ITV Defined Contribution Plan

Annual chair's statement 2024

For members of the ITV Defined Contribution Plan (the ITV DC Plan)
for the period 1 October 2022 – 31 March 2024

You've built up valuable savings in the ITV DC Plan, so it's important to know that the ITV DC Plan is well run and your savings are being looked after. This is the responsibility of the ITV DC Plan Trustees.

Each year, the Trustees produce a document called the Chair's statement. This sets out important information about the ITV DC Plan and demonstrates how it has met its legal requirements in a number of key areas. It includes:

- Details of the ITV DC Plan's investment fund costs and charges; these funds are available to members through the Hands off and Hands on options.
- 'Pounds and pence illustrations' showing the impact that investment costs and charges might have on the value of a sample of members' savings over time.
- A 'Value for Members' assessment about the value provided by the ITV DC Plan.
- Details about the training provided to the Trustees so they can carry out their role effectively
- Information about how core financial transactions are processed, such as the investment of your contributions of fund switches.
- Information about the investment strategy and how the investments are managed.

If you have any questions about the Chair's statement or would like a printed copy, please contact ITV Pensions by calling 01772 884488 or emailing enquiries@itv-pensions.com

Annual Chair's Statement

for the ITV Defined Contribution Plan for the period 1 October 2022 – 31 March 2024

This statement has been prepared by the Trustee of the ITV Defined Contribution Plan ('the Plan') to demonstrate how the Plan has complied with the governance standards introduced under The Occupational Pension Schemes (Charges and Governance) Regulations 2015. This statement applies to all Benefit Sections of the ITV DC Plan ('DC Plan') and where a difference applies to the Auto-Enrolment Plan section ('AE Plan') this has been noted in the statement.

This statement reflects the position for the reporting period (1 October 2022 – 31 March 2024). During the reporting period the Trustee elected to change the Plan's year end from 30 September to 31 March. This Statement therefore covers an 18-month period from 1 October 2022 through to 31 March 2024.

1. Default arrangements

A copy of the latest Statement of Investment Principles (SIP) prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 can be found at **https://itvdcplan.com/media/xwvjys2e/itv-dc-plan-chairs-statement.pdf** and is also appended to this Statement (Appendix 5). This has been agreed by the Trustee after consultation with the Company (as required by law). This Statement details both the default arrangements and all of the investment options under the Plan. Different default arrangements apply to the DC Plan and the AE Plan, which have been outlined below.

DC Plan

The joining process for new members is designed so that members are able to make an active investment choice. During the reporting period, the Trustee implemented a number of changes to the investment options provided to members which were agreed during the last investment strategic review which took place during 2021-2023. These changes are covered in more detail in the section 'Strategic review'. The Flexible access (Phased) Guided (formally known has Hands off) strategy is the DC Plan's default investment arrangement for new members who do not make an active investment choice. The Flexible access (Phased) Guided strategy has two phases and the objectives for each phase are:

- Growth phase – aims for higher growth in the early period (up to 20 years prior to the member's target retirement age) by investing in equities (via the Global shares (index tracker) fund, Global shares (climate) (index tracker) fund and Global shares (responsible investment) fund). Diversification is then introduced for risk management purposes by gradually switching investments into a combination of the Diversified investments fund and the Diversified investments (responsible investments) fund over the next 10 years.

- Synchronise phase – Starting 10 years prior to a member's target retirement age the strategy gradually switches into a portfolio that is designed for members taking 25% of their savings as a tax-free cash lump sum and who wish to withdraw the remaining savings on a flexible basis throughout their retirement. The portfolio at retirement is made up of the Diversified investments fund, the Diversified investments (responsible investments) fund, Diversified investments (absolute return) fund and the Money markets fund.

A number of the other Guided strategies, and Customised funds are also default arrangements due to members being previously mapped to these investment options without their consent. The objectives for these options are set out in the Plan's SIP which is provided in Appendix A.

The full list of Guided and Customised funds considered defaults are:

- One-off cash (Focused)
- One-off cash (Phased)
- One-off cash (Diversified)
- Multiple cash (Focused)
- Multiple cash (Phased)
- Multiple cash (Diversified)
- Flexible access (Focused)
- Flexible access (Phased)
- Flexible access (Diversified)
- Global shares (index tracker)
- Diversified investments
- Diversified investments (uncorrelated)
- UK company bonds
- UK government bonds (index tracker)
- Money markets

The Plan's investment guide provides more details on the different investment options and is available at: https://www.itvdcplan.com/media/rfgiqz02/itv-dc-plan-guide.pdf

AE Plan

The AE Plan was set up on 1 April 2020 as the vehicle that eligible new employees of ITV Plc (the Company) would be automatically enrolled into. Once a nine-month period of active membership has passed, employees have the option to move to the main Section of the ITV DC Plan for future accrual or remain in the AE Plan.

For the reporting period, a two-stage default investment strategy for members was in place:

- For an initial nine-month period, investments are made into the Money markets fund. The objective for this stage is to establish members' pension savings with low capital risk, and to also enable a member to transfer their AE Plan savings to the DC section of the Plan without incurring transaction costs if they take up this option after having completed 12 months' employment.

- For members who remain in the AE Plan, the second stage of the default strategy moves their savings automatically to the One-off cash (Diversified) Guided strategy which has two phases and the objectives for each phase are:

- Growth phase – aims for a relatively stable but moderate growth by remaining fully invested in a 50/50 blend of the Diversified investments and Diversified investments (responsible investment) funds throughout the growth phase. This was selected to match the risk profile of the AE Plan membership.

- Synchronise phase – starting 7 years prior to a member's target retirement age, assets are gradually switched into the Money markets fund. A member will be invested 90% in the Money markets Fund and 10% in the Growth phase funds when they reach their target retirement age. The strategy is designed for members to looking to withdraw their savings as a single cash lump sum.

The AE Plan investment guide provides more details on the different investment options available: https://www.itvaeplan.com/docs/ITV-AE-Guide.pdf

DC Plan - Strategic review

The last formal review of the default arrangements was undertaken during 2021-2023, with the key strategy decisions being agreed by the Trustee at its 5 December 2022 meeting, and the final review of the DC Plan default arrangements being concluded by the Trustee at its 7 March 2023 meeting.

As part of this review the Trustee agreed to further incorporate ESG and climate-focused factors into its investment strategy through changes to its Guided strategies and introduced new funds into its Customised fund range. The Trustee believes these changes are appropriate to ensure the investment strategy reflects both the views and best long-term financial interests of members. These changes were implemented on 27 July 2023 and a summary of these is below:

- Three new funds were introduced to enhance the Customised fund range which were the Global shares (responsible investment) (index tracker) fund, Global shares (climate) (index tracker) fund and the Diversified investments (responsible investment) fund.

- The above new funds were integrated into the Guided strategies. The new fund allocations within the Guided strategies are:

    - The Global shares allocation:
    - 50% in the Global shares (index tracker) fund
    - 40% in the Global shares (responsible investment) (index tracker) fund
    - 10% in the Global shares (climate) (index tracker) fund.

    - Diversified investments allocation:
    - 50% in the Diversified Investments (responsible investments) fund.
    - 50% in the Diversified Investments fund.

In addition to the above changes, the Trustee also agreed changes to a number of the existing Customised funds during the reporting period:

- The Property & Infrastructure Fund was updated so that the fund invested in a wider range of asset classes. This change was made to reduce the concentration of risk to property investment whilst offering an investment option that continues to provide an alternative growth option relative to the equity fund options. Due to these changes, this fund was renamed the Diversified investments (uncorrelated) fund. This fund is now classified as a default arrangement.

- Global shares fund – the Trustee changed two of the underlying managers within this fund.

- UK shares fund – the Trustee changed one of the underlying managers within this fund.

The changes to the Global shares and UK shares funds took place on 30 November 2023.

Members received extensive communications about the amended fund range which explained the changes. Members were provided with an opportunity to make an alternative investment decision prior to the changes being made. More information on these changes is also provided in the 'Charges and transaction costs' section of this statement.

AE Plan - Strategic review

The triennial review of the default arrangement was undertaken during the reporting period, with this being formally agreed by the Trustee at its 25 April 2023 Trustee meeting. The Trustee, in conjunction with its investment advisers, firstly considered the profile of the membership including the likely risk tolerance of members and recent (and expected) retirement choices. The Trustee then reviewed the default strategy design and the funds used within the strategy and considered whether these continued to meet the needs of members of the AE Plan.

The review concluded that:

- The overall design of the default strategy remained appropriate as it continued to meet the Trustee's objectives and the needs of members. This was supported by the membership analysis which showed that:

    - Most members of the AE Plan move to the main DC Plan section and so the initial phase held in the Money markets fund continued to support this.
    - Members who remain under the AE Plan are expected to have moderate pot sizes at retirement and are likely to access their savings at retirement via a cash lump sum. As a result, the Guided One-off cash approach remained suitable.

- The Trustee, in conjunction with its investment advisers, agreed to integrate ESG and climate factors into the One-off cash (Diversified) Guided strategy, which is used as part of the second stage of the AE Plan default. This decision was made due to the belief that ESG factors were likely to have a positive impact on the risk-adjusted performance of assets over the medium to long term. This change was implemented on 30 November 2023 through moving 50% of the holdings in the growth phase of the One-off cash (Diversified) Guided strategy into the Diversified investments (responsible investments) fund.

  In addition to the above change, the Trustee agreed to replace the Global shares (environment) fund with the Global shares (responsible investment) (index tracker) fund. This change was made as the new fund utilises a passive approach and takes into account a broader approach to ESG factors which the Trustee believes is more appropriate for the AE Plan population.

Ongoing monitoring – DC Plan and AE Plan

The Trustee with support from its investment adviser also reviewed the performance of all of the funds making up the default arrangements under the DC Plan and the AE Plan over the reporting period. The Trustee received quarterly reporting which outlined whether the funds (including those used under the Guided strategies) were meeting their stated objectives in terms of performance against benchmark as well as the suitability of the fund managers based on detailed research undertaken by the Trustee's investment adviser. The Trustee and its investment adviser were comfortable that the funds had performed in line with expectation and their objective as set out in the Plan's SIP.

Asset allocation reporting

The Trustee is required to assess and report on the allocation of assets in each default arrangement for the DC Plan and AE Plan held at the end of the reporting period (31 March 2024). For the Guided strategies, the asset allocation is shown for a member aged 25, 45, 55 and 1 day prior to State Pension Age. When preparing this, the Trustee has taken account of the DWP's statutory guidance on "Disclose and Explain asset allocation reporting and performance-based fees and the charge cap" and has not deviated from this. The asset allocations can be seen in Appendix 4.

2. Charges and transaction costs for all investment options available to members during the reporting period

The Trustee monitors the fund charges applied by its investment platform providers Legal & General and Scottish Widows (for the one remaining DC Plan fund on that platform) on a quarterly basis with the help of its advisers. The Trustee confirms that it is compliant with the Charge Cap Regulations meaning that the charges for the DC Plan and AE Plan's default arrangements do not exceed 0.75%. The Trustee can confirm that no performance-based fees apply to any of the investments held under the Plans.

In some cases, members may also be charged transaction costs when buying or selling units, for example when switching investments or transferring out. These costs are taken into account via the unit price for each of the funds and are not directly charged to the members. Transaction costs are those incurred by the investment managers as a result of buying, selling, lending or borrowing investments. These costs are typically categorised as:

- Explicit costs which are directly observable and include broker commissions and taxes, or
- Implicit costs which cannot be observed in the same way but can also result in a reduction in the value of capital invested, these implicit costs include market impact or delay costs which can also result in a gain for the fund (i.e., a negative transaction cost).

The Financial Conduct Authority's Policy Statement "Transaction Cost Disclosure in WorkPlace Pensions" establishes a defined methodology to calculate transaction costs (known as the 'slippage cost' methodology).

The charges and transaction costs that applied over the reporting period can be seen in Appendix 2. In addition, Appendix 1 to this Statement contains details of illustrations, which demonstrate the cumulative effect over time of the application of costs and charges on the value of a member's benefits across a range of example members and investment options. The Trustee has taken account of the statutory guidance produced by the Department for Work and Pensions in preparing these illustrations.

The Trustee benchmarked the transaction costs incurred during the reporting period for each of the available funds within the DC and AE Plan. The Trustee found that the transaction costs members experienced were typically less than or broadly in line with the average transaction costs observed across the market.

As noted under the default arrangements section of the Statement, during the reporting period to 31 March 2024, the Trustee implemented changes to the fund options available under the DC Plan and AE Plan. For the transition of assets, steps were taken to reduce the transaction costs incurred and to minimise any out of market exposure. The assets were transitioned using a combination of in-specie and cash trading. The transaction costs incurred for these changes were:

DC Plan:

- The transaction costs for the change to an underlying fund used by the UK shares fund equated to £8,156 (which was 0.45% of the value of the assets transitioned) and for the Global shares fund was £8,093 (which was 0.20% of the value of assets transitioned).
- The transaction costs for the changes to the Guided strategies equated to a positive gain of £39,419 (which was 0.04% of the value of assets transitioned).

These costs were in line with the Trustee's expectation.

AE Plan:

- The transaction costs in relation to moving 50% of the holdings within the Diversified investments fund to the Diversified investments (responsible investments) fund resulted in a small gain of £1,343 (which was 0.19% of the value of assets).
- The transaction cost for the change to moving from Global shares (environmental) fund to the Global shares (responsible investments) (index tracker) fund equated to £0.43 (which was 0.04% of the value of assets).

These costs were in line with the Trustee's expectation.

In the context of the information available, the Trustee has concluded that the transaction costs reported over the year were reasonable.

3. Core financial transactions

The Trustee regularly monitors the core financial transactions of the Plan. These include the investment of contributions, transfer of assets out of the Plan, fund switches and payments out of the Plan to and in respect of members/beneficiaries.

During the 18-month period from 1 October 2022 to 31 March 2024, the Plan administrator was XPS. This section of the Statement sets out how the Trustee ensured that core financial transactions were processed promptly and accurately.

Processing of core financial transactions

The Trustee has a service level agreement (SLA) with the Plan administrator, which over the reporting period set out the Trustee's agreed levels for the promptness of processing financial transactions. Examples of targets for core financial transactions are included in the table below, but this is not an exhaustive list:

Examples of core financial transactions	Target for completion (days)
Contributions processed by XPS	3
Members transferring assets out of the Plan (members are not permitted to transfer in benefits to this Plan)	5
The switching of member assets between the investment options within the Plan	2
Member payments out of the Plan	5

These SLAs are all well within legal limits and in line with regulatory expectations. Over the reporting period, XPS provided quarterly reports of its performance against the agreed SLA's which were monitored at Trustee meetings. During the reporting period XPS achieved an SLA performance of 99% for all tasks. The quarterly SLA performance over the reporting period was as follows:

DC Plan

Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
99.5%	98.3%	97.8%	99.4%	99.5%	99.3%

AE Plan

Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
99.4%	99.1%	99.2%	100%	99.3%	100%

The overall SLA performance has improved from the previous reporting period and is in line with Trustee expectations for the service.

Over the reporting period there was one error relating to the processing of core financial transactions. This related to the reimbursement of contributions where these had been overpaid but XPS disinvested the incorrect amount. XPS rectified the error ensuring the member suffered no loss and XPS has put measures in place to ensure this error does not reoccur.

The time taken for XPS to process member contributions was in line with the Trustee's agreed service standard for these (three working days) for ten months during the reporting period. For the eight months where the service standard was not met, the contributions were all processed on the fourth working day. The Trustee, with support from the ITV Pensions Department continues to work with XPS to improve the timing of processing member contributions with the aim for the three day standard to be met every month.

The ITV Pensions Department, ITV payroll and XPS undertake monthly monitoring of contribution payments calculated and paid by ITV to ensure these are processed promptly and accurately. A quarterly contribution reconciliation report is produced by the ITV Pensions Department and is monitored by the Trustee. These reports detailed any contribution errors identified during the reporting period and how these were rectified. During the reporting period all contribution errors identified were rectified with the exception of 209 of instances outstanding at the end of the period, of which 206 were resolved by the end of June 2024.

The Trustee along with the ITV Pensions Department, ITV payroll and XPS will continue to undertake the monthly monitoring of contribution payments.

Data accuracy

To support the accuracy of financial transactions, the Trustee reviews the Plan's common and Plan specific data on an annual basis to ensure that financial transactions can be processed promptly and accurately. As at July 2023, the common data score was 99% (2022: 99% AE and DC) and the Plan specific data score was 100% (2022: 100% AE, 99% DC). A monthly validation of active member data is undertaken between XPS, the ITV Pensions Department and the Company. Common data gaps included invalid National Insurance numbers recorded and address errors. Where data errors have been identified, ITV Pension Department work with XPS to address these gaps. The Trustee notes that none of the missing data points relate to items that would impact on the XPS's ability to promptly and accurately process a core financial transaction.

Service monitoring

The Trustee relationship with XPS is supported by the ITV Pensions Department to ensure that the service received by members and the Trustee continues to be as expected and to raise any issues if necessary. Quarterly administration reports on XPS' service performance including the processing of core financial transactions were produced by ITV Pensions Department and reviewed by the Trustee.

XPS and the ITV Pensions Department engage regularly around different aspects of the service during the reporting period including:

- Quarterly calls with senior XPS representatives to discuss the overall administration of the Plan with a focus on the service levels achieved.
- Regular calls with the XPS administration team who are responsible for the day to day administration of the Plan to discuss ongoing member cases, service matters and projects
- XPS produced weekly figures of their service standards performance and monthly statistics for the number of transfers, retirements and switches to assist the ITV Pensions Department's review of the ongoing service.

The ITV Pensions Department reviewed the following XPS process documents and procedures to ensure financial transactions continue to be processed accurately and promptly:

- AAF 01/06 internal controls reports
- Plan specific administration manual
- Business Continuity Plan in place at applicable XPS sites
- Daily monitoring of bank accounts
- Contributions processed by the dedicated team sitting within the administration function
- Ensuring robust checking of all investment and banking transactions including the additional sign off required for larger transactions

The ITV Pensions Department also provided some limited support in relation to the processing of financial transactions in relation to DC administration during the reporting period as follows:

- Assisted XPS in identifying any discrepancies
- Sent on outstanding queries to the payroll department (as outlined above)
- Prepared a non-compliance report which identified genuine errors for the Trustee

The Trustee considered the performance of the ITV Pensions Department in supporting the processes relating to core financial transactions as part of its review of the administration and contributions reports. The Trustee was satisfied with the service provided.

There were no issues with the processing of core financial transactions with the exception of the one error under the DC Plan as described above. The Trustee is satisfied that core financial transactions were on the whole processed promptly and accurately during the reporting period.

4. Net investment returns

The Trustee is required to report on the net investment returns for all investment options held by members during the reporting period. The net investment return takes into account all transaction costs and charges (see above). In Appendix 3 of this Statement, the Trustee has provided these net investment returns for all the Plan's investment options. These returns have been prepared based on the DWP's statutory guidance on "Completing the annual Value for Members assessment and Reporting of Net Investment Returns".

5. Value for members (VFM)

Costs of the provision of services under the Plan are split between members and the Company. During the 18-month period to 31 March 2024, members met investment related charges only. All other costs incurred by the Plan, including costs of administration, legal costs, Plan governance and communications, were met by the Company.

The Trustee is legally required to undertake a VFM assessment on at least an annual basis, and report on the outcome of the assessment. During the reporting period, the Trustee carried out two value assessments, one in March 2024 in respect of the year to 30 September 2023 and one in July 2024 in respect of the year to 31 March 2024 which considered:

1. The investment returns of the principal default Guided flexible access (Phased) strategy and how this performed against a range of master trusts' 'off the shelf' default options. The assessment also considered the investment performance of the Customised funds against their respective benchmarks.
2. Governance, administration and communication, including a comparison of the services and features offered by the Plan against those observed across best practice DC arrangements.
3. The costs and charges paid by members.

The results of the most recent assessment, which assessed the value for members of all Benefit Sections of the Plan, are set out below.

Investment returns

The assessment showed that:

- For the Guided flexible access (Phased strategy)
    - For members invested in the growth phase, the performance was higher than the majority of the master trust default options it was compared against.

- For a member who was 10 years from retirement age, the performance was below the average seen across the master trust default options. Where the master trust default options have produced higher absolute performance, the Trustee and its advisers believe this relates to the investment approach taken by the Guided strategy during the Plan period. This is because some of the master trust default options have a larger allocation to higher risk assets at this point.
  - For a member at retirement, the performance was higher than the majority of the master trust default options it was compared against.
- For the Customised funds the majority of the funds had performed in line with their benchmarks over the longest time period. However, a number of the actively managed funds had underperformed over the reporting period. Where underperformance has occurred the Trustee is carefully monitoring this and will take action to address this if it believes it is in the best interests of members.

Plan services

This element of the assessment considered whether the Plan offered services that are seen across best practice arrangements. The assessment showed that the Plan offered the majority of these services including having addressed a number of gaps identified in the previous value assessment including:

- The Trustee enhanced the extent to which environmental, social and governance (ESG) factors, including managing climate change risk, were integrated into the Guided strategies.
- The Customised fund range was enhanced to introduce three new responsible investment funds to further improve the options available to members.
- The Trustee refreshed the bespoke member website including updating the investment guide to reflect the investment strategy changes.
- The Trustee implemented a number of communication and at-retirement support solutions including:
  - Access to a drawdown solution via the Legal & General Master Trust with members supported by a comprehensive range of communications, including group guidance sessions
  - A bespoke investment profiler was created to support members in determining what investment approach is most suited to their needs.

Cost and Charges

The Trustee benchmarked the charges paid by members by comparing the charges paid under the Guided strategies to the charges paid across the default options of pension schemes of a similar nature. In addition the Trustee benchmarked the charges paid against alternative types of pension schemes (contract based and master trust arrangements). The benchmarking showed that the charges were very competitive.

The overall conclusion of the assessment was that the Plan was providing good value to members.

The Trustee will continue to review the services provided to members and what improvements could be offered to ensure the Plan provides value for money to members both now and in the future.

6. Trustee Knowledge and Understanding ('TKU')

The Trustee has a TKU process in place, which enables the Trustee Directors, together with the advice available to them, to properly exercise their functions as the Trustee Directors of the Plan. All new Trustee Directors receive bespoke training from the Trustee's advisers on all aspects of The Pension Regulator's (TPR) Trustee Toolkit when they join – this includes training provided by the Plan's lawyers and investment adviser, including topics such as the law relating to pensions and trusts.

During the reporting period, the Trustee undertook the following activities:

- Regular training incorporated into planned meetings to support Trustee Board agenda items. Training over the reporting period included:

    - The Abolition of the Lifetime Allowance from 6 April 2024
    - TPR's General Code of Practice
    - An update on the Spring Budget 2023
    - Changes to the Statutory Money Purchase Illustrations requirements
    - TPR's guidance on equality, diversity and inclusion
    - The Chancellor's Mansion House speech
    - The Gender Pension Gap
    - Pension Dashboards
    - Cyber security for pension schemes
    - DWP's consultations on small pots and the decumulation framework for DC schemes
    - Updates from investment managers Fulcrum and Legal & General on their investment approach

- The Trustee Directors undertake individual training activities on a range of topics to support their TKU needs and over the reporting period this included:

    - Attendance at PMI and PLSA conferences
    - Training on DC asset transitions
    - Training on DC investments
    - The PMI Pension Trusteeship qualification
    - Training on DC strategy
    - Training on the General Code of Practice

- The Trustee has an agreed process in place for training new Trustee Directors which includes attendance at training sessions from the Plan's advisers covering all of the topics within the TPR's trustee toolkit. In addition, new Trustee Directors, in advance of being appointed to the Board, receive training on the role of a trustee and background to the Plan via online videos or training prepared by the ITV Pensions Department and the Trustee's investment and legal advisers. New Trustee Directors are also invited to attend a Trustee meeting in advance of their appointment to better understand their new role. Two new Member Nominated Trustee Directors were appointed on 1 November 2022. These new Trustee Directors completed the above training process during the reporting period.

- The Trustee Board undertakes annual TKU assessment exercises to consider any training needs for the Trustee Directors or Board as a whole. The latest self-assessment was considered at the 22 November 2023 Trustee meeting. The assessment involved each Trustee Director completing a self-assessment questionnaire. The assessment covered the Trustee's understanding of the following areas:

    - The running of the Plan
    - Pension Trusts, duties, and powers of trustees
    - The Plan Trust Deed and Rules, SIP and Trustee policies
    - Pension Law
    - Principles of investing pension assets and fund management
    - Statement of Investment principles requirements, including ethical, social and governance (ESG) considerations.

  The outcome of the assessment was that the Board overall had a good level of knowledge, and no significant knowledge gaps were identified. It was agreed that refresher training on pensions law and investments would be beneficial. Training on these areas is being undertaken in the next Plan year.

- The Trustee Board has maintained a training log over the reporting period and has in place a training plan which is agreed following the Trustee's TKU self-assessment and via discussing key areas of training needs or knowledge gaps.

- The Trustee Board reviewed or considered key Plan documentation and current Trustee policies including:

    - The SIP was reviewed and updated at the September 2023 Trustee meeting to reflect the investment changes noted earlier in this statement
    - Agreeing changes to the Trustee's Transfer Policy at the 19 June 2023 Trustee meeting
    - Agreeing an Accruals Policy at the 24 March 2024 Trustee meeting
    - Conflicts of interest policy reviewed in August 2023 by ITV Pensions and Hogan Lovells
    - Trustee training policy reviewed in June 2023

- The Trustee received advice or updates from its various advisers about matters relevant to the Plan including:

    - The review of the Plan's investment strategy as set out earlier in the statement.
    - New requirements for Trustees in relation to their stewardship and voting policies.
    - An update on the Plan's fund managers' sustainable investment credentials.
    - Updates on the performance of the Plan's fund managers at Trustee meetings.
    - An update on the legacy with-profits and deposit investments held under the Plan.
    - A review of LGIM as the Plan's platform provider
    - The removal of the Lifetime Allowance and the introduction of new lump sum allowances.

- An update on the security of assets position for the Plan's investments.
- New regulatory requirements in relation to illiquid investments and Long-Term Asset Funds (LTAFs).

- The Trustee also undertook an assessment of the Board effectiveness in October 2023 which considered the following areas:

    - Understanding the attributes of high performing teams.
    - Understanding the work roles model.
    - Understanding a group's preferred work roles and how to successfully work together.
    - Action planning to create a more effective team.

  The assessment identified that:

    - The Board offers diversity/equality of voice.
    - The balance in the Board supports well-rounded/open discussions.
    - The Board has a strategic focus.

- The Trustee agreed to consider the following activities to enhance the operation of the Board. These items will be reviewed further in the Plan's next reporting period

    - Obtaining additional member feedback and additional focus on member communications.
    - The potential for establishing sub-committees or working groups for tasks to utilise specific Trustee skill sets.
    - Curating Board meetings to focus more on key points and recommendations.

Based on the above, each Trustee Director is conversant with:

- The Trust Deed and Rules of the Plan.
- The Statement of Investment Principles.
- Other key Plan documents including, but not limited to, the Trustee's current policies.

In addition, to the degree to which it is appropriate for the purposes of each Trustee Director to properly exercise his or her functions as a Trustee Director, they have knowledge and understanding of:

- The law relating to pensions and trusts.
- The relevant principles relating to the funding and investment of occupational pension schemes. This was evidenced by the extensive work undertaken to review the Plan's investment strategy as set out earlier in this statement.

In addition to the above TKU processes, the following factors enable the Trustee to properly exercise its function as Trustee Directors of the Plans:

- The members of the Board were selected following a detailed selection process which involves identifying and prioritising skills that would enhance the overall effectiveness of the Trustee Board (including considering diversity of the Board).
- The Trustee Board comprised individuals who had a long and broad experience of the pensions industry, and individuals who, outside of their Trustee role, hold or have held senior positions within ITV.
- The Board has support from an experienced secretariat.
- The Trustee receives support from its advisers who are present at all Trustee meetings, including:
    - Hogan Lovells International LLP – legal advice
    - WTW – investment and general pensions advice.

The combined knowledge, understanding and experience of the Trustee Directors together with the advice available to them enables them to properly exercise their duties as Trustee Directors of the Plan.

Signed by the Chair on behalf of ITV DC Trustee Limited

Appendix 1 – Illustrations of the cumulative effects over time of costs and charges

The below illustrations are based on four different example members (see details of these below). The Trustee has taken account of the statutory guidance produced by the Department for Work and Pensions in preparing these illustrations.

The illustrations are based on the projected investment returns and charges for all of the default arrangements under the Plan including the most popular investment option in terms of number of members invested (i.e., the Guided strategies). In addition, illustrations have been included for several Customised options offering a range of potential returns and charges including the fund with the lowest overall charges (UK shares (index tracker)), funds with lower return expectation (Money Markets)) and the fund with the highest overall charges and a high return expectation (Global shares).

We would note that when reviewing the below illustrations, it is important to consider the assumptions used (see details below) and to bear in mind that there are other factors that impact what a member may receive on retirement. In addition, when considering what is a suitable investment choice, charges are only one aspect, and other areas should be considered by members (such as potential for investment return and a member's own preferences and tolerances to various risks). It is important to highlight that lower charges do not necessarily equate to better value.

<u>DC Plan</u>

Example Member	Years	Flexible Access Phased		Flexible Access Diversified		Flexible Access Focused	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Youngest member	1	£5,300	£5,200	£5,300	£5,200	£5,300	£5,200
	3	£12,800	£12,600	£12,400	£12,200	£12,800	£12,600
	5	£20,600	£20,400	£19,500	£19,300	£20,600	£20,400
	10	£41,900	£41,400	£37,700	£37,200	£41,900	£41,400
	15	£66,100	£64,900	£56,400	£55,300	£66,100	£64,900
	20	£93,400	£91,200	£75,500	£73,700	£93,400	£91,200
	25	£124,000	£120,600	£95,200	£92,400	£124,300	£120,800
	30	£153,100	£148,000	£115,300	£111,400	£159,200	£154,000
	35	£176,500	£169,400	£135,800	£130,400	£198,400	£190,500
	40	£196,300	£185,500	£155,100	£146,700	£233,100	£220,600
	44	£207,300	£192,200	£166,700	£154,900	£247,200	£229,300
Average member	1	£40,100	£40,000	£39,400	£39,300	£40,100	£40,000
	3	£56,000	£55,700	£53,400	£53,000	£56,000	£55,700
	5	£72,300	£71,700	£67,500	£66,900	£72,700	£72,100
	10	£112,800	£111,200	£103,400	£101,800	£118,200	£116,500
	15	£150,300	£146,900	£139,900	£136,800	£168,600	£165,100
	20	£185,100	£178,200	£174,700	£168,100	£214,800	£206,900
	23	£202,800	£192,500	£192,500	£182,800	£233,700	£221,900

Approaching retirement	1	£58,700	£58,500	£58,700	£58,600	£59,700	£59,500
	3	£76,200	£75,500	£76,200	£75,600	£79,500	£78,800
	5	£93,600	£92,200	£93,600	£92,300	£99,200	£97,800
	10	£134,400	£129,800	£134,400	£129,900	£142,700	£137,900

Example Member	Years	One off Cash Phased		One off cash Diversified		One off Cash Focused	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Youngest member	1	£5,300	£5,200	£5,300	£5,200	£5,300	£5,200
	3	£12,800	£12,600	£12,400	£12,200	£12,800	£12,600
	5	£20,600	£20,400	£19,500	£19,300	£20,600	£20,400
	10	£41,900	£41,400	£37,700	£37,200	£41,900	£41,400
	15	£66,100	£64,900	£56,400	£55,300	£66,100	£64,900
	20	£93,400	£91,200	£75,500	£73,700	£93,400	£91,200
	25	£124,000	£120,600	£95,200	£92,400	£124,300	£120,800
	30	£153,100	£148,000	£115,300	£111,400	£159,200	£154,000
	35	£176,700	£169,500	£135,900	£130,500	£198,800	£191,000
	40	£195,900	£186,800	£154,700	£147,800	£236,400	£225,800
	44	£202,500	£192,300	£162,900	£155,000	£247,100	£234,900
Average member	1	£40,100	£40,000	£39,400	£39,300	£40,100	£40,000
	3	£56,000	£55,700	£53,400	£53,000	£56,000	£55,700
	5	£72,300	£71,700	£67,500	£66,900	£72,700	£72,100
	10	£112,800	£111,200	£103,400	£101,800	£118,200	£116,500
	15	£150,500	£147,400	£140,200	£137,200	£169,600	£166,300
	20	£184,000	£179,200	£173,600	£169,100	£217,100	£211,700
	23	£198,200	£192,400	£188,100	£182,700	£233,300	£226,700
Approaching retirement	1	£58,800	£58,600	£58,800	£58,700	£59,900	£59,700
	3	£76,400	£75,900	£76,400	£76,000	£80,300	£79,800
	5	£93,600	£92,800	£93,600	£92,900	£100,400	£99,500
	10	£131,500	£129,600	£131,500	£129,700	£142,000	£140,000

Example Member	Years	Multiple Cash Phased		Multiple Cash Diversified		Multiple Cash Focused	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Youngest member	1	£5,300	£5,200	£5,300	£5,200	£5,300	£5,200
	3	£12,800	£12,600	£12,400	£12,200	£12,800	£12,600
	5	£20,600	£20,400	£19,500	£19,300	£20,600	£20,400
	10	£41,900	£41,400	£37,700	£37,200	£41,900	£41,400
	15	£66,100	£64,900	£56,400	£55,300	£66,100	£64,900
	20	£93,400	£91,200	£75,500	£73,700	£93,400	£91,200

	25	£124,000	£120,600	£95,200	£92,400	£124,300	£120,800
	30	£153,100	£148,000	£115,300	£111,400	£159,200	£154,000
	35	£176,700	£169,500	£135,900	£130,500	£198,800	£191,000
	40	£196,400	£186,700	£155,100	£147,700	£236,600	£225,300
	44	£204,800	£191,700	£164,700	£154,500	£248,100	£232,300
Average member	1	£40,100	£40,000	£39,400	£39,300	£40,100	£40,000
	3	£56,000	£55,700	£53,400	£53,000	£56,000	£55,700
	5	£72,300	£71,700	£67,500	£66,900	£72,700	£72,100
	10	£112,800	£111,200	£103,400	£101,800	£118,200	£116,500
	15	£150,500	£147,400	£140,200	£137,200	£169,600	£166,300
	20	£184,700	£179,000	£174,300	£168,900	£217,400	£210,800
	23	£200,400	£191,800	£190,200	£182,100	£234,200	£224,300
Approaching retirement	1	£58,800	£58,600	£58,800	£58,700	£59,900	£59,700
	3	£76,400	£75,900	£76,400	£76,000	£80,300	£79,800
	5	£93,700	£92,700	£93,700	£92,800	£100,400	£99,400
	10	£132,800	£129,200	£132,800	£129,300	£142,500	£138,700

Example Member	Years	Global Shares		UK government bonds (index tracker)		UK Company bonds	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Youngest member	1	£5,400	£5,300	£5,300	£5,200	£5,300	£5,100
	3	£13,200	£12,900	£12,400	£12,200	£12,400	£12,100
	5	£21,800	£21,100	£19,500	£19,300	£19,500	£19,100
	10	£46,700	£44,400	£37,700	£37,400	£37,700	£36,600
	15	£77,700	£72,000	£56,400	£55,600	£56,400	£54,000
	20	£116,500	£105,100	£75,500	£74,300	£75,500	£71,500
	25	£164,700	£144,600	£95,200	£93,300	£95,200	£88,900
	30	£224,800	£191,700	£115,300	£112,700	£115,300	£106,400
	35	£299,800	£247,800	£135,900	£132,400	£135,900	£123,700
	40	£393,100	£314,900	£157,100	£152,500	£157,100	£141,100
	44	£484,100	£377,800	£174,400	£168,900	£174,400	£155,100
Average member	1	£40,900	£40,400	£39,400	£39,300	£39,400	£39,100
	3	£58,700	£57,400	£53,400	£53,100	£53,400	£52,600
	5	£78,200	£75,600	£67,500	£67,100	£67,500	£66,100
	10	£135,300	£127,100	£103,400	£102,400	£103,400	£99,800
	15	£206,300	£188,500	£140,200	£138,200	£140,200	£133,400
	20	£294,800	£261,900	£177,900	£174,800	£177,900	£167,100
	23	£358,100	£312,600	£201,000	£197,100	£201,000	£187,300
Approaching retirement	1	£60,900	£60,400	£58,800	£58,700	£58,800	£58,400
	3	£84,300	£82,400	£76,400	£76,200	£76,400	£75,400
	5	£109,800	£106,000	£94,300	£93,800	£94,300	£92,400
	10	£184,400	£173,000	£139,700	£138,400	£139,700	£134,800

Example Member	Years	Diversified investments (uncorrelated)		Global shares (index tracker)		Diversified Investments	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Youngest member	1	£5,300	£5,200	£5,300	£5,300	£5,300	£5,300
	3	£12,400	£12,200	£12,800	£12,700	£12,400	£12,300
	5	£19,500	£19,200	£20,600	£20,500	£19,500	£19,400
	10	£37,700	£36,500	£41,900	£41,400	£37,700	£37,200
	15	£56,400	£53,800	£66,100	£64,800	£56,400	£55,400
	20	£75,500	£71,000	£93,400	£91,000	£75,500	£73,900
	25	£95,200	£88,100	£124,300	£120,200	£95,200	£92,500
	30	£115,300	£105,100	£159,200	£152,900	£115,300	£111,400
	35	£135,900	£122,000	£198,800	£189,500	£135,900	£130,700
	40	£157,100	£138,800	£243,500	£230,400	£157,100	£150,100
	44	£174,400	£152,200	£283,500	£266,500	£174,400	£166,000
Average member	1	£39,400	£39,200	£40,100	£40,100	£39,400	£39,400
	3	£53,400	£52,600	£56,000	£55,700	£53,400	£53,000
	5	£67,500	£66,000	£72,700	£72,000	£67,500	£66,900
	10	£103,400	£99,300	£118,200	£116,300	£103,400	£101,800
	15	£140,200	£132,400	£169,600	£165,700	£140,200	£137,500
	20	£177,900	£165,400	£227,800	£220,900	£177,900	£173,200
	23	£201,000	£185,100	£266,400	£257,200	£201,000	£195,000
Approaching retirement	1	£58,800	£58,400	£59,900	£59,700	£58,800	£58,700
	3	£76,400	£75,300	£80,300	£79,800	£76,400	£76,000
	5	£94,300	£92,100	£101,800	£100,900	£94,300	£93,300
	10	£139,700	£134,000	£160,400	£157,700	£139,700	£137,500

Example Member	Years	Money Markets	
		Before charges	After charges
Youngest member	1	£5,200	£5,100
	3	£11,900	£11,800
	5	£18,500	£18,300
	10	£34,000	£33,500
	15	£48,400	£47,400
	20	£61,700	£60,300
	25	£74,100	£72,100
	30	£85,500	£82,900
	35	£96,200	£92,800
	40	£106,000	£101,900
	44	£113,400	£108,700
Average member	1	£38,700	£38,500
	3	£50,900	£50,500
	5	£62,600	£62,100

	10	£90,600	£89,300
	15	£116,500	£114,300
	20	£140,500	£137,300
	23	£154,100	£150,100
Approaching retirement	1	£57,700	£57,500
	3	£72,700	£72,300
	5	£87,300	£86,500
	10	£121,900	£120,200

AE Plan

The example member used is based on the age of the youngest members of the AE Plan.

Years	One Off Cash Diversified		Diversified Investments		Diversified Investments (Responsible Investments)		Money markets	
	Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges
1	£5,400	£5,400	£5,400	£5,400	£5,400	£5,400	£5,300	£5,300
3	£12,700	£12,700	£12,700	£12,700	£12,700	£12,700	£12,300	£12,300
5	£20,100	£19,900	£20,100	£19,900	£20,100	£20,000	£19,000	£18,900
10	£38,800	£38,300	£38,800	£38,300	£38,800	£38,400	£35,000	£34,700
15	£58,000	£56,900	£58,000	£56,800	£58,000	£57,000	£49,800	£49,300
20	£77,700	£75,800	£77,700	£75,600	£77,700	£75,900	£63,500	£62,600
25	£97,900	£94,800	£97,900	£94,600	£97,900	£95,100	£76,200	£75,000
30	£118,600	£114,200	£118,600	£113,800	£118,600	£114,600	£88,000	£86,300
35	£139,800	£133,800	£139,800	£133,200	£139,800	£134,300	£98,900	£96,800
40	£160,400	£152,500	£161,600	£152,900	£161,600	£154,300	£109,000	£106,400
45	£171,700	£162,800	£183,900	£172,700	£183,900	£174,600	£118,400	£115,300

Notes and assumptions

The illustrations are calculated based on the following assumptions and limitations:

1. Projected pension account values are shown in today's terms.
2. Projected fund values are rounded to the nearest hundred pounds.
3. For the purpose of the illustrations the contributions are based on an annual amount.
4. For the purpose of the illustrations it is assumed that investment returns, transaction costs and fund charges are applied annually at the end of the year.
5. For each example member, contributions are assumed to be paid from their current age to the assumed target retirement age.
6. Values shown are estimates and are not guaranteed.
7. The projected growth rates for each fund (set out below) are shown gross of fees and before accounting for inflation. These returns are in line with AS TM1.
    - Flexible Access (phased) from 1.90% to 5.00% (adjusted depending on term to retirement)
    - Flexible Access (diversified) from 1.90% to 3.00% (adjusted depending on term to retirement)

- Flexible Access (focused) from 1.90% to 5.00% (adjusted depending on term to retirement)
- One off cash (phased) from 1.20% to 5.00% (adjusted depending on term to retirement)
- One off cash (diversified) from 1.20% to 5.00% (adjusted depending on term to retirement)
- One off cash (focused) from 1.40% to 5.00% (adjusted depending on term to retirement)
- Multiple cash (phased) from 1.50% to 5.00% (adjusted depending on term to retirement)
- Multiple cash (diversified) from 1.50% to 3.00% (adjusted depending on term to retirement)
- Multiple cash (focused) from 1.50% to 5.00% (adjusted depending on term to retirement)
- Global shares: 7.00%
- UK government bonds (index tracker): 3.00%
- UK Company bonds: 3.00%
- Diversified investments (uncorrelated): 3.00%
- Global shares (index tracker): 5.00%
- Diversified investments: 3.00%
- Diversified investments (responsible investments): 3.00%
- Money markets: 1.00%

8. The costs and charges applying to each of the above investment option as set out in the 'Charges and transaction costs' section of the statement are deducted from the above growth rates as part of the calculation of the illustrations.
9. Inflation is assumed to be 2.5% each year and is deducted from the above growth rates as part of the calculation of the illustrations. Salaries and associated contribution levels are assumed to increase in line with the assumed inflation rate.
10. Transactions costs and other charges have been provided by LGIM and covered the period 1st April 2019 to 31st March 2024, except for Global Shares (index tracker) (responsible investments), Global shares (climate) (index tracker) and Diversified investments (responsible investments) funds that reflect the costs for the year to 31 March 2024 due to the fact that these investments were only introduced in August 2023. Where applicable the transaction costs have been averaged by WTW using a time-based approach.
11. Switching costs are not considered under the Guided strategies.
12. Example members – DC Plan
    - Youngest: age 21, total starting annual contribution: £3,500, starting fund value: £1,750, normal retirement age 65:
    - Average: age 42 , total starting annual contribution: £6,750, starting fund value: £32,500, normal retirement age 65:
    - Approaching retirement: age 55, total starting annual contribution: £8,500, starting fund value: £50,000, normal retirement age 65:
13. Example member – AE Plan
    - Age 20, total initial contribution: £3,600, starting fund value: £1,800.

    The assumed pot sizes were based on the averages for the relevant example member. For example, the pot size for the 'average DC Plan member' shown in the above table was based on the average pot size across all members of the DC Plan.

Appendix 2 – Charges and Transaction Costs

The tables below detail the total expense ratio (TER) for the default arrangement(s) and all other fund options within the DC Plan and AE Plan for the reporting period and has been prepared taking into account the statutory guidance produced by the DWP. The TER is a combination of the fund's annual management charge and any additional charges incurred over the reporting period. The Trustee has shown the charges that applied under the Guided strategies and Customised range during the reporting period.

The transaction costs have been calculated by Legal & General and Scottish Widows in conjunction with the underlying fund managers.

Default arrangements – Guided strategies

Flexible access (Phased)

Years to target retirement date	TER	Transaction cost
20+	0.12%	0.08%
15+ years to retirement	0.16%	0.04%
10 years to retirement	0.20%	0.01%
5 years to retirement	0.32%	0.12%
At retirement	0.42%	0.24%

Flexible access (Diversified)

Years to target retirement date	TER	Transaction cost
20+	0.20%	0.01%
15 years to retirement	0.20%	0.01%
10 years to retirement	0.20%	0.01%
5 years to retirement	0.32%	0.12%
At retirement	0.42%	0.24%

Flexible access (Focused)

Years to target retirement date	TER	Transaction cost
20+	0.12%	0.08%
15 years to retirement	0.12%	0.08%
10 years to retirement	0.12%	0.08%
5 years to retirement	0.27%	0.16%
At retirement	0.42%	0.24%

One-off cash (Phased)

Years to target retirement date	TER	Transaction cost
20+	0.12%	0.08%
15 years to retirement	0.16%	0.04%
10 years to retirement	0.20%	0.01%
5 years to retirement	0.18%	0.03%
At retirement	0.12%	0.07%

One-off cash (Diversified)*

Years to target retirement date	TER	Transaction cost
20+	0.20%	0.01%
15 years to retirement	0.20%	0.01%
10 years to retirement	0.20%	0.01%
5 years to retirement	0.18%	0.03%
At retirement	0.12%	0.07%

**AE Plan – default*

One-off cash (Focused)

Years to target retirement date	TER	Transaction cost
20+	0.12%	0.08%
15 years to retirement	0.12%	0.08%
10 years to retirement	0.12%	0.08%
5 years to retirement	0.12%	0.08%
At retirement	0.11%	0.08%

Multiple cash (Phased)

Years to target retirement date	TER	Transaction cost
20+	0.12%	0.08%
15 years to retirement	0.16%	0.04%
10 years to retirement	0.20%	0.01%
5 years to retirement	0.24%	0.07%
At retirement	0.36%	0.22%

Multiple cash (Diversified)

Years to target retirement date	TER	Transaction cost
20+	0.20%	0.01%
15 years to retirement	0.20%	0.01%
10 years to retirement	0.20%	0.01%
5 years to retirement	0.24%	0.07%
At retirement	0.36%	0.22%

Multiple cash (Focused)

Years to target retirement date	TER	Transaction cost
20+	0.12%	0.08%
15 years to retirement	0.12%	0.08%
10 years to retirement	0.12%	0.08%
5 years to retirement	0.19%	0.12%
At retirement	0.36%	0.22%

Default arrangements - Customised

Default arrangement Customised funds (self select)	TER	Transaction cost
Global shares (index tracker)[1,2]	0.12%	0.12%
Diversified investments[1,2]	0.20%	0.00%
Diversified investments (uncorrelated)[3]	0.59%	0.02%
UK Company bonds	0.36%	0.15%
UK government bonds (index tracker)[2]	0.08%	0.05%
Money markets[1,2]	0.11%	0.08%

[1] Funds used in the Guided strategies
[2] Funds used in the AE Plan
[3] Up to 1 August 2023, members were invested in the Property and Infrastructure fund which had a TER of 0.53%

Non-default arrangements - Customised

Non-Default arrangement Customised funds (self select)	TER	Transaction cost
Annuity target[1]	0.11%	0.00%
UK shares (Index tracker)	0.08%	0.00%
UK shares[6]	0.76%	0.17%
Global shares (environment)[4]	0.73%	0.02%
Shariah law (index tracker)[4]	0.35%	0.00%
Global shares[5]	0.83%	0.07%
Emerging markets shares (index tracker)	0.30%	0.11%

Global shares (responsible investment) (index tracker)[1,3,4]	0.12%	0.03%
Global shares (climate) (index tracker) [1,3]	0.10%	0.01%
Diversified investments (responsible investments)[1, 2,3]	0.20%	0.02%
Property and Infrastructure (SW)[2]	0.52%	0.00%

**Where a transaction cost is negative, this has been shown as 0.00%*

Notes

[1] Funds also used in the Guided strategies

[2] Fund remains with Scottish Widows and is closed to future investments.

[3] Funds introduced from 1 August 2023

[4] Only these funds are available to AE Plan members

[5] Until 1 August 2023, the TER for this fund was 0.79%

[6] Until 1 August 2023, the TER for this fund was 0.67%

<u>Non-default arrangement Guided strategies</u>

Flexible access (longer term) (Phased)

Years to target retirement date	TER	Transaction cost
20+	0.12%	0.08%
15 years to retirement	0.17%	0.10%
10 years to retirement	0.22%	0.13%
5 years to retirement	0.28%	0.15%
At retirement	0.33%	0.18%

Flexible access (longer term) (Focused)

Years to target retirement date	TER	Transaction cost
20+	0.12%	0.08%
15 years to retirement	0.12%	0.08%
10 years to retirement	0.12%	0.08%
5 years to retirement	0.22%	0.13%
At retirement	0.33%	0.18%

Annuity (Phased)

Years to target retirement date	TER	Transaction cost
20+	0.12%	0.08%
15 years to retirement	0.16%	0.04%
10 years to retirement	0.20%	0.01%
5 years to retirement	0.16%	0.01%
At retirement	0.11%	0.02%

Annuity (Diversified)

Years to target retirement date	TER	Transaction cost
20+	0.20%	0.01%
15 years to retirement	0.20%	0.01%
10 years to retirement	0.20%	0.01%
5 years to retirement	0.16%	0.01%
At retirement	0.11%	0.02%

Annuity (Focused)

Years to target retirement date	TER	Transaction cost
20+	0.12%	0.08%
15 years to retirement	0.12%	0.08%
10 years to retirement	0.12%	0.08%
5 years to retirement	0.11%	0.04%
At retirement	0.11%	0.02%

These transaction costs were provided with the following notes:

1. Total transaction costs are a combination of some or all of: transaction taxes, fees and charges, implicit costs, indirect costs, anti-dilution offsets and lending and borrowing costs.
2. For funds with more than one underlying fund, transaction cost calculations are based on blended fund-level holdings at the report date given.
3. Indirect costs relate to transaction costs incurred within an underlying investment vehicle within the fund manager's fund.
4. Anti-dilution offset (where provided) reflects the price adjustments the fund manager has made to protect existing investors from dilution effects resulting from investors buying or selling units. This reduces the total transaction cost incurred by existing investors and so is deducted from the costs incurred.
5. Lending & borrowing (where provided) reflects transaction costs associated with short term loans of securities that the fund manager may undertake to increase investment returns.
6. Transaction cost totals represent annualised transaction costs incurred by the fund manager within the underlying fund.
7. Reporting cycles may differ between fund managers, and so data provided may not align completely with the overall report date. The latest available annualised information has been used in each case.
8. Fund managers may use different methodologies to calculate their transaction costs; therefore, overall transaction cost figures may not be directly comparable, or may exclude some elements or breakdowns of the total cost.
9. A zero cost has been used where there are negative transaction costs (i.e. an overall gain was made on the transaction, which can happen as a result of changes in the pricing of the assets being bought or sold). It is not expected that transaction costs will always be negative.

During 2020 a number of legacy policies held with Aviva, Prudential and Standard Life were reassigned to the DC Plan from the ITV Pension Scheme. Details of the ongoing charges for the funds under these policies are set out below.

<table>
<tr><th>Legacy funds</th><th>Total member borne deductions</th></tr>
<tr><td>Aviva With-Profits Fund</td><td rowspan="2">An administration cost of 0.88% is applicable.

In addition, a deduction is made to the total value of the With-profits Funds to cover the costs of managing the With-profits Funds. These costs are implicit in the annual bonus rate applying and are not deducted directly from members pots. As a result, no explicit member charge can be disclosed in this statement relating to these costs.</td></tr>
<tr><td>Aviva With-Profits Guaranteed Fund</td></tr>
<tr><td>Standard Life with Profits One Fund</td><td>A deduction is made to the total value of the With-profits Fund to cover the costs of managing the Fund. In addition, a deduction for the cost of With Profits guarantees is made. These costs are implicit in the annual bonus rate applying and are not deducted directly from members’ pots. As a result, no explicit member charge can be disclosed in this statement.</td></tr>
<tr><td>Prudential Cash Accumulation With-Profits Fund</td><td>A deduction is made to the total value of the With-profits Fund to cover the costs of managing the With-profits Fund. These costs are implicit in the annual bonus rate applying and are not deducted directly from members’ pots. As a result, no explicit member charge can be disclosed in this statement.</td></tr>
<tr><td>Prudential Deposit Fund</td><td>The costs of managing the Fund are not declared and these are built into the interest that is applied to members’ funds. As a result, no explicit member charge can be disclosed in this statement.</td></tr>
</table>

The transaction costs for the legacy fund options are below; however, we note that as members do not directly hold the investments, any transaction costs may impact on the level of bonuses that are applied rather than being a direct cost to members. Standard Life did not provide data on its transaction costs and the Trustee will continue to liaise with the manager to support the provision of this data in future years.

Fund name	Transaction cost
Aviva With-Profits Fund	0.0390%
Aviva With-Profits Guaranteed Fund	0.0390%
Standard Life With-Profits One Fund	N/A
Prudential Deposit Fund*	N/A
Prudential Cash Accumulation With-Profits Fund**	0.16%

* This is a deposit style fund so there are no underlying assets within the Fund. Therefore, there are no transaction costs for buying and selling into and out of the Fund, or ongoing costs for trading within the Fund.
**This cost covers the year to 31 December 2023 as this is the latest information that Prudential has been able to provide

Appendix 3 – Net investment returns

The tables on the following pages provide the net investment returns for each of the investment options available under the Plan. The Trustee has taken into account the statutory guidance when providing these investment returns and has not deviated from this.

For all investment options, the Trustee is expected to provide returns net of the Plan specific fees over a 1, 5, 10, 15 and 20 year periods where available. Where members are investing in one of the Guided strategies where returns vary with age, the Trustee is required to show the returns that would have applied for a member aged 25, 45 and 55.

The figures for net investment returns used in the tables below are as at 31 March 2024 and have been provided by LGIM and Scottish Widows.

Guided	Age of member in 2024	1 year (2023-24)	5 years (2019-24)
One-off cash (Phased)	25	19.2%	11.3%
	45	19.2%	11.3%
	55	9.5%	4.5%
One-off cash (Diversified)	25	9.1%	4.5%
	45	9.1%	4.5%
	55	9.1%	4.5%
One-off cash (Focused)	25	19.2%	11.3%
	45	19.2%	11.3%
	55	19.2%	11.3%
Multiple cash (Phased)	25	19.2%	11.3%
	45	19.2%	11.3%
	55	9.5%	4.5%
Multiple cash (Diversified)	25	9.5%	4.5%
	45	9.5%	4.5%
	55	9.5%	4.5%
Multiple cash (Focused)	25	19.2%	11.3%
	45	19.2%	11.3%
	55	19.2%	11.3%
Flexible access (Phased)	25	19.2%	11.3%
	45	19.2%	11.3%
	55	9.5%	4.5%
Flexible access (Diversified)	25	9.1%	4.5%
	45	9.1%	4.5%
	55	9.1%	4.5%
Flexible access (Focused)	25	19.2%	11.3%
	45	19.2%	11.3%
	55	19.2%	11.3%

Flexible access (longer term) (Phased)	25	19.2%	11.3%
	45	19.2%	11.3%
	55	16.4%	9.8%
Flexible access (longer term) (Focused)	25	19.2%	11.3%
	45	19.2%	11.3%
	55	19.2%	11.3%
Annuity (Phased)	25	19.2%	11.3%
	45	19.2%	11.3%
	55	9.5%	4.5%
Annuity (Diversified)	25	9.5%	4.5%
	45	9.5%	4.5%
	55	9.5%	4.5%
Annuity (Focused)	25	19.2%	11.3%
	45	19.2%	11.3%
	55	19.2%	11.3%

Guided strategies	**Age of member in 2024**	**1 year (2023-24)**	**5 years (2019-24)**
Growth strategy - (Phased)			
One-off cash, Multiple cash, Flexible access and Annuity	25	19.2%	11.3%
	45	19.2%	11.3%
	55	9.5%	4.5%
Flexible access (longer term)	25	19.2%	11.3%
	45	19.2%	11.3%
	55	16.4%	9.8%
Growth strategy - (Diversified)			
One-off cash and Flexible access	25	9.1%	4.5%
	45	9.1%	4.5%
	55	9.1%	4.5%
Multiple cash and Annuity	25	9.5%	4.5%
	45	9.5%	4.5%
	55	9.5%	4.5%
Growth strategy - (Focused)			
All options: **One-off cash, Multiple cash, Flexible access, Flexible access (longer term) and Annuity**	25	19.2%	11.3%
	45	19.2%	11.3%
	55	19.2%	11.3%

Customised funds	1 year (2023-24)	5 years (2019-24)
Annuity target	-3.5%	-3.4%
UK shares (index tracker)	8.4%	5.5%
UK shares	2.7%	2.4%
UK government bonds (index tracker)	-0.2%	-2.8%
Global shares (environment)	12.3%	11.9%
Shariah law (index tracker)[3]	32.2%	17.0%
Diversified investments[3]	8.9%	4.3%
Money markets[3]	5.0%	1.5%
Diversified investments (absolute return)	8.6%	4.4%
Global shares (index tracker)[3]	17.8%	11.0%
Global shares	21.0%	12.0%
Emerging markets shares (index tracker)	5.7%	3.5%
UK company bonds	6.9%	0.4%
Global shares (responsible investment) (index tracker)[2, 3]	n/a	n/a
Global shares (climate) (Index Tracker) [2]	n/a	n/a
Diversified investments (responsible Investment)[2]	n/a	n/a
Diversified investments (uncorrelated)	8.5%	n/a
Property and Infrastructure (SW)[1]	2.3%	-0.1%

Notes
[1] Fund remains with Scottish Widows and is closed to future investments.
[2] New funds introduced as at 1 August 2023
[3] Only these funds are available to AE Plan members to select

Notes:

1. The returns have been provided by L&G and Scottish Widows as at 31 March 2024.
2. Returns are net of the fund specific charges and factor in the transaction costs incurred by the funds.
3. Age specific returns shown under the Guided strategies arrangements are based on a member with a target retirement age of 65.
4. The DC Plan was only established in 2017 and so performance over 10, 15 and 20 year periods are not available. The Trustee will include longer term fund performance in future Statements for all funds once the funds have been in place for the required performance period.

During the reporting period, the DC Plan also held DC assets through AVC policies issued by Aviva, Standard Life and Prudential. The Trustee has requested the same investment return information for those arrangements and have been advised of the following:

Legacy AVCs	1 year (2023-24)	5 years (2019-24)	10 years (2014-24)	15 years (2009-24)	20 years (2004-24)
Aviva With-Profits Fund	2.3%	2.3%	6.1%	6.5%	5.2%
Aviva With-Profits Guaranteed Fund	4.0%	2.8%	5.8%	5.0%	5.6%
Standard Life With-Profits One Fund	N/A	N/A	N/A	N/A	N/A
Prudential Deposit Fund	N/A	N/A	N/A	N/A	N/A
Prudential Cash Accumulation With-Profits Fund	1.5%	1.2%	1.2%	N/A	N/A

Notes:

1. The returns have been produced by Aviva as at 31 March 2024 and Prudential as at 31 December 2023 as this is the latest information they can provide. Where the performance is not currently available this relates to Prudential not providing this for the longer term periods. The Trustee is working with Prudential to provide this information in future statements.

2. As at the date the Statement was produced, Prudential and Standard Life had not provided the required net investment returns information. The Trustee is engaging with Standard Life and Prudential to understand if this information can be included in future Statements.

Appendix 4 – Asset allocations

The tables on the following pages provide the asset allocations for each of the default investment arrangements available under the Plan at the end of the reporting period. The Trustee has taken into account the statutory guidance on “Disclose and Explain asset allocation reporting and performance-based fees and the charge cap”. Totals in the tables may not sum to 100% due to rounding.

Guided - One-off cash (Focused)

Asset class	% allocation - average 25 year old (%)	% allocation - average 45 year old (%)	% allocation - average 55 year old (%)	% allocation – average 1 day prior to State Pension Age (%)
Cash	0.5%	0.5%	0.5%	35.2%
Bonds	0.0%	0.0%	0.0%	54.9%
Listed equities	99.5%	99.5%	99.5%	10.0%
Private equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property/real estate	0.0%	0.0%	0.0%	0.0%
Private debt/ credit	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%

Guided - One-off cash (Phased)

Asset class	% allocation - average 25 year old (%)	% allocation - average 45 year old (%)	% allocation - average 55 year old (%)	% allocation – average 1 day prior to State Pension Age (%)
Cash	0.5%	0.5%	1.4%	35.2%
Bonds	0.0%	0.0%	43.5%	59.2%
Listed equities	99.5%	99.5%	51.8%	5.2%
Private equity	0.0%	0.0%	0.5%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property/real estate	0.0%	0.0%	2.2%	0.2%
Private debt/ credit	0.0%	0.0%	0.9%	0.1%
Other	0.0%	0.0%	0.0%	0.0%

Guided - One-off cash (Diversified)

Asset class	% allocation - average 25 year old (%)	% allocation - average 45 year old (%)	% allocation - average 55 year old (%)	% allocation – average 1 day prior to State Pension Age (%)
Cash	1.4%	1.4%	1.4%	35.2%
Bonds	43.5%	43.5%	43.5%	59.2%
Listed equities	51.8%	51.8%	51.8%	5.2%
Private equity	0.5%	0.5%	0.5%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property/real estate	2.2%	2.2%	2.2%	0.2%
Private debt/ credit	0.9%	0.9%	0.9%	0.1%
Other	0.0%	0.0%	0.0%	0.0%

Guided - Multiple cash (Focused)

Asset class	% allocation - average 25 year old (%)	% allocation - average 45 year old (%)	% allocation - average 55 year old (%)	% allocation – average 1 day prior to State Pension Age (%)
Cash	0.5%	0.5%	0.5%	19.8%
Bonds	0.0%	0.0%	0.0%	48.8%
Listed equities	99.5%	99.5%	99.5%	22.4%
Private equity	0.0%	0.0%	0.0%	0.1%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property/real estate	0.0%	0.0%	0.0%	0.5%
Private debt/ credit	0.0%	0.0%	0.0%	0.2%
Other	0.0%	0.0%	0.0%	8.1%

Guided - Multiple cash (Phased)

Asset class	% allocation - average 25 year old (%)	% allocation - average 45 year old (%)	% allocation - average 55 year old (%)	% allocation – average 1 day prior to State Pension Age (%)
Cash	0.5%	0.5%	1.4%	19.8%
Bonds	0.0%	0.0%	43.5%	48.8%
Listed equities	99.5%	99.5%	51.8%	22.4%
Private equity	0.0%	0.0%	0.5%	0.1%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property/real estate	0.0%	0.0%	2.2%	0.5%
Private debt/ credit	0.0%	0.0%	0.9%	0.2%
Other	0.0%	0.0%	0.0%	8.1%

Guided - Multiple cash (Diversified)

Asset class	% allocation - average 25 year old (%)	% allocation - average 45 year old (%)	% allocation - average 55 year old (%)	% allocation – average 1 day prior to State Pension Age (%)
Cash	1.4%	1.4%	1.4%	19.8%
Bonds	43.5%	43.5%	43.5%	48.8%
Listed equities	51.8%	51.8%	51.8%	22.4%
Private equity	0.5%	0.5%	0.5%	0.1%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property/real estate	2.2%	2.2%	2.2%	0.5%
Private debt/ credit	0.9%	0.9%	0.9%	0.2%
Other	0.0%	0.0%	0.0%	8.1%

Guided - Flexible access (Focused)

Asset class	% allocation - average 25 year old (%)	% allocation - average 45 year old (%)	% allocation - average 55 year old (%)	% allocation – average 1 day prior to State Pension Age (%)
Cash	0.5%	0.5%	0.5%	10.4%
Bonds	0.0%	0.0%	0.0%	43.7%
Listed equities	99.5%	99.5%	99.5%	34.7%
Private equity	0.0%	0.0%	0.0%	0.2%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property/real estate	0.0%	0.0%	0.0%	1.0%
Private debt/ credit	0.0%	0.0%	0.0%	0.4%
Other	0.0%	0.0%	0.0%	9.7%

Guided - Flexible access (Phased)

Asset class	% allocation - average 25 year old (%)	% allocation - average 45 year old (%)	% allocation - average 55 year old (%)	% allocation – average 1 day prior to State Pension Age (%)
Cash	0.5%	0.5%	1.4%	10.4%
Bonds	0.0%	0.0%	43.5%	43.7%
Listed equities	99.5%	99.5%	51.8%	34.7%
Private equity	0.0%	0.0%	0.5%	0.2%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property/real estate	0.0%	0.0%	2.2%	1.0%
Private debt/ credit	0.0%	0.0%	0.9%	0.4%
Other	0.0%	0.0%	0.0%	9.7%

Guided - Flexible access (Diversified)

Asset class	% allocation - average 25 year old (%)	% allocation - average 45 year old (%)	% allocation - average 55 year old (%)	% allocation – average 1 day prior to State Pension Age (%)
Cash	1.4%	1.4%	1.4%	10.4%
Bonds	43.5%	43.5%	43.5%	43.7%
Listed equities	51.8%	51.8%	51.8%	34.7%
Private equity	0.5%	0.5%	0.5%	0.2%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property/real estate	2.2%	2.2%	2.2%	1.0%
Private debt/ credit	0.9%	0.9%	0.9%	0.4%
Other	0.0%	0.0%	0.0%	9.7%

Global shares (index tracker)

Asset class	Percentage
Cash	0.0%
Bonds	0.0%
Listed equities	100.0%
Private equity	0.0%
Infrastructure	0.0%
Property/real estate	0.0%
Private debt/credit	0.0%
Other	0.0%

Diversified investments

Asset class	Percentage
Cash	1.4%
Bonds	41.7%
Listed equities	50.0%
Private equity	0.9%
Infrastructure	0.0%
Property/real estate	4.3%
Private debt/credit	1.7%
Other	0.0%

Diversified investments (uncorrelated)

Asset class	Percentage
Cash	0.7%
Bonds	14.8%
Listed equities	68.5%
Private equity	0.0%
Infrastructure	0.0%
Property/real estate	0.0%
Private debt/credit	0.0%
Other	16.9%

UK company bonds

Asset class	Percentage
Cash	2.9%
Bonds	97.0%
Listed equities	0.0%
Private equity	0.0%
Infrastructure	0.0%
Property/real estate	0.0%
Private debt/credit	0.0%
Other	0.1%

UK government bonds (index tracker)

Asset class	Percentage
Cash	0.0%
Bonds	100.0%
Listed equities	0.0%
Private equity	0.0%
Infrastructure	0.0%
Property/real estate	0.0%
Private debt/credit	0.0%
Other	0.0%

Money markets

Asset class	Percentage
Cash	39.0%
Bonds	61.0%
Listed equities	0.0%
Private equity	0.0%
Infrastructure	0.0%
Property/real estate	0.0%
Private debt/credit	0.0%
Other	0.0%

Notes:

1. Age specific asset allocations shown under the Guided strategies arrangements are based on a member with a target retirement age of 65.
2. The asset allocations have been provided by LGIM as at 31 March 2024.

STATEMENT OF INVESTMENT PRINCIPLES

Introduction

1. This document describes the defined contribution ('DC') investment policy pursued by the Trustee of the ITV Defined Contribution Plan (the "ITV DC Plan").

2. The Trustee's investment policy detailed in this Statement applies to all Benefit Sections within the ITV DC Plan. There are differences in the investment policies and strategies that are applied to the "DC Section" compared to the "AE Plan" due to factors including the purpose of the Benefit Section, membership demographics and the Trustee's investment beliefs. Where an approach differs between Benefit Sections, this will be clearly stated.

3. The DC Section refers to the sections of the ITV DC Plan called DC Section, United Section and CFM Section. The AE Plan refers to the ITV Auto-Enrolment Plan, which was established by the Principal Employer on 1 April 2020.

4. The ITV DC Plan operates for the exclusive purpose of providing retirement benefits and death benefits to eligible participants and beneficiaries. The ITV DC Plan is Defined Contribution in nature and was established on 17 January 2017.

5. The ITV DC Plan is a registered pension plan under the Finance Act 2004.

6. The ITV DC Plan is administered by XPS and the investment platform is provided by Legal & General and Scottish Widows.

7. The purpose of this Statement is to document those investment principles, guidelines and procedures which are appropriate for the ITV DC Plan, in a manner consistent with the requirements of the Pensions Act 1995 ("the Act") and the Pensions Act 2004 ("the 2004 Act").

8. The ITV DC Plan's Trustee ("the Trustee") has received advice from its investment adviser (WTW) and the Principal Company (ITV Services Limited) has been consulted regarding this Statement as required by the Act.

9. When choosing investments, the Trustee and the Investment Managers, to the extent delegated, are required to have regard to the criteria for investment set out in the Occupational Pension Scheme (Investment) Regulations 2005 and the principles contained in this Statement.

10. In accordance with the Financial Services and Markets Act 2000, the Trustee will set general investment policy, but will delegate the responsibility for selection of specific investments to appointed investment managers, which may include an insurance company or companies. The Investment Managers shall provide the skill and expertise necessary to manage the investments of the ITV DC Plan competently.

11. This document has been drafted with regard to the Pensions Regulator's General Code of Practice and the DWP's minimum governance standards, and specifically the recommendations relating to the content of Statements of Investment Principles generally.

Compliance and review of this statement

12. The Trustee plans to monitor compliance with this Statement annually and following its planned reviews of the Trustee's investment strategy.

13. The Trustee will review this Statement in response to any material changes to any aspects of the ITV DC Plan, its membership profile and the attitude to risk of the Trustee, which it judges to have a bearing on the stated investment policy.

14. This review will occur no less frequently than every three years. Any such review will be based on written expert investment advice and the Principal Company will be consulted.

Investment objectives

15. The ITV DC Plan's main investment objectives are:

- To ensure the individual fund options are suitably invested and managed to maximise the return commensurate with an acceptable level of risk.

- To provide members with a diversified range of investment options designed to give them freedom to structure their own investment policy to suit their individual risk, return, liquidity and retirement planning preferences.

Investment policy

16. The Trustee's policy is to seek to achieve its investment objectives through offering a suitable mixture of asset classes and funds. Pooled funds are made available across a diversified range of asset classes, reflecting the changing requirements of members as they progress towards retirement.

17. The Trustee makes available a range of Guided (lifecycle) strategies for the DC Section, and one Guided (lifecycle) strategy for the AE Plan. Each of these pre-packaged investment options comprises a growth phase and a synchronise phase where members' investments are progressively switched into lower risk investments as retirement approaches. For the DC Section the Guided options provide members with choices in relation to both the level of investment risk taken during the growth phase and how the member plans to use their DC Section savings at retirement. The target outcome choices at retirement are focussed towards single or multiple cash withdrawal, flexible access or annuity purchase. For the AE Plan the Guided strategy aims to deliver a relatively stable but moderate return profile during the growth phase and provides a synchronise phase which targets one-off cash withdrawal at retirement.

18. Members are able to select their own investments from a range of pooled funds under the Customised investment strategies applicable to each of the DC Section and to the AE Plan, which are sometimes referred to as the self-select options.

Risk management

19. The Trustee recognises a number of risks involved in the investment of assets of the ITV DC Plan, including:

- **Capital risk** – the risk that the value of the investment will fall in value over any period of time. The Trustee has made available a cash fund for the purpose of managing this risk.
- **Inflation risk** – the risk that a member's investments fail to achieve an adequate amount of return in excess of price inflation commensurate with the term of investment, thereby eroding its purchasing power. The Trustee has made available funds which invest in equities or diversified assets for the purpose of managing this risk.
- **Manager risk** – addressed through ongoing monitoring of the Managers as set out on page 6 of this document. In addition, manager risk is limited through the use, primarily, of a passive (index) approach to investment management, except where the Trustee holds the view that active management may add value (net of fees).
- **Synchronisation risk** – the risk that members' investment allocation in the years prior to retirement and/or once benefits are being accessed does not match their retirement objectives, exposing members to inefficient or uncertain outcomes.
- **Currency risk** – where members invest in funds with an exposure to overseas securities, there will be an element of currency risk as these securities are converted back into Sterling. The Trustee has made available to members a number of funds that invest in Sterling and overseas securities to provide choice to members.
- **Political risk** – the risk of an adverse influence on investment values from political intervention is reduced by the Trustee offering members funds in which assets are diversified across many countries.
- **Liquidity risk** – the risk that assets are not easily realisable such that cash is not readily available to meet cash flow requirements. The Trustee has had regard to this in selecting appropriate funds.

20. The Trustee continues to monitor these risks on a regular basis in line with the ongoing monitoring outlined on page 6 of this document.

Member investment options

21. Based on the Trustee's investment objectives and analysis of membership demographics and having taken professional investment advice the Trustee has selected a range of investment options available to members. Contributions are invested by XPS onto the Legal & General platform.

22. For the DC Section, the Trustee has selected a range of Guided strategies (lifecycle) and Customised (self-select) options to offer members a balanced range of investment options to allow them to match their investment choice against their own risk tolerance and the different ways in which they may take their benefits. The Guided strategies offer 3 different risk-rated growth phases (phased, focused and diversified) and target a range of retirement outcomes:

- Flexible access (longer term) – drawdown focusing on continued growth beyond normal retirement age (NRA)

- Flexible access – drawdown
- Annuity – annuity purchase
- One-off cash – immediate spend
- Multiple cash – spend over 5 years

23. For the AE Plan, the Trustee has selected a single Guided lifecycle option (One-off cash (Diversified)) and a more focused range of Customised options. The Trustee believes that the range of funds for AE Plan members is appropriate based on analysis of the membership, consideration of the impact of the automatic enrolment process and the expectation that the majority of members will join the DC Section of the ITV DC Plan after 12 months' employment. The range includes equity, multi-asset, bond and cash funds, as well as those seeking to meet the responsible investment and/or religious considerations of members. The Trustee will review its approach relating to the AE Plan over time.

24. For both the DC Section and the AE Plan, the Customised (self-select) investment options include funds which seek to meet the typical responsible investment and/or religious considerations of members.

25. Details of the Guided strategies and Customised investment funds are contained in the Investment Policy Document (dated June 2024).

Default investment options – DC Section

26. The joining process for new DC Section members is designed so that members make an investment choice, reflecting the Trustee's view that good communications, online tools and support from ITV Pensions equips new members to choose investment options that are better suited to their circumstances than a default option. However, the **Flexible Access (phased)** Guided strategy is set as a default option for new members that fail to select funds when requested to do so. This strategy was set as the default based on the membership analysis conducted as part of the investment strategy review completed in 2018, and re-confirmed following the subsequent review that concluded in 2023.

27. In addition, in introducing the Guided lifecycle strategies, and when making changes to the Customised fund range, the Trustee put in place a default mapping strategy for existing members who did not wish to make an alternative investment decision. This means that a number of other Guided strategies, and some Customised funds are treated as default investment options. The Trustee took advice on the fund mapping and is satisfied that the resulting default options are suitable for members. The Guided strategies and Customised funds which are deemed default investment options through these mapping exercises are:

One-off Cash (focused)
One-off Cash (phased)
One-off Cash (diversified)
Multiple Cash (focused)
Multiple Cash (phased)
Multiple Cash (diversified)
Flexible Access (focused)
Flexible Access (phased)
Flexible Access (diversified)

Global shares (index tracker)
Diversified investments
Diversified investments (uncorrelated)
UK company bonds
UK government bonds (index tracker)
Money markets

Default investment options – AE Plan

28. Members in the AE Plan are not required to make an investment choice on joining, and therefore a default investment option is needed for these members. The Trustee has adopted a two-stage default for these members: for an initial period, investments are made into the Money markets Fund. This enables members to establish their pension savings with very low capital risk, and would also allow eligible members to transfer their savings to the DC Section of the ITV DC Plan without incurring transition costs as part of their invitation to join the DC Section after having completed 12 months' employment. For members who remain in the AE Plan their investments are moved to the 'One Off Cash (Diversified)' Guided lifecycle strategy. This has been chosen on the basis that the Diversified lifecycle growth phase is expected to offer a suitable level of risk, and the expected level of pension savings at retirement is likely to result in members withdrawing their savings as a single cash lump sum.

Fee basis

29. Members bear the management charges on the funds in which they invest which cover the provision of investment services. These fees are charged by an adjustment to the unit prices within the funds, calculated daily on the value that day. The Trustee believes the charging structure is appropriate and in line with standard market practice. The Principal Company meets the administration and communication costs of the ITV DC Plan.

Expected risk and return

30. The investment options include the following assets and have the following risk and expected return characteristics:

- **Equities** – expected to produce returns in excess of rates of salary and price inflation in the medium to long term. Capital values may be highly volatile in the short term.
- **Diversified assets** – expected to produce returns in excess of rates of salary and price inflation in the medium to long term. Capital values may be volatile in the short term although this is expected to be less than for equities.
- **Property and Infrastructure shares** – aims to provide good growth via diversified exposure to global developed property shares and global listed infrastructure markets.
- **Bonds** – capital values are likely to be less volatile than equities but tend to produce lower returns in the medium to long term. The value of some bonds is expected to move broadly in line with the price of annuities, providing some protection to the 'purchasing power' of a member's account near to retirement when used to provide a pension income (annuity).
- **Cash** – low risk to capital and asset values are easily realisable with limited investment returns associated with the low risk nature of the assets.

Within the DC Section a closed legacy fund exists which invests part of its assets in commercial property. Once the restrictions on transactions imposed by the fund manager are lifted the Trustee will allocate the proceeds to an appropriate alternative option.

Monitoring and reviewing investments under the ITV DC Plan

31. The Pensions Regulator expects Trustee Boards to regularly review their investment fund options and consider the demographics of the membership when doing so.

32. The Trustee reviewed the ITV DC Plan's investment strategy during the period 2021-2023. Changes to both the Guided and Customised strategies were implemented in 2023. In carrying out its reviews, the Trustee considers all relevant factors in determining whether this Statement and the associated risks remain appropriate.

Monitoring investment performance

33. The Trustee considers regular performance monitoring data with its investment advisers on a quarterly basis.

Investment manager monitoring

34. The continuing suitability of the ITV DC Plan's investment managers will be reviewed by the Trustee at least annually. The review will be based on the results of the Trustee's regular monitoring of the Investment Managers' performance and investment processes and their compliance with the requirements of the Pensions Act concerning diversification and suitability of investments, where relevant.

Other matters

Responsible Investment and corporate governance

35. The Trustee defines Responsible Investment as investing to meet present and future needs through management of long-term risks and opportunities, which involves considering all financially material factors, including environmental (including climate risk), social and governance (ESG) issues within a broader risk management framework. The Trustee takes account of members' investment time horizons and objectives when considering these factors to help the ITV DC Plan and its agents (including the advisors and investment managers) make more informed investment decisions to produce better investment outcomes.

36. The Trustee considers Responsible Investments to be an important and relevant issue and follows a policy of encouraging effective stewardship to influence this with fund managers across the investment strategy. The Trustee recognises the UK Stewardship Code as best practice and encourages its investment managers, via its investment adviser, to comply with the Code or explain where they do not adhere to this policy.

37. The Trustee believes that the incorporation of ESG factors into investment decision making is likely to have a positive impact on the risk-adjusted performance of assets over the medium to long term. The most recent investment strategy review undertaken by the Trustee, supported

by its investment adviser, involved detailed analysis of ESG factors and the potential for these factors to impact the future risk and return profile of DC investments. As a result, the Trustee believes that the incorporation of ESG factors is in the best long-term financial interests of its members. Where applicable in the overall fund range, consideration of all financially material factors, including ESG-related issues is delegated to the investment managers. The Trustee explores these issues with its advisers on a regular basis to understand the investment managers' Responsible Investment processes and approach and how they exercise these duties in practice. The extent to which investment managers integrate and consider ESG factors, and their approach to stewardship (comprising voting and engagement) is a criteria used as an input for the selection of new asset managers.

38. In addition the Trustee has incorporated ESG and climate-focused funds within the Guided and Customised investment strategies.

39. The assets of the ITV DC Plan are invested in pooled funds. As such, the day to day management of the ITV DC Plan's assets are delegated to professional investment managers. Therefore, the exercise of the ITV DC Plan's corporate governance powers, including its voting rights, with respect to relevant matters including the capital structure of investee companies, actual and potential conflicts, other stakeholders and the ESG impact of underlying holdings is delegated to and directly carried out by the investment managers, with oversight by the Trustee where appropriate. When considering its policy in relation to stewardship, the Trustee expects investment managers to address broad ESG considerations, but has identified climate change, biodiversity, income equality, governance and remuneration as stewardship priorities, and consequently, these are key areas of focus for the Trustee.

40. The Trustee periodically reviews stewardship activity undertaken by their investment managers to ensure that the policies and priorities outlined above are being met and may explore these issues with its investment managers as part of the ongoing monitoring of the ESG integration and stewardship activities of its investment managers. This includes reviewing significant votes undertaken by the investment managers in the priority areas, and reporting on these in the Trustee's annual Implementation Statement.

41. The Trustee acknowledges that ESG is a complex topic and the Trustee recognises it has a role to inform and communicate these complexities to members as part of its aim to engage with members. To that end, a survey of DC Section members was conducted in the Spring of 2021, seeking views on sustainability, ESG and a range of non-financial (ethical) matters. As part of the review of the Guided and Customised strategies the Trustee considered the extent to which members' views should be incorporated into the range of investment options offered. The Trustee believes that the incorporation of ESG and climate-focused funds within the Guided and Customised investment strategies broadly reflects the views of members, although the Trustee decided to implement this investment change on the basis of financial rather than non-financial factors.

Arrangements with investment managers

42. Alignment between an investment manager's management of the ITV DC Plan's assets and the Trustee's policies and objectives is a fundamental part of the appointment process of a new investment manager. As the ITV DC Plan only invests in pooled investment funds, the Trustee cannot directly influence or incentivise investment managers to align their management of the

funds with the Trustee's own policies and objectives. However, the Trustee will seek to ensure that the investment objectives and guidelines of any investment fund used are consistent with its own policies and objectives. The Trustee will also seek to understand the investment manager's approach to Responsible Investment (including engagement).

43. The Trustee is responsible for monitoring the investment funds and managers. As part of this, the Trustee will provide investment managers with the most recent version of this Statement of Investment Principles on a regular basis to ensure managers are aware of the Trustee's expectations regarding how the ITV DC Plan's assets are being managed.

44. Should the Trustee's monitoring processes reveal that an investment fund's objectives and guidelines, or an investment manager's approach to Responsible Investment, do not appear to be sufficiently aligned with the Trustee's policies, the Trustee will, with the assistance with its advisers, engage with the investment manager to ascertain the reasons for this and whether closer alignment can be achieved. If this is not possible the Trustee may consider alternative options available in order to terminate and replace the manager.

45. The Trustee appoints its investment managers with an expectation of a long-term partnership, which encourages active ownership of the ITV DC Plan's assets. For most of the ITV DC Plan's investments, the Trustee expects the investment managers to invest with a medium to long time horizon, and the Trustee incentivises investment managers to use their engagement activity to drive improved performance over these periods.

46. When assessing an investment manager's performance, the focus is on longer-term outcomes, and the Trustee would not expect to terminate an investment manager's appointment based purely on short term performance. However, an investment manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.

47. Investment managers are paid a fee expressed as a percentage of assets managed, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement.

48. The Trustee reviews the costs incurred in managing the ITV DC Plan's assets on a regular basis, which includes the costs associated with portfolio turnover. In assessing the appropriateness of the portfolio turnover costs at an individual investment manager level, the Trustee will have regard to the actual portfolio turnover and how this compares with the expected turnover range for that type of fund.

Realisation of investments

49**.** The ITV DC Plan seeks to offer only investment options that can be readily realised which allows members to access funds quickly and easily. The investments are daily dealt and this aims to provide benefits on retirement or transfer to another pension arrangement without delay. However, for the DC Section the Plan does invest in one legacy fund which has had historic occurrences of when the funds were not readily realisable due to liquidity issues linked to the fund's investments in direct property. This fund is in the process of being wound up.

Illiquid investments

50. The Trustee has considered carefully whether to make an allocation to illiquid assets within the default arrangements. The Trustee believes allocating to illiquid assets is likely to improve

diversification and offers the potential for higher risk adjusted returns. The Plan currently accesses illiquid assets indirectly, through the investments in the pooled fund underlying the Diversified investments fund, a component of the Guided strategies which are classified as defaults, and is also a stand-alone default arrangement in the Customised range. Any investments in illiquid assets in this pooled fund are at the discretion the investment manager, with decisions taken in the context of the fund's overall risk and return objectives, and currently the investments include property and private market credit investments. The Trustee does not currently have any plans to invest directly in illiquid assets.

51. The age profile of members investing in illiquid assets through this pooled fund will vary and, for the Guided strategies, will be driven by the term to their target retirement age. For Focused strategies members will start to invest in the fund between 7 and 10 years before retirement, and for Phased strategies this will start 20 years before retirement. For Diversified strategies (including the default for the AE Plan) the investment in the pooled fund starts when the member first invests in the strategy. In all cases, members in these Guided strategies will continue to hold a portion of their total investments in this fund through to retirement.

52. The Trustee will continue to consider the use of illiquid investments in the context of improving the Plan's overall risk and return characteristics to improve long-term outcomes for members.

Legacy Additional Voluntary Contribution policies transferred from the ITV Pension Scheme

53. In 2020 an exercise was undertaken to transfer a number of members of the ITV Pension Scheme into the DC Section of the ITV DC Plan. Some of these members held investments with legacy Additional Voluntary Contribution (AVC) providers, and as part of the transfer exercise those policies were also transferred into the ITV DC Plan. These AVC providers are Aviva, Prudential, and Standard Life. These legacy providers are no longer open for members to contribute to or switch into. WTW provides assistance to the Trustee with regards to the monitoring of these legacy AVC policies.

54. The Trustee also regularly monitors the AVC arrangements to ensure that they remain appropriate noting that these policies have certain terms that may be valued by members, for example capital guarantees or guaranteed annual bonus rates.

June 2024