



DUN & BRADSTREET

2016 Trustee Report

In this edition of the Trustee report, we are pleased to announce the launch of our dedicated pensions website.

This exciting development for the Dun & Bradstreet (UK) Pension Plan (the Plan) means it will be easier to keep up to date with Plan and pensions news and access Plan documents. Inside, on [pages 4 & 5](#), you can find details of what the website can offer you and how to get the most out of it.

Keeping an eye on the financial health of the Plan is crucial for the Trustee and every three years, in accordance with regulations, our Plan Actuary completes a full funding valuation. This year we give you the highlights from the Summary Funding Statement on [page 6](#), detailing the results of both the full valuation as at 5 April 2015 and the 5 April 2016 funding update.

To find out more about the latest Plan activity, please read the Plan updates on [page 7](#).

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WE'RE GOING ONLINE

About 60% of our members have now signed up to receive this newsletter, and other Plan communications online, helping us to communicate more efficiently and lower our administration costs.

If you have received this newsletter by post and would like to help us reach our goal of 100% online communications, please send your personal email address to secretary@dnbpensionplan.co.uk along with your name and home address for verification.

We ask for a personal email address so we don't lose touch with you even if you stop working for the Company.



Welcome

A MESSAGE FROM THE CHAIRMAN

Welcome to the 2016 Trustee report. In this edition, we announce the Plan's new pensions website and talk you through how it can help you plan for retirement.

As a member, you can access all the Plan's essential documents on the website as well as the most up-to-date Plan news and resources. Our new contributions tool can help you take a fresh look at your finances and retirement plans. As a reminder, to the right are the three steps you should bear in mind when thinking about retirement. →

On [page 6](#) you can find highlights from the results of our full funding valuation as at 5 April 2015 and the 5 April 2016 funding update. The full valuation, produced every three years with our Plan Actuary, reviews the funding level of the Plan, our strategic plan for the next three years and contributions payable by the Company. It's important the Trustee regularly reviews the financial health of the Plan to make sure our funding remains on track, you can read more about why on [page 6](#).

We hope you enjoy this 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 in this newsletter, our contact details are on the [back page](#).

Andy Jermy
Chairman of the Trustee

3-STEP GUIDE

> STEP 1.

Consider your **planned retirement age and financial target**, and how you might want to use your money in retirement. Don't forget any additional expenses you might have, such as extra travel costs.

> STEP 2.

Keep up to date with **how you are doing against your target**. You can check your benefit statement(s) for an update on your savings.

> STEP 3.

Grow your **retirement savings**. Check regularly to see how your retirement savings are doing. See [page 3](#) for more investment news on the DB and DC Sections.

The BIG picture:

defined benefit (DB) and defined contribution (DC)

Market summary – year ending April 2016

Financial markets were influenced this year by uncertainty over Greece's future in the EU, economic slowdown in China contributing to an increase in volatility and a market shift to 'safer' assets. Stocks had very different returns between the mostly unchanged developed markets and emerging markets, which dropped over the year to April 2016. This was largely caused by a fall in commodity prices and weak markets in China. The move to 'safer' assets like bonds resulted in the price of gilts increasing over the past 12 months. Commodities, in particular oil, fell sharply at the end of 2015. However, largely due to our new, more diverse investment plan, it has been a fairly steady year for the DB Section of the Plan. At 31 March 2015, the value of the Plan was £171.8m, and this increased by £2.3m to £174.1m by 31 March 2016.

THE DC SECTION – INVESTMENT NEWS

Following the introduction of the new Pension Freedoms in April last year, members of the DC Section now have far more flexibility when it comes to taking their benefits at retirement. Whilst this new flexibility is good news, it does mean that it is now more important than ever that members ensure their investment choice is right for their chosen retirement benefits.

In order to ensure the investment choices remain appropriate, the Trustee has made changes to the lifestyle strategies available to members. In brief:

- The diversification of the underlying investments has been increased, whilst members are building up their retirement savings.
- The split of investments at the point a member reaches retirement has changed.
- New lifestyle strategies have been introduced suitable for members no longer planning to buy an annuity but to take a flexible income instead.

Members will have received information on these changes earlier in the year but to find out more, visit our website www.dnbpensionplan.co.uk

The Trustee has also changed one of the underlying investment funds for the Global Equity Active Fund – the M&G Global Leaders Fund has been replaced by the Veritas Global Focus Fund. In addition, the weighting between the two underlying funds has changed, so that it is now 60% MFS Meridian Global Equity and 40% Veritas Global Focus.

DC BREXIT UPDATE

On 23 June 2016 the UK voted to leave the European Union. Whilst market volatility rose sharply immediately after the vote, it has since stabilised in many areas, although further volatility may occur whilst the UK negotiates its exit from the EU. DC members have the freedom to choose their investment options and while some members might see a short-term change in their fund values, investments should be viewed in the long term. In general, due to our move to more diverse assets earlier in the year, we believe the Plan's current default investment option (the Diversified Lifestyle Annuity Investment Programme) is still relevant and prudent.

THE DB SECTION – INVESTMENT NEWS

As part of their regular review of investments the Trustee, with their investment advisor, discussed potential investment returns for the upcoming years. As a result the Trustee has agreed to reduce the Plan's exposure to the high-risk equity market, moving the assets into three Diversified Growth Funds (DGFs). These funds will diversify the Plan's assets to protect the funds against significant changes in the market. This transition happened between April and June this year.

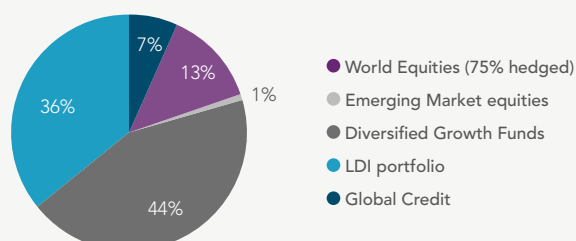
DB BREXIT UPDATE

As mentioned above, the Plan's assets have been transitioning to more diverse funds, and as a result, we do not expect to be significantly adversely impacted by the post-referendum market volatility. Members' benefits will be funded by the Plan and Company contributions and benefits built up to date are protected by law.

THE DB SECTION IN NUMBERS TO 31 MARCH 2016

1 YEAR RETURN	1 YEAR BENCHMARK	3 YEAR RETURN	3 YEAR BENCHMARK
1.5%	4.3%	9.7%	8.7%

DB INVESTMENTS AS AT 31 MARCH 2016



The D&B UK Pension Plan Website – Launching this October

October 2016 marks the launch of our new pensions website, www.dnbpensionplan.co.uk. This new online resource is designed to give you access to the latest pension and Plan news, links to useful web pages and a library of the Plan's documents.

The website is split into different sections for different member types to help you find the most useful information for you. But if you are not sure which section of the Plan you are a member of, you can use our easy flow chart to find out and get started. Follow the 'Not sure what type of member you are?' link on the home page.

Let us show you around...

Quick links: Links that jump straight to popular pages and quick-start guides.

Get some guidance: From here you can click through to our recommended pensions advice sites and the Government's State pension website.

Jump to information on hot topics: Want to know your options at retirement, what your State benefits could be and other important topics? Our topical quick links take you directly to the most up-to-date information.

Tell us what you think: Use our automatic feedback link to tell us your thoughts on the new website and your D&B UK Pension Plan.

WE'RE MOVING ONLINE

Our goal is to communicate with you more efficiently by moving online.

We now have:

60% of our DB members' emails

To help us reach our target please send your personal email address to: secretary@dnbpensionplan.co.uk

The latest news: Updated regularly, here you can check in with the latest news from the pensions world and the Plan.



Use our helpful saving app: We know that saving for retirement can be a challenge. Our online saving tool can help you work out if you can afford to put more towards your retirement. Click here to fill out our easy questionnaire.

Dedicated pages for you. No matter what stage you are at in your retirement planning we have web pages dedicated to you. These pages contain information, links and articles most relevant to you and your section of the Plan. This means you don't have to search through to find answers that are right for you.

Find your section through the tabs at the top, or if you aren't sure, follow the simple flow chart on the home page to find out which type of member you are.

Topics of interest: We recommend interesting and updated information that is particularly relevant to you.

COULD YOU BE CONTRIBUTING MORE?

Active members can find out more on their dedicated page at www.dnbpensionplan.co.uk



IS YOUR NOMINATION FORM UP TO DATE?

Should the worst happen it can be a comfort to know that your wishes will be taken into account. Whilst the Trustee cannot be bound, they will take your wishes into account. Fill out a nomination form by downloading one from your Information Zone and send it back to the pensions administrator (contact details are on the [back page](#)).

Information Zone: In each section you can find all the Plan reports, forms and further information relevant to you here.



Visit www.dnbpensionplan.co.uk to see how you can reach your retirement goals.

Summary Funding Statement: a valuation year

The Summary Funding Statement is primarily intended for members of the defined benefit (DB) Section. This includes the Final Salary Section and the CARE Section.

This funding statement is less relevant to members of the DC Section since their benefits are funded by their individual Money Purchase or Investment account. However, some of the benefits from the old Money Purchase Section 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 Money Purchase account. 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 is not '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. The results of the full valuation as at 5 April 2015 are summarised below, as well as the results of the 5 April 2016 approximate funding update.

The Plan's financial health

5 APRIL 2015 VALUATION

In the valuation the Actuary calculates the value of the Plan's liabilities on an ongoing basis and compares this with the value of the available assets. The ratio of the value of available assets against the calculated value of liabilities is called the 'funding level'.

At 5 April 2015 the ongoing funding level was 94% (92% for the DB Section only).

This is a slight reduction from the previous formal estimate of the funding level of 95% as at 5 April 2014 (93% for the DB Section only). This was due to an increase in the value of liabilities which was the result of lower assumed prospective investment returns, which was partially offset by strong investment returns and deficit reduction contributions.

5 APRIL 2016 FUNDING UPDATE

The estimate of the funding level at 5 April 2016 is 94% of the estimated value of its liabilities (92% for the DB Section only). In broad terms, deficit contributions paid over the year since 5 April 2015 were offset by lower than assumed investment returns and an increase in liabilities from lower assumed prospective investment returns.

The chart on the right shows the actual progress of the funding level of the DB Section compared to the planned progress from the current Recovery Plan.

THE PLAN'S 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 figure is much lower than the corresponding ongoing funding level described on the left. This is because benefit provision with an insurance company is more costly 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?

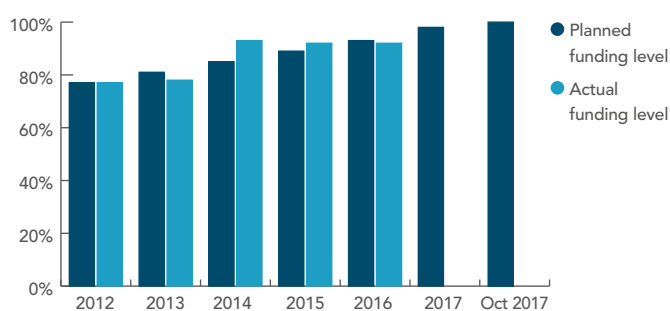
The Trustee is required by law to provide you with this information on the Plan's solvency position. It does not imply that there is any intention, by either the Company or the Trustee, to wind up the Plan.

Recovery Plan

The Plan's shortfall is the difference between the funding level and 100% funding. In order to address the Plan's shortfall, the Company is currently paying contributions of £5.9m a year until 31 October 2017 to reduce this existing shortfall.

As members are still building up future benefits, from 1 May 2016 the Company is paying additional contributions of 25% of DB members' Contribution Salaries as well as contributing to the DC Section.

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



News and updates

Tax and Allowance update 2016/17

The Basic rate tax band and personal allowance for 2016/17 have changed, with a larger standard Personal Allowance of £11,000. 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. The table below shows some of the changes to the standard Personal Allowance and income tax bands for 2016/17. Find out more information about tax at www.gov.uk/income-tax-rates

	2015/16	2016/17
Standard Personal Allowance	£10,600	£11,000
Basic Rate (20%) – taxable income after allowances	Up to £31,785	Up to £32,000
Higher Rate (40%) – taxable income after allowances	£31,786 – £150,000	£32,001 – £150,000

Lifetime Allowance (LTA) reduction

The value of pension benefits you can build up tax free during your lifetime, the LTA, includes all your pension savings, not just your savings in the Plan. This limit reduced to £1m from 6 April 2016.

The Annual Allowance (AA)

The AA is the maximum amount you can contribute tax free to your pension arrangements each year. Any amount above this will be taxed at your marginal rate. For 2016/17 tax year this is unchanged at £40,000 per year unless you are a high earner. In April 2016 the AA for high earners (over £150,000 per year) changed to reduce incrementally to £10,000.

If you take DC benefits flexibly under the new pension rules, the amount you can contribute to DC savings each year is reduced from £40,000 to £10,000.

DON'T GET STUNG

With the change in pension regulations, pension scams are on the rise. 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/pension-scams.aspx



Deed amends complete

We have continued to update our Plan Deed to keep up with the increased UK pension flexibilities. This year's improvements include:

- **Amendments to allow trivial commutation payments** to deferred or pensioner members.
- **Updates to the transfer out rules.** Whereas previously DB and DC members were not allowed to transfer out within a year before Normal Retirement Age, members can now request a cash transfer value up to retirement. As before, approval of all transfers is at the discretion of the Trustee.

GOVERNANCE STATEMENT

In November the Chairman on the Governance committee will release the first annual statement for the Plan. If you would like to read this it's available from www.dnbpensionplan.co.uk

Contact details

If you are a DB or Old Money Purchase member:

Mercer
Four Brindleyplace
Birmingham
B1 2JQ
Telephone: 0121 733 4155 or 0121 733 4037
Email: ADMDBPensions.SOL@mercero.com

If you are a new DC member:

Friends Life Corporate Customer Services
PO Box 1550
Salisbury
Wiltshire
SP1 2TW
Telephone: 0345 602 9221
Email: DunandBradstreet@friendslife.co.uk

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

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

COMMUNICATING MORE EFFICIENTLY

We would like to use electronic communication in the future, which would allow us to be more environmentally friendly and cost efficient.

If you are happy to receive some Plan communications by email, please send your personal email address to secretary@dnbpensionplan.co.uk along with your name and home address for verification.

We ask for a personal email address so we don't lose touch with you even if you stop working for the Company.



TAKING SOME ADVICE

If you think you need advice or support with your retirement planning, you should consider speaking to an impartial financial adviser (IFA). You can find an adviser local to you at www.moneyadvice.service.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 and mortgages and loans.

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

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