ITV Pension Scheme

Investing your pension savings

Getting started

How you invest your pension savings will ultimately affect the value of your savings at retirement. So, it makes sense to spend time to understand your investment options and what's right for you.

Making investment decisions about your savings might seem like a daunting prospect but it needn't be. This guide takes you through the steps you need to think about and explains your investment choices. The Scheme website www.itv-pensions.com also provides more information.

Need help?

If you have any questions about your investment options or your pension savings, call the Scheme's administration team on **0118 214 2836**. They can talk through your options and the sort of things you should think about when deciding what option to choose.

If you have general queries about the Scheme, ITV Pensions is on hand to help. You can call them on **01772 884488**.

Remember, neither ITV Pensions nor the administration team are allowed to give you advice or tell you what to do.

If you're not sure about how to invest your pension savings, you should speak to an independent financial adviser. You can find out more about choosing an adviser, and find one in your area, on the Government's MoneyHelper website at www.moneyhelper.org.uk You may have to pay for the services of the adviser.

One big thing to know

Before you decide what investment approach is right for you, it's good to know your end point. Understanding what happens to your pension savings and your options when you're ready to retire may influence your investment choices. This is because the way the Scheme works, and historic rules, means you have to use your pension savings in a certain way*.

If you built up pension savings from 1st September 2002*:

When you retire, the Scheme rules mean you have to use any pension savings built up from 1st September 2002 to buy an annuity (an income for life).

If you built up pension savings before 1st September 2002*:

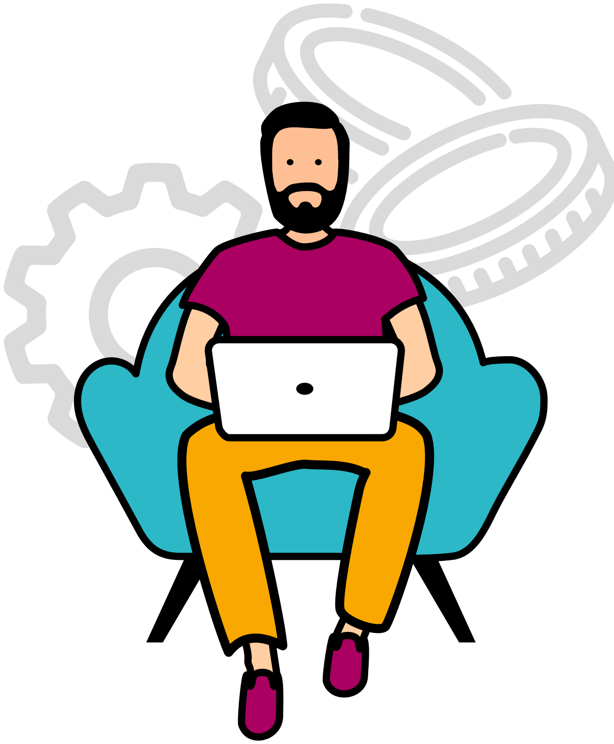
Most Scheme members who built up pension savings before 1st September 2002 also have to use these savings to buy an annuity (an income for life). But for these members, there's an extra condition. Because of HMRC rules that applied at that time, when you're ready to access savings, ITV Pensions has to carry out a check to make sure the pension savings you built up before 1st September 2002 can provide a minimum level of pension – this check is known as the 'Reference Scheme Test'. You can find out whether this applies to you by looking at the cover letter that came with your last benefit statement.

You should keep these rules in mind when deciding how to invest your pension savings.

There's an alternative

If you don't want to buy an annuity with your pension savings, you could transfer your savings out of the Scheme to access your savings more flexibly. You typically need to take financial advice before you can transfer. If you built up pension savings before 1st September 2002 and transferred them out of the Scheme, you'd be giving up the guaranteed minimum level of pension provided by the 'Reference Scheme Test'. So, you should think very carefully before deciding to transfer your savings out of the Scheme.

Find out how to get impartial guidance and find a financial adviser on page 2.



* If you have a pension in the defined benefit (DB) section of the Scheme and also have defined contribution (DC) pension savings in the Scheme that you built up by paying extra contributions (AVCs), these rules don't apply to you. To find out about your options for accessing your extra contributions, please refer to the letter we sent you in May 2023 or contact ITV Pensions.

Choose from 2 approaches

The Scheme offers 2 investment approaches: **Guided** and **Customised**. The approach that suits you will depend on how much time you're prepared to spend managing your investments, and how confident you are about making investment decisions.

Guided

A set approach that lets you choose from 2 pre-packaged options

How it works
You choose one of 2 pre-packaged options. Your pension savings are invested automatically in pre-selected funds.

Why it might suit you
Your pension savings are invested for you automatically. Over time, your savings are moved gradually to investment funds that reflect how you plan to access them when you're ready.

Why it might not be right for you
The funds that make up each Guided option are pre-selected and might not suit your circumstances or your investment aims as your goals change throughout your career.

See pages 5 to 7 for more about the **Guided** approach.

Customised

A pick-your-own approach that lets you choose from a range of investment funds

How it works
You pick the funds to invest in and decide how much to invest in each (and when).

Why it might suit you
It lets you choose the investment funds that are right for your circumstances and change them when it suits you.

Why it might not be right for you
You need to choose which funds to invest in at the outset, keep a check on how your pension savings are invested, and monitor your investments regularly to ensure they remain suitable as your goals change throughout your career (including as you get closer to accessing your savings).

See pages 8 to 13 for more about the **Customised** option.

Top tips

Think about...

- How actively involved you want to be
- How much time you're prepared to spend managing your investments
- How interested you are in investments
- How confident you feel about making investment decisions

You can change your mind

You can change how your pension savings are invested – it's important to review your investment choices regularly to make sure they still suit your plans and circumstances, but keep in mind that you may have to pay an administration fee if you make changes more than twice in one year. You can invest your savings in only one approach – either **Guided** or **Customised** – at a time, although if you have different 'pots' of pension savings you can choose to invest them differently if you want.

About the Guided approach

The **Guided approach** invests your pension savings automatically in a pre-defined way.

How it works

- **It invests in 2 phases:**
  - **Growth phase:** this phase aims to grow your savings by investing in a mix of funds that have the potential for growth, like shares, but which may go down as well as up in value. If your savings go down in value when you're younger, it's less likely to have an impact on your income in retirement as you should have time to make up any falls in value.
  - **Synchronise phase:** As you get closer to accessing your pension savings, the Guided approach gradually moves your savings into investments that reflect how you plan to access them when you're ready.

- **You decide when you want the Guided approach to complete.**

  Your savings are moved gradually and automatically between different investment funds depending on how far you are from a date you select. This is called your target retirement age. It can be any age from 55 (57 from April 2028) to 75 and is typically the age you want to start accessing savings – but it doesn't have to be. We use it to help us set up when your investments need to move automatically through the Synchronise phase and so we know when to send you reminders about your pension savings. You can change it when you want by completing a *Changing your target retirement* age form at www.itv-pensions.com > Library > Forms.

- **Underlying funds.**

  The Guided approach invest in a mix of 4 investment funds – see below.

If Guided is right for you...

Choose your investment funds

- **Guided** – Annuity target
- **Guided** – Flexible target

Choose your target retirement age

- Any age from 55 (57 from April 2028) to 75

Top tip

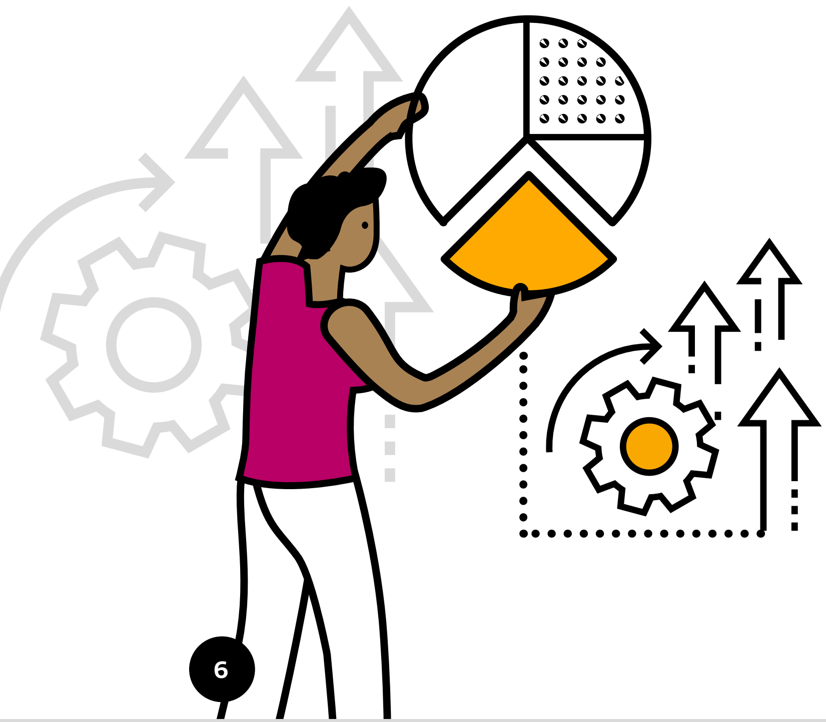
When you retire, you have to use some or all of your pension savings to buy an annuity, unless you transfer your pension savings out of the Scheme (or you're a member of the defined benefit (DB) section of the Scheme who built up pension savings by paying extra contributions) – see page 3 to find out more.

Choose your Guided approach

There are 2 **Guided** options to choose from:

- **Guided – Annuity target**
- **Guided – Flexible target**

They work in a very similar way and invest in the same 4 investment funds. The difference is the amount of your pension savings invested in each fund at different times. Here are details of how each option works and who they might suit.

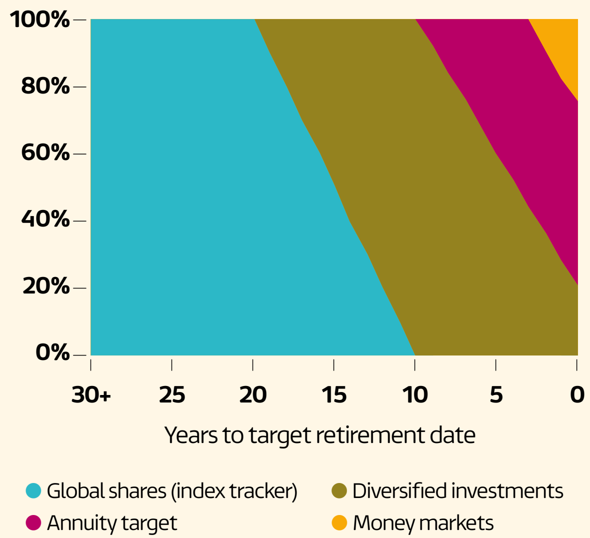


1: Guided – Annuity target

This option is better suited to members looking to take up to a quarter of their savings as a cash lump sum (currently tax free) at retirement and use the rest to buy an annuity.

Here's how the **Guided - Annuity target** option invests depending on how far you are from your target retirement age:

- **More than 20 years:** 100% in shares that aim to grow your savings.
- **20 years:** starts to spread risk by investing in a wider range of investments.
- **10 years:** starts to switch a large part of your savings to funds that aim to reflect the price of buying an annuity.
- **3 years:** starts to switch some of your savings to the Money markets fund, which is suitable if you want to take up to 25% of your pension savings as cash.

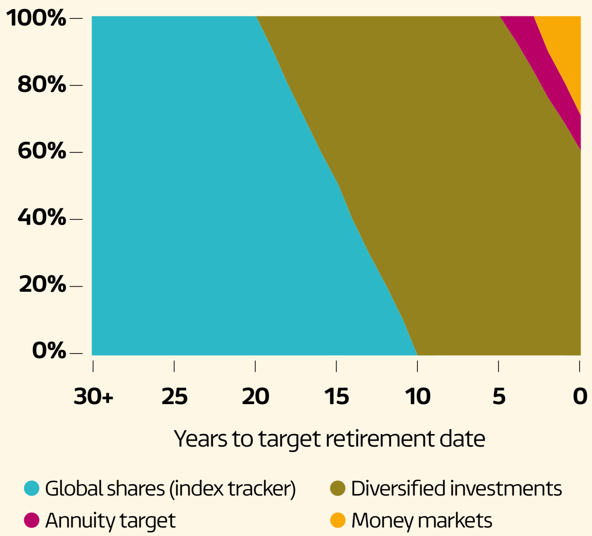


2: Guided – Flexible target

This option is better suited to members who are looking to take their savings as a series of cash lump sums or flexibly throughout their retirement. These ways of accessing pension savings aren't available through the Scheme – you'd need to transfer your savings out of the Scheme to a pension provider.

Here's how the Guided – Flexible target option invests depending on how far you are from your target retirement age:

- **More than 20 years:** 100% in shares that aim to grow your savings.
- **20 years:** starts to spread risk by investing in a wider range of investments.
- **5 years:** starts to switch a small part of your savings to lower-risk funds that aim to provide greater protection from falls in value.
- **3 years:** starts to switch some of your savings to the Money markets fund, which is suitable if you want to take some of your pension savings as cash.



About the Customised approach

The **Customised** approach gives you more control over your investments by letting you choose from a range of funds selected (and monitored) by the Trustees.

How it works

You decide which funds to invest in, how much to invest in each fund, and when to change your investments. There are 8 funds to choose from:

- Diversified investments
- Global company bonds (index tracker)
- Global shares (index tracker)
- Global shares (responsible investment) (index tracker)
- Money markets
- Shariah law (index tracker)
- UK government bonds (index tracker)
- UK shares (index tracker)

Before you think about which funds to choose, there are a few things you need to know to help you decide.

If Customised is right for you...

Choose your investment funds

- Choose the funds you want to invest in
- Decide how much to invest in each fund – **1% to 100%**
- Review your investments regularly and decide if, and when, to change the mix

Choose your target retirement age

- Any age from 57 (55 until April 2028) to 75

Setting a target retirement age – typically the age you plan to start accessing your pension savings – helps us contact you at the most appropriate time. Once you set a target retirement age, you can change your mind later on by completing a *Changing your target retirement age form* – you'll find a copy at www.itv-pensions.com > Library.

Top tip

When you retire, you have to use some or all of your pension savings to buy an annuity, unless you transfer your pension savings out of the Scheme (or you're a member of the defined benefit (DB) section of the Scheme who built up pension savings by paying extra contributions) – see page 3 to find out more.

Growth vs risk: 7 things to think about

Everyone wants their pension savings to grow, but it's not quite as simple as that.

One of the most important things to think about when deciding how to invest your pension savings is how much potential growth you're aiming for and how much investment risk you're willing and/or able to take to achieve those returns. The more investment risk you take (the risk that your pension savings will fall in value), generally the greater the potential to grow your savings over the longer term.

Ultimately though – the best option will depend on you. Here are 7 things to help you think about what kind of investor you are:

1. The importance of your pension savings.
If you expect your pension savings from the Scheme to make up only a small part of your retirement income, you may be able to take more investment risk with your savings. If the opposite is true, you may prefer to take less investment risk.

2. Your earnings and disposable income.
If your pension savings fall in value, you need to think about how easy it would be for you to top up your savings. The more disposable income you have, the easier it should be to make up any shortfalls.

3. How much you can afford to contribute to another pension scheme.
Although you can't contribute to the ITV Pension Scheme, you may want to pay into another pension scheme. How much you can contribute to another pension scheme is important, but just as important is *when* you contribute – the longer your contributions are invested, the more you should benefit from investment growth and interest.

4. How flexible is your retirement date?
The further you are from retirement, typically the more investment risk you may be able to take. This is because if your pension savings fall in value, you may have time for your savings to recover. So, if you have flexibility to delay taking your savings (perhaps by working longer), it may influence how much risk you're comfortable (or prepared) to take with your savings.

5. How you want to access your pension savings.
Under the Scheme rules, most members have to use their pension savings to buy an annuity when they retire (see page 3). When deciding how to invest your pension savings, particularly as you get closer to accessing your savings, you might want to consider:

If you expect to purchase an annuity with your Scheme pension savings: you might want to reduce how much investment risk you take as you get closer to accessing your savings (because you don't want your savings falling in value suddenly close to when you want to access them).

If you don't want to buy an annuity: you can transfer your pension savings out of the Scheme and invest them in another pension arrangement that lets you access savings flexibly throughout your retirement (sometimes called drawdown or flexi access). With this approach, some or all your savings will stay invested for a while longer. So, you may be prepared to take a bit more risk for longer because if your savings fall in value, you may have time for them to recover before you need to access them. With this option, you'll need to manage your savings to make sure you don't run out of money (or you don't spend enough of your savings before you die).

6. Your attitude to risk.
Your attitude to taking investment risk will also influence your decision, although the amount of risk you're comfortable taking may not be the same as the amount of risk you're able to take – you may have to step outside of your comfort zone to try to achieve the results you want or take a more cautious approach than you would normally.

7. Your personal and financial circumstances.
Your circumstances will affect how much risk you're able to take, your investment attitudes and preferences. The approach that suits you may not suit someone else.

Striking the right balance: growth and protection

With the **Customised** option, it's up to you to decide how to invest your savings and when to switch into different investments. In the **Guided** options this is done for you, with your pension savings invested in 2 phases: a Growth phase and a Synchronise phase. It might help to think about your investments in the Customised approach in a similar way.

Growth phase

This is when you may be willing to take more investment risk, particularly if you have a while until you want to access your savings, because you may have time or your savings to recover if they fall in value. Remember, when you're younger, if your investments don't grow in line with inflation, the real value of your pension savings will be eroded over time. This may be as much of a risk as the value of your pension savings falling.

Synchronise phase

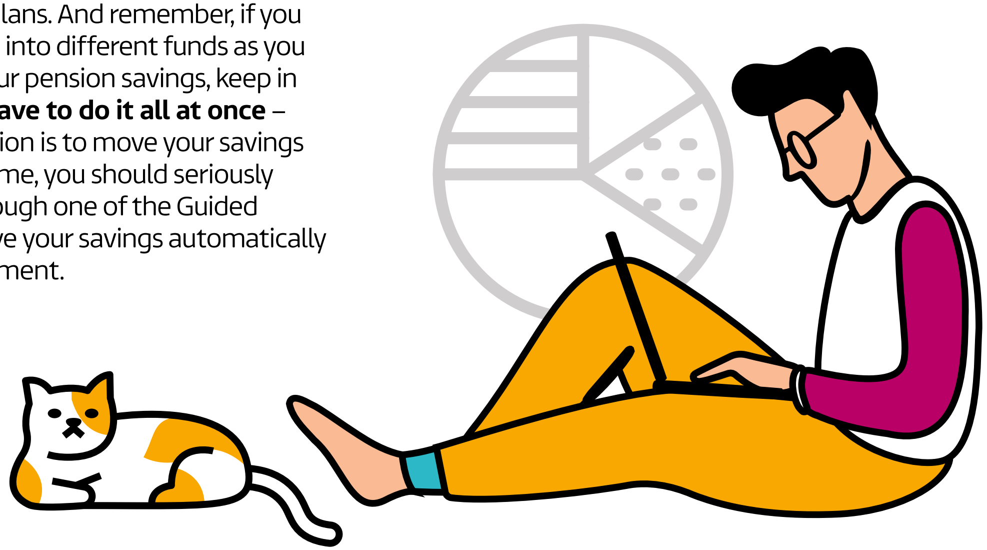
When you're getting closer to accessing your savings you may want to make sure your pension savings are invested in a way that reflects how you plan to access them, and that you don't take more risk than you're comfortable with or miss out on potential returns.

You'll need to think carefully about when to move your savings from investments that focus on growth to ones that focus on synchronising them with your retirement plans. And remember, if you find you want to move into different funds as you get closer to taking your pension savings, keep in mind that **you don't have to do it all at once** – although if your intention is to move your savings in smaller steps over time, you should seriously consider investing through one of the Guided options which will move your savings automatically as you approach retirement.

Do your homework

Make sure you understand how each fund works before deciding how to invest your pension savings – you can find more detailed information about each fund in the *fund factsheets* available on the Scheme website at www.itv-pensions.com > Library.

The table on pages 11 to 13 shows your choices.



A summary of your investment fund choices

This table summarises the aim of each fund, the assets it invests in and who it might suit, depending on how far you are from accessing your pension savings. The fund(s) you choose and the amount you invest in each fund will depend on your circumstances, your investment aims and how comfortable you are that your savings could fall in value.

Fund name	Aims to provide...	Invests in...	Might suit members who...
UK shares (index tracker)	Returns in line with an index of UK shares	Shares of UK companies	● Are comfortable taking a higher level of risk with their savings because of the potential to make bigger gains, but accept that this could mean losing out if their savings fall in value ● Have other sources of retirement income and aren't entirely relying on their Scheme pension savings so can afford to take more risk ● Would find it relatively easy to top up their pension savings through another pension arrangement ● Don't plan to access their savings for several years ● Plan to access their pension savings flexibly and leave some of their savings invested after they retire ● Have a lot of flexibility about when they start accessing Scheme savings ● The Shariah law (index tracker) fund is for members who want to invest according to the principles of Islamic Shariah law
Global shares (index tracker)	Returns in line with an index of global shares	Shares of companies from around the world	
Global shares (responsible investment) (index tracker)	Returns in line with an index of global shares that has a strong focus on protecting the environment, good governance and supporting social rights	Shares of companies from around the world that have a strong focus on responsible investment; excludes companies that fail to meet the fund's minimum standards in low carbon transition and corporate governance	
Shariah law (index tracker)	Returns in line with the returns of the Dow Jones Islamic Titans 100 Index	Shares of companies that comply with the principles of Islamic Shariah law	

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A summary of your investment fund choices

<table>
<tr><th>Fund name</th><th>Aims to provide...</th><th>Invests in...</th><th>Might suit members who...</th></tr>
<tr><td>Diversified investments</td><td>Growth over the longer term but with reduced volatility by investing in different types of investments chosen by the fund manager</td><td>A wide variety of investments including shares, bonds, private equity, commercial property and commodities</td><td>• Are comfortable taking some risk with their savings but prefer to spread the risk and are willing to trade some potential gains for the expectation of great stability
• Expect their Scheme pension savings to make up a reasonable amount of their retirement income but have some income from other sources
• Could manage to top up their pension savings through another pension arrangement if their Scheme pension savings fell in value
• Don't plan to access their savings for several years
• Plan to access their pension savings flexibly and leave some of their savings invested after they retire
• Have some flexibility about when they start accessing Scheme savings</td></tr>
<tr><td>Global company bonds (index tracker)</td><td>Returns in line with an index of global company bonds</td><td>Bonds (loans) issued by companies from around the world</td><td rowspan="2">• Are prepared to trade potential gains in return for the expectation of greater stability
• Expect their Scheme pension savings to make up a significant part of their retirement income
• Would find it difficult to top up their pension savings through another pension arrangement if their Scheme pension savings fell in value
• Plan to access their savings in the next few years
• Plan to use their pension savings to buy an annuity
• Have little or no flexibility about when they start accessing Scheme savings</td></tr>
<tr><td>UK government bonds (index tracker)</td><td>Returns in line with an index of government securities</td><td>Government bonds (loans) issued by the UK government</td></tr>
</table>

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A summary of your investment fund choices

Fund name	Aims to provide...	Invests in...	Might suit members who...
Money markets	A similar rate of return as short-term government interest rates, and a high degree of protection to the value of your pension savings (although even with this fund the value could fall)	A wide range of Sterling investments including short-term bank deposits, UK government bonds and Treasury bills which allow money to be borrowed and lent for short periods	• Are close to accessing their savings and plan to take some of their savings as cash

The Trustees keep the funds offered under review and may add new funds to the list (or remove existing funds); they're also able to change the underlying managers of each fund.

A word on responsible investing

Responsible Investment (RI) considers the impact of investment choices on people and the planet. More specifically, it involves investing in funds that focus on more positive environmental, social and governance outcomes, compared to similar funds.

Our aim is to provide a fund range that provides suitable options for members including allowing them to invest in a way that matches their RI beliefs, as well as aligning with our strategy and principles for the future. We do this in 2 ways.

1. We work closely with our investment managers

Investment managers act on our behalf when working with the companies in which a fund invests. As shareholders, through their voting rights, managers have a say in how these companies are run. We check in regularly with the investment managers for all our funds to ensure they are voting to promote the right behaviours, like positive working conditions and fair and appropriate governance. Our Implementation Statement includes more about how the investment managers vote during the year.

2. We've got an RI-focused fund

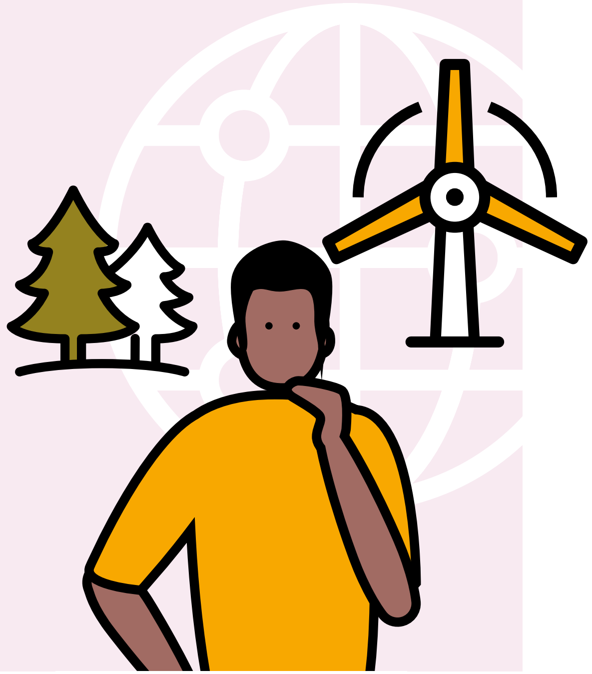
We offer an RI fund – Global shares (responsible investment) (index tracker). This fund not only meets our RI objectives but continues to offer value for money and have appropriate performance objectives.

RI fund-how does this work?

If you want to invest more of your savings in the RI-focused fund, then the **Customised** approach gives you that flexibility. Keep in mind though that if you choose the Customised approach, it's up to you to manage your investments regularly so they remain suitable for your circumstances and goals.

The RI-focused fund is an index tracking fund. This means it aims for its performance to match its chosen benchmark. The fund invests in companies from around the world that have been selected to take into account significant environmental, social and corporate governance (ESG) issues.

In addition, the manager of the RI-focused fund has a strong commitment to addressing climate change and has set minimum standards in this area. These standards look to encourage companies to take action to address climate change and support the transition to a low-carbon economy – companies who don't meet these standards may be excluded as a result.



Staying in control

Changing how your pension savings are invested

You can change how your pension savings are invested at any point. The first 2 changes each year are currently free of administration charges. You may be charged a fee to cover administration for other changes you make during the year. Whenever you change your investments, there's usually a dealing cost built into the price of the funds you buy or sell.

How the funds are managed

The investment funds are provided by two investment managers. The Trustees monitor the performance and suitability of the managers regularly and may make changes when they consider it appropriate.

Charges

There's a charge for investment management. These charges are built into the price of your investments, so you won't see them as a separate charge or deduction. Charges vary for each fund and between fund managers. Details of the individual investment charges can be found in the *Annual fund charges leaflet*, available at www.itvpensions.com > Library > Investment factsheets.

Keeping track of your savings

Each year, you'll be sent a personal statement letting you know the value of your pension savings. It'll also show the investments you've bought and sold during the year and the funds your pension savings are invested in. Your statement is useful for helping you to plan for retirement. When you receive your statement, it may be a good time to review your investment choices.

You can also access details about your pension savings by logging in at any time through the ITV Pensions website www.itv-pensions.com. All Scheme members are sent a member ID and PIN, which you need to log in. If you need your ID or PIN reissued, please contact the Scheme's administration team on **0118 214 2836**.

Protection for your investments

The investment funds offered by the Scheme are currently provided through Legal & General Investment Management Limited (LGIM). The Scheme doesn't invest in the assets directly, but LGIM arranges this for the Scheme under an insurance policy. This is a common way for UK pension schemes to invest and helps the Trustees give you easy access to a range of investment funds.

The Trustees' policy with LGIM is currently covered by the Financial Services Compensation Scheme (FSCS).

The FSCS is a compensation fund of last resort for customers of financial services firms. In the unlikely event that LGIM is unable to meet its financial obligations, the Trustees would be able to make a claim to the FSCS for 100% of the value of the policy with LGIM. As an alternative, the Trustees would also expect the industry Regulator to seek to find another provider to take on the policy.

In practice, the investment funds provided through LGIM include funds run by fund managers and other organisations outside the LGIM group. In the unlikely event those other fund managers or other organisations are unable to meet their financial obligations, the FSCS would not provide protection. LGIM would make a claim against the fund manager or other organisation in an attempt to recover the money. There's a risk that some or all of your investment would not be recovered in these circumstances. However, the underlying investment funds and the arrangements to access them are structured to minimise the risk of this happening, and the funds are subject to strict financial regulation.

The Trustees keep the Scheme's investments, and the way you can access them through the Scheme, under regular review. The Trustees are satisfied that the current arrangements are in line with the industry norm at the moment. It's a complicated arrangement, but worth it to enable the Scheme to offer you a wide range of funds that will hopefully encourage you to save for your retirement.

If you have a question

Questions about your pension savings

If you have any questions about your pension savings, please contact the Scheme's administration team (weekdays from 9am to 5pm), by:

Calling:	0118 214 2836
Emailing:	itvpensions@xpsgroup.com
Writing to:	ITV Pension Scheme, XPS Administration, PO Box 562, Middlesbrough, TS1 9JA

General queries about the Scheme

If you have a general query about the Scheme, please contact ITV Pensions (Monday to Thursday 8.30am to 5.30pm and Friday 8.30am to 4.30pm) by:

Calling:	01772 884488
Emailing:	enquiries@itv-pensions.com
Writing to:	ITV Pensions, 5 Fulwood Park, Caxton Road, Preston, PR2 9NZ

If they can't answer your query, it'll be referred to the Head of DC Pensions if necessary. Remember to quote your National Insurance number and the Scheme name in any written correspondence.

What does that mean?

We've tried to keep things simple, but sometimes using certain pension and investment words and phrases is unavoidable. Here's a quick look at of some of the terms you might want to know more about.

Bonds

Loans issued by private and public companies in the UK and overseas or by governments for different lengths of time (that is, the investor loans the organisation or government money for a set amount of time). Bonds are traded in a similar way to shares so their value rises and falls, but not usually as sharply as the value of shares. Investors normally expect bonds to produce steady returns over the medium term. Bonds issued by the UK government are also referred to as gilts.

Diversified investments

A wide range of investments usually including shares, bonds, cash, commodities, property and other investments. Funds invested in this way aim to offer growth potential but with reduced risk by investing in lots of different assets (and, because of this, are sometimes called diversified growth funds).

Money markets

Sterling investments in things like short-term bank deposits and Treasury bills. These investments are expected to produce interest-rate like returns overall, although in certain market conditions investments can fall in value.

Shares

A share in the ownership of a company. The value of a share changes, largely depending on the performance of the issuing company and market conditions. Investors normally expect shares to produce good returns over the long term, although their value can rise and fall (sometimes quite sharply) daily.

Pension savings

If you've built up benefit in the Defined Benefit section (DB section) of the ITV Pension Scheme, pension savings means the extra savings you made to the DB section on top of your normal DB contributions. Your pension savings are equal to the value of those extra contributions, plus or minus the investment returns on those contributions (less any investment charges that apply).

If you've built up benefits in the Defined Contribution section (DC section) of the ITV Pension Scheme, pension savings means the savings you built up in the DC section from the contributions you made (including additional contributions) or which your employer made on your behalf (and any pension savings you've transferred in), plus or minus the investment returns earned on them (less any investment charges that apply).

This guide provides an overview of how investments work and your investment options and is for general guidance only. You're responsible for carrying out your own investigations before deciding how to invest your pension savings and should take independent financial advice if you're not sure what to do or want specific advice about your own personal circumstances.

We've made every effort to make sure this guide is accurate. Full details of the benefits provided by the Scheme are set out in its Trust Deed and Rules. If there's any conflict between this guide and that document, then the Trust Deed and Rules will take priority.