105
Interest Rate	90 Day Eurodollar Future	(79)	Mar-20		(19,403)	(4)
Interest Rate	Euro-BOBL Future	(1)	Mar-20		(149)	-
Interest Rate	Euro-BTP Future	9	Mar-20		1,425	(3)
Interest Rate	Euro-Bund Future	(33)	Mar-20		(6,319)	78
Interest Rate	Euro-Buxl 30YR Bnd	(6)	Mar-20		(1,363)	43
Interest Rate	Euro-Schatz Future	(1)	Mar-20		(124)	-
Interest Rate	JPN 10Y Bond (OSE)	(9)	Mar-20		(12,621)	10
Interest Rate	US 10YR Note (CBT)	771	Mar-20		99,770	(757)
Interest Rate	US 10YR Note (CBT)	(1,054)	Mar-20		(136,299)	942
Interest Rate	US 10YR Ultra Future	(2,256)	Mar-20		(320,829)	3,403
Interest Rate	US 10YR Ultra Future Bond	163	Mar-20		22,985	(50)
Interest Rate	US 2YR Note (CBT)	5,556	Mar-20		1,197,679	(361)
Equity Index	US 2YR Note (CBT)	(3,562)	Mar-20		(767,943)	332
Equity Index	US 5YR Note (CBT)	2,843	Mar-20		338,295	(1,088)
Interest Rate	US 5YR Note (CBT)	(2,016)	Mar-20		(239,830)	714
Interest Rate	US Long Bond (CBT)	(4,445)	Mar-20		(705,265)	12,262
Interest Rate	US Long Bond (CBT)	1,381	Mar-20		219,176	(3,869)
Interest Rate	US Ultra Bond CBT	13,974	Mar-20		2,607,609	(69,144)
Interest Rate	US 10YR Ultra Future (CBT)	(213)	Mar-20		(32,892)	390
Interest Rate	US Treas BD Future (CBT)	(653)	Mar-20		(104,164)	2,357
Interest Rate	US 10YR Note (CBT)	124	Mar-20		16,077	(153)
Interest Rate	US 5YR Note (CBT)	757	Mar-20		90,172	(385)
Interest Rate	US 2YR Note (CBT)	667	Mar-20		143,860	(121)
Interest Rate	US Ultra Bond (CBT)	529	Mar-20		99,329	(3,233)
Total					\$3,763,121	\$ (46,593) ¹

(1) This amount is included within the Payable for securities purchased of the Net Assets of the MPT.

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

Option Contracts

The primary risk managed by the Pension Plans using option contracts is the price risk associated with investments. On behalf of the Pension Plans, investment managers for the MPT have purchased and written various option contracts, which are agreements between two parties giving the owner, under a purchased option, the right, but not the obligation, to buy or sell a specified item at a fixed price (exercise or strike) during a specified period, and under a written option the obligation to sell or buy a specified item at a fixed price. These option contracts are intended to economically hedge the MPT's investments in foreign and domestic securities. When the investment manager buys or writes an option contract, a nonrefundable fee (the premium) is paid or received by the MPT and is recorded as an asset or liability and is subsequently adjusted to the current market value of the option purchased or written. The premiums paid or received from buying or writing options are recorded as realized gains or losses when the options expire. The difference between the premium and the amount paid or received on effecting a closing purchase or sale transaction is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is recorded as a realized gain or loss if sold or as an adjustment to the cost of the underlying security if acquired upon exercise.

The fair value of the written and purchased option contracts is disclosed below, and is separately listed in the net assets of the MPT and is included in the statements of net assets available for benefits to the extent of each plan's ownership in the MPT. Similarly, the gains and losses on written and purchased option contracts are reflected in the net change in fair value of net assets for the MPT and are included within each plan's net investment gain (loss) from Plan's interest in the MPT.

As of December 31, 2019 the total number of written options held by the MPT was:

Risk Type	Type of Contract	Number of Contracts	Cost (Premium paid)	Notional Value	Fair Value
Interest Rate	US Dollar Options	(15,201,210)	\$ (309)	\$ 434,382	\$ (147)
	Total	(15,201,210)	\$ (309)	\$ 434,382	\$ (147)

Foreign Currency Contracts

The primary risk managed by the Pension Plans using foreign currency forward contracts is the foreign currency exchange rate risk associated with the Pension Plans' investments denominated in foreign currencies. On behalf of the Pension Plans, investment managers for the MPT entered into forward foreign currency contracts, which are agreements to exchange foreign currencies at a specified future date at a specified rate, the terms of which are not standardized on an exchange. These contracts are intended to minimize the impact of currency fluctuations on the performance of investments denominated in foreign currencies. All of the MPT's contracts address the currency risk of the U.S. dollar versus foreign currencies. Risk arises both from the possible inability of the counterparties to meet the terms of the contracts (credit risk) and from the movements in foreign currency exchange rates (market risk). Forward contracts are entered into only with major banks to minimize counterparty default risk. The contracts are recorded at fair value on the date the contract is entered into, which is typically zero.

The fair value presented in the table below is included in the net assets of the MPT as unrealized appreciation on foreign currency contracts (asset) and unrealized depreciation on foreign currency contracts (liability). The gains and losses on foreign currency contracts are reflected in the net change in fair value

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

of net assets for the MPT and are included within each plan's net investment gain (loss) from Plan's interest in the MPT.

At December 31, 2019, the foreign currency contracts held by the MPT were:

	Notional Value	Fair Value
Derivative assets	\$ 583,673	\$ 4,849
Derivative liabilities	\$ (583,673)	\$ (1,229)

Securities Lending

During 2019, the MPT was authorized to engage in the lending of certain MPT assets. Securities lending is an investment management enhancement that utilizes the existing securities (domestic and international equities and fixed income investments) of the MPT to earn additional income. Securities lending involves the loaning of securities to a selected group of approved banks and broker-dealers. In return for the loaned securities, the trustee, prior to or simultaneous with delivery of the loaned securities to the borrower, receives collateral in the form of cash or U.S. Government securities as a safeguard against possible default of any borrower on the return of the loan. Each loan is initially collateralized, in the case of: (a) loaned securities denominated in U.S. dollars or whose primary trading market is located in the U.S. or sovereign debt issued by foreign governments to the extent of 102% of the market value of the loaned securities, or (b) loaned securities not denominated in U.S. dollars or whose primary trading market is not located in the U.S. to the extent of 105% of the market value of the loaned securities. The collateral is marked to market on a daily basis. In the event the counterparty is unable to meet its contractual obligation under the securities lending arrangement, the MPT may incur losses equal to the amount by which the market value of the securities differ from the amount of collateral held. The MPT mitigates credit risk associated with securities lending arrangements by monitoring the fair value of the securities loaned on a daily basis, with additional collateral obtained or refunded as necessary. None of the securities lending arrangements provide for offsetting.

The MPT classifies the loaned securities as investments because it maintains effective control over the transferred financial assets. Since the securities received as collateral may be repledged or sold, the MPT recognizes the amount of collateral received and a corresponding obligation to return such collateral on the statement of net assets available for benefits. Securities on loan and collateral held under this program at December 31, 2019 are reported on the accompanying MPT statements of net assets available for benefits at December 31, 2019. The fair value of securities on loan was approximately \$1,721,398 as of December 31, 2019. The reported collateral includes non-cash holding of approximately \$820,815 and cash holding of \$940,193 at December 31, 2019. The amount of income earned for the years ended December 31, 2019 was approximately \$3,350.

AT&T/WARNERMEDIA PENSION BENEFIT PLAN

Notes to Financial Statements – Continued

(Dollars in Thousands)

9. SUBSEQUENT EVENTS

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The COVID-19 pandemic has led to extreme volatility in financial markets and has affected, and may continue to affect, the market price of the Plan assets. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets. The extent to which COVID-19 impacts the financial markets will depend on future developments that are highly uncertain and cannot be predicted.

SUPPLEMENTAL SCHEDULES

AT&T/WARNERMEDIA PENSION BENEFIT PLAN
Schedule H, Part IV, Line 4(i)
Schedule of Assets (Held at End of Year)
December 31, 2019

EIN#: 82-2449954
PN#: 001

Face Amount or Number of Shares	Security Description	Cost	Current Value
	Cash and Cash Equivalents		
	CASH	\$ 341,868	\$ 341,868
	Total Cash and Cash Equivalents	341,868	341,868
	Master Trust Investment Accounts		
	SBC MASTER PENSION TRUST	48,669,498,316	53,673,893,518
	Master Trust Investment Accounts	48,669,498,316	53,673,893,518
	Group Annuity Contract		
373,651	TRANSAMERICA SV FIXED OPT I	373,651	373,651
	Total Group Annuity Contract	373,651	373,651
	Registered Investment Companies		
	Mutual Funds		
18,842	MPSSX/BNY MELLON SM CAP MULTI STRATEGY-CLM*	250,472	342,736
33,521	DAPIX/BNY MELLON LARGE CAP GROWTH FUND-CLASS I*	303,730	469,301
12,194	DRGVX/BNY MELLON DYNAMIC VALUE FUND-CLASS I*	398,816	461,170
	Total Mutual Funds	953,018	1,273,207
	Total Investments	\$ 48,671,166,853	\$ 53,675,882,244

* Indicates party-in-interest to the Plan.

EIN 82-2449954/PN 001

AT&T/WarnerMedia Pension Benefit Plan
2019 Schedule SB, Line 26 — Schedule of Active Participant Data

The following pages show the schedule of active participant data used in the 2019 plan year valuation.

**AT&T/WarnerMedia Pension Benefit Plan
Warner Media, LLC Active Employees**

Age on valuation		Years of credited service									
		0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
0-24	Count	--	--	--	--	--	--	--	--	--	--
25-29	Count	--	--	--	--	--	--	--	--	--	--
30-34	Count	4	53	--	--	--	--	--	--	--	--
35-39	Count	6	228	76	3	--	--	--	--	--	--
40-44	Count	10	217	187	67	1	--	--	--	--	--
45-49	Count	4	210	231	158	40	2	--	--	--	--
50-54	Count	8	136	174	172	81	26	1	--	--	--
55-59	Count	8	100	113	121	116	65	25	4	--	--
60-64	Count	4	62	64	78	58	55	46	11	--	--
65-69	Count	2	21	16	28	11	16	11	6	2	--
70+	Count	--	9	4	8	5	3	6	2	1	1

**AT&T/WarnerMedia Pension Benefit Plan
The CW Network, LLC Active Employees**

Age on valuation		Years of credited service									
		0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
0-24	Count	--	--	--	--	--	--	--	--	--	--
25-29	Count	--	--	--	--	--	--	--	--	--	--
30-34	Count	--	1	--	--	--	--	--	--	--	--
35-39	Count	--	8	2	--	--	--	--	--	--	--
40-44	Count	--	9	5	2	--	--	--	--	--	--
45-49	Count	--	13	5	8	--	--	--	--	--	--
50-54	Count	--	6	7	8	2	--	--	--	--	--
55-59	Count	--	3	3	5	4	--	--	--	--	--
60-64	Count	--	4	2	9	--	--	--	--	--	--
65-69	Count	--	4	1	1	2	--	--	--	--	--
70+	Count	--	--	--	--	--	--	--	--	--	--

EIN 82-2449954/PN 001

AT&T/WarnerMedia Pension Benefit Plan
2019 Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Description of Actuarial Assumptions

The following pages fully describe the actuarial assumptions used to calculate the amounts shown in the Schedule SB.

Summary of Actuarial Assumptions

	2019	2018
The interest rates for minimum funding are based on the IRS 24-month average segment rates as of the valuation date, each adjusted as needed to fall within the 25-year average interest rate corridor under HATFA interest rate stabilization.		
Effective interest rates for minimum funding	5.56%	5.72%
Segment rates for minimum funding		
1st segment rate (years 0 to 4)	3.74%	3.92%
2nd segment rate (years 5 to 19)	5.35%	5.52%
3rd segment rate (years 20 and after)	6.11%	6.29%
The segment rates used for purposes other than minimum funding are based on the IRS 24-month average segment rates as of the valuation date.		
Effective interest rates for purposes other than minimum funding	4.14%	4.01%
Segment rates for purposes other than minimum funding		
1st segment rate (years 0 to 4)	2.55%	1.81%
2nd segment rate (years 5 to 19)	3.93%	3.68%
3rd segment rate (years 20 and after)	4.49%	4.53%

Summary of Actuarial Assumptions (continued)

Expected rate of salary increase

N/A

Retirement rates

Retirement rates are assumed to follow an age graded table and vary by grandfathered/nongrandfathered status. Specific rates can be found in Exhibit A-1.

Withdrawal rates

Withdrawal rates are assumed to follow an age and service graded table. Specific rates can be found in Exhibit B-1.

Disability rates

Disability rates are assumed to follow age and service graded tables and vary by gender. Specific rates can be found in Exhibit C-1.

Decrements

Decrements are assumed to be mid-year.

Mortality

The mortality table, in accordance with Treasury regulations 1.430(h)(3), is the prescribed 2019 static mortality table, with separate rates for annuitants and non-annuitants.

Summary of Actuarial Assumptions (continued)

Expenses included in target normal cost

The expenses included in the target normal cost are based on the expected administration expenses and PBGC premiums for 2019.

Form of payment election

Specific rates can be found in Exhibits D-1 and D-2.

Percent married

100% of all active participants are assumed to be married.

Spouse age

Actual if available, else husband is 3 years older than wife.

Current year valuation earnings

N/A

Maximum benefit

The maximum benefit payable under IRC Section 415 at Normal Retirement Age.

Exhibit A-1

Annual Rates of Retirement

Age	Nongrandfathered	Grandfathered
55	0.100	0.150
56	0.100	0.150
57	0.100	0.150
58	0.100	0.150
59	0.100	0.150
60	0.150	0.100
61	0.150	0.100
62	0.150	0.250
63	0.150	0.150
64	0.150	0.150
65	0.250	0.333
66	0.250	0.333
67	0.250	0.333
68	0.250	0.333
69	0.250	0.333
70	1.000	1.000

Exhibit B-1

Annual Rates of Withdrawal

Age	Years of service					
	0	1	2	3	4	5+
15	0.6739	0.6459	0.6179	0.5899	0.5619	0.3856
16	0.6739	0.6459	0.6179	0.5899	0.5619	0.3856
17	0.6739	0.6459	0.6179	0.5899	0.5619	0.3856
18	0.6739	0.6459	0.6179	0.5899	0.5619	0.3856
19	0.3439	0.3296	0.3153	0.3010	0.2868	0.1968
20	0.3058	0.2931	0.2804	0.2677	0.2550	0.1750
21	0.3805	0.3448	0.3092	0.2821	0.2550	0.1750
22	0.4092	0.3712	0.3332	0.2941	0.2550	0.1750
23	0.4055	0.3692	0.3329	0.2947	0.2565	0.1750
24	0.3859	0.3487	0.3114	0.2768	0.2423	0.1750
25	0.3696	0.3305	0.2914	0.2559	0.2203	0.1750
26	0.3562	0.3164	0.2766	0.2343	0.1919	0.1750
27	0.3470	0.3035	0.2599	0.2147	0.1695	0.1750
28	0.3301	0.2885	0.2468	0.2012	0.1556	0.1750
29	0.3184	0.2776	0.2368	0.1923	0.1477	0.1042
30	0.3164	0.2736	0.2309	0.1867	0.1426	0.0968
31	0.3201	0.2713	0.2225	0.1794	0.1363	0.1078
32	0.3114	0.2628	0.2142	0.1731	0.1319	0.1094
33	0.2956	0.2496	0.2035	0.1660	0.1285	0.1060
34	0.2880	0.2403	0.1926	0.1590	0.1253	0.1030
35	0.2853	0.2363	0.1873	0.1544	0.1216	0.1004
36	0.2837	0.2352	0.1867	0.1516	0.1165	0.0974
37	0.2769	0.2319	0.1868	0.1502	0.1136	0.0936
38	0.2720	0.2275	0.1831	0.1463	0.1095	0.0886
39	0.2611	0.2206	0.1800	0.1433	0.1066	0.0864

Exhibit B-1 (continued)

Annual Rates of Withdrawal

Age	Years of service					
	0	1	2	3	4	5+
40	0.2705	0.2232	0.1760	0.1391	0.1022	0.0830
41	0.2710	0.2206	0.1702	0.1352	0.1001	0.0786
42	0.2729	0.2190	0.1652	0.1323	0.0993	0.0772
43	0.2717	0.2184	0.1651	0.1314	0.0978	0.0762
44	0.2700	0.2168	0.1635	0.1308	0.0981	0.0758
45	0.2632	0.2121	0.1610	0.1300	0.0989	0.0746
46	0.2654	0.2138	0.1622	0.1305	0.0988	0.0728
47	0.2601	0.2105	0.1610	0.1282	0.0954	0.0732
48	0.2576	0.2084	0.1593	0.1266	0.0938	0.0740
49	0.2640	0.2087	0.1533	0.1243	0.0952	0.0730
50	0.2652	0.2083	0.1513	0.1209	0.0904	0.0698
51	0.2610	0.2097	0.1584	0.1228	0.0872	0.0676
52	0.2440	0.2029	0.1618	0.1233	0.0848	0.0670
53	0.2438	0.2004	0.1571	0.1185	0.0799	0.0644
54	0.2409	0.1952	0.1496	0.1098	0.0700	0.0474
55	0.2298	0.1814	0.1329	0.0885	0.0440	0.0176
56	0.2183	0.1728	0.1273	0.0793	0.0313	0.0046
57	0.2152	0.1728	0.1304	0.0783	0.0262	0.0022
58	0.2166	0.1736	0.1306	0.0787	0.0269	0.0044
59	0.2295	0.1822	0.1350	0.0838	0.0326	0.0062
60+	0.2317	0.1825	0.1333	0.0847	0.0360	0.0040

Exhibit C-1

Annual Rates of Disability

Age	Male	Female	Age	Male	Female
20 & under	0.00068	0.00085	45	0.00294	0.00399
21	0.00074	0.00092	46	0.00324	0.00430
22	0.00080	0.00100	77	0.00356	0.00463
23	0.00082	0.00104	48	0.00418	0.00516
24	0.00084	0.00107	49	0.00479	0.00568
25	0.00086	0.00111	50	0.00541	0.00621
26	0.00087	0.00113	51	0.00603	0.00674
27	0.00089	0.00116	52	0.00662	0.00728
28	0.00091	0.00121	53	0.00767	0.00796
29	0.00095	0.00131	54	0.00872	0.00864
30	0.00097	0.00136	55	0.00976	0.00932
31	0.00101	0.00145	56	0.01081	0.00999
32	0.00105	0.00155	57	0.01187	0.01068
33	0.00110	0.00164	58	0.01284	0.01105
34	0.00114	0.00173	59	0.01381	0.01142
35	0.00121	0.00191	60	0.01479	0.01179
36	0.00128	0.00209	61	0.01576	0.01216
37	0.00137	0.00232	62	0.01671	0.01253
38	0.00150	0.00246	63	0.01823	0.01367
39	0.00162	0.00261	64	0.01982	0.01487
40	0.00175	0.00276	65 & over	0.00000	0.00000
41	0.00188	0.00290			
42	0.00202	0.00305			
43	0.00233	0.00336			
44	0.00263	0.00367			

Exhibit D-1

**Form of Payment
Retirements and Terminations from Active Status**

Warner Media				
	<u>Immediate commencement</u>		<u>Commencement at later of age 55 or termination</u>	
	<u>Lump Sum¹</u>	<u>Annuity</u>	<u>Lump Sum¹</u>	<u>Annuity</u>
Retirements from active status ²	80%	20%	0%	0%
Terminations from active status	0%	0%	80%	20%

¹For lump sum eligible participants. Otherwise, 100% annuity.

²Participants are eligible for retirement from active status at age 65 with 5 years of service or age 55 with 10 years of service.

Exhibit D-2

**Form of Payment
Terminated Vested Participants as of Valuation Date**

Warner Media				
	<u>Immediate commencement</u>		<u>Commencement at age 65</u>	
	<u>Lump Sum¹</u>	<u>Annuity</u>	<u>Lump Sum¹</u>	<u>Annuity</u>
Terminated Vesteds	0%	0%	80%	20%

¹For lump sum eligible participants. Otherwise, 100% annuity.

Actuarial Methods

Actuarial methods

Valuation date

The valuation date is January 1, 2019.

Calculation of normal costs and liabilities

The method used to calculate the ERISA target normal cost and funding target is the unit credit cost method.

Under this method, benefits are estimated at each decrement age using service and earnings as of the valuation date. The present value of these estimated benefits using the applicable ERISA assumptions is the ERISA funding target. The target normal cost is the present value of the benefits earned during the year.

For calculating the actuarial present value of vested benefits, benefits at each decrement age are determined in the same manner, but are then multiplied by each participant's vesting percentage as of the valuation date. The present value of these estimated vested benefits is determined without recognition of any benefit for which a participant will become entitled only through the advancement in service or age while actively employed. In addition, the following ancillary benefits have been treated as vested: disability and temporary supplemental retirement benefits in pay status and pension death benefits.

Per Treasury regulation section 1.430(d)-1(f)(4)(iii), the liabilities for the funding valuation are determined using the annuity substitution method for benefits assumed to be paid as a lump sum and where the amounts are impacted by changes in lump sum interest rates.

Value of plan assets

The value of plan assets is used to calculate contribution requirements under ERISA. The value of plan assets is equal to the market value of assets, including discounted receivable contributions attributable to the prior plan year.

Allocation of plan assets to participating employers

For purposes of determining funding requirements for each participating employer, plan assets are allocated using the Funding Target (reflecting interest rate stabilization corridors) as of each valuation date.

Application of multiple employer rules

Since this plan was established as a multiple employer plan after December 31, 1988, the funding is determined separately for each participating employer in accordance with IRC Section 413(c)(4)(A).

Changes from prior year

The actuarial firm and the Enrolled Actuary for the valuation have changed. Aon uses different software for the valuations than was used by the prior actuary, however, we were able to reproduce the prior actuary's results within 3% for the funding target and target normal cost, and within 2% of the actuarial value of plan assets. Otherwise the methods used are substantially the same as the prior actuary. As a result, this method change meets the requirements for automatic approval in accordance with IRS Revenue Procedure 2017-56.

EIN 82-2449954/PN 001

AT&T/WarnerMedia Pension Benefit Plan
2019 Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to potential software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. To the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB, the values on the signed Schedule SB will govern.

EIN 82-2449954/PN 001

**AT&T/WarnerMedia Pension Benefit Plan
Participating Employers for the 2019 plan year**

Attachment to the 2019 Form 5500

<u>Name of Participating Employer</u>	<u>Employer Identification Number</u>
Warner Media, LLC	82-2449954
The CW Network, LLC	20-5074440

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2019**This Form is Open to Public
Inspection**For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan AT&T/WarnerMedia Pension Benefit Plan		B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Warner Media, LLC		D Employer Identification Number (EIN) 82-2449954	
E Type of plan: ☐ Single ☒ Multiple-A ☐ Multiple-B		F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2019</u>				
2 Assets:				
a Market value		2a	2,484,423,611	
b Actuarial value		2b	2,484,423,611	
3 Funding target/participant count breakdown		(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment		7,781	733,630,416	733,630,416
b For terminated vested participants		16,147	1,154,695,852	1,154,695,852
c For active participants		3,291	329,734,497	331,616,569
d Total		27,219	2,218,060,765	2,219,942,837
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐				
a Funding target disregarding prescribed at-risk assumptions		4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		4b		
5 Effective interest rate		5	5.56%	
6 Target normal cost		6	10,113,000	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Brian J. Walker <i>BTW</i>	09/24/2020
Signature of actuary		Date
Brian J. Walker, ASA, EA		2006719
Type or print name of actuary		Most recent enrollment number
Aon Consulting, Inc.		214-989-2679
Firm name		Telephone number (including area code)
5005 LBJ Freeway, 14th Floor		
Dallas TX 75244		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐**For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.****Schedule SB (Form 5500) 2019
v. 190130**

Part II Beginning of Year Carryover and Prefunding Balances

Part II Beginning of Year Carryover and Retaining Balance		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	617,991,575	1,183,689
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	4,375,000	0
9	Amount remaining (line 7 minus line 8).....	613,616,575	1,183,689
10	Interest on line 9 using prior year's actual return of <u>-4.36%</u>	-26,753,683	-51,609
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year).....		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.72%</u>		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
	c Total available at beginning of current plan year to add to prefunding balance.....		0
	d Portion of (c) to be added to prefunding balance.....		0
12	Other reductions in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	586,862,892	1,132,080

Part III Funding Percentages

14	Funding target attainment percentage	14	85.42%
15	Adjusted funding target attainment percentage	15	111.91%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	95.85%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year?..... ☒ Yes ☐ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

C If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 3.74 %	2nd segment: 5.35 %	3rd segment: 6.11 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 61
23 Mortality table(s) (see instructions)	☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	10,113,000	
b Excess assets, if applicable, but not greater than line 31a	31b	96,000	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	10,017,000	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	10,017,000	0	10,017,000
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:	
a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2019 This Form is Open to Public Inspection
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

▶ **Round off amounts to nearest dollar.**
▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan AT&T/WarnerMedia Pension Benefit Plan (Portion applicable to Warner Media, LLC)	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Warner Media, LLC	D Employer Identification Number (EIN) 82 - 2449954
E Type of plan: ☐ Single ☒ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2019</u>	
2 Assets:	
a Market value.....	2a <u>2,462,376,785</u>
b Actuarial value	2b <u>2,462,376,785</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants <u>7,776</u> (2) Vested Funding Target <u>732,273,615</u> (3) Total Funding Target <u>732,273,615</u>
b For terminated vested participants	<u>16,057</u> <u>1,147,145,103</u> <u>1,147,145,103</u>
c For active participants	<u>3,177</u> <u>318,942,229</u> <u>320,824,301</u>
d Total	<u>27,010</u> <u>2,198,360,947</u> <u>2,200,243,019</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate.....	5 <u>5.56%</u>
6 Target normal cost	6 <u>10,017,000</u>

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	
Signature of actuary <u>Brian J. Walker, ASA, EA</u>	Date <u>20-06719</u>
Type or print name of actuary <u>Aon Consulting, Inc.</u>	Most recent enrollment number <u>214-989-2679</u>
Firm name <u>5005 LBJ Freeway, 14th Floor</u>	Telephone number (including area code)
<u>Dallas TX 75244</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐
For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF. **Schedule SB (Form 5500) 2019 v. 190130**

Part II Beginning of Year Carryover and Prefunding Balances

Part II Beginning of Year Carryover and Retaining Balance		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	617,991,575	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	4,375,000	0
9	Amount remaining (line 7 minus line 8).....	613,616,575	0
10	Interest on line 9 using prior year's actual return of <u>-4.36%</u>	-26,753,683	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year).....		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.72%</u>		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
	c Total available at beginning of current plan year to add to prefunding balance.....		0
	d Portion of (c) to be added to prefunding balance.....		0
12	Other reductions in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	586,862,892	0

Part III Funding Percentages

14	Funding target attainment percentage	14	85 . 24%
15	Adjusted funding target attainment percentage.....	15	111 . 91%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	95 . 66%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ►	18(b)	0 18(c)

Totals ▶	18(b)	0	18(c)	0
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19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year?..... ☒ Yes ☐ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

C If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 3.74 %	2nd segment: 5.35 %	3rd segment: 6.11 %	☐ N/A, full yield curve used
b Applicable month (enter code)	21b			0
22 Weighted average retirement age	22			61
23 Mortality table(s) (see instructions)	☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	10,017,000	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	10,017,000	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	10,017,000	0	10,017,000
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:	
a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2019 This Form is Open to Public Inspection
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

▶ **Round off amounts to nearest dollar.**
▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan AT&T/WarnerMedia Pension Benefit Plan (Portion applicable to The CW Network, LLC)	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Warner Media, LLC	D Employer Identification Number (EIN) 82 - 2449954
E Type of plan: ☐ Single ☒ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2019</u>	
2 Assets:	
a Market value.....	2a 22,046,826
b Actuarial value	2b 22,046,826
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants 5 (2) Vested Funding Target 1,356,801 (3) Total Funding Target 1,356,801
b For terminated vested participants	90 7,550,749 7,550,749
c For active participants	114 10,792,268 10,792,268
d Total	209 19,699,818 19,699,818
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 5.56%
6 Target normal cost	6 96,000

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	
Signature of actuary Brian J. Walker, ASA, EA	Date 20-06719
Type or print name of actuary Aon Consulting, Inc.	Most recent enrollment number 214-989-2679
Firm name 5005 LBJ Freeway, 14th Floor Dallas TX 75244	Telephone number (including area code)
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances

Part II Beginning of Year Carryover and Retaining Balance		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	1,183,689
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8).....	0	1,183,689
10	Interest on line 9 using prior year's actual return of <u>-4.36%</u>	0	-51,609
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year).....		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.72%</u>		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance.....		0
12	Other reductions in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	1,132,080

Part III Funding Percentages

14	Funding target attainment percentage	14	106.16%
15	Adjusted funding target attainment percentage	15	111.91%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	118.03%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a “funding shortfall” for the prior year?..... ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

C If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 3.74 %	2nd segment: 5.35 %	3rd segment: 6.11 %	☐ N/A, full yield curve used
b Applicable month (enter code)	21b			0
22 Weighted average retirement age	22			61
23 Mortality table(s) (see instructions)	☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):												
a Target normal cost (line 6)	31a	96,000										
b Excess assets, if applicable, but not greater than line 31a	31b	96,000										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment</td> <td>0</td> <td>0</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment	0	0	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment	0	0										
b Waiver amortization installment	0	0										
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33											
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0										
	Carryover balance	Prefunding balance	Total balance									
35 Balances elected for use to offset funding requirement	0	0	0									
36 Additional cash requirement (line 34 minus line 35)	36	0										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	0										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b											
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0										
40 Unpaid minimum required contributions for all years	40	0										

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:	
a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

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AT&T/WarnerMedia Pension Benefit Plan
2019 Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Description of Weighted Average Retirement Age Calculation

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at beginning of year.

(a) Age	(b) Rate	(c) Portion of Population Remaining	(d) Product (a) * (b) * (c)
55	10%	1.0000	5.50
56	10%	0.9000	5.04
57	10%	0.8100	4.62
58	10%	0.7290	4.23
59	10%	0.6561	3.87
60	15%	0.5905	5.31
61	15%	0.5019	4.59
62	15%	0.4266	3.97
63	15%	0.3626	3.43
64	15%	0.3082	2.96
65	25%	0.2620	4.26
66	25%	0.1965	3.24
67	25%	0.1474	2.47
68	25%	0.1105	1.88
69	25%	0.0829	1.43
70	100%	0.0622	4.35
Weighted Average Retirement Age			61.15

EIN 82-2449954/PN 001

**AT&T/WarnerMedia Pension Benefit Plan
2019 Schedule SB, Part V — Statement of Plan Provisions**

Description of Plan Provisions

The following pages fully describe the plan provisions used to calculate the amounts shown in the Schedule SB.

Summary of Plan Provisions

AT&T/WarnerMedia Pension Benefit Plan

Effective date

The original effective date of the Plan was January 1, 1954 established as the Time Employees' Pension Plan under predecessor Time Incorporated. The plan was renamed the Time Warner Employees' Pension Plan effective June 15, 1990. As of January 1, 2000, all assets and liabilities for participants of the Retirement Income Plan for Employees of Book-of-the-Month Club, Inc., the Southern Progress Pension Plan, the Sunset Publishing Corporation Pension Plan, the Time Distribution Services Retirement Plan, the Turner Entertainment Co. Frozen Defined Benefit Retirement Plan, the TWI/Music Pension Plan, the Warner Publishing Pension Plan, and the WEA Manufacturing Pension Plan were merged into the Time Warner Employees' Pension Plan and the plan was renamed the Time Warner Pension Plan – TWI. Effective Jan. 11, 2001, AOL Time Warner Inc. became the plan sponsor and the plan was renamed the Time Warner Pension Plan – AOLTW. On January 1, 2004, the Time Warner Pension Plan – TWE was merged into the Time Warner Pension Plan – AOLTW and the plan was renamed the Time Warner Pension Plan. As a result of the merger of Time Warner into AT&T, the plan was renamed the Warner Media, LLC Pension Plan in August 2018. On October 29, 2019, the name of the plan was changed to the AT&T/WarnerMedia Pension Benefit Plan. The Plan was last restated effective January 1, 2017. The provisions reflected in this report were used to value the Plan and may, in some instances, differ from the Plan.

Plan year

January 1 through December 31

Contributions

The Company will, from time to time, pay to the Trustee such sums of money as the enrolled actuary shall certify as the amounts necessary to provide the retirement income benefits specified by the Plan and to prevent the Plan from having an accumulated funding deficiency within the meaning of IRC Section 430. The Company may also provide additional sums of money to the Trustee as deemed appropriate.

Employee contributions are neither required nor permitted under the Plan.

Expenses

All reasonable expenses incurred in connection with the administration of the Plan and the Trust are paid by the fund to the extent they are not paid by the Company.

Changes as of December 31, 2018

- On June 14, 2018, Time Warner Inc. was acquired by AT&T Inc. On August 22, 2018, the name of the plan was changed to the Warner Media, LLC Pension Plan.

Employees eligible for participation

Any regular salaried full-time or part-time employee of an Employing Company paid on the U.S. payroll and not covered by a collective bargaining agreement (unless the agreement provides for participation) is eligible to participate in the Plan. Temporary and hourly employees who work at least 1,000 hours a year are eligible to participate in the Plan. Employees hired after June 30, 2009 who had not become a participant by June 30, 2010 are not eligible to participate in the Plan.

Definitions**Vesting service**

Vesting service is computed on an elapsed time basis from date of hire by an Employing Company or Affiliate and includes any period for which severance payments from an Employing Company or Affiliate are received. Temporary and hourly employees are credited with a year of Vesting Service for each calendar year that 1,000 hours are worked.

Benefit service

For purposes of determining the participant's Accrued Benefit, Benefit Service includes the years and partial years (measured in months) of service with any Employing Company calculated from date of hire. A month of service is credited for any month the employee completes an hour of service. Temporary and hourly employees are credited with a year of Benefit Service for each calendar year that 1,000 hours are worked. Benefit Service is frozen as of June 30, 2010.

Compensation

For purposes of determining the Accrued Benefit, Compensation includes regular earnings including any bonus paid pursuant to a regular program, overtime or shift differential, commissions, elective 401(k) deferrals, contributions to a transportation reimbursement account and pre-tax contributions to an IRC section 125 plan. Compensation excludes any extra or additional compensation, deferred compensation, severance payments, and any compensation after December 31, 2013. Compensation is limited to the IRC Section 401(a)(17) compensation limits. Compensation shall not include any amounts attributable to services provided prior to the date an Employee became a Participant in the Plan.

Average Compensation

A participant's Average Compensation is the average of the highest five consecutive full calendar years of Compensation (or all years and partial years if fewer than five years available). Compensation in the final partial calendar year will be used instead of Compensation in the first of the five years if it results in a higher average. Average Compensation is frozen as of December 31, 2013.

Covered Compensation

Average of the Social Security Taxable Wage Bases (without indexing) in effect for each calendar year during the 35-year period ending in the calendar year of attainment of Social Security Retirement Age. Covered compensation is frozen as of December 31, 2013.

Normal Retirement Age

The later of (a) age 65 and (b) the earlier of (1) the completion of five years of Vesting Service and (2) the fifth anniversary of participation.

ERISA Grandfathered Participant

A participant who as of December 31, 1999 was an employee and had an accrued benefit under a Merged Plan.

Rule of 50 Participant

A participant who as of July 1, 2008 was an employee, had completed at least five years of Vesting Service, and for whom the sum of age (in years and months) and Vesting Service as of July 1, 2008 equaled or exceeded 50 years but was less than 65 years.

Rule of 65 Participant

A participant who as of July 1, 2008 was an employee, had completed at least five years of Vesting Service, and for whom the sum of age (in years and months) and Vesting Service as of July 1, 2008 equaled or exceeded 65 years.

65 Points Grandfathered Participant

A participant who as of December 31, 1999 was an employee and participant in a Merged plan, had a minimum of ten years of Benefit Service, and whose age plus Benefit Service (in years and months) at January 1, 2000 equaled or exceeded 65 years.

As of October 15, 2007, includes each participant in the Time Warner Employees' Pension Plan who was an employee on December 31, 1999, received no more than \$95,000 of compensation in 2006, and for whom the sum of age plus vesting service (in years and months) at January 1, 2000 equaled or exceeded 60 years.

Accrued Benefit – January 1, 2000 Formula

A monthly annuity benefit equal to one-twelfth of the sum of 1.25% of Average Compensation up to Covered Compensation and 1.67% of Average Compensation in excess of Covered Compensation, multiplied by Benefit Service, maximum of 30 years.

Frozen Accrued Benefit – June 30, 2008

A monthly annuity benefit calculated under the Accrued Benefit – January 1, 2000 Formula determined with Average Compensation, Covered Compensation and Benefit Service determined as of June 30, 2008.

The Frozen Accrued Benefit – June 30, 2008 for participants of the Sunset Publishing Corporation Pension Plan equals the sum of the benefit calculated under the Accrued Benefit – January 1, 2000 Formula as of June 30, 2008 with Benefit Service credited from the later of date of hire and January 1, 2000 plus the accrued benefit calculated under the terms of the Sunset Publishing Corporation Pension Plan as of December 31, 1999.

Future Service Lump Sum Benefit

For each participant who was an employee on June 30, 2008, a lump sum benefit equal to the sum of 10% of Average Compensation up to Covered Compensation and 13% of Average Compensation in excess of Covered Compensation multiplied by Benefit Service earned after June 30, 2008. In no event shall such Benefit Service exceed the greater of: 30 years minus the years of Benefit Service as of June 30, 2008, or 10 years.

The Future Service Lump Sum Benefit for Rule of 50 Participants includes an additional 2% of Average Compensation (i.e. replace 10% with 12% and replace 13% with 15% in the above formula).

The Future Service Lump Sum Benefit for Rule of 65 Participants includes an additional 3% of Average Compensation (i.e. replace 10% with 13% and replace 13% with 16% in the above formula).

The Future Service Lump Sum Benefit for a participant who was not an employee on June 30, 2008 is zero.

Total Service Lump Sum Benefit

For each participant who earns Benefit Service after June 30, 2008, a lump sum benefit equal to the sum of 10% of Average Compensation up to Covered Compensation and 13% of Average Compensation in excess of Covered Compensation multiplied by the participants full and partial years of Benefit Service, maximum 30 years.

The Total Service Lump Sum Benefit for Rule of 50 Participants includes an additional 2% of Average Compensation (i.e. replace 10% with 12% and replace 13% with 15% in the above formula).

The Total Service Lump Sum Benefit for Rule of 65 Participants includes an additional 3% of Average Compensation (i.e. replace 10% with 13% and replace 13% with 16% in the above formula).

The Total Service Lump Sum Benefit for a participant who does not earn Benefit Service after June 30, 2008 is zero.

Profit-Sharing Offset

The Profit-Sharing offset applies to participants who were employees as of December 31, 1977. The offset is the equivalent of the life annuity payable at age 60 which could be purchased for the participant with one-half of the balance attributable to Employing Company contributions in the participant's accounts in the Savings Plan as of December 31, 1977.

1975 Insurance Annuity Contracts

The Insurance Annuity Contracts No. 2281 between the Company and John Hancock Mutual Life Insurance Company and No. 1504 between the Company and Metropolitan Life Insurance Company, both effective March 1, 1975.

Retirement benefit

Eligibility

Termination from employment with a vested benefit and at least age 55 and 10 years vesting service.

Accrued Benefit

The Accrued Benefit is a monthly annuity equal to the greater of the following:

- the actuarial equivalent of the Total Service Lump Sum Benefit.
- the sum of:
 - the Frozen Accrued Benefit – June 30, 2008, and
 - the actuarial equivalent of the Future Service Lump Sum Benefit.

and is reduced by the following (if any):

- Profit-Sharing Offset.
- Benefits accrued and payable under the 1975 Insurance Annuity Contracts.

The Accrued Benefit of an ERISA Grandfathered Participant shall not be less than the benefit accrued as of December 31, 1999 under the provisions of the Merged Plan then in effect.

65 Point Grandfathered Participants receive an Accrued Benefit which is a monthly annuity equal to the greater of the following:

- the benefit determined under the applicable provisions of the Merged Plan prior to January 1, 2000.
- the Accrued Benefit - January 1, 2000 Formula.
- the sum of:
 - the benefit determined as of June 30, 2008 under the applicable provisions of the Merged Plan, and
 - the actuarial equivalent of the Future Service Lump Sum Benefit.

Reduction

For benefit commencement prior to Normal Retirement Age, early retirement factors are applied based on benefit commencement age and, if applicable, the Merged Plan for which the employee participated in. Generally, the reduction applied to the Future Service Lump Sum Benefit and the Total Service Lump Sum Benefit is $\frac{1}{3}$ of 1% for each month benefit commencement precedes age 62 (or age 65 depending on the Merged Plan the employee participated in). The reduction applied to the Frozen Accrued Benefit – June 30, 2008 and the Accrued Benefit – January 1, 2000 Formula is generally 6 $\frac{2}{3}$ % per year for the first 5 years and 3 $\frac{1}{3}$ % per year thereafter from age 62 (or age 65 depending on the Merged Plan the employee participated in).

Disability pension

Eligibility

An employee who prior to Normal Retirement Age has a permanent and total disability as defined by the Social Security Administration or who becomes eligible for the company's Long Term Disability Plan.

Benefit

Participants with fewer than 5 years Vesting Service receive their Accrued Benefit based on service and compensation as of the date of disability. Participants with 5 or more years Vesting Service receive their Accrued Benefit based on continued service through the period of disability up to the June 30, 2010 benefit service freeze date and continued compensation through the period of disability up to the December 31, 2013 compensation freeze date. The benefit is reduced for commencement prior to age 65.

Date payments begin

Benefits may begin the first of the month coincident or next following disability. Alternatively, participants can elect to defer commencement until benefits cease under the company's Long Term Disability Plan or any other date.

Termination benefit

Eligibility

Termination after completing at least 5 years of Vesting Service and before reaching Retirement Eligibility. All employees are fully vested at Normal Retirement Age. Special vesting rules apply to participants of the Plan prior to January 1, 2000 whose termination is due to a reduction in staff size, restructuring, or elimination of a job due to automation. A participant who terminates employment due to disability will be considered fully vested.

All participants who were transferred as part of the sale of the music manufacturing operations to Cinram (U.S.) Holdings, Inc., or an affiliate, are fully vested effective October 24, 2003. All "Post-Separation TWCable Employees" as defined in the May 20, 2008 Separation Agreement are fully vested as of the "separation date" as defined in the agreement. All "Post-Separation AOL Employees" as defined in the November 16, 2009 Employee Matters Agreement are fully vested as of the "distribution date" as defined in the agreement. All "Post-Separation Time Inc. Employees" are fully vested as of the "separation date" of Time Inc. from the company's controlled group.

Reduction

For benefit commencement prior to Normal Retirement Age, reduction factors from the plan document are applied based on benefit commencement age. The reduction applied to the Future Service Lump Sum Benefit and the Total Service Lump Sum Benefit is $\frac{1}{3}$ of 1% for each month benefit commencement precedes age 65. The reduction applied to the Frozen Accrued Benefit – June 30, 2008 and the Accrued Benefit – January 1, 2000 Formula is $6\frac{2}{3}\%$ per year for the first 5 years and $3\frac{1}{3}\%$ per year for the next 5 years from age 65. The portion of the Accrued Benefit (if any) determined under a Merged Plan is subject to reduction factors from that plan.

Date payment begins

Age 65 but can commence as early as age 55. ERISA Grandfathered Participants who participated in the Time Warner Employee's Pension Plan and had either 10 years of Vesting Service or whose termination is due to a reduction in staff size, restructuring, or elimination of a job due to automation, may commence the first day of any month following termination.

Death benefit**Eligibility**

Surviving spouse or designated beneficiary of a vested participant in the event of the participant's death.

Lump sum benefit

The surviving spouse or designated beneficiary is entitled to a lump sum benefit equal to 60% of the lump sum that would have been payable to the participant. The benefit is 100% of the lump sum that would have been payable for deaths after July 1, 2010 while either active or if the terminated participant was eligible for immediate commencement of benefits at termination. Payments commencing prior to the participant's age 55 are reduced by the applicable interest rate. In no event will the lump sum benefit to a surviving spouse be less than the actuarial equivalent of the annuity benefit described below.

Annuity benefit

The surviving spouse or designated beneficiary is entitled to a single life annuity equal to the actuarial equivalent of the lump sum benefit described above. In no event will the annuity benefit to a surviving spouse be less than the monthly benefit that would have been payable to the surviving spouse if the participant had retired or terminated his active employment on the earlier of his date of death or most recent termination of employment, commenced benefits in the form of a qualified 50% joint and survivor annuity and died on the day of commencement.

Forms of payment

The normal form is a straight life annuity. The automatic form of payment for a Participant who is married at the benefit commencement date is a reduced qualified 50% joint and survivor annuity.

In lieu of the automatic form of payment, a Participant may elect, with the proper spousal consent, to waive the qualified joint and survivor annuity and to receive an actuarial equivalent retirement benefit in the form of a single life annuity, a 50%, 75% or 100% joint and survivor annuity available to a non-spouse beneficiary, or a 5, 10, or 20-year certain and life annuity.

An employee participating in the plan on or after July 1, 2008 may also elect to receive a lump sum. Annuity formula benefits will be converted to lump sums based on the 417(e)(3) PPA mortality and applicable interest rate using a lookback month of November of the year preceding distribution.

Benefits not valued

No benefits are excluded that would materially affect the liabilities.

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Schedule H, Line 4i

PLAN NAME: AT&T/WARNERMEDIA PENSION BENEFIT PLAN

EIN: 82-2449954

PLAN NUMBER: 001

The Schedule H, line 4i -- Schedule of Assets (Held At End of Year) is included in the attachment titled ACCOUNTANT'S OPINION AND FINANCIAL STATEMENTS.

EIN 82-2449954/PN 001

AT&T/WarnerMedia Pension Benefit Plan
2019 Schedule SB, line 25 — Change in Method

The actuarial firm and the Enrolled Actuary for the valuation have changed. Aon uses different software for the valuations than was used by the prior actuary, however, we were able to reproduce the prior actuary's results within 3% for the funding target and target normal cost, and within 2% of the actuarial value of plan assets. Otherwise the methods used are substantially the same as the prior actuary. As a result, this method change meets the requirements for automatic approval in accordance with IRS Revenue Procedure 2017-56.