

Chair's Statement

Annual Chair's Statement for the Visa Europe Pension Plan (the "Plan")

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 ("the Administration Regulations") require the Trustee to prepare an annual statement regarding governance, and include this in the annual Trustee report and accounts. The governance requirements apply to trustees of defined contribution ("DC") pension arrangements and aim to help members achieve a good outcome from their pension savings.

This Chair's Statement (the "Statement") issued by the Trustee covers the Plan year which ran from **1 October 2020 to 30 September 2021** and is signed on behalf of the Trustee by the Chair.

This Statement covers governance and charge disclosures in relation to the following:

1. The Default arrangements
2. Member borne charges and transaction costs
 - i. Default arrangements
 - ii. Self-select funds
 - iii. Additional Voluntary Contributions
 - iv. Illustrations of the cumulative effect of these costs and charges
3. Value for Members assessment
4. Processing of core financial transactions
5. Trustee knowledge and understanding

The Trustee have also taken actions required to manage the Plan in light of the COVID-19 pandemic and have incorporated additional commentary into this statement.

1. The Default Arrangement

The Trustee is required to design the default arrangement in members' interests and keep it under review. The Trustee needs to set out the aims and objectives of the default arrangement and take account of the level of costs and the risk profile that are appropriate for the Plan's membership.

The Plan is used as a Qualifying Plan for auto-enrolment purposes and offers members three lifestyle arrangements:

- Options Open Lifestyle (which is the default investment arrangement);
- Lump Sum Withdrawal Lifestyle; and,
- Annuity Purchase Lifestyle.

Members who join the Plan and do not make an active investment choice for their contributions are placed into the default investment arrangement, the Options Open Lifestyle.

The Trustee is responsible for the Plan's investment governance, which includes setting and monitoring the investment strategy for the default arrangement, the Options Open Lifestyle.

The Options Open Lifestyle's pre-retirement investment mix represents a neutral option where the member has not made a specific choice to align their Member Account to either cash or annuity purchase. The Trustee therefore views it as being the most appropriate arrangement for the majority

of members who have not made an active decision as to how they will take their benefits at retirement.

Deemed default investment arrangements were created during and after the Plan year covered by this Statement following implementation of the most recent investment strategy review:

- The Visa Cash Fund was considered a deemed default investment arrangement from 1 September 2021.
- The Visa Global Equity Fund was considered a deemed default investment arrangement from 15 September 2021.
- The Visa Bond Fund was considered a deemed default investment arrangement from 1 October 2021. Although this is after the period covered by this Chair's Statement, details are included for completeness.

The self-select fund range was consolidated and assets mapped to either the Visa Cash, Visa Global Equity or Visa Bond Fund and consequently these three funds are now considered default investment arrangements for regulatory reporting and monitoring purposes. The Aviva Property Fund and JP Morgan UK Specialist Equity Fund were disinvested at an early date for reasons outside of Trustee control and assets transferred to the Visa Cash Fund and Visa Global Equity Fund respectively. The Trustee selected the Visa Cash, Visa Global Equity and Visa Bond Fund to transfer assets into as they most appropriately matched the asset allocation of the closing funds and confirmed they did not breach the DC charge cap. Default arrangements are subject to a charge cap of 0.75% p.a. and therefore the Trustee could not transfer assets to the Visa Property Fund without member instruction. The Visa Cash Fund was used as an alternative solution to house assets previously invested in a property fund. The Trustee believes this was the most appropriate course of action to support members in being invested in 'best-in-class' funds.

In 2020, investments into and redemptions from the Plan's Visa Property Fund and the LGIM Managed Property Fund were temporarily suspended as a result of the impact of the COVID-19 pandemic and the consequent restriction of access to properties to carry out inspections and valuations. During this period members' contributions were temporarily re-directed to the BlackRock Sterling Liquidity Fund instead of those property funds. Consequently, the BlackRock Sterling Liquidity Fund was considered a deemed default arrangement between April 2020 and October 2020 for regulatory reporting and monitoring purposes. The Trustee selected the BlackRock Sterling Liquidity Fund as it was considered the most appropriate investment option in which to temporarily invest member contributions; the BlackRock Sterling Liquidity Fund had historically experienced low levels of volatility, provided sufficient liquidity and offered the lowest member charge of all funds available at that time. In October 2020, the Visa Property and the LGIM Managed Property Funds' suspensions were lifted. Contributions made post that date, as well as any contributions that had been temporarily invested in the BlackRock Sterling Liquidity Fund, have since been redirected back into the intended Property Funds. The BlackRock Sterling Liquidity Fund was closed completely within the Plan on 1 October 2021 and assets were transferred to the Visa Cash Fund.

Details of the objectives and Trustee policies regarding the default arrangements and other lifestyle arrangements can be found in a document called the 'Statement of Investment Principles' (SIP), dated 4 October 2021 appended to this statement and can also be found [here](#) under the UK Pension Scheme header.

The Trustee's key aim for the Plan, including the default arrangement, is to provide a range of investments that are suitable for meeting members' investment objectives over their investment time horizons. In choosing the Plan's investment options, the Trustee's policy is to take account of:

- the types of investments to be held by the Plan;
- the balance between different kinds of investments ensuring suitable diversification both across asset class and investment manager;

- risks – including the ways these are to be measured and managed;
- the expected return on investments;
- the realisation of investments.

The Options Open Lifestyle initially invests in higher risk assets such as equity and property to give members exposure to high growth potential and gradually shifts into lower risk assets. The Options Open Lifestyle is composed of:

- A growth phase including two white labelled funds: Visa Global Equity Fund (90%) and Visa Property Fund (10%) comprised of a range of passive and active underlying funds; and
- A de-risking phase beginning 15 years prior to a member's selected retirement age, during which a member's funds gradually transition into lower investment risk funds: Visa Multi Asset Fund, Visa Bond Fund and Visa Cash Fund. The aim is to provide some protection to members' accumulated savings.

Investment strategy review

The Trustee, with assistance from its investment advisers, undertook a review of the Plan's investments during the period, including formally reviewing the default arrangement. The review concluded on 23 March 2021.

The investment strategy review took into account the Plan's membership profile, the needs of Plan members as well as consideration of expected member outcomes at retirement and associated risks. The Trustee took advice from its investment adviser on all of these aspects and considered the aims and objectives outlined in the SIP.

Lifestyle Arrangements

The Trustee retained the Options Open Lifestyle as the default arrangement for the Plan. The Trustee deemed that targeting a neutral option remained appropriate however following the analysis undertaken as part of the investment strategy review, changes could be made to the underlying funds to reduce volatility and improve expected return and member experience.

The changes to the lifestyle strategies were implemented in two parts, with the first change taking place on 29 June 2021 and the second change on 1 October 2021. The Trustee believes that the changes described below align with the aims and objectives of the default arrangement.

In part one of the implementation, changes were made to some of the underlying assets within the funds used in the growth phase of the lifestyle strategies (including the default arrangement). In part two of the implementation, a number of the funds themselves were changed within the de-risking phase.

Growth Phase: made up of the Visa Global Equity Fund (90%) and the Visa Property Fund (10%) for all lifestyles (including the default arrangement). The changes were:

- A 30% currency hedge was introduced within the Visa Global Equity Fund on 29 June 2021 to reduce future volatility of returns whilst also limiting any potential negative impact a full hedge may have.
- The two underlying funds within the Visa Property Fund were replaced with a single actively managed fund on 29 June 2021 which offers a globally diversified portfolio of property assets, to enhance diversification and offer exposure to a wider opportunity set for future returns.

De-risking Phase: From 15 years prior to a member's selected retirement age, the lifestyles gradually begin to diverge and transition some of the member's assets into lower investment risk assets, known as the "De-risking Phase", with the aim of providing some protection to members' accumulated savings. The changes made to the De-risking Phase of the lifestyles (including the default arrangement), were:

- The use of white labelling was expanded to reduce complexity and improve member experience. The Visa Bond, Visa Multi-Asset and Visa Cash Fund replaced some of the existing funds used in the lifestyles on 1 October 2021.
 - The Visa Bond Fund replaced the former fixed income funds. The Visa Bond Fund introduced a wider range of fixed income investments, including Multi Asset Credit, with the aim of enhancing diversification and the investment opportunity set.
 - The Visa Cash Fund replaced the BlackRock Sterling Liquidity Fund. Recognising the importance of sustainability, the Visa Cash Fund incorporates sustainable investing and ESG factors.
 - The former Insight Broad Opportunities Fund was re-named the Visa Multi Asset Fund.
 - The allocation to the Legal & General Pre-Retirement Fund in the Annuity Lifestyle was maintained for members looking to have their benefits invested in line with annuity prices at retirement.

Self-Select Range

- The self-select fund range was consolidated to simplify the range and ensure that only 'best-in-class' options remained available. The new simplified approach is expected to help aid members' investment decision making process and ongoing oversight.
- The Visa Cash Fund, Visa Bond Fund and Visa Responsible Investment Fund were added to the self-select range from 3 August 2021.
- Eight funds were closed and removed from the self-select fund range on 1 October 2021.
 - The Legal & General Ethical Global Equity Index and the MFS Global Equity Fund were closed and assets transferred to the Visa Global Equity Fund.
 - The Long Dated Gilt, UK Corporate Bond, BlackRock Aquila Over 15 Year UK Gilt Index and BlackRock Aquila Corporate Bond All Stocks Index were closed and assets transferred to the Visa Bond Fund.
 - The Legal & General Managed Property Fund and the BlackRock Sterling Liquidity Fund were closed and assets transferred to the Visa Cash Fund.
- In addition:
 - The Aviva Property Fund assets were disinvested on 1 September 2021 and transferred to the Visa Cash Fund.
 - The JPM UK Specialist Equity Fund assets were disinvested on 15 September 2021 and transferred to the Visa Global Equity Fund.

The next formal review is due to take place by 23 March 2024.

Transition of funds

During the Plan year, assets were transitioned without member consent to the Visa Cash and the Visa Global Equity Fund on a self-select basis.

In the planning of these transitions, the Trustee received expected transaction costs from their investment adviser and concluded that the costs were reasonable when considered in conjunction with the expected benefits of being invested in a 'best-in-class' fund. The Trustee, with support from their investment adviser, monitored market volatility in the lead up to the transition before confirming that a movement of assets could proceed, and assets were realised and invested on the same day to limit out of market exposure. Final transaction costs were reviewed and were in line with expectations.

Assets from a number of funds were transitioned without member consent to the Visa Cash, Visa Bond or Visa Global Equity Fund (both on a 'self-select' basis and as part of the lifestyle arrangements) on 1 October 2021. The transition was managed internally within the Scottish Widows investment platform and Scottish Widows worked to keep transactions, out of market exposure and transaction costs to a minimum. Information on this transition falls outside of the reporting period for this statement and the Trustee will provide fuller information on this transition in the next annual statement.

Performance Monitoring

In addition to the investment strategy review, the performance of the default strategy and other investment options are regularly monitored between each strategic review to ensure the funds and strategies are delivering as expected. The Trustee has in place performance monitoring metrics that bring any underperforming funds to the attention of the Trustee.

The Trustee review that took place in the year concluded that the primary default arrangement was performing broadly as expected however enhancements could be made to the underlying fund allocation to improve the risk and return profile and expand the investment opportunity set in line with the aim and objectives of the default SIP. Similarly, a number of the self-select funds were underperforming and have since been removed from the range. The Trustee believes that the updated investment strategy is in line with the aims and objectives of the strategy as shown in the SIP.

2. Member Borne Charges and Transaction costs

The Trustee is required to regularly monitor the level of charges borne by members through the investment funds. These charges comprise:

- **Fund Charges: these are explicit, and represent the costs associated with operating and managing an investment fund. They can be identified as a Total Expense Ratio (TER), or as an Annual Management Charge (AMC), which is a component of the TER;**
- **Transaction costs: these are not explicit, and are incurred when the Plan's fund manager buys and sells assets within investment funds but are exclusive of any costs incurred when members invest in or sell out of funds.**

Transaction costs are largely the result of buying and selling investments within a fund, therefore actively managed funds with a high turnover of holdings, or those invested in less liquid assets (such as the Visa Property Fund), will usually have higher transaction costs than passively managed funds (such as the BlackRock Aquila MSCI World Index Fund) that invest in more liquid assets.

As defined by the Financial Conduct Authority ("FCA"), explicit transaction costs are the costs that are directly charged to or paid by the fund and may include taxes and levies (such as stamp duty), broker commissions (fees charged by the executing broker to buy and sell investments) and costs of borrowing or lending securities.

Implicit transaction costs are calculated as the difference between the actual price paid (execution price) and the quoted 'mid-market price' at the time the order was placed (arrival price). This method, although reasonable if observed over a long period of time, can result in a volatile measure from one year to another and can even result in a profit, known as 'negative costs'. This can happen, for example when buying an asset, if the actual price paid ends up being lower than the mid-market price at the time of placing the order.

The charges and transaction costs have been supplied by Scottish Widows who are the Plan's platform provider. The Trustee can confirm that there is no missing transaction cost data. Where

transaction costs have been provided as a negative cost, these have been set to zero by the Trustee in line with FCA guidance.

The Trustee is also required to confirm that the total costs and charges paid by any member in the default arrangement have not exceeded 0.75% p.a. (the charge cap) and produce an illustration of the cumulative effect of the overall costs and charges on members' retirement fund values as required by the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018.

The Trustee has set out the costs and charges that are incurred by members, rather than the employer, over the statement year in respect of each investment fund available to members. These comprise the Total Expense Ratio and transaction costs. When preparing this section of the statement the Trustee has taken account of the relevant statutory guidance.

(i) Primary Default arrangement – Options Open Lifestyle

The Options Open Lifestyle has been set up as a lifestyle arrangement which means that member's assets are automatically moved between different investment funds as they approach their target retirement date.

For the period to 30 September 2021 (based on the Options Open Lifestyle prior to the change of funds), the TER ranged from 0.326% p.a. to 0.388% p.a. depending on the member's period to retirement. Transaction costs ranged between 0.078% p.a. and 0.129% p.a., and the total cost associated with the Options Open Lifestyle was between 0.435% p.a. and 0.517% p.a.

Based on the updated Options Open Lifestyle from 1 October 2021, the TER ranges from 0.339% p.a. to 0.392% p.a. depending on the member's period to retirement. Transaction costs range between 0.078% p.a. and 0.252% p.a., and the total cost associated with the Options Open Lifestyle is between 0.435% p.a. and 0.596% p.a.

Importantly, the ranges are within the 0.75% p.a. charge cap for schemes that are used for auto-enrolling employees.

Primary Default Arrangement	TER % p.a.	Transaction Costs % p.a.	Total costs % p.a.
Options Open Lifestyle (<i>primary default arrangement</i>)	0.326 - 0.388	0.078 - 0.129	0.435 - 0.517

Source: Scottish Widows as at 30 September 2021.

(ii) Deemed Defaults – Visa Bond Fund, Visa Cash Fund and Visa Global Equity Fund

Following the Plan's investment strategy review, some members' self-select funds were mapped to the most appropriate of the below funds. Consequently, these funds are considered deemed defaults. Although, for the Visa Bond Fund, this was after the period covered by this Chair's Statement, details are included for completeness.

A breakdown of the TERs and transaction costs applicable to the deemed defaults are listed below:

Deemed Default Arrangements	TER % p.a.	Transaction Costs % p.a.	Total costs % p.a.
Visa Global Equity Fund	0.281	0.035	0.316
Visa Bond Fund ¹	0.156	0.284	0.440
Visa Cash Fund ¹	0.110	0.018	0.128

Source: Scottish Widows as at 30 September 2021.

- The Trustee negotiated lower fees for both the Visa Cash and Visa Bond Fund prior to launch of the funds. There was an error on launch meaning negotiated fees were not immediately implemented. Scottish Widows have since rectified the issue and compensated impacted members. TERs for both the Visa Bond Fund and Visa Cash Fund were 0.186% and 0.180% p.a. respectively prior to correction.

(iii) **Closed Deemed Defaults – BlackRock Sterling Liquidity Fund**

For a very short period during October 2020 covered by this Statement, the BlackRock Sterling Liquidity Fund was considered a deemed default.

The BlackRock Sterling Liquidity Fund was closed completely within the Plan on 1 October 2021.

A breakdown of the TERs and transaction costs applicable to the deemed defaults are listed below:

Deemed Default Arrangements	TER % p.a.	Transaction Costs % p.a.	Total costs % p.a.
BlackRock Sterling Liquidity	0.110	0.014	0.124

Source: Scottish Widows as at 30 September 2021.

(iv) **Self-select investment funds**

In addition to the Options Open Lifestyle, members also have the option to invest in a further two lifestyles targeting annuity or cash at retirement, and 16 individual funds.

A breakdown of the TERs and transaction costs applicable to the investment options available to members over the period until 30 September 2021 are listed in the table below:

Lifestyles	TER % p.a.	Transaction Costs % p.a.	Total costs % p.a.
Lump Sum Withdrawal Lifestyle	0.110 - 0.388	0.014 - 0.129	0.124 - 0.517
Annuity Lifestyle	0.136 - 0.388	0.022 - 0.129	0.158 - 0.517

Core Funds	TER % p.a.	Transaction Costs % p.a.	Total costs % p.a.
Visa Global Equity Fund	0.281	0.035	0.316
Visa Bond Fund ^{1,2}	0.156	0.284	0.440
Visa Cash Fund ^{1,2}	0.110	0.018	0.128
Visa Multi-Asset Fund	0.764	0.430	1.194
Visa Responsible Investment Fund ¹	0.393	0.187	0.580
Visa Property Fund	1.040	0.467	1.507
Non-Core Funds			
BlackRock Aquila World ex-UK Equity Index	0.114	0.000	0.114
Schroder Global Equity	0.624	0.334	0.958
Legal & General Pre-Retirement Fund	0.144	0.025	0.169
BlackRock Aquila MSCI World Index	0.125	0.000	0.125
Legal & General UK Equity Index	0.120	0.000	0.120
BlackRock Aquila Index-Linked Over 5 Year Gilt Index	0.114	0.000	0.114
BlackRock Aquila Up to 5 Year Index-Linked Gilt Index	0.115	0.023	0.138
Schroder Global Emerging Markets Equity	1.150	0.219	1.369
Managed Fund	0.285	0.000	0.285
HSBC Islamic Fund	0.390	0.029	0.419
Closed Funds (removed from the Plan on 1 October 2021)			
Aviva Property Fund ³	0.710	0.428	1.138
JPM UK Specialist Equity ⁴	0.444	0.123	0.567

BlackRock Aquila Corporate Bond	0.135	0.000	0.135
All Stocks Index			
BlackRock Sterling Liquidity	0.110	0.014	0.124
LGIM Ethical Global Equity	0.294	0.000	0.294
BlackRock Aquila Life Over 15 Year UK Gilt Index	0.114	0.000	0.114
UK Corporate Bond	0.344	0.067	0.411
MFS Global Equity	0.754	0.080	0.834
LGIM Managed Property Fund	0.794	0.000	0.794
Long Dated Gilt	0.275	0.000	0.275

Source: Scottish Widows as at 30 September 2021.

2. Added to the Plan on 3 August 2021.
3. The Trustee negotiated lower fees for both the Visa Cash and Visa Bond Fund prior to launch of the funds. There was an error on launch meaning negotiated fees were not immediately implemented. Scottish Widows have since rectified the issue and compensated impacted members. TERs for both the Visa Bond Fund and Visa Cash Fund were 0.186% and 0.180% p.a. respectively prior to correction.
4. Removed from the Plan on 1 September 2021.
5. Removed from the Plan on 15 September 2021.

(v) Additional Voluntary contributions (AVC)

A small amount of AVC assets remain within the Zurich Assurance Limited ('Zurich') AVC policy. These arrangements are closed to new members and were only available to members of the Defined Benefit section of the Plan.

The TERs and Transaction costs associated with the Zurich AVC policy are shown below:

Funds	TER % p.a.	Transaction Costs % p.a.	Total costs % p.a.
Aquila UK Equity Index	0.560	0.115	0.675
Equity Managed Fund	0.720	0.255	0.975
Managed Fund	0.720	0.267	0.987
UK Equity Fund	0.750	0.000	0.750
With Profits Fund	0.700	0.093	0.793

Source: Zurich as at 30 September 2021.

(iv) Illustrations of the cumulative effect of costs and charges

From 6 April 2018 the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 introduced new requirements relating to the disclosure and publication of the level of costs by the trustee and managers of a relevant scheme. These changes are intended to improve transparency on costs.

In order to help members understand the impact that costs and charges can have on their retirement savings, the Trustee has provided three illustrations of their cumulative effect on the value of typical plan members' savings over the period to their retirement.

The illustrations have been prepared having regard to statutory guidance, selecting suitable representative members, and are based on a number of assumptions about the future which are set out on page 13.

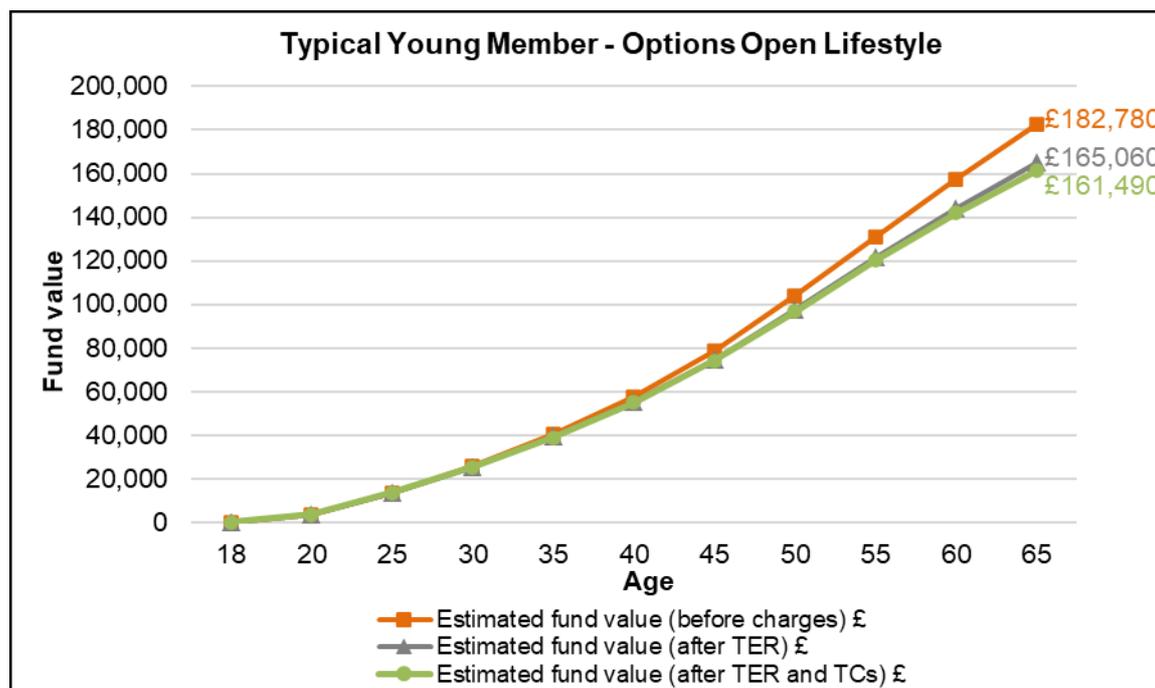
Members should be aware that such assumptions may or may not hold true, so the illustrations do not promise what could happen in the future and fund values are not guaranteed. Furthermore, because the illustrations are based on typical members of the Plan they are not a substitute for the individual and personalised illustrations which are provided to members in their annual Benefit Statements.

Each illustration, A, B and C is shown for a different type of member invested in varying investment options:

- Each Chart represents investment in the primary default arrangement, the Options Open Lifestyle.
 - The charts show the member's retirement savings at retirement age, with and without costs and charges applied.
- The Tables beneath the chart include projections of the deemed default arrangements, the Visa Global Equity Fund, Visa Bond Fund and Visa Cash Fund.
 - As the projected retirement savings are dependent on investment returns as well as the level of costs and charges, we have also included comparison figures in the Tables.
- For comparison purposes, we also show the projected retirement savings if the typical member were invested in the fund within the range offered by the Plan which attracts the lowest charges – Visa Cash Fund (already included as a deemed default), and the fund which attracts the highest charges – Schroder Global Emerging Markets.

All projected fund values are shown in today's terms, and do not need to be reduced further for the effect of future expected inflation.

Illustration A: is based on the youngest active Plan member who has 47 years to go until their retirement at age 65. The member has a current salary of £19,200, has future contributions of 9% of salary and current fund value of £125.

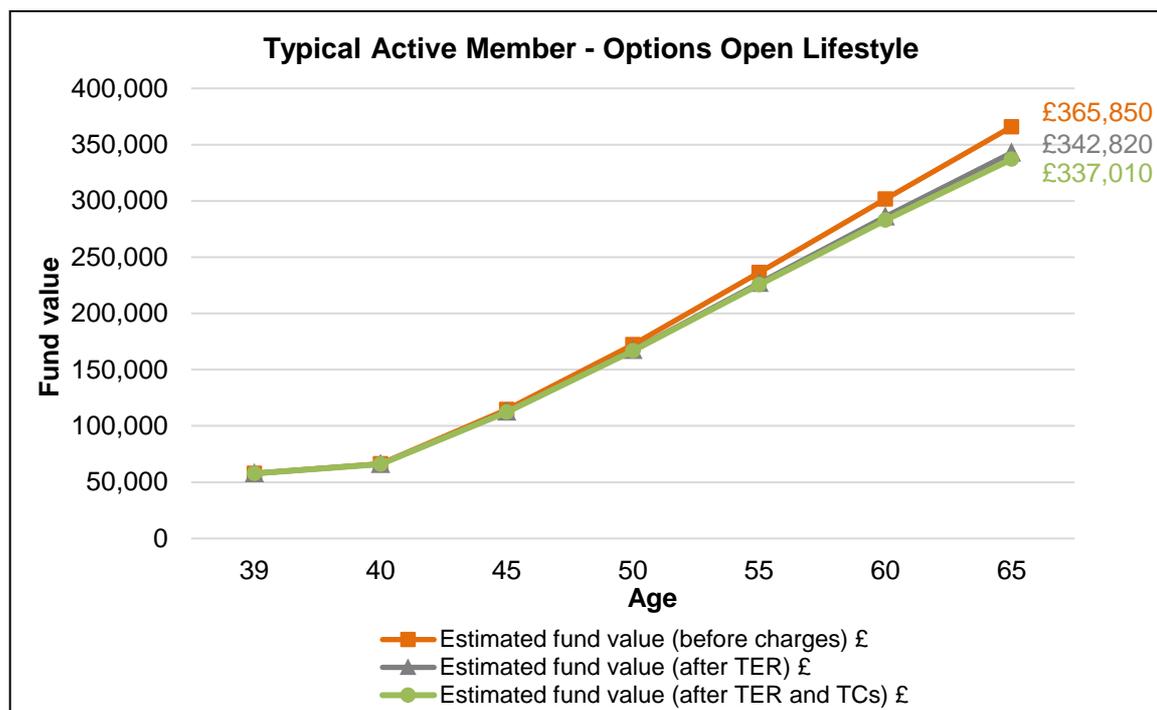


Projected Pension Account in today's money

Age	Options Open Lifestyle			Visa Global Equity Fund			Visa Bond Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£	£	£	£
18	125	125	0	125	125	0	125	125	0
20	3,670	3,660	10	3,680	3,670	10	3,540	3,520	20
25	13,770	13,580	190	13,860	13,710	150	12,110	11,930	180
30	25,870	25,250	620	26,190	25,700	490	20,730	20,200	530
35	40,400	39,000	1,400	41,120	40,010	1,110	29,380	28,330	1,050
40	57,820	55,180	2,640	59,200	57,090	2,110	38,080	36,320	1,760
45	78,720	74,240	4,480	81,090	77,470	3,620	46,820	44,190	2,630
50	103,800	96,670	7,130	107,610	101,800	5,810	55,610	51,930	3,680
55	131,090	120,260	10,830	139,710	130,840	8,870	64,430	59,530	4,900
60	157,600	141,930	15,670	178,590	165,490	13,100	73,300	67,020	6,280
65	182,780	161,490	21,290	225,670	206,850	18,820	82,210	74,380	7,830

Age	Visa Cash Fund			Schroder Global Emerging Markets Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£
18	125	125	0	125	125	0
20	3,490	3,490	0	3,720	3,670	50
25	11,580	11,530	50	14,400	13,790	610
30	19,210	19,070	140	28,020	25,950	2,070
35	26,400	26,120	280	45,370	40,580	4,790
40	33,170	32,740	430	67,500	58,170	9,330
45	39,560	38,930	630	95,710	79,320	16,390
50	45,590	44,740	850	131,670	104,760	26,910
55	51,270	50,180	1,090	177,500	135,340	42,160
60	56,630	55,270	1,360	235,940	172,120	63,820
65	61,680	60,050	1,630	310,440	216,350	94,090

Illustration B: is based on an average active Plan member who has 26 years to go until their retirement at age 65. The member has a current salary of £71,400, has future contributions of 9% of salary and a current fund value of £57,800.

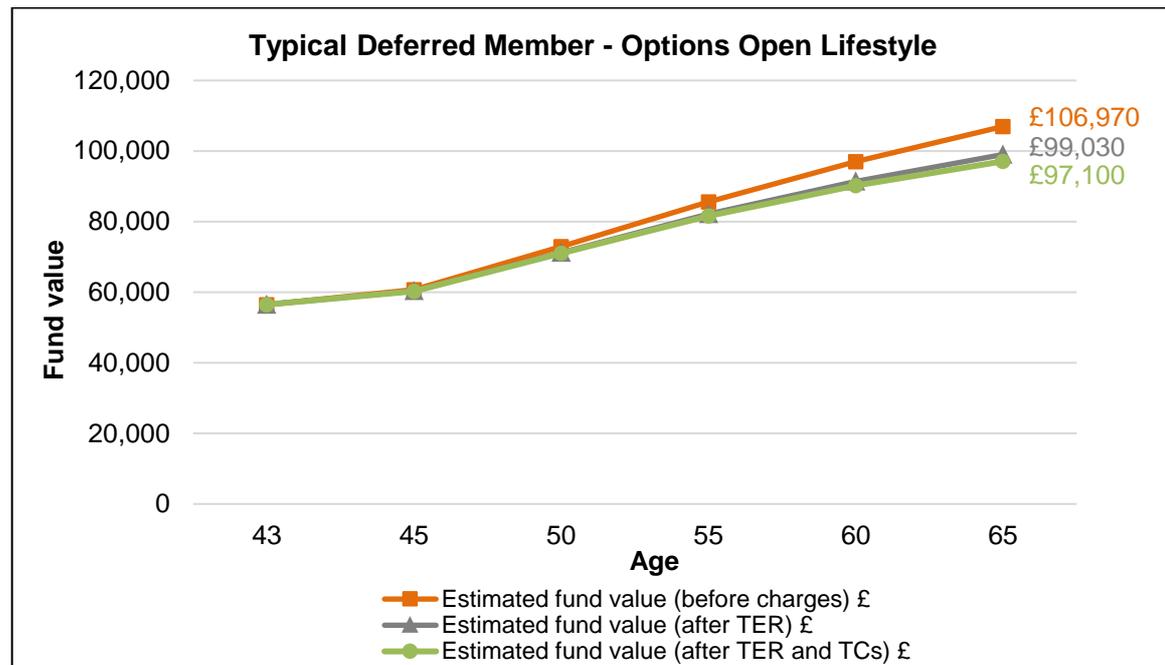


Projected Pension Account in today's money

Age	Options Open Lifestyle			Visa Global Equity Fund			Visa Bond Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£	£	£	£
39	57,800	57,800	0	57,800	57,800	0	57,800	57,800	0
40	66,410	66,170	240	66,530	66,340	190	64,210	63,940	270
45	114,470	112,370	2,100	115,530	113,890	1,640	96,330	94,370	1,960
50	172,130	166,770	5,360	174,880	170,650	4,230	128,620	124,280	4,340
55	236,380	225,640	10,740	246,750	238,390	8,360	161,060	153,710	7,350
60	301,560	282,820	18,740	333,770	319,240	14,530	193,660	182,650	11,010
65	365,850	337,010	28,840	439,160	415,730	23,430	226,420	211,120	15,300

Age	Visa Cash Fund			Schroder Global Emerging Markets Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£
39	57,800	57,800	0	57,800	57,800	0
40	63,430	63,360	70	67,180	66,440	740
45	90,630	90,080	550	121,560	114,740	6,820
50	116,260	115,120	1,140	190,880	172,830	18,050
55	140,430	138,580	1,850	279,250	242,670	36,580
60	163,220	160,560	2,660	391,900	326,670	65,230
65	184,710	181,150	3,560	535,510	427,670	107,840

Illustration C: is based on a deferred member (a member who is no longer making contributions into their Pension Account) who has 22 years to go until their retirement at age 65. The member has a current fund value of £56,500.



Projected Pension Account in today's money

Age	Options Open Lifestyle			Visa Global Equity Fund			Visa Bond Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£	£	£	£
43	56,500	56,500	0	56,500	56,500	0	56,500	56,500	0
45	60,770	60,310	460	61,000	60,640	360	56,610	56,130	480
50	72,900	71,010	1,890	73,860	72,380	1,480	56,890	55,200	1,690
55	85,590	81,640	3,950	89,450	86,390	3,060	57,170	54,290	2,880
60	96,970	90,260	6,710	108,310	103,100	5,210	57,440	53,400	4,040
65	106,970	97,100	9,870	131,160	123,050	8,110	57,730	52,520	5,210

Age	Visa Cash Fund			Schroder Global Emerging Markets Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£
43	56,500	56,500	0	56,500	56,500	0
45	55,180	55,050	130	62,260	60,830	1,430
50	52,030	51,570	460	79,370	73,140	6,230
55	49,050	48,320	730	101,180	87,960	13,220
60	46,250	45,270	980	128,990	105,770	23,220
65	43,600	42,410	1,190	164,430	127,190	37,240

Members are advised to consider both the level of costs and charges and the expected return on investments (i.e. the risk profile of the strategy) in making investment decisions.

Assumptions and data for illustrations:

The following assumptions have been made for the purposes of the above illustrations:

- Annual salary growth and inflation is assumed to be 2.5% per annum
- The starting fund values and future contributions used in the projections are representative of the average for the Plan
- The projected annual returns on assets are:
 - Visa Global Equity Fund 6.50% p.a.
 - Visa Property Fund 4.50% p.a.
 - Visa Multi-Asset Fund 4.50% p.a.
 - Visa Cash Fund 1.30% p.a.
 - Visa Bond Fund 2.60% p.a.
 - Schroder Emerging Market Fund 7.60% p.a.

For the Options Open Lifestyle, the projection takes into account the changing proportion invested in the different underlying funds. All funds shown above are underlying funds.

- The transaction costs have been averaged over a 4 year period, this being the maximum length of data available, in line with statutory guidance to reduce the level of volatility, and a floor of 0% p.a. has been used for the transaction costs if these were negative in any year so as not to potentially understate the effect of charges on fund values over time.
- Data used is as at 30 September 2021.

3. Value for Members assessment

The Administration Regulations require the Trustee to make an assessment of charges and transactions costs borne by members and the extent to which those charges and costs represent good value for money for members.

There is no legal definition of "good value" or the process of determining this for plan members. Therefore, working in conjunction with its DC adviser, Aon, the Trustee has developed a cost-benefit analysis framework in order to make an assessment as to whether Plan members receive good value from the Plan relative to the costs and charges they pay.

The costs have been identified as TER and Transaction Costs and are set out in section 2 of this statement. The Trustee has considered the benefits of membership under the following 5 categories: Plan governance, investments, administration and member experience, member communications and engagement and retirement support. Benchmarking relative to other pension arrangements or industry best practice guidelines is also undertaken.

The Trustee's beliefs have formed the basis of the analyses of the benefits of membership. These are set out below along with the main highlights of its assessment.

Plan governance

The Trustee believes in having robust processes and structures in place to support effective management of risks and ensure members interests are protected, increasing the likelihood of good outcomes for members

- The Trustee regularly reviews and updates its governance processes and procedures to make sure these meet industry best practice.
- The Trustee conducts an annual assessment against the DC Code of Practice to ensure it continues to adhere with best practice. As part of this assessment, actions are put in place to address any identified gaps.

- Core financial transactions and other key governance metrics are monitored quarterly within administration reports, and DC related risks are captured in, and monitored through, the Plan's risk register. Regular meetings are held with the administrator to discuss and progress areas of the administration that require input from the Trustee.
- The Trustee board has also delegated specific duties to two sub committees who meet at least quarterly, but will meet more frequently when required, for example during the outbreak of the COVID-19 pandemic and DC investment strategy review.
 - The Investment Sub Committee ('ISC') focus their time on investment matters in which DC is always a standing item.
 - The Administration and Governance Sub Committee ('AGSC') are responsible for the administrative and governance issues including monitoring, management and mitigation of Plan risks, including DC specific risks.
 - Any discussion and decision making that takes place at either sub-committee is reported back at the main board meeting.

Investments

The Trustee believes that a well-designed investment portfolio that is subject to regular performance monitoring and assessment of suitability for the membership will make a large contribution to the delivery of good member outcomes

- The Plan offers a variety of lifestyle strategies and self-select funds covering a range of member risk profiles and asset classes. The investment funds available have been designed following advice from the Trustee investment adviser and are reviewed at least triennially relative to the needs of members.
- A suitable range of standalone self-select funds on the risk/return spectrum are available to members. The Trustee has also recently carried out a consolidation exercise and added three new funds to the self-select range and removed legacy funds which the Trustee had less conviction in.
- The Trustee reviews the performance of the default arrangements against its aims, objectives and policies on a quarterly basis, based on reports received from its investment adviser. This review includes an analysis of fund performance and member activity to check that the risk and return levels meet expectations.

Administration

The Trustee believes that good administration and record keeping play a crucial role in ensuring that Plan members receive the retirement income due to them. In addition, that the type and quality of service experienced by members has a bearing on the level of member engagement.

- The Trustee obtains information to assess the member experience through key performance indicators and regular administration meetings with its administrator, Buck, to monitor standards of administration and record keeping for the DC section of the Plan. In line with section 5 below, the Trustee is comfortable with the quality and efficiency of the administration process.
- The Trustee receives confirmation from Buck of the current position with regards to common and conditional data and any amendments which may be required to rectify gaps in data. Common and conditional data checks are carried out annually with the latest assessment taking place in March 2021.
- The Plan's internal controls and processes are reviewed on an annual basis by the AGSC.

Member communications and engagement

The Trustee believes that effective member communications and delivery of the right support and tools help members understand and improve their retirement outcomes.

- The Plan provides members with clear, regular communications, benefit statements and 'at retirement' communications.
- In addition to this, members also receive regular updates issued by the sponsoring employer of the Plan on pension related issues.
- The Trustee notifies members of changes to the Plan's investment options. For example, during the investment strategy review members received regular communications and updates via email, letter or on the Buck member portal on any progress.
- Educational material and important documentation are also available via the Buck portal. For example, the Member Handbook, Investment Guide and FAQ documents detailing strategy updates.

Retirement support

The Trustee believes it is important to have retirement processes that enable members to make informed decisions and select appropriate option(s) at retirement.

- Members are provided with suitable and regular 'at retirement' communications which detail important information and what to expect on approaching retirement.
- Members are also provided with financial planning tools via the Buck member portal, including a retirement modeller, calculators and supporting information to assist with their pension planning.
- Ongoing at retirement support and options are being considered further by the Trustee to assess the possibility of enhancing the options and support available.

The Trustee's assessment concluded that the charges and transaction costs borne by Plan members represent good value for members relative to the benefits of Plan membership.

Note in relation to AVCs held in the Zurich With Profits Fund

The Trustee consolidated the majority of AVC arrangements into the core DC arrangement held with Scottish Widows in February 2020. However, a small amount of legacy AVC assets remain with Zurich in which all members remaining have some or all of their assets invested in the Zurich With Profits Fund. Members invested in the With Profits Fund were not transferred without consent, or instruction, due to the unique structure and guarantees associated with the Fund. Members invested in the With Profits Fund were informed of the transfer and the Trustee belief that the core DC arrangement with Scottish Widows potentially offers better value. Given these members chose not to transfer their assets, the assumption is that these members believe the structure of the with-profits arrangement offers inherent value. The charges associated with the Zurich arrangement are higher than those in the core DC arrangement however are in line with similar legacy AVC arrangements.

5. Processing of Core Financial Transactions

The Trustee has a specific duty to ensure that core financial transactions are processed promptly and accurately. Core financial transactions include the investment of contributions, transfer of member funds into and out of the Plan, transfers between different investments within the Plan and payments to and in respect of members/beneficiaries.

The majority of the core financial transactions are undertaken on behalf of the Trustee by the Plan administrator, Buck. The sponsoring employers of the Plan are responsible for ensuring that contributions are paid to the Plan promptly. The timing of such payments is monitored by the Trustee from quarterly administration reports submitted by Buck.

In order to determine how well the Buck is performing, the Trustee has service level agreements (“SLA”) in place with Buck. These SLAs detail a number of key administration processes to be performed and the target timescale within which each of these processes needs to be completed. There are SLAs in place for all core financial transactions. Under the current SLA, Buck aims to accurately complete all activities within different time frames, depending on the criticality and complexity of the activity. The agreement for time critical processes such as investment changes/switches is five working days from receipt, and this ranges to 15 working days for more complex member enquiries such as transfer quotations and settlements.

The Trustee has also reviewed the key processes adopted by the Buck and its output in order to minimise the risks of inaccurate or late payment of core financial transactions. Key processes include:

- Provision of quarterly administration reports from Buck to the Trustee including information regarding: member statistics; payment schedules and contribution summary; service level analysis; Trustee discretions; and special projects. This enables the Trustee to check core financial transactions and review processes relative to any member complaints made.
- Automatic email notifications for transactions received ensuring that all core financial transactions are completed in a timely manner.
- Daily monitoring of the Trustee bank account.
- Strict review processes for all core financial transactions.
- Monthly unit reconciliations are carried out by Buck.
- Ongoing staff training on the processing of core financial transactions.
- Documentation and operation in line with quality assurance policies and procedures.

In addition, the Trustee meets with Buck on a quarterly basis to discuss the administration of the DC Section of the Plan. These meetings provide an opportunity to discuss the quarterly administration report and any issues that might arise.

The Trustee has received copies of the up to date Internal Controls reports and/or internal controls documents from Scottish Widows and Buck and are comfortable that appropriate procedures and policies are in place to ensure financial transactions are processed as expected.

Buck is subject to internal and external audits. Buck has provided the Trustee with its Type 2 AAF Report representing the review of controls in place from 1 August 2020 to 30 April 2021.

The Trustee is satisfied that over the Plan year:

- Buck were operating appropriate procedures, checks and controls and operating within the agreed SLA, with the Buck administration team completing over 92% of activities within the agreed SLAs.
- there have been no material administration errors in relation to processing core financial transactions; and
- all core financial transactions have been processed promptly and accurately.

AVC arrangements

The Trustee has requested specific information relating to core financial transactions from Zurich. At the time of writing, specific core financial transaction information was still awaited from Zurich.

The Trustee, along with its advisers, continues to request information relating to the core financial transactions and will take any follow up action necessary to ensure that the Trustee is satisfied with processes in place. Zurich have however provided high level information related to all tasks carried out within the Plan of which 93% were performed within SLA.

6. Trustee Knowledge and Understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for Trustee Directors to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of scheme assets and other matters to enable them to exercise their functions as Trustee properly. This requirement is underpinned by guidance in the Pension Regulator's Code of Practice 7.

The Trustee has processes and procedures in place to meet the Pension Regulator's Trustee Knowledge and Understanding requirements (as set out in their Code of Practice No 7); some of which are identified below:

- A structured training programme for newly appointed Trustee Directors including completion of the Pension Regulator's trustee toolkit (the Trustee Toolkit), which is an online learning programme. See further information on the induction process below.
- Assessing training needs annually as part of the business plan. Due consideration is given to the upcoming calendar of events recorded in the business plan and suggested relevant topics from advisors as well as gaps in the Trustee's knowledge.
- Undergoing regular training for the year. During this Plan year the Trustee received training on:
 - actuarial valuations and assumption setting;
 - negative yield environments and the impact on pensions investing;
 - Plan structures such as sectionalisation and segregation;
 - cybersecurity;
 - asset class training including on asset-backed securities, liability driven investing, real estate and multi-asset credit;
 - requirements of DC investment strategy review;
 - Trust Deed & Rules;
 - member Nominated Trustee regulations; and
 - responsible investing covering the current market, what responsible investment in the fixed income market, implementation approaches, the latest regulatory developments including an update on the Task Force on Climate-related Financial Disclosures ('TCFD') requirements and implementing SIP polices.
- Maintaining training logs for each Trustee Director which supports the above.

In addition, individual Trustee Directors attended a range of conferences and seminars which covered topics such as the Funding Code, Endgame investing, investment governance, What's next for DC investing, and received additional training from advisers through main board meeting and sub-committee meetings – four main Board meetings in total held during the Plan year.

Trustee Directors have engaged with their professional advisers regularly throughout the Plan year to ensure that they exercise their functions properly and take professional advice where needed. In exercising their functions this has required Trustee Directors to be familiar with and have a working knowledge of all key Plan documents such as the Trust Deed & Rules, the Trustee Report &

Accounts, the current SIP, and documents setting out the Trustee's current policies. In particular, over the Plan year the Trustee has referred to key documents in the following circumstances:

- updates to the Statement of Investment Principles to account for strategy changes taken place over the year and production of an Implementation Statement;
- considering and signing off of the Trustee annual Report and Accounts;
- review and consolidation of the Trust Deed & Rules;
- updating the Trustee's risk register;
- review of quarterly administration reports to monitor service delivery against agreed SLAs and assessing the member experience;
- reviewing quarterly investment reports to assess fund performance against benchmarks, and funds against overall Plan aims and objectives, as set out in the SIP; and
- maintaining a regime for proper governance - reviewing and updating the Trustee governance framework for the DC Section of the Plan.

The Trustee board incorporates a range of skills and experience and a diverse mix of backgrounds, including representatives from finance and pensions management.

Over the Plan year, one of the Member-Nominated Trustee Directors left the Trustee Board. The Trustee Board took this opportunity to review and amend the selection procedure in light of current and ongoing regulatory requirements. Given the importance of the multifaceted role, the Trustee strengthened its appointment process to ensure it interviewed each of the nominees. This allowed the Trustee to help the nominees understand the time, commitment and skills required to assist in the management of the Plan, while also allowing the Trustee to assess each nominee's suitability for the role of Trustee Director.

Post Plan year end and under the new selection process, a new Member-Nominated Trustee Director was appointed on 1 January 2022. As part of the onboarding process, the new Trustee Director will complete the Trustee Toolkit within the first six months after appointment, attend training and will be supported by fellow Trustee Directors.

The Trustee board is now made up of eight Trustee Directors with varying skill sets. There are currently five Employer-Nominated Trustee Directors, two of which are independent Trustee Directors (who each hold the PMI Certificate in Trusteeship) and three Member-Nominated Trustee Directors, as well as a Trustee Secretary. All Trustee Directors (with the exception of the new Member-Nominated Trustee Director) have completed the Trustee Toolkit.

The Trustee Directors together believe they have sufficient knowledge and understanding of the law relating to pensions and trusts and the relevant principles relating to the funding and investment of occupational pension schemes to fulfil their duties.

The Trustee Directors consider that they meet the Pension Regulator's Trustee Knowledge and Understanding requirements and are confident that their combined knowledge and understanding, together with the support of their advisers, enables them to properly and effectively exercise their functions as the Trustee of the Plan.

Signed on behalf of the Trustee of the Visa Europe Pension Plan by the Chair of the Trustee

Name _____

Signature _____

Date _____