

UPDATE

TO MEMBERS OF REUTERS PENSION FUND

FROM THE TRUSTEES

ISSUE 43 MARCH 2012



Update aims to keep you up to date with developments in Reuters Pension Fund (the 'Fund'). If you would like more information about the Fund and how it works, or if you have a question about your benefits, please get in touch. The contact details you need are on the back page.

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THOMSON REUTERS

CHAIRMAN'S STATEMENT

Dear Members

We have just completed our December 2010 actuarial valuation following negotiations with the Company. As most of you will know, as well as agreeing what contributions the Company will pay to the Fund, the negotiations included revisiting our Parent Company Guarantee and the mechanism for reviewing pensioner discretionary increases.

I am pleased to say that we have maintained our prudent valuation assumptions and we have agreed a plan with the Company to make good the deficit at 31 December 2010 over the next eight years. We have also agreed a substantial increase in the level of Parent Company Guarantee (which

provides additional support from Thomson Reuters Corporation in certain circumstances where the Principal Employer is no longer able to support the Fund).

Further we have concluded a satisfactory arrangement regarding pensioner discretionary increases. The Company has agreed to pension increases in line with increases in the Retail Prices Index up to a maximum of 2.5% for each of the next 10 years. This makes the additional increases consistent with those provided on pensions being earned by current employees who are members of the Fund. These additional increases are being funded by the Company in addition to funding the deficit that has arisen since 2008.



This is a generous settlement by the Company and we have Tom Glocer and the Thomson Reuters management team to thank for it. Tom stood by his commitment that the Company would find a solution to the provision of discretionary pension increases from the Fund. I'm sure we would like to wish him all the best for his future now that he has retired.

A very happy 2012 to you all.

Greg Meekings
Chairman

INVESTMENT UPDATE

A summary of the pleasing progress the Fund's investments have made during a difficult period on the markets

The period since the last update has been a particularly uncertain one for investors. Large falls in equity markets occurred at the beginning of August 2011, carrying on through to the beginning of October, and coinciding with market volatility spiking to levels not seen since the height of the credit crisis in 2008. Whilst equity markets have rebounded quite significantly since these lows, nervousness remains, with any economic recovery likely to endure a bumpy ride.

A slowdown in global economic growth, concerns over the creditworthiness of the US government and the ongoing European debt crisis have all contributed to the market conditions we have been experiencing.

The Trustees are pleased to report that the assets of the Fund have fared

reasonably well during this difficult period, with the value of the Fund actually increasing by around £40m (around 4%) over the three months to 30 September 2011, a further increase of close to £100m (around 8%) seen through to the end of 2011.

Over the past few years, a key focus of the Trustees has been to diversify the Fund's assets, by investing in a wide range of different types of assets. The objective has been to make the Fund more robust to different economic and market conditions, and less reliant on the performance of equities. Whilst the Fund has not been immune to the equity market falls (it still invests around 20% of its assets in equities), the Trustee is pleased that the actions taken have proved beneficial and have helped to protect the value of the Fund through this period.

There have been no material changes to the structure of the Fund's assets since the last update, though the Trustees have decided to allocate around 3% of assets to emerging markets to take advantage of future growth opportunities within these regions, whilst entering into such markets at what appears to be a relatively opportune time.

Furthermore, the Trustees remain committed to ensuring that the balance of risks within the Fund remains appropriate, and are working with their advisors to formally review the Fund's investment strategy. A particular focus of this review will be on the approach to managing inflation and interest rate risks, since these can have a big impact on the Fund's financial position.

FROM THE ACCOUNTS




The figures in the table below are taken from the Trustees' formal Report and Accounts for the year ended 31 December 2010.

	2010 £000	2009 £000
Contributions and benefits		
Contributions receivable	14,063	16,362
Transfer in	-	-
Other income (see Note below)	605	296
Total	14,668	16,658
Benefits	(21,028)	(21,525)
Payments to and on account of leavers	(4,042)	(2,326)
Administrative expenses	(8)	(31)
Total	(25,078)	(23,882)
Net (withdrawals)/additions from dealings with members	(10,410)	(7,224)
Returns on investments		
Investment income	14,707	9,653
Change in market value of investments	114,211	58,041
Investment management expenses	(1,435)	(3,904)
Net returns on investments	127,483	63,790
The balance		
Net increase in the fund during the year	117,073	56,566
Net assets of the Fund brought forward	1,046,680	990,114
Net assets of the Fund carried forward	1,163,753	1,046,680

Note: This includes income received from the life assurance policy in respect of death in service benefits.

IN THE FUND

There were 7,774 members in the Fund on 31 December 2010.

Active members who are making contributions and building up benefits	703	
Deferred members who are no longer making contributions but with benefits left in the Fund for payment at a later date	5,450	
Pensioner members, including dependants of members who have died, who are receiving a pension from the Fund	1,576	

PENSION INCREASES

Under the Rules of the Fund, pensions accrued before 6 April 1997 in excess of the Guaranteed Minimum Pension (GMP) do not receive automatic increases while in payment. This is a matter that has caused concerns for the Fund's pensioners as, in the absence of any discretionary increases, the value of these pensions will not keep up with rises in the cost of living.

As you know, in May 2006, the Trustees and Company put in place a Funding Agreement. According to the terms of this Funding Agreement, the Trustees could only grant discretionary increases if there was sufficient surplus in the Fund. Up until 2008, there continued to be a surplus in the Fund and discretionary increases were granted under this Agreement. However, the global financial crisis since 2008 has meant that many pension schemes now have a deficit as a result of low investment returns and a fall in gilt yields which has increased their liabilities. Our Fund is also in this unfortunate deficit position at present and has been since 2008, with the result that no discretionary increases could be awarded recently. The full results of the actuarial valuation as at 31 December 2010 that has been recently completed will be included in the next issue of this newsletter together with details of the recovery plan that will be put in place to eliminate the deficit at 31 December 2010.

As the Company and the Trustees also share the concerns over the decline in the purchasing power of pensions, a new arrangement has been put in place to replace the old Funding Agreement. Under the new arrangement pensions in excess of GMP which have not previously received automatic annual pension increases will receive an automatic increase each 1 January for 10 years regardless of whether the Fund is in surplus. In addition, for members who stopped accruing benefits in the Fund before 31 December 1990, the arrangement awards revaluations for the next ten years to pensions accrued before 1 January 1985 which do not receive automatic revaluations before

members retire. The Company has agreed to bear the cost of these pension increases and to repair the deficit that has arisen since 2008.

The increases for members whose pensions are denominated in Sterling will be based on the increase in the Retail Prices Index (RPI) in each year to the preceding September, subject to a maximum increase of 2.5% a year.

Revaluations for members who stopped accruing benefits in the Fund before 31 December 1990 on pensions accrued before 1 January 1985 will be based on the increase in the Consumer Prices Index (CPI) in each year to the preceding September, subject to a maximum increase of 2.5% a year.

Slightly different arrangements may apply to members whose pensions are denominated in other currencies. The first increase calculated on this basis will be effective from 1 January 2012. Due to the current payroll deadlines, it is likely that this increase will not be paid until May or June 2012, with arrears being backdated to the effective date of 1 January 2012.

The increases provided under this new arrangement are the same as the increases that automatically apply to pensions which members of the Fund have been accruing since 5 April 2005 and so is the same as the level of increase that active members of the Fund will receive on the pension they are currently accruing.

If you have any questions on how the above announcement is likely to affect your pension entitlement, please contact the Thomson Reuters Member Services Centre.

THE LIFETIME ALLOWANCE AND FIXED PROTECTION

The Lifetime Allowance (LTA), the amount that members can build up from UK registered pension schemes, will be reducing from £1.8m to £1.5m from 6 April 2012. Members who could be affected by this change can apply for Fixed Protection, thereby maintaining their LTA at the £1.8m level. However, this would normally require no further pension accrual or contributions after 5 April 2012. Please contact Thomson Reuters Member Services Centre for further information.



CAN YOU HELP US LOCATE THESE MEMBERS?

We are currently trying to contact some members of the Fund who have reached Normal Retirement Age and are therefore due to start drawing their benefits. Unfortunately, we do not hold current address or contact details for these members and searches carried out via the Department for Work and Pensions have proved unsuccessful.

The members we want to contact are:

- Rosemary Brown, who joined the Company in January 1980 and left in July 1983. Her last known address was in Edmonton, Alberta, Canada.

- Julianne Craig, who joined the Company in September 1975 and worked in the RWS Editorial department, under the editor Manfred Pagel. She left the Company in September 1980 and her last known address was in London. Ms Craig may have relocated abroad after leaving the Company.

If you are in touch with Rosemary or Julianne, please ask them to contact the Thomson Reuters Member Services Centre as soon as possible. Alternatively, please contact the Thomson Reuters Member Services Centre yourself with details.

DECEASED PENSIONERS

The following pensioners have died since April 2011:

- James O'Keefe
London.
Died on 5 April 2011
- Miss Rose Anne Tracy
Eastbourne, East Sussex.
Died on 21 June 2011
- Mrs Audrey Harkavy
Worthing, West Sussex.
Died on 14 August 2011
- Mr William Robert Hartley
Montreal, Canada.
Died on 6 April 2011
- Mr Gilbert Sedbon
Boulogne Sur Seine, France.
Died on 27 June 2011
- Mrs F Greis-Behrendt
Berlin, Germany.
Died on 15 August 2011
- Miss Helen Reinfrank
London.
Died on 9 April 2011
- Mr Francis Claire McDermott
Telford, Shropshire.
Died on 5 July 2011
- Mr Frank Fitter
Reigate, Surrey.
Died on 14 September 2011
- Mrs Patricia Banks
London.
Died on 9 April 2011
- Mrs V B De Candido
Bromley, Kent.
Died on 26 July 2011
- Mr Dennis Savage
London.
Died on 27 September 2011
- Mrs Mavis Irene Bunn
Lowestoft, Suffolk.
Died on 19 April 2011
- Mrs Elsie Irene Mary Hembrey
Swadlincote, Derbyshire.
Died on 28 July 2011
- Mrs Theodora Auguste
Castries, St Lucia.
Died on 27 September 2011
- Mr George Ronald Farquhar
Geneva, Switzerland.
Died on 19 April 2011
- Mr Alan Derek Biggs
Southsea, Hampshire.
Died on 31 July 2011
- Mrs Jacqueline Short
Hornchurch.
Died on 11 October 2011
- Mrs Beryl Audrey Weaving
Meopham, Kent.
Died on 20 April 2011
- Mr John Boyce
London.
Died on 3 August 2011
- Mr Raymond Hall
Chislehurst, Kent.
Died on 25 October 2011
- Mrs Pauline Madline Harrison
Columbia, Canada.
Died on 28 April 2011
- Mr Raymond Albany
Honiton, Devon.
Died on 7 August 2011
- Mr Philip J Bamber
Cirencester, Gloucestershire.
Died on 1 December 2011
- Miss Eva Gutmann
London.
Died on 17 June 2011
- Mrs Hilda Gwendolen Brimmer
London.
Died on 11 August 2011
- Mr Alan Charles Maitland
London.
Died on 10 December 2011
- Mr Ronald Harris
Oakley, Bedfordshire.
Died on 19 June 2011
- Mrs Josephine Bach
New Jersey, USA.
Died on 13 August 2011
- Mr Alan George Strutton
Tiverton, Devon.
Died on 10 December 2011

CONTACT POINTS

THE FUND'S MANAGING COMMITTEE AND TRUSTEE COMPANY BOARD

Company nominated

Greg Meekings – Trustee Chairman
James Hardman
Graeme Ramsey
Martin Vickery

Member nominated

Tim Castle
Peter Fanning
Barry May

FINDING OUT MORE

IF YOU NEED INFORMATION

If you have any questions about your benefits

Please contact Thomson Reuters
Member Services Centre.

Write to:

Thomson Reuters Member Services
Centre
Capita Hartshead
Hartshead House
2 Cutlers Gate
Sheffield S4 7TL
United Kingdom

Phone number for UK callers:
0800 077 8250

Phone number for overseas callers:
+44 (0) 114 273 8397

Email:

ThomsonReuterspensions@capita.co.uk

If you want to check your benefits online

Log on to the member website at
<https://addvantage.capitahartshead.co.uk/ThomsonReuters>

If you have not yet used the website, you can register and obtain log-in details by following the instructions directly on the website.

If you wish to bring something about the Fund to the attention of the Trustees

Please write to:

Claudia Bunney, Secretary to the Trustees, The Thomson Reuters Building, 30 South Colonnade. Canary Wharf, London E14 5EP

FURTHER READING

If you would like more detailed information about the Fund and how it works, there are a number of other documents available.

- The Trust Deed and Rules are the legal documents that govern the way the Fund works.
- The Statement of Investment Principles explains how the Trustees invest the money paid into the Fund.
- The Schedule of Contributions shows how much money is being paid into the Fund.
- The latest Report and Accounts shows how the Fund developed over the year which ended on 31 December 2010. You can also ask to see a copy of the full Actuarial Valuation Report on the Actuary's assessment of Fund as at 31 December 2007.

If you would like to see a copy of any of these documents, please contact Thomson Reuters Member Services Centre in the first instance.

IF YOU WANT ADVICE

If you are considering making any changes to your pension at any time, you may want to consider taking independent financial advice.

If you do not already use a financial adviser, www.unbiased.co.uk can give you details of an independent financial adviser in your area. Type your postcode into the search engine on the website.

The Money Advice Service is an independent organisation set up by the Government and funded by the financial services industry. They offer a free service to help everyone manage their money better. Their website has unbiased money advice, information and tools to help you work out what's right for you. Visit their website at www.moneyadvice.org.uk or call the helpline on 0300 500 5000 (call rates may vary).

Members' rights are governed by the Fund Rules. In the event of any apparent conflict with this newsletter, the Rules will prevail.

