



DUN & BRADSTREET

2017 Trustee Report



Welcome to our new, greener, online Trustee Report as part of our dedicated online resource.

As you will have seen, last year we launched our new Plan website and we're now hosting our annual Trustee Report on this site.

If you haven't yet had a chance to explore the site, you'll find that there are dedicated pages for each section of the Plan. There are specialised tools and pages for all members to use to help plan for retirement, tailored to the type of retirement savings you have with the Plan.

If you are a former member of the Plan but can't remember which section of the Plan you belonged to, we have a tool to help you work out which section you were contributing to. [Click here](#) to get started.

If you're an active Defined Contribution (DC) member of the Plan, [click here](#) to get started now.

Active Defined Benefit (DB) members, [click here](#) to read more about the value of your retirement savings.

As always, we still have our team of advisors to help you with any queries you might have. [Click here](#) to go to our contact page and get in touch.

We hope you enjoy this new edition of the Trustee Report and find the information useful. If you would like to get in touch with us about any of the topics or to let us know what you think about our new website, please email secretary@dnbpensionplan.co.uk

CONTENTS



- 1 The BIG picture – DB and DC
- 2 The D&B UK Pension Plan website – our first year
- 3 Our top 5 pages
- 4 Where are you on your retirement journey?
- 5 Summary Funding Statement
- 6 Pensions news and tax updates

The BIG picture – DB and DC Section updates

Market summary – year ending April 2016

Over the past year, global investment markets have been driven by worldwide key political events. In June 2016, the UK voted to leave the European Union, taking many institutions by surprise. This was followed a few months later in November by the election of President Donald Trump.

The shockwaves felt in the market caused an initial drop in Sterling and a cut in the base interest rates and a later drop in the US dollar. Global equity markets performed strongly in the volatile political environment, along with emerging markets equity funds. This was accompanied by strong returns in long maturity gilts, driven by the 12-month drop in yields.

A political victory for Emmanuel Macron in France side-stepped another political earthquake, but equity markets are expected to continue to be volatile over 2017 following the UK triggering Article 50 and beginning the two year negotiation of the exit deal.

In commodities, oil prices rose over the year as a result of OPEC agreeing to cut output and the UK property market has remained suppressed since the Brexit vote.



IMPACT OF BREXIT

Over the last year, the FTSE market was slightly more resilient against the news of the Leave campaign win compared to the wider equities market. This was partly due to the fact that a high proportion of company earnings within the FTSE-100 index are from large multinational companies, with around 70% of earnings coming from outside of the UK. Equity market returns have since been very strong.

In June 2017, the UK general election resulted in a hung parliament which caused further falls for Sterling, leading to a rise in the FTSE-100 due to the resulting higher foreign currency revenue. Meanwhile, this had a more muted impact elsewhere in global markets. Looking forward in the months ahead, the UK's negotiations for leaving the EU will play a key role in how markets will react, depending on whether the UK sees a hard or soft Brexit.

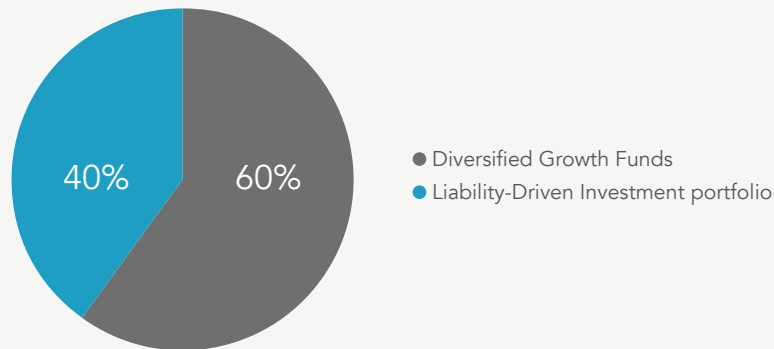
THE DB SECTION

Last year the Trustee started the process of de-risking the DB Section's assets, moving from higher-risk equities and diversifying investments to protect against any downturn in the market. This started in April 2016 and concluded in November 2016. The assets in the return-seeking portfolio are now split between three Diversified Growth Funds. Broadly, the Plan's target still remains 60% return-seeking and 40% liability-driven.

THE DB SECTION IN NUMBERS TO 31 MARCH 2017

1-Year Return	1-Year Benchmark	3-Year Return	3-Year Benchmark
21.8%	14.9%	15.7%	12.7%

DB INVESTMENTS AS AT 31 MARCH 2017



THE DC SECTION

Last year the Trustee introduced two new targeted lifestyle investment strategies as well as updating the two existing lifestyle strategies. As a result, the current lifestyle options provide you with a choice of four investment strategies depending on whether you aim to take your retirement savings as an annuity or income drawdown and your tolerance for risk. [Click here](#) to read more about the new investment options on page 12.

AVIVA

As we mentioned last year, Friends Life, the Pensions provider who administer the Defined Contribution, AVC and Lifestyle sections of the Dun & Bradstreet UK Pension Plan is now part of Aviva.



Aviva have been updating their website, but your access should remain the same. If you would like more detailed information about the transfer of the Friends Life business to Aviva, go to www.friendslife.co.uk/transfer2017

The contact email address has recently changed so if you're a DC member and would like to contact Aviva you should now use DunandBradstreet@aviva.com

Focus on retirement planning

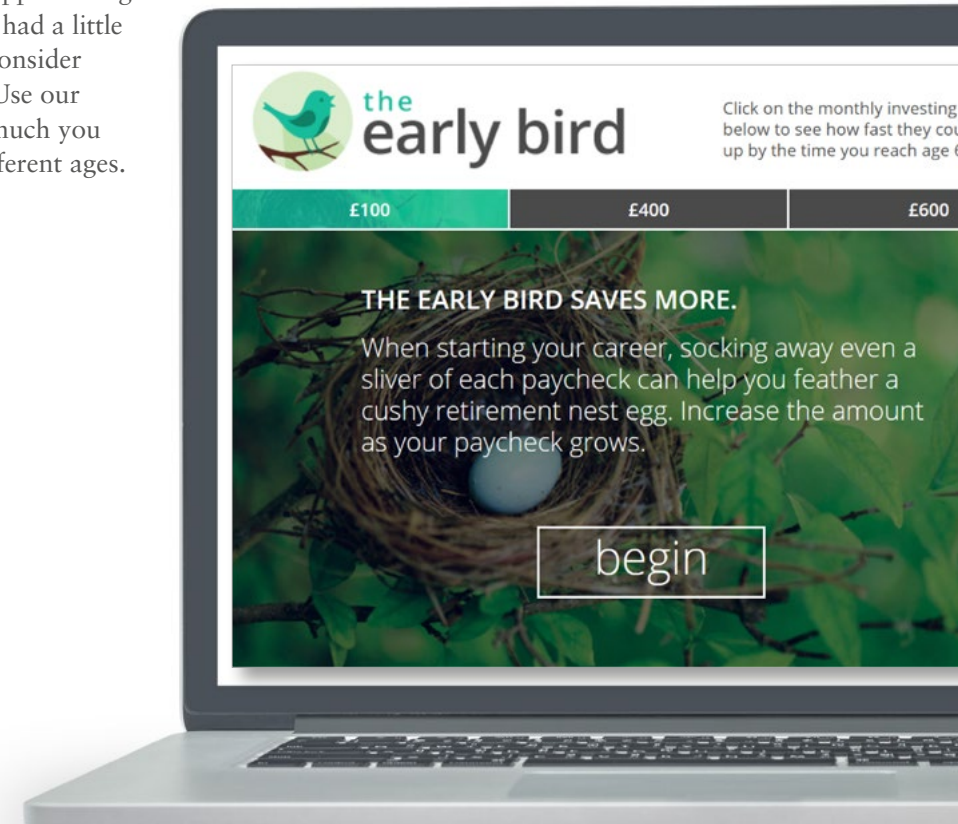
It's important to have a planned pot size in mind when saving as well as keeping track of the current value of your retirement savings. If you think you are going to be a little short, there are a number of things you can do to make up that gap.

- **Pay a little more.** It's best to save regularly and early, but remember that you can increase your contributions at any time.
- **Be bold with your investments.** The general rule of thumb when it comes to investments is that if you want higher returns you need to take higher levels of risk. If you have some ground to make up, you might want to consider opting for a more adventurous investment path. Our World Equity Lifestyle programmes invest in global equities (higher-risk investments) until five years before your planned retirement date.
- **Work a little longer.** If you find yourself approaching your planned retirement date wishing you had a little more to top up your savings, you could consider deferring your retirement a year or two. Use our ['early bird' tool](#) to see examples of how much you can build up when you start saving at different ages.

Investment guidance sessions

Friends Life (now Aviva) recently offered sessions for active members on investment guidance and we will soon be offering a live webinar for all members.

Members will be able to access the event through Aviva, by registering online. To receive an invitation to register, you must provide your email address to the Secretary to the Trustee, Gary Kent, at secretary@dnbpensionplan.co.uk. Remember to include your name and the section of the Plan you belong to. If you have already provided your email address, you do not need to register again; you will be sent a link to register with Aviva.



The D&B UK Pension Plan website – our first year

October 2017 marks the first year of our new pensions website, www.dnbpensionplan.co.uk

Here are a few numbers to sum up our first year online:

WE'VE HAD A HUGE
1,207 VISITS
BETWEEN OCTOBER
2016 AND JUNE 2017

THAT'S
70,158
PAGE VIEWS

THE AVERAGE
MEMBER LOOKS AT
4
PAGES PER VISIT

THIS YEAR WE'RE SAVING
25.5KG
OF PAPER BY MOVING THE
TRUSTEE REPORT ONLINE

LET US KNOW WHAT YOU THINK

If you love our new site, or think there are areas that could be improved, let us know!

Email the Secretary to the Plan, Gary Kent, with your feedback at: secretary@dnbpensionplan.co.uk

We will also be launching a survey, on the Plan site, later in the year. You'll be able to let us know how you've been using the Plan site and your thoughts on how we can improve by completing this survey. You'll find it later this year at: www.dnbpensionplan.co.uk



Our top 5 pages

While you're here...

We thought we'd draw your attention to a few useful areas of the site that you might not have explored yet. The Plan website has a dedicated page for all member groups, full of useful tools and up-to-date information. Whatever your question, the Plan website can direct you to the answer. To get you started, here are our top 5 pages to help you plan for your retirement.

1. NOT SURE WHERE TO START PLANNING FOR RETIREMENT?

Sometimes saving for retirement can seem like a daunting task, but the Plan's website breaks it down into bite-sized pieces of information to guide you step by step through the process.

If you're new to the DC Section, our simple guide to saving for your future has everything you need to understand how pensions work and the key features of the Plan. The guide summarises how your pension pot works as well as outlining the contribution levels to make it clear how you can get the best rate of Company contributions.

[Click here](#) to read the guide.



2. HAVE YOU RECENTLY HAD A BIG CHANGE IN YOUR LIFE?

Whether you have moved house, or want to change your nominated beneficiary, you can find out how to do this quickly and easily via our [contact page](#).

3. INTERESTED IN INVESTMENTS BUT THINK YOU HAVE TO BE AN EXPERT TO UNDERSTAND THEM?

The investment markets can be unpredictable and daunting, but you don't need an advanced economics degree to get to grips with investment principles. Try our interactive PDF '5 Investment myths busted!' to find out more about investing for retirement.



Having a good understanding of how you are invested can help you better plan for your personal circumstances and mean you're more likely to meet your retirement savings goals.

[Click here](#) to try our interactive PDF now.

4. WOULD YOU LIKE TO PUT A LITTLE MORE INTO YOUR RETIREMENT SAVINGS, BUT NOT SURE IF YOU CAN AFFORD TO?

Sometimes it's the small changes that make all the difference. Saving little and often can add up to big changes at retirement, especially if you start early. You can find out more about how to start making the small changes that add up [here](#).

5. MID-WAY TO RETIREMENT?

As you progress in your career, you might want to consider how your retirement better plans should be adapting. Our interactive guide outlines the priorities that many people like you might have and provides useful tips. [Click here](#) to see guidance for your age bracket.

Where are you on your retirement journey?

The tools and tips found on the Plan's website are designed to help the average member based on average member information, but ultimately it's a personal journey and how you choose to save for your retirement should depend on your personal circumstances. Below are three example members to illustrate how you can tailor your retirement choices to best suit your own circumstances.

MEET HARRY



Harry is 53 and has worked at D&B for a little over five years. He's a member of the DC Section and has been contributing the maximum matched contribution level of 5% of his pensionable earnings, which means he gets 7% from the Company, making a total contribution of 12% each month. Harry's wife took a break from work when they had their two kids, and he wants to make sure she has enough to live on if he were to die first. Before coming to work at D&B, Harry worked for 15 years at his previous company where he was a member of their defined benefit pension scheme. Harry has decided that this secure pension will form the bulk of his monthly income in retirement (including the spouse's pension that is payable on his death). Having this secure income means that Harry feels more comfortable using his DC savings in the Plan to take a little more investment risk. He therefore decides to invest in the World Equity Lifestyle Annuity Investment Programme, a higher-risk investment with the expectation that his investment returns might be higher.

MEET STEPHANIE



Stephanie is 46 and has worked at D&B for three years. Previously, Stephanie has worked elsewhere and was a member of her previous employer's defined benefit plan for three years before leaving to join D&B and become a member of the DC Section. Stephanie also has a number of other small retirement pots from previous jobs, but her savings in the DC Section are the largest. While still a long way from retirement, Stephanie is concerned about the investment markets and doesn't like to risk her biggest pot of savings. She would rather work for a few years longer than her planned retirement age than take risks with her investments. She opts to hold the majority of her savings in lower-risk, lower-return investments such as bonds.

MEET LUKE



Luke has not been thinking about his retirement savings for very long. He is 32 and joined the DC Section five years ago, and he has another small DC pot from a previous job. Luke doesn't know if he will always work at D&B and has a long time until retirement to recover any temporary losses from negative investment returns so he decides to take some investment risk to grow his savings. He also wants to focus on other things in his life at the moment so invests in the World Equity Lifestyle Drawdown Investment Programme, as it targets higher-risk and higher-growth investments, but is managed by the Trustees and their advisors, freeing up Luke's time.

These examples are illustrations only and your personal circumstances are likely to be different. [Click here](#) to find more information and see if any of these choices might be right for you.

Summary Funding Statement

This is a summary of the funding levels of the Defined Benefit (DB) Section. It will therefore be less relevant to members of the DC Section since their benefits are funded by their individual Investment Account.

However, for members with benefits under the Old Money Purchase Section, their benefits are backed by a defined benefit guarantee which may, in some cases, provide an uplift to the pension that can be purchased from a member's account under the Old Money Purchase Section. The guarantee results from the Plan 'contracting-out' of the State Earnings-Related Pension Scheme, or State Second Pension, up to April 2004. The new DC Section has never been 'contracted-out' and so does not have this guarantee.

One of the most important roles of the Trustee is to protect accrued benefits in the DB Section. So in accordance with regulations, the Trustee, along with the Plan's Actuary, produce a full Plan valuation once every three years with interim valuations carried out every year. The results of the full valuation as at 5 April 2015 are summarised opposite, as well as the results of the 5 April 2017 approximate funding update.

FUNDING LEVEL

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

The Plan's financial health

A RECAP OF THE VALUATION AS AT 5 APRIL 2015

The Plan's tri-annual valuations are important to help the Trustee understand and manage the Plan's financial health. The Plan's Actuary calculates the value of the Plan's liabilities on an ongoing basis and compares this with the value of the available assets.

At 5 April 2015, the ongoing funding level was 94% (92% for the DB Section only). This means the Plan had a deficit of about £14 million in 2015.

5 APRIL 2017 FUNDING UPDATE

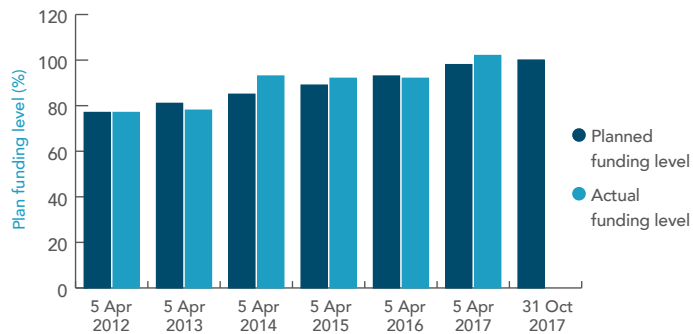
The Plan's Actuary has now completed the interim yearly valuation and the new estimate of the funding level as at 5 April 2017 is 102% of the estimated value of the Plan's liabilities (compared to 94% as at 5 April 2016).

This improvement in the funding level is largely a result of the outperformance of the DB Section's assets, meaning more assets were built up than expected, and the deficit contributions. This was countered slightly by a change in the financial assumptions, meaning the value of the estimated liabilities of the Plan was higher than previously assumed.



Summary Funding Statement continued

The chart below shows the progress of the actual funding level against the recovery plan.



Recovery plan

The difference between the funding level and 100% funding is called either a shortfall, or a surplus. Often there is a shortfall and a recovery plan is required to bring the Plan's funding level back up to be fully funded. This year, the Plan has a surplus of £6 million, and a funding level of 102%, up from 94% in 2016.

Even though the Plan has a surplus currently, the Company continues to support the Plan fully and will continue to pay the planned contributions (£5.9 million a year until October 2017) as laid out in the 2015 full valuation. These will be reviewed in the next full valuation as at 5 April 2018.

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

THE PLAN'S FINANCIAL HEALTH IF IT WERE TO BE WOUND UP

The 5 April 2015 actuarial valuation showed that if the Plan had been wound up at that date and the benefits (both DB and DC) secured with an insurance company, the assets would have covered around 59% of that cost. This has increased to 66% as at 5 April 2017.

This figure is much lower than the corresponding ongoing funding level described on the left. This is because securing the benefits with an insurance company costs more as insurers are obliged to take a very cautious view of the future and also need to make a profit. By contrast the Trustee's funding plan assumes that the Company will remain in business and continue to support the Plan.

WHY AM I SEEING THIS?

The Trustee is required by law to provide you with this information on the Plan's solvency position. It does not imply that there is any intention, by either the Company or the Trustee, to wind up the Plan.

CHAIRMAN'S ANNUAL GOVERNANCE STATEMENT

Each year, the Chairman releases a statement summarising the governance of the Plan, in accordance with legislation.

This statement covers the default investment arrangement for members, the core financial transactions, the charges and costs for the Plan and Trustee knowledge and training.

The Chairman was happy that the Plan met all areas for good governance and good 'value for members'.

If you would like to read the full Governance Statement it is available in the 2016 Annual Report, available at www.dnbpensionplan.co.uk/assets/2016_signed_plan_accounts.pdf

GOVERNANCE REVIEW

This year the Plan undertook an external review of the governance process, triggered by the introduction of the Pensions Regulator's recently updated Government DC Code of Practice in 2016. The review has been, overall, very positive and the Trustee is currently reviewing the recommendations. Once the review is complete, we will let you know if there are any updates as a result.

Pensions news and tax updates

The tax bands for 2017/18 have changed. A summary of the new limits are in the table below. Your personal tax rate will depend on your circumstances and will include any other sources of income you may have, and there may be further changes in the income allowance for your tax brackets. Find out more information about tax at www.gov.uk/income-tax-rates

	2016/17	2017/18
Standard Personal Allowance	£11,000	£11,500
Basic Rate (20%) – taxable income after allowances	Up to £32,000	Up to £33,500
Higher Rate (40%) – taxable income	£32,001 – £150,000	£33,501 – £150,000
Additional Rate (45%) – taxable income	Over £150,000	Over £150,000

Looking after your data

Some personal data for Plan members (such as date of birth and salary) is required for the running of the Plan, including paying out the right benefits. The use of this data is regulated under the Data Protection Act, which places certain responsibilities on those who exercise control over the data (known as “data controllers” under the Data Protection Act). Data controllers would include the Plan Trustee, and, in certain circumstances, professional advisers to the Plan. These may include the Plan Actuary and Willis Towers Watson, who have provided further details: www.willistowerswatson.com/en-gb/How-Willis-Towers-Watson-uses-personal-data-for-actuarial-services-to-UK-pension-scheme-trustees

LIFETIME AND ANNUAL ALLOWANCES

The Lifetime Allowance (LTA) and Annual Allowance (AA) are the value of pension benefits you can build up tax free during your lifetime or over the year respectively. These remain unchanged this year as below:

LTA: £1 million

AA: £40,000 (unless you are a high earner (over £150,000), in which case the AA is reduced incrementally to £10,000.)

Money purchase annual allowance lowered

If you take DC benefits flexibly under the new pension rules, the Annual Allowance for funds you can contribute to DC savings each year has reduced further from £10,000 to £4,000 from April 2017.

You are responsible for ensuring you do not exceed these limits. If you would like to know more about the tax allowances, or to use the Government’s online AA tool to calculate how much of your allowance you have used, visit www.tax.service.gov.uk/paac

PENSION SCAMS ARE ON THE RISE

Since the change in pension regulations, pension scams have continued to rise, with many people being hit with big charges and losing the bulk of their retirement savings. Many scams will offer you early release of your retirement savings, but this is not possible unless you are over 55 or in ill health.

Scams will often involve cold calls, emails, website pop-ups or text messages and will refer to ‘legal loopholes’. These scams can often involve transferring your pension savings overseas and can result in you losing all your retirement savings through early release fines, tax bills and risky investments.

Find out more about pension scams at www.thepensionsregulator.gov.uk/docs/pension-scams-booklet-members.pdf



Contact details

If you are a DB or Old Money Purchase member:

Mercer
Four Brindleyplace
Birmingham
B1 2JQ
Telephone: 0121 644 3652 or 0121 733 4164
Email: D&Bpensions@mercero.com

If you are a new DC member:

Aviva (previously Friends Life) Corporate
Customer Services
PO Box 1550
Salisbury
Wiltshire
SP1 2TW
Telephone: 0345 602 9221
Email: DunandBradstreet@aviva.com

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

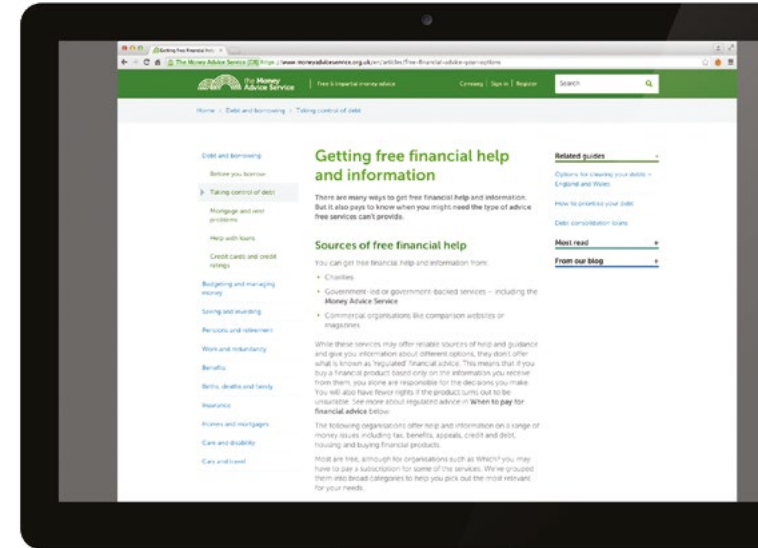
Aviva (previously Friends Life)
PO Box 1550
Salisbury
Wiltshire
SP1 2TW
Telephone: 0800 151 2556

Need more information?

If you need more information about the Plan, you can also contact the Chairman of the Trustee and the Secretary to the Trustee. Their contacts details are:

Chairman of the Trustee: Andy Jermy
Email: jermya@dnb.com

Secretary to the Trustee: Gary Kent
Email: secretary@dnbpensionplan.co.uk



TAKING SOME ADVICE

If you think you need advice or support with your retirement planning, you should consider speaking to an independent financial adviser (IFA). You can find an adviser local to you at www.moneyadvice.org.uk/en/articles/choosing-a-financial-adviser

An 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.

Remember, an IFA is likely to charge for their services.

HAVE YOU RETURNED YOUR SLIP?

We recently issued a Pension Increase letter to our pensioner members, along with a confirmation slip. It is important that all pensioner members complete and return this slip, confirming their current address so that we can continue to send out regular pension increase notifications. If you haven't already done so, please return your slip today to the Plan's administrator, Mercer, at the address above.