



DUN & BRADSTREET (UK) PENSION PLAN DEFINED CONTRIBUTION SECTION

Changes to the Lifestyle Investment Programmes

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SECTION 1: INTRODUCTION

New benefit options on retirement

As a member of the Defined Contribution (DC) pension section of the Plan, you now have new ways to claim your retirement benefits. After deciding whether to take part of your Investment Account as a tax-free lump sum, you now have the following options available for the rest of your account balance:

- ❖ You can buy a guaranteed pension for the rest of your life (called an annuity)
- ❖ You can take it as a lump sum subject to income tax
- ❖ You can provide a variable income by withdrawing regular amounts (known as pension 'drawdown').

Having more options makes it more important than ever that you review your investment choice regularly to ensure that it remains appropriate for your personal retirement plans.

To help you better match your investment choice with your retirement plans, the Pension Trustee reviewed the lifestyle options available to members. As a result of this review, in September 2016, changes were made to the then existing lifestyle options and two new lifestyle options were added, providing a choice of four lifestyle options for members.

The lifestyle options – a brief reminder

Prior to September 2016, there were two lifestyle options available to members of the DC pension section:

- The Diversified Lifestyle Investment Programme or DLIP (this is the default option for new members), and
- The World Equity Lifestyle Investment Programme or WELIP

The lifestyle options use pre-selected investment funds that have been chosen by the Trustee and have the objective of managing some of the risks associated with investments for you. They do this by automatically moving your pension savings over time from higher to lower risk funds as you approach retirement. This helps to provide growth in the earlier years followed by protection against short-term falls as you approach retirement.








A quick overview of the changes

The changes made in September 2016 were:

- ❖ Two new lifestyle options were added – the Diversified Lifestyle Drawdown Investment Programme (DL DIP) and the World Equity Lifestyle Drawdown Investment Programme (WEL DIP).
- ❖ The underlying investments of the DLIP and the WELIP were changed. In addition, the DLIP and WELIP were renamed the Diversified Lifestyle Annuity Investment Programme and the World Equity Lifestyle Annuity Investment Programme to better reflect their aims.
- ❖ The Schroder Life Intermediated Diversified Growth Fund was removed and replaced by the LGIM Diversified Fund.

Details of the first two changes are provided in Sections 2 and 3 below. The fund key below is used throughout this notice:

	FL BlackRock (30:70) Currency Hedged Global Equity Index
	FL LGIM Diversified
	FL BlackRock Over 5 Year Index-Linked Gilt Index
	FL L&G All Stocks Gilts Index
	FL Money Market

SECTION 2: CHANGES TO THE DLIP and the WELIP

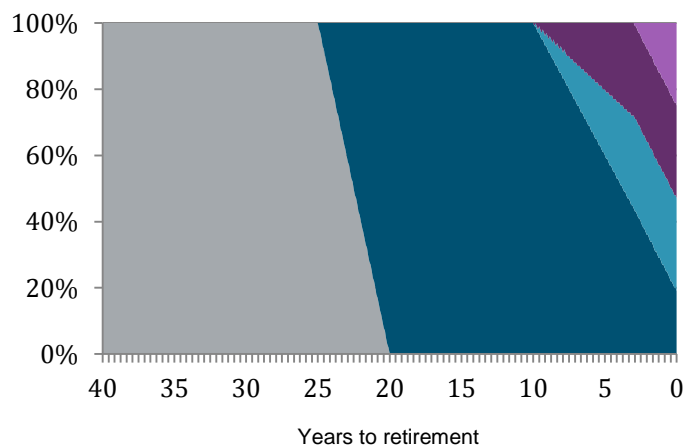
Changes to the Diversified Lifestyle Investment Programme

The name of the DLIP was changed to the **Diversified Lifestyle Annuity Investment Programme (DLAIP)** and remains the default investment option.

The chart on the right shows the new DLAIP. In summary, the changes were:

Whilst you are between 20 and 10 years before your selected retirement age, you are invested 100% in the LGIM Diversified Fund (this fund replaced the Schroder Life Intermediated Diversified Growth Fund). The aim of this is to increase the diversification of the underlying investments and thereby reduce volatility (risk).

When you reach your selected retirement age, you are invested 20% in the LGIM Diversified Fund. The aim of this is to provide the prospect of improved growth without undue risk as you approach retirement.





Changes to the World Equity Lifestyle Investment Programme

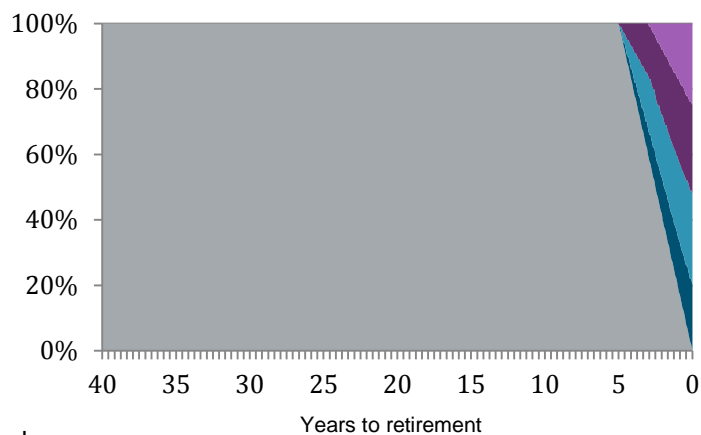
The name of the WELIP was changed to the **World Equity Lifestyle Annuity Investment Programme (WELAIP)**.

The chart on the right shows the new WELAIP. In summary, the changes were:

Whilst you are more than 5 years from your selected retirement age, you are invested 100% in the FL BlackRock (30:70) Currency Hedged Global Equity Index Fund. This fund replaced the combination of the Artemis Special Situations Fund and the Global Equity Active Fund as it provides a more cost effective option for investing in global stock markets whilst retaining the same prospects for growth.

When you reach your selected retirement age, you are invested 20% in the LGIM Diversified Fund.

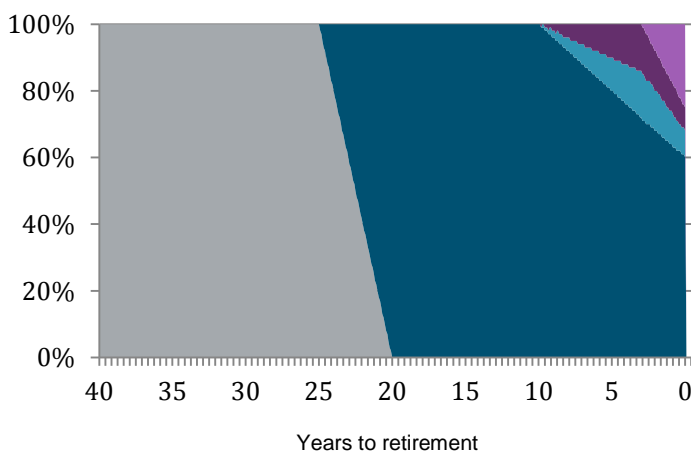
The aim of this is to increase the diversification of the underlying investments during the final 5 years as you approach your selected retirement age and thereby reduce volatility (risk) during this period.



Section 3: THE INTRODUCTION OF TWO NEW LIFESTYLE OPTIONS

Two new Lifestyle Options were introduced – the **Diversified Lifestyle Drawdown Investment Programme (DLDIP)** and the **World Equity Lifestyle Drawdown Investment Programme (WELDIP)**. These are illustrated in the charts below.

Diversified Lifestyle Drawdown Investment Programme





World Equity Lifestyle Drawdown Investment Programme



Both of the new lifestyle options use the same pre-selected underlying investment funds as the DLAIP and the WELAIP.

However, an important difference under both of the above new options is that when you reach your selected retirement age, you will still be invested 60% in the LGIM Diversified Fund. The reason for this is that part of the objective of both the DLDIP and WELDIP is to provide members with a spread of investments at their selected retirement age that is appropriate for those planning to take part of their Investment Account as a tax-free lump sum and use the rest to provide a flexible income. This is known as pension drawdown.

Section 4: What are the charges for each of the lifestyle options?

The table below shows the individual charge for each fund in the lifestyle options.

Fund name	Charge (TER*)
FL BlackRock (30:70) Currency Hedged Global Equity Index	0.35% p.a.
FL LGIM Diversified	0.56% p.a.
FL BlackRock Over 5 Year Index-Linked Gilt Index	0.36% p.a.
FL L&G All Stocks Gilts Index	0.36% p.a.
FL Money Market	0.36% p.a.

* Total Expense Ratio

At any point in time, the charge for each of the lifestyle options is a combination of the individual charges for each component fund. For example, if you are invested in the DLAIP (the default) and you are 23 years from retirement, you will be invested 60% in the FL BlackRock (30:70) Currency Hedged Global Equity Index fund and 40% in the LGIM Diversified fund. As a result, the charge would be 0.43% per annum (i.e. 60% x 0.35% + 40% x 0.56%) or in other words, £4.30 for each £1,000 invested.

**The Trustee of the Dun & Bradstreet (UK) Pension Plan
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