Willis Towers Watson

ACNielsen (UK) Pension Plan

Actuarial valuation as at 5 April 2021

29 April 2022

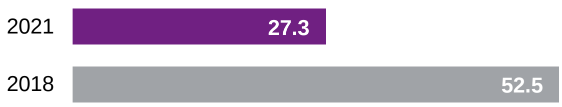
willistowerswatson.com

Summary

The main results of the Plan's actuarial valuation are detailed below. Please note the funding levels in brackets are for the Plan's Section B defined benefit and Section A defined benefit underpin ("DB underpin") shortfall liabilities (referred to as 'DB', with the balance of the liabilities being referred to as 'DC'):

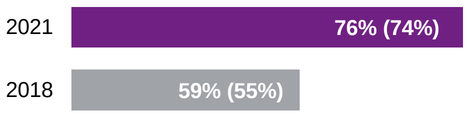
- Technical provisions funding level as at 5 April 2021 has increased to 92% (2018: 81%)

- Deficit of assets relative to technical provisions has decreased to £27.3 million (2018: £52.5 million)



- The recovery plan implemented to address the Plan's funding deficit is expected to achieve full funding on the technical provisions assumptions by 31 May 2028, which is 7.2 years following the valuation date (2018: 8.2 years)

- The Scheme Actuary's statutory estimate of solvency as at 5 April 2021 has increased to 76% (2018: 59%)



Contents

Throughout this report the following terms are used:

Plan
ACNielsen (UK) Pension Plan

Trustee
ACNielsen (UK) Pension Plan Trust Limited

Company
A.C. Nielsen Company Limited

Trust Deed & Rules
The Plan's Trust Deed and Rules dated 24 July 2008 and subsequent amendments

Introduction

Scope

This report is the actuarial valuation of the ACNielsen (UK) Pension Plan as at 5 April 2021 and I have prepared it for the Trustee. As noted in the Limitations section of this report, others may not rely on it.

The actuarial valuation is required under the terms of Rule 16.2.4 of the Trust Deed & Rules and Part 3 of the Pensions Act 2004; a copy of this report must be provided to the Company within seven days of its receipt.

The main purposes of the actuarial valuation are to review the financial position of the Plan relative to its statutory funding objective and to determine the appropriate level of future contributions.

The report explains the financial position of the Plan at 5 April 2021 using several different measures of its liabilities and how it has changed since the previous valuation at 5 April 2018. It also describes the strategy that has been agreed between the Trustee and Company for financing the Plan in future and provides projections of the funding position at the expected date of the next valuation.

This report and the work involved in the actuarial valuation are within the scope of and comply with the Financial Reporting Council's Technical Actuarial Standards 100: Principles for Technical Actuarial Work and 300: Pensions.

Next steps

The Trustee is required to disclose to members, in a summary funding statement, certain outcomes of this actuarial valuation within a reasonable period. Members may also request a copy of this report.

The financial position of the Plan and the level of Company contributions to be paid will be reviewed at the next actuarial valuation, which is expected to be carried out at 5 April 2024.

In intervening years the Trustee will obtain annual actuarial reports on developments affecting the Plan's assets and technical provisions. The next such report, which will have an effective date of 5 April 2022, must be completed by 5 April 2023.

Stephen Aries
Fellow of the Institute and Faculty of Actuaries
Towers Watson Limited, a WTW company
29 April 2022

Watson House
London Road
Reigate, Surrey
RH2 9PQ

https://wtwonlineuk.sharepoint.com/sites/tctclient_618092_acn21fv/Documents/7. Reporting (CO)/7.1 Valn report/Valn-5Apr2021-AVR-29Apr2022.docx

Limitations

Third parties

This report has been prepared for the Trustee for the purpose indicated. It has not been prepared for any other purpose. As such, it should not be used or relied upon by any other person for any other purpose, including, without limitation, by individual members of the Plan for individual investment or other financial decisions, and those persons should take their own professional advice on such investment or financial decisions. Neither I nor Towers Watson Limited accepts any responsibility for any consequences arising from a third party relying on this report.

Except with the prior written consent of Towers Watson Limited, the recipient may not reproduce, distribute or communicate (in whole or in part) this report to any other person other than to meet any statutory requirements.

Data supplied

The membership data at 5 April 2021 was provided by the Plan's administrators, Capita, in June 2021.

The Trustee bears the primary responsibility for the accuracy of the information provided, but will, in turn, have relied on others for the maintenance of accurate data, including the Company who must provide and update certain membership information. Even so it is the Trustee's responsibility to ensure the adequacy of these arrangements. I have taken reasonable steps to satisfy myself that the data provided is of adequate quality for the purposes of the investigation, including carrying out basic tests to detect obvious inconsistencies. These checks have given me no reason to doubt the correctness of the information supplied. It is not possible, however, for me to confirm that the detailed information provided, including that in respect of individual members and the asset details, is correct.

This report has been based on data available to me as at the effective date of the actuarial valuation and takes no account of developments after that date except where explicitly stated otherwise.

Some of the member data (such as date of birth and salary) required for the running of the Plan, including for paying out the right benefits, is known as 'personal data'. The use of this data is regulated under the Data Protection Act (DPA) and the General Data Protection Regulation (GDPR), 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 Trustee of the Plan and may also include the Scheme Actuary and WTW, so we have provided further details on the way we may use this data on our website at https://www.wtwco.com/en-GB/Notices/how-willis-towers-watson-uses-personal-data-for-actuarial-services-to-uk-pension-scheme-trustees.

Assumptions

The choice of long-term assumptions, as set out in the Plan's Statement of Funding Principles dated 29 April 2022, is the responsibility of the Trustee, in agreement with the Company, after taking my advice. They are only assumptions; they are not predictions and there is no guarantee that they will be borne out in practice. In fact, I would expect the Plan's experience from time to time to be better or worse than that assumed. The Trustee and the Company must be aware that there are uncertainties and risks involved in any course of action they choose based on results derived from these assumptions.

The funding of the Plan is subject to a number of risks and it is not possible to make an allowance for all such risks in providing our advice. Unless stated, no explicit allowance has been made for any particular risk. In particular, no explicit allowance has been made for climate-related risks.

Funding

Statutory funding objective

The Trustee's only formal funding objective is the statutory funding objective under the Pensions Act 2004, which is to have sufficient and appropriate assets to cover the Plan's technical provisions.

The technical provisions are calculated by projecting the benefits (which are mostly pension payments) expected to be paid in each year after the valuation date and then discounting the resulting cashflows to obtain a present value. The main benefits taken into account in this actuarial valuation are summarised in the Additional Information section of this report.

The projections allow for benefit payments being made from the Plan over the next 80 or so years. Most of these payments depend on future increases in price inflation statistics subject to specified limits.

The method and assumptions for calculating the technical provisions as at 5 April 2021 have been agreed between the Trustee and Company and are documented in the Statement of Funding Principles dated 29 April 2022.

The table below summarises the main assumptions used to calculate the Plan's technical provisions for this and the previous actuarial valuation.

Financial assumptions	5 April 2021 % pa	5 April 2018 % pa
Section B DB liabilities		
Discount rate	**Nominal gilts curve plus a 0.5% pa margin until 2025, phasing down linearly over 2025-2030 to a 0.25% pa margin from year 2030**	Nominal gilts curve plus a 1.25% pa margin until 2025, phasing down linearly over 2025-2030 to a 0.25% pa margin from year 2030
Price inflation (RPI)	**Gilt market breakeven inflation curve (average single equivalent 3.5% pa)**	Gilt market breakeven inflation curve (average single equivalent 3.3% pa)
Price inflation (CPI)	**RPI inflation less 0.9% pa to 2030 and reducing to RPI inflation less 0% pa thereafter**	RPI inflation less 1.1% pa at all durations
Revaluation of pensions in deferment:		
- Non-GMP subject to section 84 orders	**In line with CPI, with allowance for the caps and floors**	
- GMP	**Fixed rates based on date of exit**	
Pension increases in payment	**Term dependent increases derived using the Black formula with assumed volatility of 1.9% pa applied to the relevant CPI forward rate curve**	
- Discretionary increases (pre-6.4.97 non-GMP)	**Nil**	
- Pre-5.4.88 GMP	**Nil**	
- Post-5.4.88 GMP	**CPI, 0% pa floor, 3.0% pa cap**	
- 6.4.97–5.4.05 accrual	**CPI, 0% pa floor, 5.0% pa cap**	
- Post-5.4.05 accrual	**CPI, 0% pa floor, 2.5% pa cap**	

Financial assumptions	5 April 2021 % pa	5 April 2018 % pa
Section A DB underpin		
Discount rate		
- Member funds pre-retirement	**Nominal gilts curve plus 2.0% pa until 5 years before retirement, linearly reducing to gilts at retirement.**	3.6% pa until 5 years before retirement, linearly reducing to 1.7% pa at retirement.
- Non-member funds pre-retirement	**Nominal gilts curve plus 0.50% pa**	2.95
- Post retirement	**Nominal gilts curve plus 0.25% pa**	1.95
Price inflation (RPI)	**Gilt market breakeven inflation curve**	3.3
Price inflation (CPI)	**RPI inflation less 0.9% pa to 2030 and reducing to RPI inflation less 0% pa thereafter**	2.2
Revaluation of pensions in deferment:		
- Non-GMP subject to section 84 orders	**As Section B DB liabilities**	2.2
Pension increases in payment	**As Section B DB liabilities**	
- Pre-5.04.88 GMP		Nil
- Post-5.04.88 GMP		1.9
- 6.04.97 to 5.04.05 accrual		2.3
- Post-5.04.05 accrual		1.7

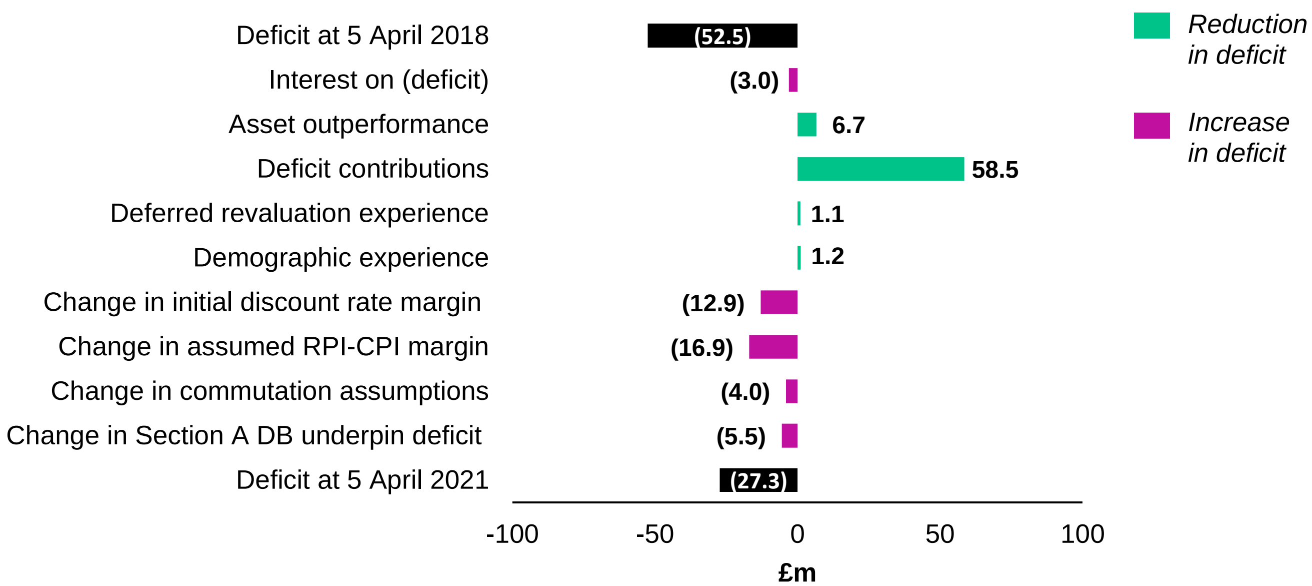
Demographic assumptions	5 April 2021	5 April 2018
Mortality base tables		
- male members	**85% of SAPS S2 All pensioner Male amounts**	
- female members	**90% of SAPS S2 All pensioner Female amounts**	
- male dependants	**85% of SAPS S2 All pensioner Male amounts**	
- female dependants	**90% of SAPS S2 All pensioner Female amounts**	
Longevity improvements from 2007 to 2018	**In line with CMI core projection model (2017 version), subject to a 1.5% pa long term trend**	
Longevity improvements from 2018	**In line with CMI core projection model (2020 version), subject to a 1.5% pa long term trend with an initial addition parameter of 0.4% pa and nil weight for 2020 data**	In line with CMI core projection model (2018 version), subject to a 1.5% pa long term trend with an initial addition parameter of 0.4% pa
Proportion married at retirement	**80%/75% (males/females)**	
Commutation allowance	**15% of new pensions are assumed to be commuted for cash, based on terms that are 15% higher than the Plan factors in force at 5 April 2021**	20% of new pensions are assumed to be commuted for cash, on terms consistent with a nominal discount rate of 6.6% pa.
GMP equalisation allowance	**1% of liabilities**	
Bridging pension allowance	**2% loading to deferred pensioner liabilities**	

The table below compares the Plan's technical provisions as at the date of the actuarial valuation (5 April 2021) with the market value of the Plan's assets and the corresponding figures from the previous actuarial valuation:

Valuation statement	5 April 2021 £ million	5 April 2018 £ million
Amount required to provide for the Plan's liabilities in respect of:		
Deferred pensioners	**159.8**	156.8
Pensioners and dependants	**115.7**	73.1
GMP equalisation	**2.9**	2.3
Section A DB underpin shortfall	**11.8**	6.3
Technical provisions for DB liabilities	**290.2**	238.5
Technical provisions for DC liabilities	**34.2**	31.6
Total Technical Provisions	**324.4**	270.1
Market value of assets	**297.1**	217.6
Past service (deficit)/surplus (assets less technical provisions)	**(27.3)**	(52.5)
Funding level (assets ÷ technical provisions)		
- Overall	**92%**	81%
- DB only	**91%**	78%

Developments since the previous valuation

The deficit has decreased to £27.3 million from £52.5 million at the previous valuation. The main factors contributing to this decrease are shown below.



Contribution requirements

The Plan closed to future accrual of DB benefits on 31 March 2016, therefore no contributions are required in respect of new accrual after this date. Contributions of £40,000 per month are payable towards administration expenses.

The Company will pay contributions into the Plan equal to premiums required to insure the Plan's death benefits in respect of members still in employment with the Company as soon as administratively possible after payment of such premiums by the Plan (to the extent any such insurance remains in place and except where these premiums are remitted directly by the Company to the insurer or where these benefits are provided outside the Plan).

The Company will pay contributions sufficient to cover Pension Protection Fund levies as soon as administratively possible after payment of such levies by the Plan (unless these levies are remitted directly by the Company to the Pension Protection Fund).

The Company will pay contributions to fully fund any strains crystallised on the retirement, death or transfer out of any Section A Members for whom the defined benefit underpin liability is larger than their money purchase account, as soon as administratively possible after the crystallisation event. Any such contributions may be offset by means of an equal, or a smaller, reduction from any shortfall contributions due in the month of, or after, the crystallisation event.

Recovery plan

As there were insufficient assets to cover the Plan's technical provisions at the valuation date, the Trustee and the Company are required to agree a recovery plan. This specifies how, and by when, the statutory funding objective is expected to be met.

The Trustee and the Company have agreed a recovery plan such that the Company will pay:

- £5.182 million a year payable by equal monthly instalments to March 2022;
- £3.671 million a year, subject to the Inflation Adjustment, payable by equal monthly instalments from April 2022 to May 2028. The Inflation Adjustment is applied to payments from the start of each Plan year in April (with the next increase in April 2023) and is defined as the Retail Prices Index for the September preceding that April divided by the Retail Prices Index for September 2021; plus
- £1 million a year payable in the first half of each calendar year from 2021 to 2025.

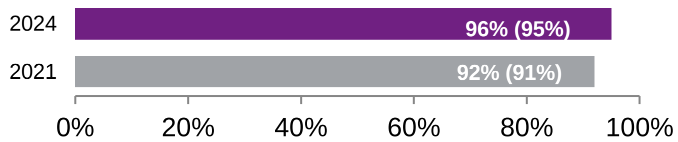
The Trustee and Company have agreed a mechanism to suspend the payment of Company contributions of £3.671 million a year (subject to the Inflation Adjustment) if the estimated funding level on the long-term funding target (where liabilities are valued as for the technical provisions but with the discount rate being the nominal gilts curve) basis exceeds 100% for three consecutive month ends. These Company contributions will recommence if the estimated funding level on the technical provisions basis falls below 100%, for three consecutive month ends. This mechanism does not apply to contributions payable on or before 31 May 2024, the £1 million a year deficit contributions referred to above, administration or PPF levy contributions.

If the assumptions documented in the Statement of Funding Principles are borne out in practice, the deficit will be removed by 31 May 2028.

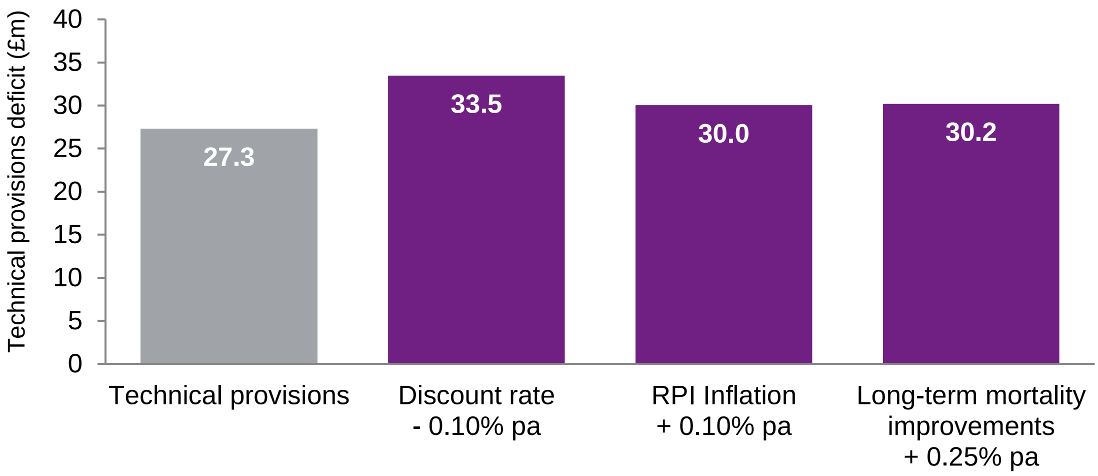
Projections and sensitivities

In the funding level charts below, figures in brackets are for the DB section only.

Based on the assumptions underlying the calculation of the Plan's technical provisions as at 5 April 2021 and allowing for contributions to be paid to the Plan as described above, the funding level is expected to increase broadly uniformly over the period of the recovery plan. The projected funding level is expected to increase from 92% (91%) as at 5 April 2021 to 96% (95%) by the expected date of the next actuarial valuation (5 April 2024).



The charts below illustrates the sensitivity of the technical provisions as at 5 April 2021 to variations of individual assumptions. (If more than one of these assumptions is varied, the effect may be greater than the sum of the changes from varying individual assumptions.)



Solvency

Discontinuance

If the Plan's discontinuance is not the result of the Company's insolvency, the Company would ultimately be required to pay to the Plan any deficit between the Scheme Actuary's estimate of the full cost of securing Plan benefits with an insurance company (including expenses) and the value of the Plan's assets – the "employer debt". The Trustee would then normally try to buy insurance policies to secure future benefit payments. However, the Trustee may decide to run the Plan as a closed fund for a period of years before buying such policies if it is confident that doing so is likely to produce higher benefits for members or if there are practical difficulties with buying insurance policies, such as a lack of market capacity.

If the Plan's discontinuance is a result of the Company's insolvency, the "employer debt" would be determined as above and the Plan would also be assessed for possible entry to the Pension Protection Fund ("PPF").

If the assessment concluded that the assets (including any funds recovered from the Company) were not sufficient to secure benefits equal to the PPF compensation then the Plan would be admitted to and members compensated by the PPF. Otherwise the Plan would be required to secure a higher level of benefits with an insurance company.

PPF Valuation

Under Section 179 of the Pensions Act 2004, the Trustee is required to provide the PPF with a valuation of the Plan that the PPF can use to determine the levy it charges. This valuation uses assumptions specified by the PPF and covers only benefits similar to the PPF compensation benefits. I calculate that at 5 April 2021 the Plan's assets covered 94% of the Section 179 liabilities (2018: 69%).

The results for the Section 179 valuation for the Plan as at 5 April 2021 are summarised below. In accordance with Section 179(6) of the Pensions Act 2004, the market value of the assets for Section 179 should exclude additional voluntary contributions (AVCs) and DC assets which are used to provide benefits wholly on a money purchase basis.

	Excluding money purchase assets and liabilities £ million
Total protected liabilities	**297.4***
Total assets	**278.4**
Surplus/ (Deficit)	**(19.0)**
Protected liabilities coverage	**94%**

*Includes estimated wind up expenses and benefit installation/payment expenses of £4.4 million and £1.7 million respectively

Further details of the Section 179 valuation at 5 April 2021 are set out in my Section 179 valuation report dated 4 March 2022.

Statutory estimate of solvency

The Pensions Act 2004 requires that I provide the Trustee with an estimate of the solvency of the Plan at the valuation date. Normally, this means an estimate of the proportion of the accrued benefits that could have been secured by buying insurance policies with the assets held by the Plan at the valuation date. For this purpose I have assumed that no further payments are received from the Company.

I have assumed that the insurance company price would be calculated on an actuarial basis similar to that implied by bulk annuity quotations seen by WTW at around the valuation date. I have estimated implementation and wind-up costs in line with the approach prescribed by PPF valuations except the loading on liabilities above £100 million is adjusted to 0.5% (leading to assumed winding-up costs of £4.8 million).

The table below summarises how the main assumptions used to estimate the Plan's solvency position at this and the previous actuarial valuation differ from the assumptions used to calculate the technical provisions liabilities.

Financial assumptions	5 April 2021 % pa	5 April 2018 % pa
Pensioner discount rate	**Gilt yields plus 0.15% pa**	Gilt yields plus 0.25% pa
Non-pensioner discount rate	**Gilt yields less 0.35% pa**	Gilt yields less 0.35% pa
Price Inflation (RPI)	**Gilt market breakeven inflation curve**	
Price Inflation (CPI)	**RPI less 0.7% pa until 2030, RPI less 0% pa from 2030**	0.7% pa below RPI at all durations
Revaluation of pension in deferment - pre-6 April 2009 non-GMP accrual - post-5 April 2009 accrual	**In line with CPI, with allowance for caps and floors**	
Pension increases in payment - CPI capped at 3% pa - CPI capped at 5% pa - CPI capped at 2.5% pa	**In line with CPI, with allowance for caps and floors and nil assumed inflation volatility**	

In estimating the liabilities on a solvency basis I have assumed the same demographic assumptions as for the technical provisions except:

- mortality table multipliers of 89% for males and 94% for females
- future mortality improvements in line with CMI core projection model (2019 version) with a 1.5% pa long-term trend, smoothing parameter of 7.5 and an initial addition parameter of 0.4% pa
- commutation assumed not to occur
- no 2% loading to deferred pensioner liabilities for bridging pensions on early retirement
- expenses are assumed to be calculated with the approach prescribed by PPF valuations except the loading on liabilities above £100 million is adjusted to 0.5%.

My estimate of the solvency position of the Plan as at 5 April 2021 is that the assets of the Plan would have met 76% (74% DB only) of the cost of buying insurance policies to secure the benefits at that date, based on the assumptions described above. Further details are set out in the table below alongside the corresponding details as at the previous valuation date:

Valuation statement	5 April 2021 £ million Total	 DB only	5 April 2018 £ million Total	 DB only
Estimated cost of buying insurance policies to cover:				
Solvency liabilities	**391.5**	**357.3**	368.2	336.6
Market value of assets	**297.1**	**262.9**	217.6	186.0
Solvency (deficit)	**(94.4)**	**(94.4)**	(150.6)	(150.6)
Solvency level	**76%**	**74%**	59%	55%

The change in the solvency level from 59% to 76% is due to the additional deficit contributions paid by the Company, investment performance of the Plan's assets being better than assumed, offset slightly by the increase in annuity pricing.

The solvency estimate should not be relied upon to indicate the position on a future winding-up. Changes in market interest rates and in the supply and demand for annuities mean that the actual position at any particular point in time can be established only by obtaining specific quotations for buying the insurance policies required to secure the benefits.

The coverage for particular benefits depends on where they fall in the statutory priority order below. However, money purchase liabilities, such as those arising from members' Additional Voluntary Contributions (AVCs), are excluded from the statutory priority order; their treatment is determined by the Plan's own rules and would normally be that they are secured in full before any other benefits.

- category 1 – benefits relating to certain pension annuities secured by the Plan before 6 April 1997 (of which I understand there are none for the Plan);
- category 2 – the cost to the Plan of securing the compensation that would otherwise be payable by the PPF if the Company became insolvent;
- category 3 – benefits in respect of defined benefit AVCs not dealt with above (of which I understand there are none for the Plan);
- category 4 – all other pensions and benefits due under the Plan, including pension increases (where these exceed those under the PPF).

As the Plan assets did not cover the Section 179 liabilities as at 5 April 2021, the Plan would probably have qualified for entry to the PPF had the Company become insolvent at 5 April 2021, in which case the members would have received PPF compensation in place of their benefits.

Relationship between the cost of securing benefits and the technical provisions

My estimate of the cost of securing benefits with an insurance company of £391.5 million is £67.1 million higher than the Plan's technical provisions of £324.4 million.

The technical provisions are intended to be a prudent assessment of the assets required under the Plan's investment strategy to meet future benefit payments as and when they fall due but with reliance placed on the Company being able to support the Plan in future if the assumptions are not borne out in practice. By contrast the estimated cost of securing benefits with an insurance company is based on the price that an insurer might be likely to charge to take on the risks associated with operating the Plan without having recourse to future contributions from the Company.

If the statutory funding objective had been exactly met on 5 April 2021 (i.e. there had been no funding surplus or deficit), I estimate that the solvency level of the Plan would have been 83% (81% DB section only). This compares with 73% (71% DB section only) at the 5 April 2018 actuarial valuation.

Projections and sensitivities

Based on the assumptions underlying the calculation of the Plan's technical provision as at 5 April 2021 and allowing for contributions to be paid to the Plan summarised in the Funding section of this report, the solvency level is projected to broadly uniformly increase over the recovery period, and will increase by a slightly greater extent than the technical provisions funding level.

The chart below illustrates the sensitivity of the solvency position as at 5 April 2021 to variations of individual key assumptions. (If more than one of these assumptions is varied, the effect may be greater than the sum of the changes from varying individual assumptions.)

Additional Information

Risks

The table below summarises the main risks to the financial position of the Plan and the actions taken to manage them:

Risk	Approach taken to risk
Company unable to pay contributions or make good deficits in the future	The Trustee monitors the Company's financial strength regularly to assess the ability of the Company to pay contributions to the Plan and, in particular, to make good any shortfall that may arise if the experience of the Plan is adverse. This advice is taken into account when determining the level of technical provisions and in considering the appropriateness of any recovery plan to remove a deficit relative to the technical provisions. Between valuations the Trustee monitors the Company's financial strength regularly.
Investment returns on the existing assets could be insufficient to meet the Trustee's funding objectives	The Trustee takes advice from the Scheme Actuary on possible assumptions for future investment returns. For the calculation of the Plan's technical provisions, the Trustee has adopted discount rates that are lower than the expected returns on the Plan assets. The Trustee is able to agree further contributions with the Company at subsequent valuations if future returns prove insufficient.
Investment returns on future income could be lower than the returns available at the valuation date	The Trustee takes this risk into account when determining the Plan's technical provisions, by incorporating a level of prudence into the investment return assumptions. The Plan currently hedges its exposure to changes in interest rates.
Price inflation could be different from that assumed which could result in higher liabilities	The Trustee invests in assets that are expected to be correlated to future inflation in the longer term (sometimes referred to as "real" assets). This means that, over the longer term, such assets are expected to keep pace with inflation. Such assets include equities, property and index-linked bonds. The Plan currently hedges its exposure to inflation risk.
Falls in asset values might not be matched by similar falls in the value of the Plan's liabilities	The Trustee considers this risk when determining the Plan's investment strategy. It consults with the Company in order to understand the Company's appetite for bearing this risk and takes advice on the Company's ability to make good any shortfall that may arise. To the extent that such falls in asset values result in deficits at future valuations, the Company would be required to agree a recovery plan with the Trustee to restore full funding over a period of time.
Plan members live longer than assumed	For the calculation of the technical provisions, the Trustee has adopted mortality assumptions that it regards as prudent estimates of the life expectancy of members so that higher reserves are targeted in respect of the risk than are expected to be necessary.
Options exercised by members could lead to increases in the Plan's liabilities	The Trustee sets the terms for converting benefits in respect of member options on the basis of actuarial advice with the view to avoiding strains on the Plan's finances as far as is reasonably possible without disadvantaging members. The terms are kept under regular review, generally following each actuarial valuation.
Legislative changes could lead to increases in the Plan's liabilities	The Trustee takes legal and actuarial advice on changes in legislation and consults with the Company, where relevant.
Changing patterns of weather, temperature or disease could adversely affect the funding of the Plan	The Trustee recognises that climate-related issues represent a material risk to future economic stability in the long term, with potentially wide-ranging impacts on environmental, societal and governance matters. From the perspective of the funding of the Plan the key ways these risks could manifest themselves are through unmatched falls in asset values, Plan members living longer than assumed or a reduction in the strength of the Company covenant. Each of these particular risks are separately addressed above.

Economic risk · Demographic risk · Legal risk · Climate risk

Benefits summary

Sections A and B of the Plan were contracted-out of the State Second Pension. The Plan is approved under Chapter 1 of Part XIV of the Income and Corporation Taxes Act 1988.

Normal Retirement Date (NRD) is 65th birthday for men and women (60th birthday for certain historic members in respect of certain periods of pensionable service).

Money Purchase (DC) and Defined Benefit (DB) section eligibility

Sections A and B closed to new entrants from 1 January 2004 and closed to future accrual from 1 April 2016. Section C closed to new entrants and future accrual from 1 October 2011.

Section A provisions

Retirement benefits:	Pension purchased from retirement account on retirement between age 55 and 65. Underpin of pension calculated in accordance with 'reference scheme test' for post-6 April 1997 contracting-out purposes; GMP underpin for pre-5 April 1997 accrual.
Lump sum option:	Part of retirement account available as lump sum on retirement, subject to HMRC restrictions.

Section B provisions

Retirement before NRD: (with Company consent)	Accrued pension subject to actuarial reduction for leavers before NRD for early payment. Not available below age 55. Temporary pensions payable.
Lump sum at retirement	Amount of commutation is subject to HMRC limits, and amount of pension given up to receive a lump sum is determined according to an age-related scale.
Death after retirement	Lump sum equal to balance of first 5 years' pension payments. Spouse's pension of 50% of member's pension (ignoring any commutation). Pensions also payable to eligible children.
Pension increases:	As required by statute, currently being in line with CPI inflation subject to a cap of 5% pa (accrued between 6 April 1997 and 5 April 2005) and a cap of 2.5% pa (accrued from 6 April 2005). Discretionary increases on pre-April 1997 accrual.

Discretionary benefits

No future discretionary benefits or discretionary increases in benefit have been allowed for in the calculation of the technical provisions and statutory estimate of solvency, other than our understanding of established practices in benefit calculations.

Changes to the benefits

Sections A and B closed to future accrual on 31 March 2016. On closure, active members ceased to accrue benefits in the Plan and no further contributions in respect of future service will be paid by members or the Company. Final salary accrual in Section B ceased to be linked to future salary growth. CARE accrual in Section B ceased to be linked to CARE in-service revaluation (CPI capped at 5% pa with the assessment done year on year). Both final salary accrual and CARE accrual will be revalued from 1 April 2016 in line with Plan in-deferment revaluation.

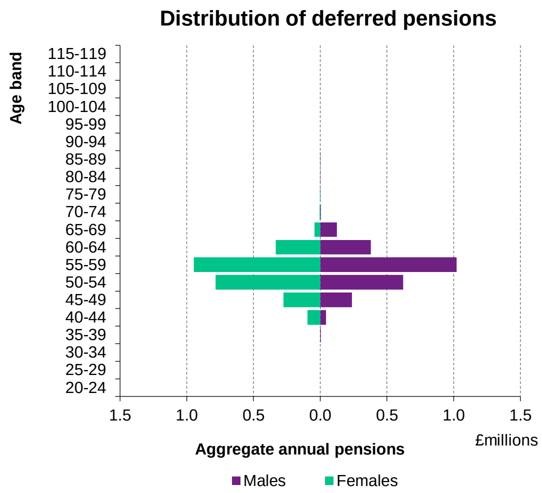
Uncertainty about the benefits

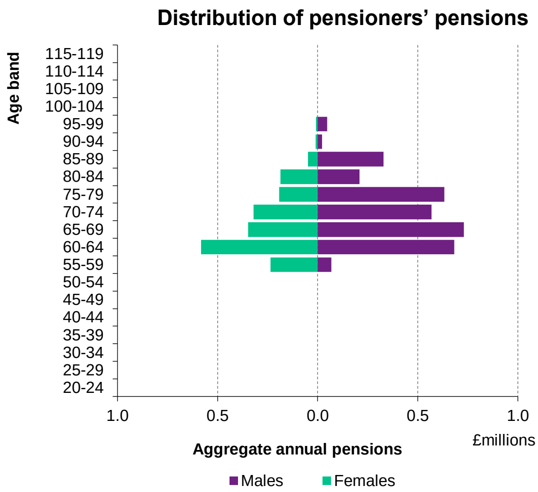
An allowance of 1% of liabilities has been made in the calculation of the technical provisions and statutory estimate of solvency as an estimate for the possible changes to the benefits that may be required to ensure that the Plan provisions in respect of Guaranteed Minimum Pensions do not unlawfully discriminate between male and female members.

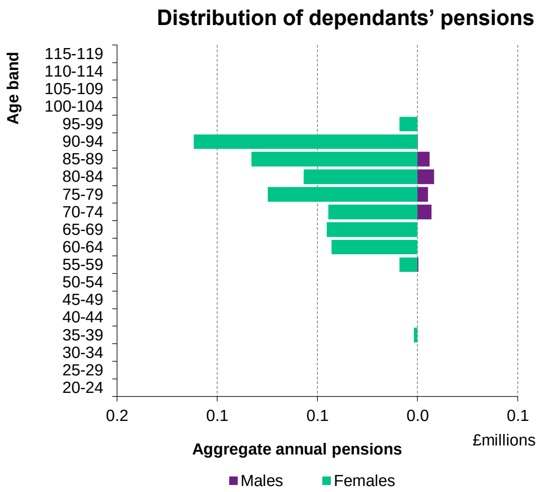
Membership data

Population pyramids

A graphical summary of the Trustee's membership information supplied by the Plan's administrator as at 5 April 2021 is shown below.







Notes on data charts:

- Deferred pension amounts include revaluation to the valuation date.
- Deferred pensions exclude Section A DB underpins.

A summary of the data provided for this and the previous valuation is presented below.

Number of members

Number	5 April 2021			5 April 2018		
	Males	Females	Total	Males	Females	Total
Active members	-	-	**-**	-	-	**-**
Deferred pensioners	263	398	**661**	318	500	**818**
Pensioners	260	468	**728**	234	416	**650**
Dependants	24	63	**87**	24	68	**92**
Total	**547**	**929**	**1,476**	576	984	**1,560**

Annual salary or pension

£m	5 April 2021			5 April 2018		
	Males	Females	Total	Males	Females	Total
Deferred pensions	2,435.2	2,484.6	**4,919.8**	3,273.0	3,207.0	**6,480.0**
Pensioners' pensions	3,289.9	1,934.0	**5,223.9**	2,745.4	1,278.4	**4,023.8**
Dependants' pensions	27.0	478.9	**505.9**	25.9	489.8	**515.7**

Average age

Years	5 April 2021			5 April 2018		
	Males	Females	All	Males	Females	All
Deferred pensioners	55.7	54.5	**55.1**	54.5	53.2	**53.9**
Pensioners	72.1	68.4	**70.7**	72.4	69.9	**71.6**
Dependants	79.4	79.8	**79.8**	78.2	78.4	**78.4**

Notes on data tables:

- Deferred pension amounts include revaluation to the valuation date.
- Average ages are weighted by Deferred pensions for Deferred pensioners and by pension for Pensioners and Dependants.

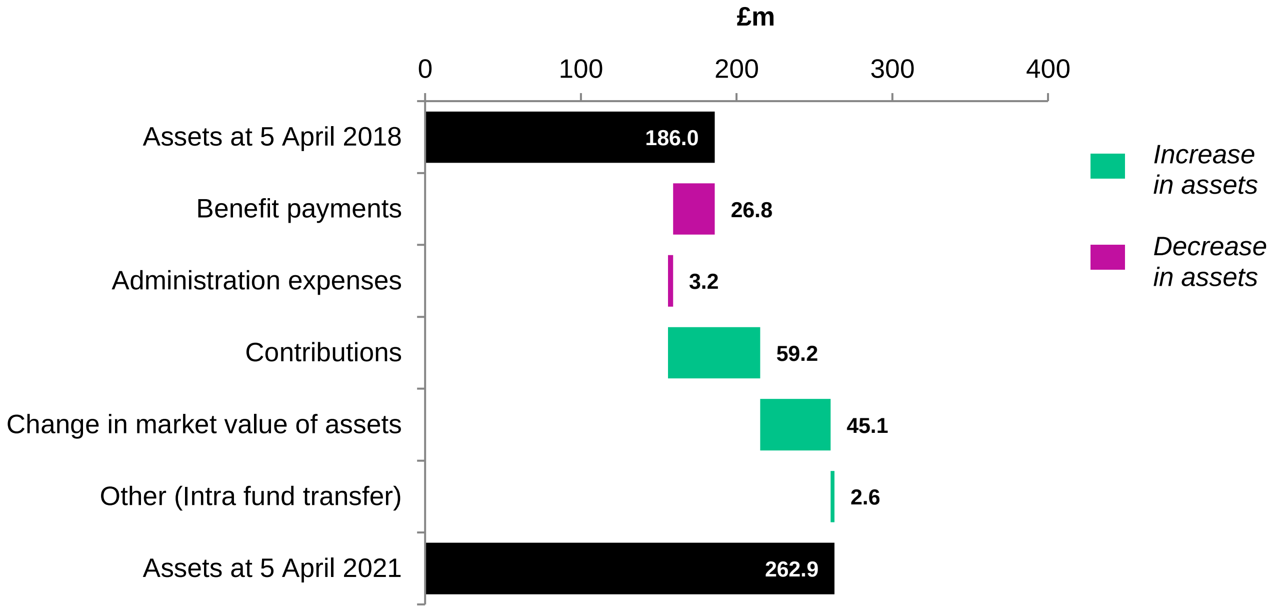
Furthermore, 528 members had Section A benefits with an aggregate DB underpin of £844,900 pa (at 5 April 2021). Of these, 87 also had Section B benefits included above.

Asset information

Movements in the market value of assets

The audited accounts supplied as at 5 April 2021 show that the market value of the Plan's assets was £297.1 million. This includes DC section assets and Additional Voluntary Contributions (AVCs) which amounted to £34.2 million.

The change in the Plan's assets (excluding DC section assets and AVCs) from £186.0 million as at 5 April 2018 to £262.9 million as at 5 April 2021 is detailed in the Trustee's Report and Financial Statements over that period. The table below summarises a broad reconciliation of the change:



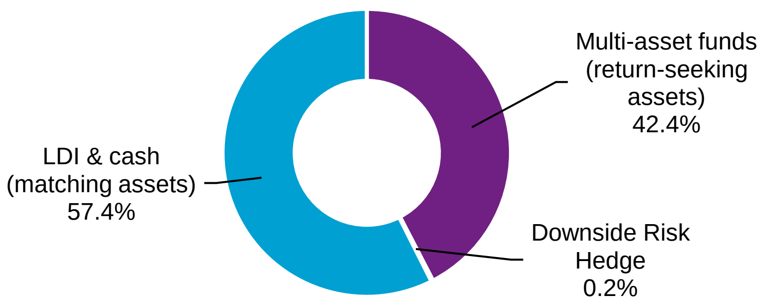
Market value of assets

The market value of the Plan assets at 5 April 2021 and as at 5 April 2018 are summarised below:

	Market value as at 5 April 2021 £ million	Market value as at 5 April 2018 £ million
DB section:		
AVCs	0.270	0.328
DB assets	262.915	186.029
DB section total	263.185	186.357
DC section total	33.891	31.278
Total	**297.076**	217.635

Investment strategy

The Plan's strategic benchmark asset allocation at 5 April 2021 was to be invested 42.0% multi-assets funds (return-seeking), 0.2% Downside Risk Hedge and 57.8% in liability driven investments ("LDI") and cash (matching assets). A summary of the Plan's actual asset allocation at 5 April 2021 is set out below:



Statutory Certificate

Actuarial certification for the purposes of regulation 7(4)(a) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

Name of scheme: **ACNielsen (UK) Pension Plan**

Calculation of technical provisions

I certify that, in my opinion, the calculation of the Plan's technical provisions as at 5 April 2021 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustee of the Plan and set out in the Statement of Funding Principles dated 29 April 2022.

Stephen Aries
Fellow of the Institute and Faculty of Actuaries
Towers Watson Limited, a WTW company
29 April 2022

Watson House
London Road
Reigate, Surrey
RH2 9PQ

Glossary

This glossary describes briefly the terminology of the regime for funding defined benefit pension schemes as introduced by the Pensions Act 2004.

Actuarial report: A report prepared by the Scheme Actuary in years when an actuarial valuation is not carried out that provides an update on developments affecting the Plan's assets and technical provisions over the year.

Actuarial valuation: A report prepared by the Scheme Actuary that includes the results of the calculation of the technical provisions based on the assumptions specified in the Statement of Funding Principles and assesses whether the assets are sufficient to meet the statutory funding target.

Covenant: This represents an employer's legal obligation and its ability to provide the financial support to a scheme that may be required now and in the future. The trustees' assessment of the sponsor's covenant will inform both investment and funding decisions.

Demographic assumptions: Assumptions relating to social statistics for Plan members, which can affect the form, level or timing of benefits members or their dependants receive. This can include levels of mortality experienced by the Plan and the proportion of members electing to exercise benefit options.

Discount rates: Assumptions used to place a capital value at the valuation date on projected future benefit cash flows from the Plan. The lower the discount rate the higher the resulting capital value.

Financial assumptions: Assumptions relating to future economic factors which will affect the funding position of the Plan, such as inflation and investment returns.

Funding target/objective: An objective to have a particular level of assets relative to the accrued liabilities of the Plan. See also statutory funding objective.

Pension Protection Fund (PPF): Provides compensation to members of an eligible occupational scheme in the event that it is wound up with insufficient assets and the employer is insolvent. The level of PPF compensation provided would not usually be at the full level of the benefits that would otherwise have been due.

Prudence: Regulations require that assumptions are chosen prudently when assessing the level of technical provisions, although they do not define this term. I have interpreted prudence to be the level of conservatism in the assumptions. Where this is interpreted quantitatively, assumptions said to be prudent would result in higher technical provisions than a "best estimate" assumption (where a "best estimate" assumption is one where there is a 50% chance that the actual outcome will be higher or lower than assumed).

The Pensions Regulator: The regulatory supervisor for occupational pension schemes with statutory objectives to protect members' benefits and the Pension Protection Fund, and statutory powers to take interventionist action.

Recovery plan: A document required where an actuarial valuation discloses that the statutory funding objective is not met (i.e. the assets held are less than the technical provisions). It is a formal agreement between the trustees and the employer that sets out the steps to be taken to achieve the statutory funding objective by the end of an agreed period (the "recovery period").

Schedule of contributions: A document that sets out in detail the agreed contributions payable to a scheme by members and the employers and the dates by which such contributions are to be paid. It includes, but is not limited to, contributions agreed under a recovery plan.

Scheme Actuary: The individual actuary appointed (under the Pensions Act 1995) by the trustees to perform certain statutory duties for the Plan.

Scheme-Specific Funding Regime: A term used to refer to the legislative and regulatory rules that stem from the Pension Act 2004 and which govern the funding of occupational defined benefit pension schemes in the UK.

Statement of Funding Principles (SFP): The SFP sets out the trustees' policy for ensuring that the statutory funding objective and any other funding objectives are met and, in particular, the assumptions for calculating the technical provisions at the effective date of the actuarial valuation. The trustees are responsible for preparing and maintaining this document, taking into account the advice of the Scheme Actuary and in many cases seeking the agreement of the employer.

Statement of Investment Principles (SIP): The SIP sets out the trustees' policy for investing the Plan's assets. The trustees are responsible for preparing and maintaining this document, taking into account written investment advice from the appointed investment advisor and consulting the employer before any changes are made.

Statutory estimate of solvency: An estimate of the cost of discharging a scheme's liability to pay benefits through the purchase of insurance policies in respect of each member's full benefit entitlement under the Plan (unless the actuary considers that it is not practicable to make an estimate on this basis, in which case the estimate of solvency can be prepared on a basis that the actuary considers appropriate).

Statutory funding objective: To have sufficient and appropriate assets to cover the Plan's technical provisions.

Statutory priority order: The order in which the assets of a scheme must be applied in securing the benefits of different members in the event of it being wound up. The order is consistent with the Pension Protection Fund (PPF) because benefits covered by the PPF are the highest priority class of defined benefit liabilities.

Summary funding statement: An update sent to members following the completion of each actuarial valuation or actuarial report informing them of the assessed financial position of the Plan.

Technical provisions: The amount of assets required to make provision for the accrued liabilities of the scheme. The technical provisions are calculated using the method and assumptions set out in the Statement of Funding Principles.

Winding-up: This is a particular method of discharging a scheme's liability to pay benefits. It typically arises where the employer no longer provides financial support to it (for example if it becomes insolvent) and would usually involve using the scheme's assets to buy insurance policies that pay as much of the scheme's benefits as possible in accordance with the statutory priority order.