DUN & BRADSTREET

2018 Trustee Report

Welcome to your online 2018 Trustee Report

This year, we're helping you think about your retirement goals and dreams and helping you plan to reach those goals. Whether you're approaching retirement, or still have some way to go, planning for life after work can be both exciting and challenging.

Retirement can be the opportunity for you to pursue the hobby you always wanted to take up, spend more time with your friends and family and even start a new business. So planning for retirement can be your opportunity to consider what is most important to you and, with the help offered by the Plan, make this happen.

Considering your priorities is a great place to start and we talk you through steps you can take later on in the report.

In August, the Company entered into a definitive merger agreement to be acquired by an investor group led by CC Capital, Cannae Holdings and funds affiliated with Thomas H. Lee Partners, L.P., along with other investors.

The Board of Directors is confident that being a privately held company with the support and resources from these investors – as well as the flexibility that comes with being private – is in the best interest of the Company, our customers and employees. Read more here.

The Plan website has a range of tools that can help with this planning and we hope you've already enjoyed exploring it. Discover our 'top tip' tools and new features to make it even easier for you to keep updated, and navigate retirement planning.

As always, we're keen to get your thoughts. If you want to get in touch, please email us at secretary@dnbpensionplan.co.uk.

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DON'T MISS OUT! HERE'S HOW YOU CAN PLAN AHEAD.

Aviva are running free 'My Retirement, my way' pre-retirement planning seminars for DC members over age 55. It's your opportunity to start planning your future. Find out more here.

The BIG picture

Market overview to 31 March 2018

Equity market returns have been positive over the 12 month period with emerging market equities outperforming developed market regions. In bond markets, UK government bond yields have fallen slightly over the 12 month period leading to increases in bond prices and producing positive returns in gilts. Over the same period, Sterling also appreciated against the US dollar and the Euro, but depreciated against the Yen.

IMPACT OF BREXIT

The United Kingdom invoked Article 50 in late March 2017, triggering the start of a two year negotiation period within which the UK is to negotiate its exit deal from the European Union. With under 12 months to go until the UK's exit from the EU, the current transition deal allows much of the status-quo to continue for an additional 21 months, albeit with the UK losing its input to the EU's decision making process. The Trustee continues to monitor the impact of the political environment along with its investment advisors.

Sale of parent company, Dun & Bradstreet

The transaction is expected to close in the first quarter of 2019 once closing conditions are satisfied, with shareholders receiving a cash amount per share. After the transaction closes, all shares of the Company are no longer traded on any public exchange. The transaction is valued at approximately $6.9 Billion.

The Company has always supported the Plan and there's no reason for this to change. As part of the sale, the investor group have agreed to take on $1.5 Billion in pension liabilities. Currently, the Trustee is working with the Company and the investor group with the aim of ensuring that all members will be paid their benefits as they fall due.

Our new ownership structure is expected to drive innovation and simplify how we operate. We are confident that with the support of these investors, we will be well-positioned to serve our current and future customers. Review our company story for more about our future vision.

THE DB SECTION

As part of a new investment strategy agreed in 2016, the Plan put in place a new dynamic de-risking approach in April 2017. This approach followed a pre-agreed investment change approach to de-risking under certain circumstances, or funding level triggers.

The Plan activated two funding level triggers in 2017, and so de-risked to an allocation of 50% return-seeking assets and 50% matching assets.

The triggers were reviewed and updated in January 2018. Following this, the Plan activated a further funding level trigger and de-risked to an allocation of 45% return-seeking assets and 55% matching assets.

THE DB SECTION IN NUMBERS TO 31 MARCH 2018

1-Year Return	1-Year Benchmark	3-Year Return p.a.	3-Year Benchmark p.a.
3.0%	3.6%	8.4%	7.5%

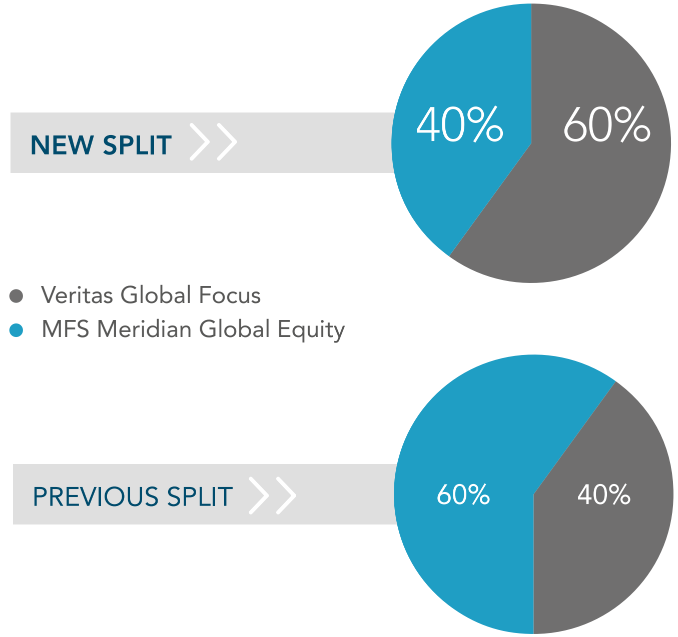
THE DC SECTION

Old Money Purchase Section – investment change completed

In the last year, members who have pension savings in the Old Money Purchase Section have been contacted about a change to their investments. This change was completed in April 2018 and the funds have now been invested into a new lifestyle strategy, the Dun & Bradstreet Lifecycle 2018 Investment Programme. This new lifestyle strategy mirrors the default investment strategy for the Plan's main DC Section, which provides a prospect of positive future growth – with lower risk. Read more about the Plan's default fund.

Updates to the Global Equity Active fund

As part of their regular review of the Plan investment options, the Trustee, and their investment advisors have made an update to the underlying investment funds that make up the Global Equity Active fund. This actively managed fund, available through the self-select option, is made up of two separate underlying funds: the Veritas Global Focus fund and the MFS Meridian Global Equity fund. The balance of these two funds has been adjusted as shown below, read more about the Global Equity Active fund here.



What’s your risk profile?

DC members of the Plan have a range of options at retirement – and your risk profile could impact your choice of retirement options and the investments you select to reach your retirement targets. Find out what this could mean for you.

Investing is an essential part of growing your Investment Account in the run up to retirement, but how much risk is right for you? Different people have different attitudes to risk. Some people are naturally cautious. Others are willing to take more risk with their money with a view to getting a better return.

It is probably true to say that most people are willing to take less risk as they get closer to retirement. Not only are you likely to have a bigger Investment Account at stake, but the closer you are to retirement the less time you have for your Investment Account to recover from any falls in value.

There are four main types of risk that you’ll need to consider as you plan your retirement.

Working out what’s right for you

CAPITAL VALUE RISK

The risk that the value of your investments can increase and decrease. As you approach retirement, this risk should be considered carefully, as the risk of your investments going up or down has wider effects on your retirement plans.

INFLATION RISK

The risk that the value of your investments don’t keep up with the rising cost of living. This means that your retirement goals could change, depending on how inflation has affected the growth of your investments.

ANNUITY PRICE RISK

The risk that your investments do not move in line with annuity rates as you approach retirement. This is likely to only apply if you plan to use your Investment Account to buy an annuity at retirement.

MISSED-OPPORTUNITY RISK

The risk that you may miss investment opportunities for higher growth by not taking on enough risk at a time that you’re able to.

So now we've looked at the different types of risk, we need to consider how much risk you are comfortable with. This will depend on your current personal circumstances and is likely to change over time.

You will need to balance out your need to grow your savings against the capital value risk of fluctuations in their market value. Some points to consider include:

- **Will this be your sole source of income in retirement?**
  If this Investment Account is going to be your primary source of income in retirement you may have a lower tolerance of risk. Other sources of income could include a personal pension, savings or a rental property.
- **Do you have another company pension elsewhere?**
  If you have alternative pension savings you may have a higher tolerance of risk as your assets may be more diverse than if you have a single pension savings account.
- **Have you considered your State Pension?**
  Don't forget you will also receive an income from the State. The full current State Pension is £8,546.20. The actual amount you get will depend on your National Insurance record.
- **Will you have any dependants to provide for when you retire?**
  By the time you reach retirement age your circumstances may have changed. Don't forget to plan ahead and take into consideration any changes in your family, changes to your accommodation and any other life events you think may happen in the future.

Need some help planning ahead?

AVIVA

Aviva is running free 'My Retirement, my way' pre-retirement seminars for members currently aged 55 and over. Each half day seminar will focus on information about pensions and how to find out what you are entitled to.

Check out Aviva's brochure to find out more information about the seminars.

Click here for details of seminar dates and locations to see which would work best for you. Please note, spaces are limited and are available on a first come, first serve basis but you will get to choose your top three preferences, so Aviva can help accommodate you.

These seminars offer guidance only, Aviva cannot offer personal advice. To find an impartial financial adviser, visit the Money Advice Service

DC: investing for retirement

Since 2015, DC members have had a number of options for how they take their retirement savings both through the Plan and by transferring out. Last year the Plan introduced a new range of Lifestyle investments designed to target these new options.

If you are planning on buying an annuity you have two Lifestyle funds in which you can invest:

- Diversified Lifestyle Annuity Investment Programme (DLAIP) – this is the Plan's default fund
- World Equity Lifestyle Annuity Investment Programme (WELAIP)

If you plan to take income drawdown at retirement you may want to consider investing in either:

- Diversified Lifestyle Drawdown Investment Programme (DLDIP)
- World Equity Lifestyle Drawdown Investment Programme (WELDIP)

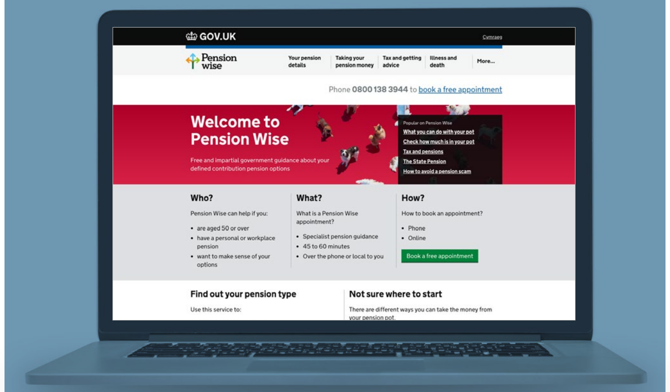
All of the Plan's Lifestyle funds are pre-defined investment strategies designed to transition your investment funds to an appropriate mix of investments for your chosen retirement outcome.

As a DC member you need to make sure your investments are aligned with your goals by:

- **Keeping your Target Retirement Age up to date.** You can update this by completing a form, downloadable from www.dnbpensionplan.co.uk
- **Deciding which retirement option you would like to take and selecting the matching Lifestyle investment option.** You can read more about your retirement options online and change your investment selection through the Plan website at www.dnbpensionplan.co.uk

NEED SOME HELP DECIDING?

The Government offers a free guidance service for anyone over age 55 called Pension Wise. Pension Wise offers a personal guidance session as well as providing more information on your options at www.pensionwise.gov.uk or call 0800 138 3944 to book your free appointment.



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Retirement in focus

How you take your retirement benefits can have a big impact on your income in retirement. Thinking through your priorities and how you can select the option which best suits you can help make the most of your savings. Below is an example of how someone who may be like you made their decision.

GDPR

In May this year, the General Data Protection Regulation (GDPR) came into effect. Its purpose is to keep your personal data safe. Find the new privacy policy here.

Your options: **Someone like you**

Meet Barbara.

She's 62 years old, and has worked at Dun & Bradstreet for 16 years. As a DB member, her normal retirement age is 65.

Barbara had always dreamt of what her retirement would look like – palm trees and soft white sand – but it was only in her early 30s that she started considering how much income she'd actually need for retirement, and the age at which she'd like to retire. She had just changed positions at her previous employer, taking over from a colleague she had become good friends with. He was taking early retirement, and suggested Barbara started planning for her retirement sooner rather than later.

Considering her retirement options also meant considering her priorities. As time went on, Barbara's retirement vision shifted from island living, to providing security for herself and her husband and helping out her twin boys.

She prioritised:

- Predictable retirement income
- Benefits for her loved ones in the event of her death
- A cash lump sum which she could use to help her boys out when they need it.

Barbara knew that she could give up part of her DB pension to provide the maximum 25% tax-free lump sum and take a reduced pension from the Plan, which would give her a taxable regular income for the rest of her life. Alternatively, Barbara also knew she could transfer the cash value of her DB benefits to a personal 'income drawdown' arrangement, that would provide her with more flexibility over how she takes her retirement benefits. However, she appreciated this would mean her benefits would be less predictable than taking a DB pension from the Plan.

Her decision

Since her DB benefits in the Plan make up the bulk of her retirement income, Barbara opted for a maximum tax-free cash sum plus a reduced DB pension from the Plan. She knew this would mean she'd receive a pension at retirement based on her salary and service, a tax-free cash sum to spend how she wished, annual increases to her pension, and benefits for her spouse/dependants on her death, in line with the Plan Rules.

Six months before her normal retirement age, Barbara was contacted by the Plan administrator, Mercer. Mercer reminded her that her normal retirement age was approaching and provided Barbara with a retirement pack. The pack outlined each retirement option, allowing her to make her choices.

Plan updates

MEMBER-NOMINATED DIRECTOR SELECTION PROCESS

The selection process for member-nominated directors (MNDs) is changing.

At the moment, regular elections are held for MNDs with candidates being nominated by members. This leaves the Plan open to the risk of losing experienced MNDs and their important knowledge. It also means the Trustee is not able to promote inclusion and diversity in the Board.

As a result of a review, in future, the selection process for a new MND will only commence when an incumbent MND resigns. The Trustee Board will now select and interview new MNDs when a place becomes available. We believe this increased stability of the MNDs will benefit the Plan.

FULL PLAN VALUATION

The Plan's Actuary produces a full Plan valuation once every three years with interim valuations carried out every year. 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'.

In 2017 the funding level was 102%, increased from 94% in 2016.

As 2018 is a full valuation year there is no interim funding level to report. The results of the full Plan valuation will be available in next year's newsletter.

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 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 the 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 2018.

If you would like to read the most recent full Governance Statement, it can be found in the 2018 Annual Report, available at **www.dnbpensionplan.co.uk**

Useful tools, links and contacts

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 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.moneyadviceservice.org.uk/en/articles/choosing-a-financial-adviser

The Pensions Advisory Service (TPAS)

TPAS is available at any time to assist members of the public with any pension related questions or problems. TPAS operates a very helpful website, details are below.

www.pensionsadvisoryservice.org.uk

11 Belgrave Road
London
SW1V 1RB

Telephone: 0800 011 3797

Online tools

Our pension website

www.dnbpensionplan.co.uk offers a number of useful tools to help you plan your retirement such as:

- The early bird – this interactive tool demonstrates the pot size you might hope to reach depending on when you start to save and how much you contribute.
- Small changes – if you're not sure what changes you can make to add a little extra to your pension pot try the small changes tool to see how small changes add up.

Contact details

If you are a DB or Old Money Purchase member:

D&B Pension Admin
C/O Mercer Limited
Four Brindleyplace
Birmingham
B1 2JQ

Telephone: Main line – 0121 631 3343
(ask for the Dun & Bradstreet team)

Or

0121 644 3505 (for a key contact on the team)

Email: 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

Email: 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?

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: **jermya@dnb.com**

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