



DUN & BRADSTREET

# 2019 Trustee Report



# Welcome to your online 2019 Trustee Report

It has been an eventful year for the Plan with the Plan valuation and the launch of Aviva's new Income Drawdown policy available for DC members at retirement.

The Plan's website offers a number of tools, so now is a good time to consider your retirement savings and whether or not you think you will reach your retirement targets. This year we are looking at setting retirement income targets and how these could affect your quality of life in retirement. You can find out more about the suggested minimum income in retirement on page 9.

We recognise there have been a number of disruptions in service as a result of the move of our administrator, Mercer, from their office in Birmingham to Croydon. We'd like to reassure you that the Trustee is aware of these issues and continues to monitor the situation closely to ensure acceptable levels of service in the future.

This year has seen an exceptional number of important projects for the Trustee, including GMP reconciliation, retirement flexibilities and a pensioner buy in. Some, such as the GMP equalisation project are ongoing and we'll let you know more as this progresses.

2018 was a valuation year and you can see the results of this on page 4. A full valuation takes place every three years and is a vitally important process in maintaining the financial health of the Plan. The results outline the valuation of the Plan's assets against its liabilities and sets out our route to make good any shortfall.

## My Retirement, my way

Last year we told you that you can plan ahead with Aviva at their 'My Retirement, my way' pre-retirement planning seminars for DC members over age 55. These seminars were very well received in both 2018 and 2019. If you've missed out this year we expect to be offering the seminar again in 2020 so make sure you book early to avoid disappointment.

## MyAviva

The new MyAviva account, which we are looking to launch next year, makes planning for retirement as simple as asking Alexa for an update or logging into your account at the touch of your finger. Further details to follow in due course.

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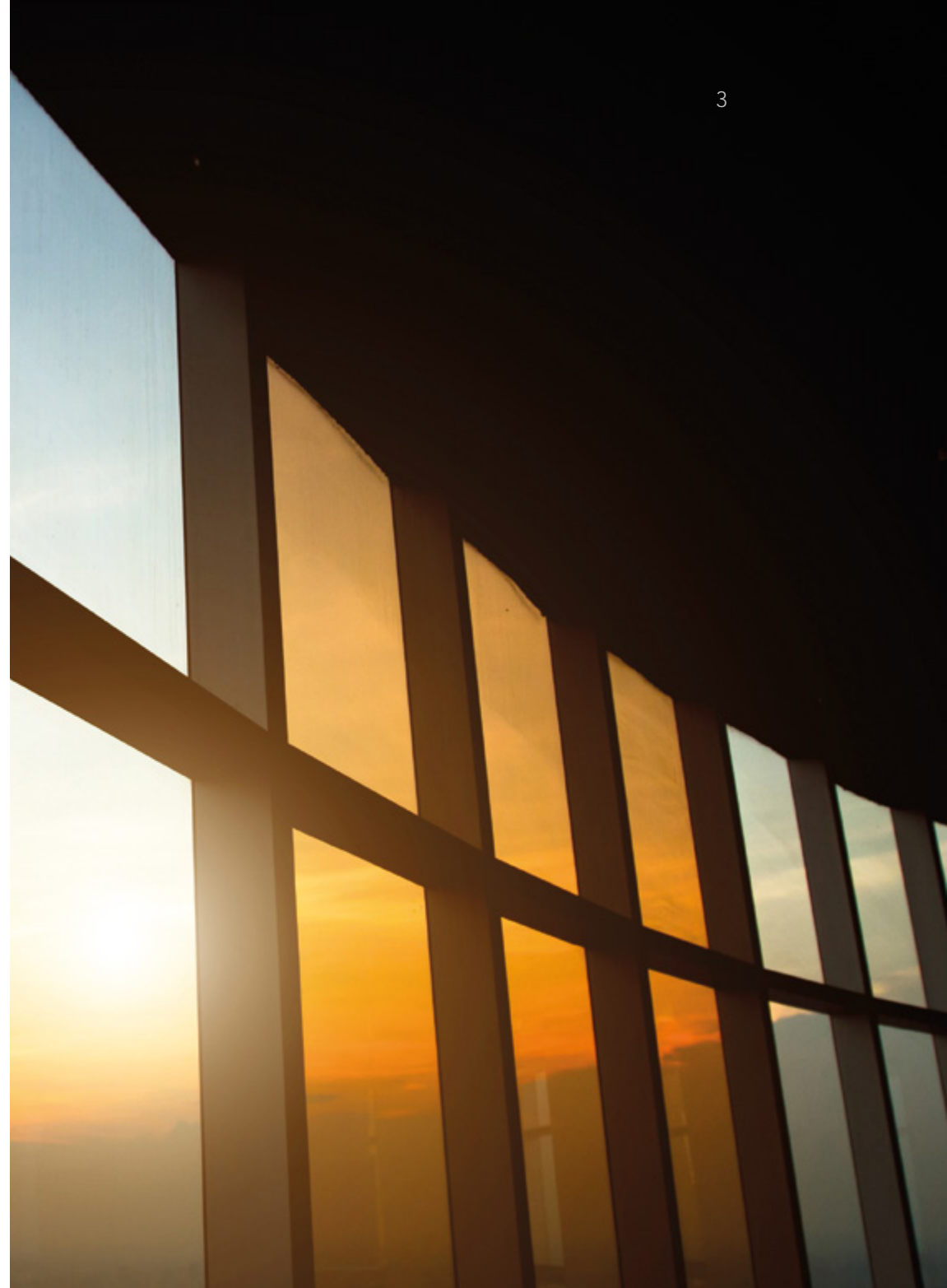
## Sale of the parent Company Dun & Bradstreet

In last year's report we wrote that the Company had entered into a definitive merger agreement with a group of investors to take Dun & Bradstreet into private ownership.

The sale transaction was approved by Dun & Bradstreet's stockholders at a special meeting of shareholders held in November 2018. Many of you may have read in the business press that the privatisation completed on 8th February 2019 when the investor group led by CC Capital Partners, LLC, Cannae Holdings, Inc., Bilcar, LLC, Black Knight, Inc. and funds affiliated with Thomas H. Lee Partners, L.P. along with a group of other investors announced the acquisition of Dun & Bradstreet for \$145 per share. Throughout the process the new owners stressed their ongoing support for the D&B (UK) Pension Plan.

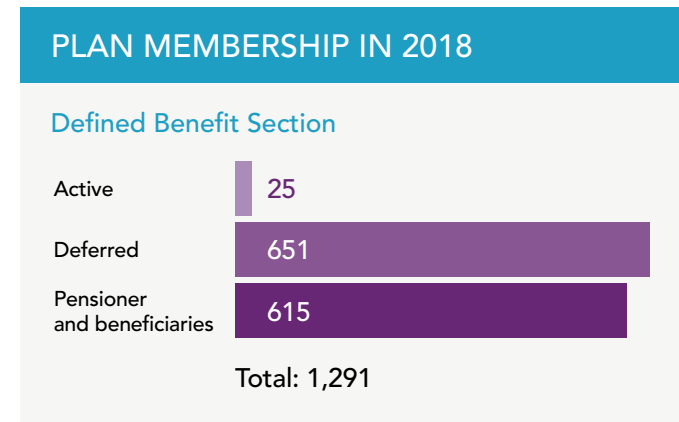
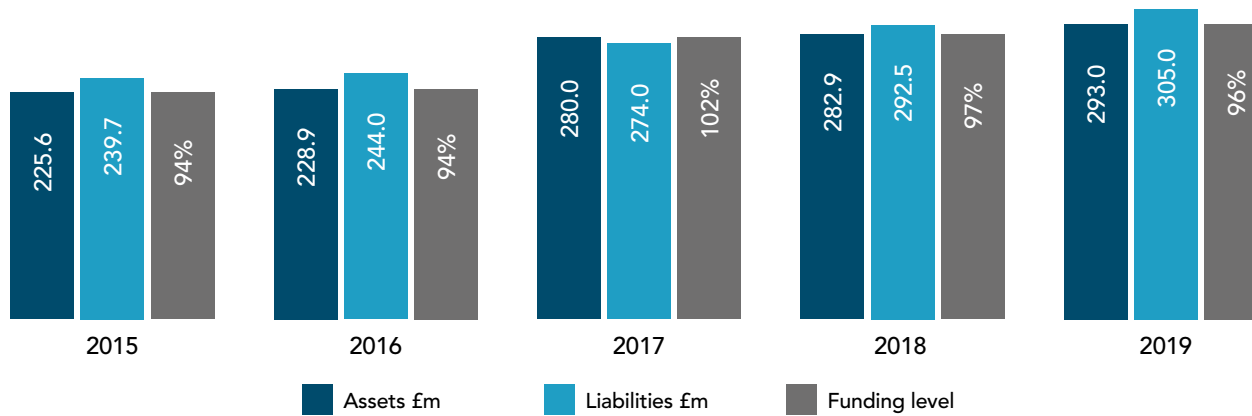
As a private company, the new owners under the leadership of CEO Anthony Jabbour believe strongly that there is now greater flexibility to build a competitive edge in the marketplace to help customers leverage critical data and insights to improve their own business performance leading to sustained growth for the Company going forward.

Coming as it did in the middle of the 2018 triennial valuation, the privatisation transaction created an additional challenge for the Plan. The Trustee worked closely with the new owners and management team throughout the period and we are pleased to confirm that the 2018 valuation is now complete and that the Company has demonstrated their continued support for the Plan by agreeing to an additional £8m payment into the Plan over the period to April 2021. This additional investment together with the Investment principles that the Trustee adopt is projected to keep the Plan securely funded in order to pay members' pensions as they become due. Further details on the 2018 valuation outcome can be read on pages 4 & 5.



# Financial Health check

The Plan's Actuary carries out a formal, in-depth financial health check of the Plan every three years, called a full valuation. In the interim years we carry out annual funding reviews, which are approximate updates. Below you can see a summary of the Plan's financial health since 2015.



The funding level for 2018 dropped by 5% to 97% which was largely due to the change in assumptions adopted for the actuarial valuation as at 5 April 2018 compared to those adopted for the 5 April 2017 assessment. In particular, the future assumed return on the Plan's investments was reduced which increased the value placed on the liabilities of the Plan. This increase in the potential Plan liabilities increased the difference between the assets and the liabilities, giving the Plan a shortfall.

The funding level for 2019 dropped by a further 1% to 96%. This was primarily due to an increase in the value of liabilities due to lower assumed prospective investment returns, partially offset by positive investment performance.

You can find more details on the Plan's funding position and finances in the latest Report and Accounts, available on the Plan website [here](#).

### WHAT'S THE FUNDING LEVEL?

The funding level is the ratio of the value of the available assets against the calculated value of the liabilities.

## The Recovery Plan

The difference between the funding level and 100% funding is called either a shortfall or a surplus. The Plan relies on contributions from the Company to remove any funding shortfall. When there is a shortfall, a Recovery Plan is required to bring the Plan's funding level back up to be fully funded (i.e. 100%).

Under the previous Recovery Plan, the Company paid £5.9 million a year until October 2017. This was reviewed as part of the 2018 full valuation and it was agreed that the Company would contribute £4 million in August 2019, plus £2 million in April 2020 and £2 million in April 2021 to reduce this year's funding shortfall.

The Plan's administration expenses, insurance premiums and levies to the Pension Protection Fund are payable in addition.

## No intervention by The Pensions Regulator

The Pensions Regulator has powers to intervene in a Plan's funding schedule and can impose a schedule of contributions if they feel it's necessary for the Plan to meet the statutory funding objective. We're happy to report that The Pensions Regulator has not used any of these powers in relation to the Plan.

## No payments to the Company

We can confirm that no payments have been made to any of the participating employers over the 12 months to 5 April 2018.

## What would happen if the Plan were to be discontinued?

This is a legally required statement; there is no intention to wind up the Plan and the Company remains committed to supporting it.

If the Plan was discontinued, its assets would be used to buy equivalent benefits from an insurance company. As at 5 April 2018, the Plan's assets would have covered around 73% of the estimated amount needed to buy members' benefits from an insurance company.

This percentage is less than the funding level because it is a more costly method than providing benefits through the Plan, partly because the insurer needs to make a profit. That's why the winding-up position is lower than the funding level.

If the Plan wound up voluntarily, the Company would be required to pay in funds to meet 100% of the benefits in this situation. If the Company became insolvent and could not provide sufficient funds to secure 100% of benefits, the Plan would possibly enter the Pension Protection Fund (PPF).

## Chairman's annual governance statement

Each year, the Chairman releases a statement summarising the governance of the Plan, in accordance with legislation. By law, this statement covers the default investment arrangement for members, the core financial transactions, the charges and costs for the Plan and Trustee knowledge and understanding training.

The Auditors, as a part of the audit, assess the Plan's governance in eight areas. In all eight areas the Plan performed better than the benchmark of their total client base.

The Chairman was satisfied that the Plan met all areas for good governance and good 'value for members' for the Plan year ended 5 April 2019.

If you would like to read the most recent full Governance Statement, it can be found in the 2019 Annual Report, available at [www.dnbpensionplan.co.uk](http://www.dnbpensionplan.co.uk)

# The BIG picture DB & DC

## Market overview to 31 March 2019

Equity market returns were broadly positive over the 12 month period from 31 March 2018 to 31 March 2019. In the last six months of the year, equities experienced heightened volatility, driven largely by a number of global macro and political events. In bond markets, UK government bond yields have fallen over the 12 month period leading to increases in bond prices and producing positive returns in gilts. More widely, most central banks raised interest rates marginally whilst also unwinding quantitative easing programs over the year. In currency markets, sterling depreciated against the US Dollar and Yen but appreciated against the Euro.



### BREXIT UPDATE

As we approach the proposed date of 31 January 2020 for the UK to leave the European Union we continue to face a certain amount of uncertainty in the financial markets, largely due to the continued discussions between the UK Government and the European Union. The Trustee continues to work closely with the Plan's financial advisors to minimise the impact on the Plan.

**COMING SOON!**  
 Launch of MyAviva  
 – Future you...  
 can relax!



Next year Aviva will be launching a new MyAviva account where you can:

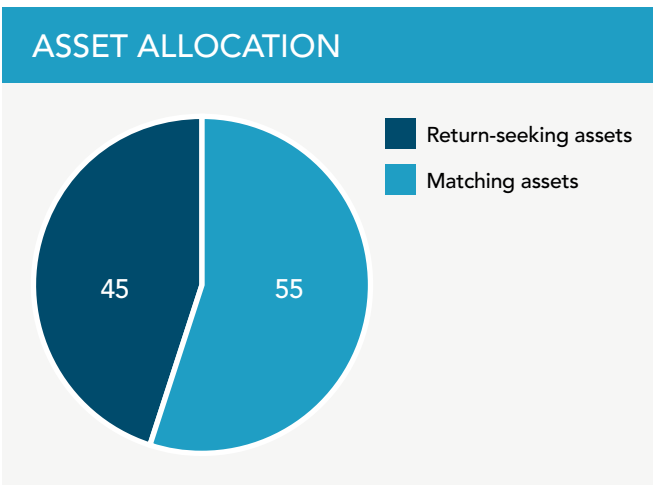
- View your statement online – check how your pension account is doing
- Easily access information about the Plan
- Log in using the MyAviva App
- Ask Alexa how your pension is doing
- Easily change your personal details

# The DB Section

The DB Section in numbers to 31 March 2019			
1-Year Return	1-Year Benchmark	3-Year Return p.a.	3-Year Benchmark p.a.
5.2%	5.6%	9.7%	7.9%

## Asset allocation update

As part of the dynamic de-risking investment strategy, the Plan has continued to follow the planned allocation of 45% return-seeking assets and 55% matching assets since January 2018.



## An update to the Plan’s investments

Over the past few years, defined benefit pension schemes have been subject to significant volatility in their funding levels. The Trustee faces the challenge of maintaining and safeguarding the financial strength of the Plan against risks associated with future investment returns and life expectancy. We are pleased to inform you that, as a result of discussions with our advisers about how to effectively meet this challenge and following a rigorous selection process, the Trustee has recently entered into an insurance arrangement that secures a portion of future pension payments with Just Retirement Limited (Just). This arrangement is a form of insurance policy which, from August 2019, will cover the cost of paying pensions to certain pensioners in the Plan.

The Trustee retains full control and responsibility for paying the pension of the members included in the policy and there will be no changes at all to members’ benefits or how these are paid. The policy will, however, help safeguard against the risks associated with future life expectancy improvement, which have effectively been transferred to Just.

## A change to our verification process

Previously, when it came time to take their benefits members were required to provide their original birth and marriage certificates. These originals would need to be sent in by recorded post and after being verified would also need to be returned to the member. We recognise that on top of the additional cost of mailing and the time it takes to do this, these certificates can have a sentimental value and so we have introduced a service to replace this process. Anyone planning on taking their benefits from 1 November 2019 will no longer need to do this and all verification will be done online.

In the event of the death of a member, original death certificates will still need to be posted.



# The DC Section

## Options at retirement

A few years ago we provided you with information about new options available to DC members for taking their retirement savings.

As a reminder, these options (after taking an optional 25% tax-free cash) are:

- Take an annuity with Aviva through the Plan or purchase an annuity with an alternative company
- Transfer out of the Plan and take income drawdown.

You can also take all of your pension pot as cash (25% tax-free and the rest taxed at your marginal rate).

Previously you have needed to transfer out of the Plan to a pension provider of your choice to access income drawdown. However, in April 2019 we introduced an income drawdown option that members can access through Aviva at retirement. This still requires you to transfer out of the Plan but allows you to keep your pension savings with Aviva.

## What is income drawdown?

Income drawdown is where you can keep your pension account invested whilst 'drawing down' an income that suits you. These drawdowns can be regular monthly amounts (similar to an annuity) or they can be ad hoc payments if you prefer. This is different to an annuity because your pension pot remains invested after retirement, potentially building up further investment returns. However, income drawdown does not offer the guaranteed payments for life offered by an annuity.

## How you can access income drawdown

If you decide that you would like to access income drawdown in retirement you can select this option when you receive your retirement option pack from Aviva.

This pack will be sent to you six months before your target retirement date (or on request if you wish to retire early) and will contain details of all the options available to you. As part of this pack, you will be provided with the contact details for Aviva's retirement support team, who will be able to provide you with details of Aviva's income drawdown option as well as information on all of your alternative options.

Please note: if you have benefits in the Old Money Purchase Section (OMPS) you cannot take this option in relation to these benefits without first transferring out of the OMPS. We recommend that if you are considering this option you take financial advice, due to the underlying minimum benefits that are payable from the OMPS. Details of how to find an adviser are on the back page.

## ESG SURVEY: THE RESULTS

This year we asked active DC members what you thought about Environmental, Social and Governance (ESG) issues and their impact on how we invest your pension account.

ESG funds specifically select investment opportunities that:

- Monitor their energy use, waste, pollution and natural resource conservation – **Environmental**
- Treat their employees fairly – **Social**
- Conform to a high level of responsible and transparent governance, e.g. overseeing a company's leadership, executive pay, auditing and employee relations – **Governance**

The early results are in! While the survey is still open to deferred members, we are starting to analyse the early results and will be taking them into consideration for the future. The Trustee will be taking all feedback into account for the investment fund review project.

61% of respondents said they were either satisfied or very satisfied by the Plan's communications with the benefit statements being rated as the most important. Although about 71% of respondents through the investments currently offered were 'about right', 36% of respondents would like to see the introduction of ESG funds.

Your feedback has been vitally important. We are looking into making changes to the investment options available to take your views on these issues into account.



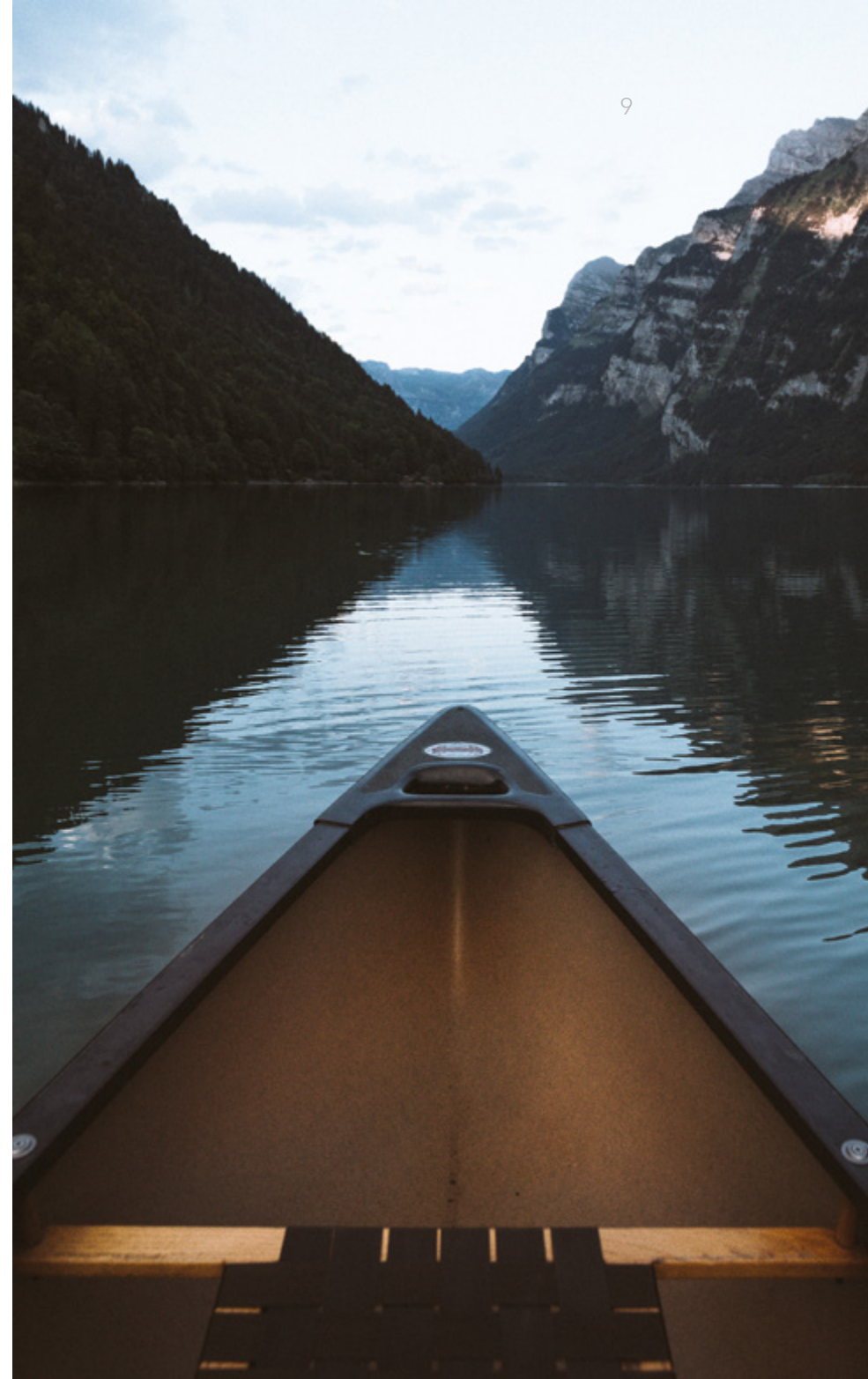
# What's your goal?

When it comes to planning for retirement, just knowing what you're aiming for can be difficult. The level of income you'll need in retirement depends on a lot of different factors, such as your housing arrangements and your personal spending priorities. For example, some expenses, such as a mobile phone, might be considered as essential spending by some and not others.

The Joseph Rowntree Foundation, in partnership with Loughborough University, have put together a minimum income calculator. This income figure takes into account the average cost of essential goods across the UK and shows how much money people need so that they can buy things that members of the public think everyone in the UK should be able to afford.

**£14,167.40\*** This is considered to be the minimum annual budget for a single pensioner in the UK today. So how do your retirement savings compare?

\*According to [www.minimumincome.org.uk/results](http://www.minimumincome.org.uk/results)



# Retirement savings can come from multiple sources so where do we start?

**Let's start with the State pension.**

The maximum UK State pension a single person may receive in 2019 is £8,767.20, but this may change depending on your years of National Insurance contributions and whether or not you've ever been contracted out. You can check your expected State Pension age and amount [here](#).

**So after we account for the State pension, you would need to make up £5,400 per year from other sources.**

**Company pension:** We would expect that over the course of your career you will have held several different jobs and therefore may have a number of company pensions. So in addition to the pension you may receive from the Plan, you could also have other company pensions that you should take into consideration.

**Other savings:** Over your lifetime you may have built up other savings, for example in ISAs, which could be used as part of your overall retirement income.

**Other investments and income:** A growing number of retirees are seeing the extra time they have as a chance to tackle challenges they had not had time to do in full-time employment. The growing trend is of people working part time after retirement, not just as a means of supplementing their income, but as an opportunity to explore other areas of work and interact with new people.

**Other State benefits:** According to the minimum income calculator some people may be entitled to up to £5,000 of other benefits in retirement. This could include housing benefits and other similar state benefits. If you think that you could be entitled to these benefits you can check online [here](#).

**Think you will still have a gap?** If you're an active member in the Plan you can still make Additional Voluntary Contributions (AVCs) which could help you make up the difference. Alternatively, if you're a deferred member, you could consider starting saving in a personal pension, or (if you're under age 40) in a Lifetime ISA. Lifetime ISAs are topped up by the Government by 25% when you take the amount at retirement.



**NEED SOME HELP PLANNING?**

Aviva is offering free 'My Retirement, my way' pre-retirement seminars for members over 55. The half day seminars focus on information about pensions and how to find out what you're entitled to. Spaces on the 2019 seminars have now been filled and more will be run in 2020, so make sure you book early to avoid disappointment.

You can read more in Aviva's brochure [online](#).

These seminars offer guidance only, Aviva cannot offer personal advice. If you think you need personal advice you can find an impartial financial adviser at the Money Advice Service.

# Useful links and contacts

## The Money and Pensions Service

The Government has launched a brand new service that is combining the services offered by the Money Advice Service, Pension Wise and The Pensions Advisory Service. The Money and Pensions Service's goal is to provide easy access to pensions and debt guidance to help people make the most of their savings.

They launched their brand in April 2019 and have been in a listening phase over the summer, during which they have been talking to customers and stakeholders throughout the country. They will launch their three-year plan this autumn and in the meantime you can follow them on twitter or sign up to their newsletter online: [@MoneyPensionsUK](https://twitter.com/MoneyPensionsUK)

If you need to access any of the services offered by the three providers in the meantime, their existing websites are still available at:

[www.moneyadvice.service.gov.uk](http://www.moneyadvice.service.gov.uk)

[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

[www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)

## Taking financial advice

By law, the Company and the Trustee are not permitted to give you financial advice. If you need further advice on your pension, you should consider taking financial advice. An independent financial adviser (IFA) can help you plan your financial future. They will talk to you to understand your circumstances and provide suitable advice for your own situation. IFAs can advise on many financial topics including: pensions, saving and investments, tax, mortgages and loans.

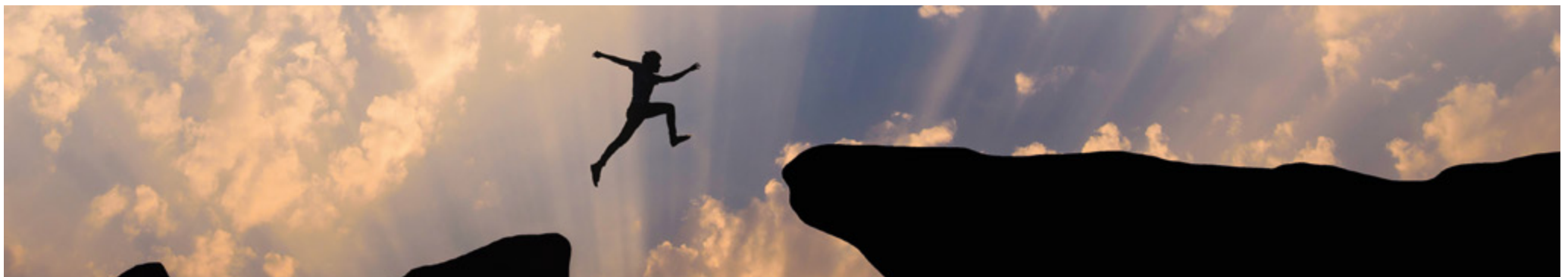
Please be aware that a financial adviser may charge for their services. To find a local financial adviser go to [www.moneyadvice.service.gov.uk/en/articles/choosing-a-financial-adviser](http://www.moneyadvice.service.gov.uk/en/articles/choosing-a-financial-adviser)

## Guaranteed Minimum Pension equalisation

Before 1997, companies could promise to pay a Guaranteed Minimum Pension (GMP) in place of the State Earnings Related Pension (SERPS). Members paid lower National Insurance contributions and built up GMP in their company plan instead.

A recent court judgment has decided that pension schemes need to adjust benefits to take account of differences in treatment between men and women relating to GMP built up between May 1990 and April 1997, when GMPs stopped being earned. As GMP replaced State provision, it was based on the State Pension Age which, at the time, was different for men (age 65) and women (age 60). The rate at which GMPs were built up also differed for men and women.

The judgment requires the Plan benefits to be equalised, to compensate for unequal GMP benefits, but this is a complex issue and it will take a little while for the Trustee and the Company to agree an appropriate way forward. If any changes are needed to be made to individual benefits, we will confirm to members directly.





## Contact details

If you are a DB or Old Money  
Purchase member:

D&B Pension Admin  
C/O Mercer Limited  
PO Box 2066  
4 Bedford Park  
Croydon  
CR90 9NB

**Telephone:** 0330 102 7939  
0208 260 4453  
0208 260 4605

**Email:** [D&Bpensions@mercer.com](mailto:D&Bpensions@mercer.com)

If you are a new DC member:

Aviva Corporate Client Services  
PO Box 1550  
Milford  
Salisbury  
Wiltshire  
SP1 2TW

**Telephone:** 0800 068 1431  
(ask for the Dun & Bradstreet team)

**Email:** [DunandBradstreet@aviva.com](mailto:DunandBradstreet@aviva.com)

For DC members who would like  
information on their retirement options,  
there is an information centre:

Aviva  
PO Box 1550  
Milford  
Salisbury  
Wiltshire  
SP1 2TW

**Telephone:** 0800 151 2556

### NEED MORE INFORMATION?

Find out more on the Plan website [www.dnbpensionplan.co.uk](http://www.dnbpensionplan.co.uk). If you need more information about the Plan, you can also contact the Chairman of the Trustee and the Secretary to the Trustee. Their contact details are:

Chairman of the Trustee: Andy Jermy  
Email: [chair@dnbpensionplan.co.uk](mailto:chair@dnbpensionplan.co.uk)

Secretary to the Trustee: Gary Kent  
Email: [secretary@dnbpensionplan.co.uk](mailto:secretary@dnbpensionplan.co.uk)

