

Annual statement regarding governance of the DC Section, of 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 defined contribution (“DC”) pension arrangements which are “relevant schemes” 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 2021 to 30 September 2022** and is signed on behalf of the Trustee by the Chair.

This Statement covers disclosures in relation to the following:

1. The Plan’s investment strategy – including the default arrangements
2. Net investment returns
 - i. Default arrangements
 - ii. Self-select funds
 - iii. Additional Voluntary Contributions
3. 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
4. Value for members assessment
5. Processing of core financial transactions
6. Trustee knowledge and understanding

Key points to note over the year to 30 September 2022

- No changes to the investment strategy took place over the Plan year.
- Market volatility and a high inflationary environment over the period have been challenging, but The Trustee has been closely monitoring fund performance and updating the member portal with more information as and when required.
- Charges and transaction costs have remained broadly the same compared to the prior year and the Trustee continues to believe that the Plan’s charges provide good value to members.
- The Trustee is satisfied that all core financial transactions over the Plan year have been processed promptly and accurately.

1. The Plan’s investment strategy – including the default arrangements

The Trustee is required to design a 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 the choice of three lifestyle arrangements:

- Options Open Lifestyle (which is the primary 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.

Primary default arrangement

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

The Options Open Lifestyle's pre-retirement investment mix is well diversified. This strategy has been designed to be appropriate for both members who have not made a specific choice to align their Member Account to either cash or annuity purchase, and those actively looking to stay invested at and through retirement. 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 defaults

The self-select fund range was consolidated to 16 funds during September and October 2021. 10 funds were closed to ensure that only the best-in-class options remained available through the Plan, and to simplify the number of options available to aid with the investment decision making process and ongoing oversight. Assets invested in the closing funds were mapped to either the Visa Cash, Visa Global Equity or Visa Bond funds and consequently these three funds are now considered default investment arrangements for regulatory reporting and monitoring purposes.

The Trustee selected the Visa Cash, Visa Global Equity and Visa Bond funds 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 investment arrangements are subject to a charge cap of 0.75% p.a.

As a result of the above action, the following funds are also considered a default investment arrangement for regulatory and monitoring purposes:

- 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.

Statement of Investment Principles ('SIP')

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), with the most recent Plan version dated 14 September 2022 and is appended to this Statement. The SIP can also be found [here](#) under the UK Pension Schemes header.

The Trustee's key aim for the Plan, including the primary default investment 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 target or 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 last review of the Plan's investments, including the default investment arrangement, commenced on 22 September 2020 and was completed on the 23 March 2021, outside the period covered by this Statement. The review considered the suitability of the primary default investment arrangement and other fund options with reference to the membership demographics and how members access their benefits, as well as industry data and wider trends. This assessment was made by considering the Plan's membership profile, the needs of members as well as considering expected member outcomes at retirement. As a result of the review, the Trustee decided to retain the Options Open Lifestyle as the primary default investment arrangement for the Plan but made some fund changes within the Options Open Lifestyle:

- **Growth Phase:** A 30% currency hedge was introduced within the Visa Global Equity Fund to reduce future volatility of returns whilst also limiting any potential negative impact a full hedge may have. Additionally, the two underlying funds within the Visa Property Fund were replaced with a single actively managed fund which offers a globally diversified portfolio of property assets, to enhance diversification and offer exposure to a wider opportunity set for future returns. These changes were made on 29 June 2021.
- **De-risking Phase:** The use of white labelling was expanded to reduce complexity and improve member experience. The Visa Bond, Visa Multi-Asset and Visa Cash funds 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 transition was managed internally within the Scottish Widows investment platform and Scottish Widows worked to keep out of market exposure and transaction costs to a minimum.

The Trustee is required to undertake a formal review of the default investment arrangement at least every 3 years or following a significant change in the Plan membership. The next formal review of the Plan's investment strategy, including the primary and deemed default investment arrangements, is due to take place by March 2024. The Trustee has, however, decided that the next review of the investment strategy will be undertaken during 2023 and an update on this review will be provided in the Chair's Statement for the next Plan year.

Performance Monitoring

The Trustee also reviews the performance of the default strategy and other investment options regularly between each strategic review to ensure that 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.

As a result of the increased geo-political tensions between Russia and Ukraine and the increased level of volatility across financial markets in 2022, the Trustee ensured performance was monitored and reviewed more regularly, including carrying out an investigation into the Plan's exposure to Russian assets during this time. The investigation determined that the Plan's exposure to Russian assets was low and managers had taken appropriate steps to minimise further impact where possible. As a result, the Trustee determined no action was necessary, but provided an update via the member portal to reassure members that they were monitoring the situation closely.

Ongoing Items to report

Although after the period covered by this Statement, the following detail has been included for completeness. In November 2022, contributions and divestments from the Visa Property Fund were suspended. The Visa Property Fund invests 100% of its assets in the Invesco Global Real Estate Fund ('Invesco GREF'), following a reduction in Invesco GREF's liquid holdings, Invesco temporarily suspended their fund from 17 November 2022. The suspension of the Invesco GREF led to the Visa Property Fund also being temporarily suspended to both investments and redemptions. Members' contributions intended for investment in the Visa Property Fund are being temporarily held in the Visa Cash Fund from the 17 November 2022. The Trustee selected the Visa Cash Fund, after advice from its investment adviser and input from their its adviser, as it was considered the most appropriate investment option. Ongoing updates are being provided to members via the member portal.

2. Net investment returns

The Trustee is required to report on net investment returns for each default arrangement and for each non-default fund which members of the Plan were invested in during the year. Net investment return refers to the returns on funds minus all member-borne transaction costs and charges.

The net investment returns have been prepared having regard to statutory guidance and cover the period to 30 September 2022.

It is important to note that past performance is not a guarantee of future performance.

(i) Primary default arrangement – Options Open Lifestyle

Fund performance covering the five-year period to 30 September 2022 has not been reported as historic changes to the underlying strategy means the underlying data is unavailable.

Net investment returns for the Options Open Lifestyle varies by age as the underlying asset allocation for the strategy changes over time. We have shown blended net investment returns for members at varying stages in lifestyle strategy below.

Performance	Annualised 1 Year return (% p.a.)
Age of Member on 1 October 2021	Options Open Lifestyle
25	-3.0
45	-3.0
55	-7.4

Source: Scottish Widows as at 30 September 2022

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

Following the Plan's latest investment strategy review, some members' self-select funds were mapped to funds which are now considered deemed defaults.

Fund performance covering the five-year period to 30 September 2022 has not been reported as these funds have not been in existence for a five-year period.

Performance	Annualised returns (% p.a.)
Fund name	1 year
Visa Global Equity Fund	-3.9
Visa Bond Fund	-20.9
Visa Cash Fund	0.5

Source: Scottish Widows as at 30 September 2022

(iii) Self-select investments

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.

All three of the Plan's lifestyle arrangements do not begin to diverge until five years pre members' expected retirement age. Net investment returns for the Plan's alternative lifestyle strategies vary by age as the underlying asset allocation for the strategies changes over time. We have shown blended net investment returns for members at varying stages in the alternative lifestyle strategies below.

Performance	Annualised 1 Year Return (%)	
Age of Member on 1 October 2021	Annuity Lifestyle	Lump Sum Withdrawal Lifestyle
25	-3.0	-3.0
45	-3.0	-3.0
55	-7.4	-7.4

Source: Scottish Widows as at 30 September 2022

Performance	Annualised returns (% p.a.)	
Core Funds	1 year	5 years ²
Visa Global Equity	-3.9	n/a
Visa Bond Fund	-20.9	n/a
Visa Cash Fund	0.5	n/a
Visa Multi-Asset Fund	-8.0	n/a
Visa Responsible Investment Fund	-17.8	n/a
Visa Property Fund	4.5	n/a
Non-Core Funds	1 year	5 years
BlackRock Aquila World ex-UK Equity Index Fund	-4.2	9.6
Schroder Global Equity Fund	-5.9	10.6
Legal & General Future World Annuity Aware Fund ¹	-30.5	-4.2
BlackRock Aquila MSCI World Index Fund	-2.6	9.7
Legal & General UK Equity Index Fund	-4.0	2.1
BlackRock Aquila Over 5 Year Index-Linked Gilt Index Fund	-29.4	-2.9
BlackRock Aquila Up to 5 Year Index-Linked Gilt Index Fund	2.8	1.6
Schroder Global Emerging Markets Equity Fund	-17.0	2.1
Managed Fund	-4.5	5.1
HSBC Islamic Fund	-3.9	13.0

Source: Underlying investment managers and Scottish Widows as at 30 September 2022.

1. Fund name was updated on 1 October 2022. Previously named Legal & General Pre-Retirement Fund.
2. Where fund performance covering a five-year period to 30 September 2022 has not been reported, this is as a result of these funds having an inception date after 30 September 2017.

(iv) Additional Voluntary contributions

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

Performance	Annualised returns (% p.a.)	
	1 year	5 years
Fund name		
Aquila UK Equity Index Fund	-5.3	1.9
Equity Managed Fund	-8.0	4.9
Managed Fund	-7.7	4.3
UK Equity Fund	-10.4	0.4

Source: Zurich as at 30 September 2022.

Some members of the Plan also have assets invested in the Zurich With Profits Fund. The Zurich With Profits Fund has unique features including an element of smoothing of returns. The underlying returns generated by the asset allocation are not applied to member accounts but instead members receive an annual bonus rate which is applied throughout the year. This feature can be beneficial during periods of market stress where bonus rates are often above the underlying returns. However, during a market rally, bonus rates are often below the underlying returns. This feature helps to provide more consistent returns regardless of the volatility of the underlying assets in the With Profits Fund. There are no guarantees associated with the Zurich With Profits Fund, however once the annual bonus rate is announced, it cannot be removed. Terminal bonuses, which are subject to change at any time, can also be payable as part of the Zurich With-Profits Fund.

The annual bonus rates applied for each of the most recent 5 years are set out below. Rates are determined in March each year:

Zurich With Profits Fund	
Year	Annual Bonus Rates %
2022	2.75
2021	2.50
2020	2.50
2019	2.50
2018	2.00

Source: Zurich

3. 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 investment platform provider. The Trustee can confirm that there is no missing transaction cost data relating to the Plan's DC Section. 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 TER 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 2022, the Options Open Lifestyle had TER values ranging from 0.346% p.a. to 0.398% p.a. depending on the member's period to retirement. Transaction costs ranged between 0.041% p.a. and 0.057% p.a., and the total cost associated with the Options Open Lifestyle is between 0.397% p.a. and 0.439% p.a.

Total costs experienced over the year to 30 September 2022 were less than that experienced over the year to 30 September 2021. More 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>)	0.346 – 0.398	0.041– 0.057	0.397 – 0.439

Source: Scottish Widows as at 30 September 2022.

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

A breakdown of the TERs and transaction costs applicable to the deemed default arrangements are listed below. Total costs experienced over the year to 30 September 2022 were less than that

experienced over the year to 30 September 2021 for the Visa Global Equity Fund and Visa Bond Fund. Total costs have remained the same for the Visa Cash Fund over the equivalent period.

Deemed Default Arrangements	TER % p.a.	Transaction Costs % p.a.	Total costs % p.a.
Visa Global Equity Fund	0.277	0.020	0.297
Visa Bond Fund	0.156	0.053	0.209
Visa Cash Fund	0.110	0.018	0.128

Source: Scottish Widows as at 30 September 2022.

(iii) Self-select investment funds

A breakdown of the TERs and transaction costs applicable to the self-select investment options available to members over the period until 30 September 2022 are listed in the table below.

The TERs have largely remained constant compared to the previous year with the exceptions being the Visa Multi Asset Fund and the BlackRock Aquila Over 5 Year Index-Linked Gilt Index Fund. The TER for the Visa Multi Asset Fund increased as a result of a rise in the Additional Fund Expenses ('AFE'). On the other hand, the TER for the BlackRock Aquila Over 5 Year Index-Linked Gilt Index Fund decreased as a result of a reduction in the AFE. The AFE is the cost associated with the management of the portfolio, but not covered by the manager's AMC as described above. These costs are determined by the underlying fund managers and do fluctuate from time to time. Transaction costs do vary year to year and vary depending on the level of trading required to maintain the fund.

Lifestyles	TER % p.a.	Transaction Costs % p.a.	Total costs % p.a.
Lump Sum Withdrawal Lifestyle	0.110 – 0.398	0.018 – 0.057	0.128 – 0.439
Annuity Lifestyle	0.136 – 0.398	0.004 – 0.057	0.140 – 0.439
Core Funds	TER % p.a.	Transaction Costs % p.a.	Total costs % p.a.
Visa Global Equity Fund	0.277	0.020	0.297
Visa Bond Fund	0.156	0.053	0.209
Visa Cash Fund	0.110	0.018	0.128
Visa Multi-Asset Fund	0.804	0.000	0.804
Visa Responsible Investment Fund	0.393	0.038	0.431
Visa Property Fund	1.040	0.397	1.437
Non-Core Funds	TER % p.a.	Transaction Costs % p.a.	Total costs % p.a.
BlackRock Aquila World ex-UK Equity Index Fund	0.114	0.019	0.133
Schroder Global Equity Fund	0.624	0.190	0.814
Legal & General Future World Annuity Aware Fund ¹	0.144	0.000	0.144
BlackRock Aquila MSCI World Index Fund	0.125	0.000	0.125
Legal & General UK Equity Index Fund	0.120	0.000	0.120
BlackRock Aquila Over 5 Year Index-Linked Gilt Index Fund	0.108	0.057	0.165
BlackRock Aquila Up to 5 Year Index-Linked Gilt Index Fund	0.115	0.020	0.135
Schroder Global Emerging Markets Equity Fund	1.150	0.174	1.324
Managed Fund	0.285	0.060	0.345
HSBC Islamic Fund	0.390	0.000	0.390

Source: Scottish Widows as at 30 September 2022.

1. Fund name was updated on 1 October 2022. Previously named Legal & General Pre-Retirement Fund.

(iv) Additional Voluntary contributions

The AVC assets remaining with Zurich are closed to new contributions. These arrangements 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 Fund	0.56	0.077	0.637
Equity Managed Fund	0.72	0.398	1.118
Managed Fund	0.73	0.368	1.098
UK Equity Fund	0.74	0.132	0.872
With Profits Fund	0.70	0.061	0.761

Source: Zurich as at 30 September 2022.

(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.

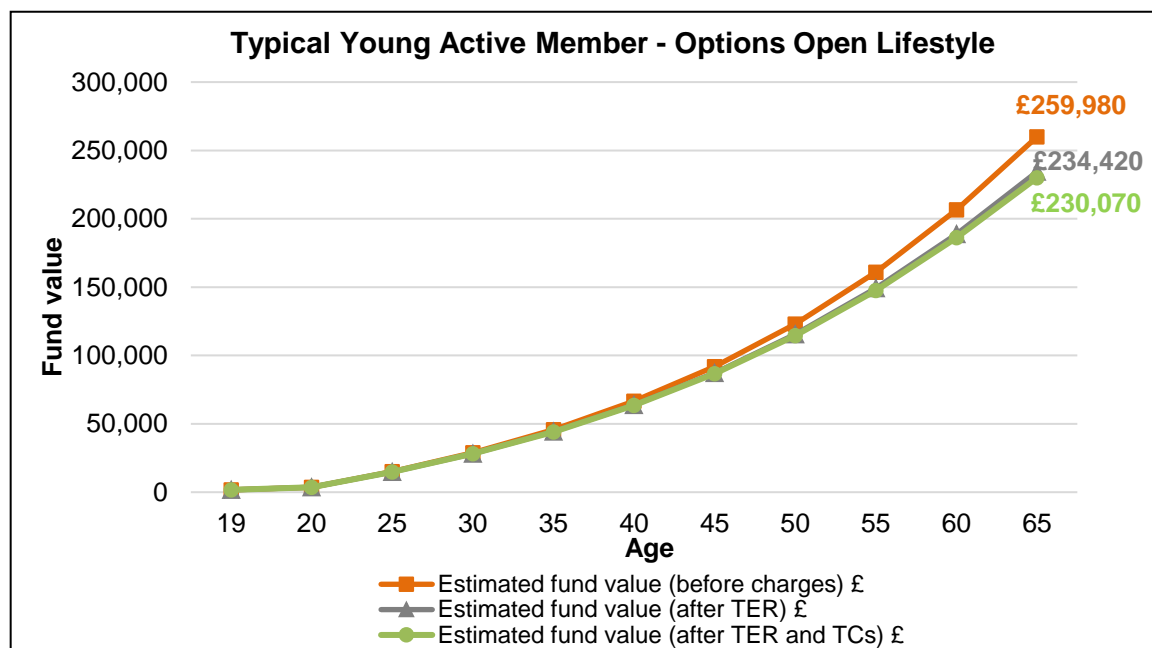
Members should be aware that such assumptions may or may not hold true, so the illustrations do not promise what could happen in the future and fund values are not guaranteed. Furthermore, because the illustrations are based on typical members of the Plan, they are not a substitute for the individual 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 TERs and transaction costs applied.
- The tables beneath the chart include projections of the deemed default investment arrangements, the Visa Global Equity Fund, the Visa Bond Fund and the 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 DC Section of the Plan which attracts the lowest charges – the Visa Cash Fund (already included as a deemed default), and the fund which attracts the highest charges – the Visa Property Fund.

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 46 years to go until their retirement at age 65. The member has a current salary of £21,200, has future contributions of 9% of salary and current fund value of £1,709.

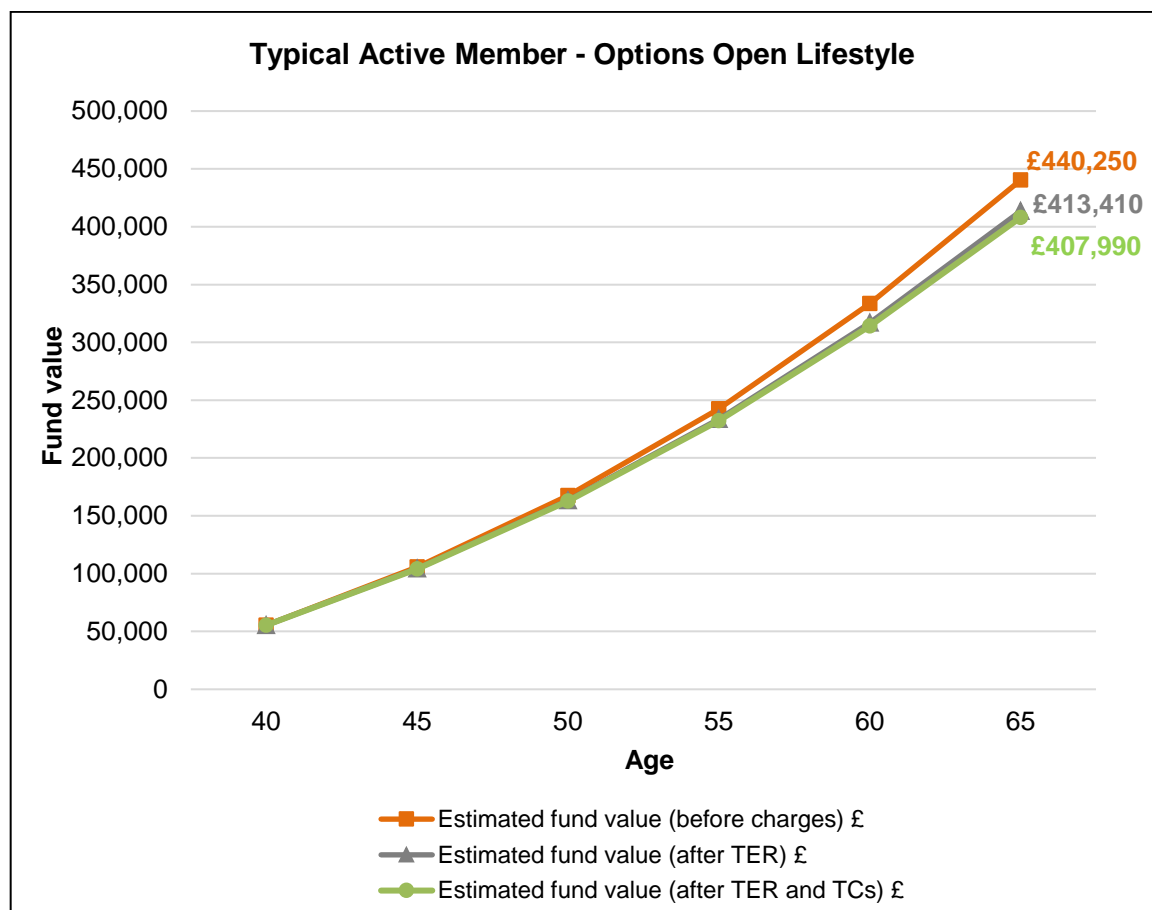


Projected Pension Account in today's money

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
	£	£	£	£	£	£	£	£	£
19	1,709	1,709	0	1,709	1,709	0	1,709	1,709	0
20	3,700	3,690	10	3,710	3,700	10	3,680	3,680	0
25	14,980	14,790	190	15,110	14,960	150	14,620	14,460	160
30	28,810	28,130	680	29,240	28,720	520	27,550	27,020	530
35	45,740	44,170	1,570	46,760	45,530	1,230	42,840	41,660	1,180
40	66,490	63,460	3,030	68,480	66,080	2,400	60,940	58,700	2,240
45	91,920	86,660	5,260	95,400	91,200	4,200	82,330	78,550	3,780
50	123,070	114,550	8,520	128,770	121,900	6,870	107,640	101,680	5,960
55	160,970	147,620	13,350	170,140	159,420	10,720	137,580	128,610	8,970
60	206,650	186,190	20,460	221,430	205,280	16,150	172,990	159,990	13,000
65	259,980	230,070	29,910	285,000	261,320	23,680	214,870	196,530	18,340

Age	Visa Cash Fund			Visa Property Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£
19	1,709	1,709	0	1,709	1,709	0
20	3,590	3,590	0	3,650	3,610	40
25	13,020	12,960	60	13,910	13,340	570
30	22,440	22,270	170	25,210	23,410	1,800
35	31,860	31,530	330	37,660	33,850	3,810
40	41,290	40,730	560	51,380	44,670	6,710
45	50,710	49,870	840	66,480	55,880	10,600
50	60,130	58,950	1,180	83,120	67,500	15,620
55	69,550	67,980	1,570	101,440	79,540	21,900
60	78,980	76,950	2,030	121,630	92,020	29,610
65	88,400	85,870	2,530	143,860	104,940	38,920

Illustration B: is based on an average active Plan member who has 25 years to go until their retirement at age 65. The member has a current salary of £76,793, has future contributions of 9% of salary and a current fund value of £55,407.

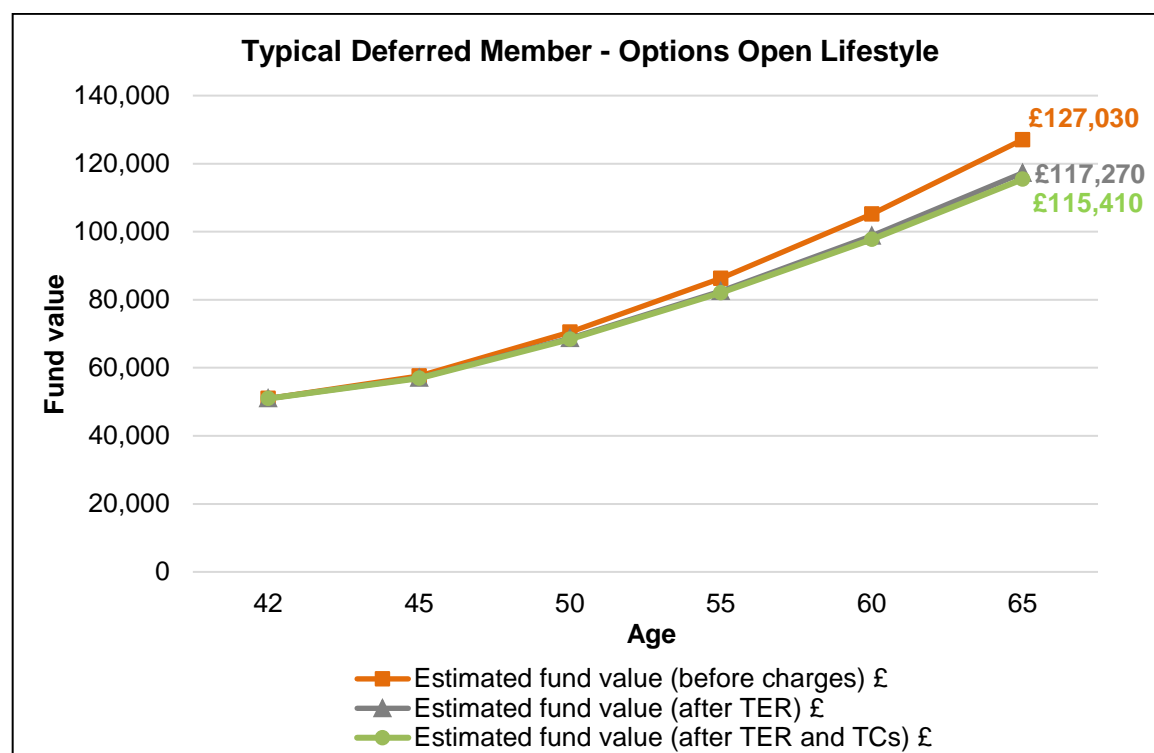


Projected Pension Account in today's money

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
	£	£	£	£	£	£	£	£	£
40	55,407	55,407	0	55,407	55,407	0	55,407	55,407	0
45	105,730	104,110	1,620	106,760	105,510	1,250	102,700	101,410	1,290
50	167,390	162,670	4,720	170,420	166,750	3,670	158,640	155,000	3,640
55	242,550	232,350	10,200	249,330	241,600	7,730	224,800	217,410	7,390
60	333,410	314,150	19,260	347,160	333,080	14,080	303,050	290,110	12,940
65	440,250	407,990	32,260	468,430	444,890	23,540	395,610	374,800	20,810

Age	Visa Cash Fund			Visa Property Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£
40	55,407	55,407	0	55,407	55,407	0
45	89,540	89,090	450	96,860	92,160	4,700
50	123,670	122,560	1,110	142,530	130,250	12,280
55	157,810	155,830	1,980	192,820	169,720	23,100
60	191,940	188,880	3,060	248,210	210,620	37,590
65	226,070	221,740	4,330	309,230	253,000	56,230

Illustration C: is based on a deferred member (a member who is no longer making contributions into their Pension Account) who has 23 years to go until their retirement at age 65. The member has a current fund value of £50,955.



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
	£	£	£	£	£	£	£	£	£
42	50,955	50,955	0	50,955	50,955	0	50,955	50,955	0
45	57,560	56,920	640	57,970	57,470	500	56,360	55,840	520
50	70,520	68,440	2,080	71,860	70,240	1,620	66,660	65,040	1,620
55	86,260	82,030	4,230	89,080	85,850	3,230	78,840	75,760	3,080
60	105,160	97,740	7,420	110,420	104,930	5,490	93,250	88,250	5,000
65	127,030	115,410	11,620	136,890	128,250	8,640	110,300	102,790	7,510

Age	Visa Cash Fund			Visa Property Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£
42	50,955	50,955	0	50,955	50,955	0
45	50,960	50,760	200	54,000	52,060	1,940
50	50,960	50,450	510	59,470	53,940	5,530
55	50,960	50,140	820	65,510	55,900	9,610
60	50,960	49,820	1,140	72,150	57,920	14,230
65	50,960	49,510	1,450	79,470	60,020	19,450

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* 7.00% p.a.
 - *Visa Property Fund* 4.50% p.a.
 - *Visa Multi-Asset Fund* 7.00% p.a.
 - *Visa Cash Fund* 2.50% p.a.
 - *Visa Bond Fund* 6.00% 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 5 year period where data is 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 2022.*

4. 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 members of the Plan. Therefore, working in conjunction with its DC advisor, Aon, the Trustee has developed its cost-benefit analysis framework in order to make an assessment as to whether the Plan members receive good value from the Plan relative to the costs and charges they pay.

The costs have been identified as TERs and transaction costs and are set out in section 3 of this Statement. The Trustee has considered the benefits of membership under the following five 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 Plan administrator ('Buck') 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 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 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 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 processes.
- 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 July 2022.
- 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 helps 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, the Buck member portal is regularly updated to keep members informed and a retirement options pack is provided to members.
- Educational material and important documentation are also available via the Buck portal. For example, the Member Handbook, Investment Guide and FAQ documents detailing the Visa Property Fund suspension.

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, including work being carried out by the Trustee and the Company to implement a preferred Independent Financial Advisor.

Conclusion

In recognition of the above, 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 Buck. The sponsoring employers of the Plan are responsible for ensuring that contributions are paid to the Plan promptly and accurately. The timing of such payments is monitored by the Trustee from quarterly administration reports submitted by Buck.

In order to determine how well 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 5 working days from receipt, and the SLA target increases 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 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 May 2021 to 30 April 2022.

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 95% 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.

6. Trustee Knowledge and Understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for the 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 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.
- Individual assessments of trustee training needs is regularly carried out through discussions with the Chair and Plan Secretary to assess any knowledge gaps. Training covering these knowledge gaps is delivered at Trustee meetings.
- Undergoing regular training for the year. During this Plan year the Trustee received training on various topics, examples of which include:
 - Pensions Dashboards;
 - Single Code of Practice;
 - Cost transparency;
 - Combating pension scams;
 - At Retirement offerings;
 - Cyber security;
 - Impact of inflation on pension plans;
 - Asset class training including on asset-backed securities, liability driven investing, multi-asset funds and real estate;
 - Trust Deed & Rules; and
 - Responsible investing including updates on the Plan's current ESG-aligned funds, training on Aon's ESG Dashboard, and the impact of geopolitical events on the Plan's assets.
- Maintaining training logs for each Trustee Director which supports the above.

In addition, individual Trustee Directors attended a range of conferences and seminars which included topics such as the road to recovery post the Covid-19 outbreak. The Trustee also received additional training from advisers through main board meeting and sub-committee meetings – four main board meetings in total were 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:

- 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 a new Member-Nominated Trustee Director was appointed on 1 January 2022. As part of the onboarding process, this new Trustee Director is in the process of completing the Trustee Toolkit, has attended training and is being supported by the fellow Trustee Directors.

The Trustee board is 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.

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 _____

The Visa Europe Pension Plan (the “Plan”)

Statement of Investment Principles (the "Statement")

Scope of Statement

This Statement has been prepared in accordance with the Pensions Act 1995 (as amended), and the Occupational Pension Schemes (Investment) Regulations 2005 (as amended). The Trustee complies with the requirements to maintain, take advice and consult with the employer on the SIP and with the disclosure requirements.

The assets of the Plan are held in trust by the Trustee whose powers of investment are set out in Clause 7 of the Trust Deed and Rules dated 15 December 2021.

The Trustee will review this Statement annually and the Plan’s investment strategies no later than three years after the effective date of this Statement; without delay after any significant change in investment policy; and whenever the Trustee deems that a review is needed for any other reason.

The Plan comprises two sections: the Defined Benefit Section and the Defined Contribution Section. This Statement covers both the Defined Benefit Section and the Defined Contribution Section.

Responsibilities in relation to Statement

The Trustee is responsible for the investment strategies of the Plan and has obtained written advice on the investment strategies appropriate for the Plan and on the preparation of this Statement. This advice was provided by Aon Solutions UK Limited ("Aon") who are authorised and regulated by the Financial Conduct Authority.

The day-to-day management of the Plan’s assets has been delegated to investment managers. A copy of this Statement is available to the members of the Plan on request and will be published on a publicly accessible website.

Defined Benefit Section

Objectives

The Trustee's primary objectives for setting the investment strategy of the Plan are set out below:

- **"return objective"** – to acquire and maintain suitable assets of appropriate liquidity which, together with contributions from the sponsor, have a reasonable expectation of generating sufficient income and capital growth to meet the cost of current and future benefits which the Plan provides.
- **"risk objective"** – to limit funding volatility by aiming to only take a level of risk consistent with any long-term funding objective agreed in collaboration with the sponsor. The investment strategy selected is designed to mitigate "unrewarded" risks (a Liability Driven Investment approach is used to mitigate interest rate and inflation risks). Where return seeking assets need to be held, the Trustee aims to diversify its sources of return by selecting investments spread across a range of investment managers, asset classes and markets, so as to mitigate concentration risk, geopolitical risk, and currency risk to an appropriate extent.

Details of the investment strategy are included in the appendix.

Choosing investments

The types of investments held and the balance between them is deemed appropriate given the liability profile of the Plan, its cashflow requirements, the funding position of the Plan and strength of covenant, and the Trustee's objectives. The assets of the Plan are invested in the best interests of the members and beneficiaries.

The Trustee exercises its powers of investment in a manner intended to ensure the security, quality, liquidity and profitability of the Plan as a whole. In order to avoid an undue concentration of risk, a broad range of available asset classes has been considered. The assets of the Plan are invested predominantly on regulated markets (with investments not on regulated markets being kept to a prudent level) and diversified to avoid excessive reliance on any particular asset, issuer or group of undertakings so as to avoid accumulations of risk in the Plan as a whole. The diversification is both within and across the major asset classes.

Day to day selection of underlying investments is delegated to investment managers appointed by the Trustee.

Assets held to cover the Plan's liabilities are invested in a manner appropriate to the nature and duration of the expected future retirement benefits payable under the Plan.

Investment in derivatives is only made in so far as they contribute to the reduction of investment risks or facilitate efficient portfolio management and are managed such as to avoid excessive risk exposure to a single counterparty or other derivative operations.

Investment strategy and asset allocation

The Trustee recognises that the key source of financial risk (in relation to meeting their objectives) arises from asset allocation. It therefore retains responsibility for setting asset allocation and takes expert advice as required from its investment adviser.

The investment strategy set out in the Appendix was agreed by the Trustee following advice from Aon as the Plan's investment advisers and following consultation with the sponsor.

Investment risk measurement and management

The key investment risks are recognised as arising from investment strategy, employer failure and investment managers.

Investment strategy risks

The Trustee will determine the most appropriate investment strategy for the Plan by taking into account advice from its investment adviser and the characteristics of the Plan's liabilities. The Trustee will review the investment strategy at least once every three years.

As part of the investment strategy, the Trustee has agreed a Liability Driven Investment (LDI) approach which aims to mitigate interest rate and inflation risk faced by the Plan.

Cash flow risk arises from the need to realise assets in the short term. If realisations of investments in order to meet benefit payments were to be made at a time when prices are depressed this could reduce the likelihood of meeting the primary objectives. To avoid this, the Trustee and its advisers manage the Plan's cash flow requirements carefully over the short-term.

Employer failure risks (Plan Sponsor risk)

The employer's covenant is assessed formally in conjunction with each triennial actuarial valuation of the Plan. Between valuations, the employer's covenant is monitored by the Trustee by receiving updates from the employer and its covenant adviser as required.

The Trustee will re-consider the appropriateness of the Plan's investment strategy if it determines there has been a significant change in the strength of the employer's covenant.

Investment manager risks

The review and selection of investment managers is carried out on an ongoing basis and is based on advice taken from the Trustee's investment advisers, Aon.

The Trustee has appointed Aon to alert it to any matters of material significance that might affect the ability of its appointed investment managers to achieve their performance objectives. The Trustee may also meet with its appointed investment managers to discuss any issues that may arise.

The Trustee receives, on a quarterly basis, a consolidated investment performance report, detailing the current valuation of assets held and performance achieved by each of the managers employed over the period. It is expected that the Plan's investment managers should achieve their investment return objectives set over the long term. It is not expected that the investment manager will meet these targets in each discrete period. However, the investment manager should demonstrate their ability to meet these targets in a way which is consistent with the level of risk adopted.

Custody

Investment in pooled funds gives the Trustee a right to the cash value of the units rather than to the underlying assets. The investment managers of the pooled funds are responsible for the appointment and monitoring of the custodian of the pooled fund's assets.

The custodians appointed by the investment managers are independent of the employer.

Defined Contribution Section

Investment objective

The Trustee is responsible for providing an appropriate range of investment options to members. Its key aim 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.

In addition, the Trustee will consider the characteristics of various member types or groups and the potential differences between these in relation to attitude to risk over the period of their membership in the Plan, and the different ways in which benefits may be taken at retirement.

Investment options

The investment options are available to members through the Scottish Widows platform.

The Plan offers members three lifestyle strategies:

- Options Open;
- Lump Sum Withdrawal; and,
- Annuity Purchase.

The three lifestyle strategies each have options aligned to the at retirement access choices of: flexible drawdown, annuity or cash. The lifestyle strategies are designed based on analysis of the demographics of the Plan's membership to provide members with a choice of investment risk and potential for growth. These will be reviewed on an ongoing basis to ensure they remain appropriate for a broad range of the membership.

The Trustee also makes available a range of 16 alternative self-select funds. The self-select fund range has been designed to enable members to create a diversified investment portfolio, or to select a specialist individual fund. The Trustee's policy is to provide suitable information for members so that they can make appropriate investment decisions. The range of funds was chosen by the Trustee after taking advice from its investment advisers. In choosing the Plan's investment options, it is the Trustee's policy to consider:

- A full range of asset classes.
- The suitability of the possible styles of investment management and the need for manager diversification.
- The suitability of each asset class for DC and AVC arrangements.

- The need for appropriate diversification of asset classes.
- Delivery of the investment options in an efficient and cost-effective manner.

The Trustee also considers the expected return on investments to be as follows:

- The Trustee expects the long-term return on the investment options that invest predominantly in equities to exceed price inflation and general salary growth.
- The long term returns on the bond and cash options are expected to be lower than returns on predominantly equity options.
- Long dated bond funds are expected to broadly match the price of annuities, giving some protection in the amount of secured pension for members closer to retirement for those members wishing to secure an annuity with part or all of their DC benefits.
- Cash funds will provide protection against changes in short-term capital values and may be appropriate for members wishing to take part or all of their DC benefits in the form of a cash lump sum.

Full details of the investment options available to members can be found in the Appendix.

Default investment options

The Trustee will apply the policies set out in the SIP to all default arrangements.

Primary Default Option

Members who join the Plan and do not make an active investment choice have their contributions invested in the primary default investment option. The Trustee has chosen the Options Open Lifestyle as the primary default investment option for the Plan.

The primary default investment option has been chosen by the Trustee so as its aim is to maximise the projected value of members' retirement savings, within a strategy that also seeks to manage the level of various risks (including volatility) over the members' investment time horizon, with a particular focus on the period leading up to retirement age. The default has been designed on the basis that members may take their DC benefits in any one or more of the options available to them.

The Trustee, with its investment adviser, assesses the suitability of the default investment arrangement at least every three years or following a significant change to the membership. When reviewing the default investment arrangement, consideration is given to the regulations governing the ways in which members can access their benefits at retirement. Assessments also consider the membership profile of the Plan, members' expected fund values at retirement and development in the DC investment marketplace. Assessments may result in changes to the default.

Changes were made to the Options Open Lifestyle in 2021, updating the existing white labelled funds and extending the use of white labelling. Changes were made to the Visa Global Equity Fund and the Visa Property Fund, adding an element of currency hedging to the former and enhancing global diversification in the latter. The Insight Broad Opportunities Fund was re-named the 'Visa Multi Asset Fund', and new Visa Bond and Visa Cash Funds were introduced. The Visa Cash Fund better integrates consideration of ESG / RI risks and the Visa Bond Fund enhances diversification within the fixed income investment opportunity set. The changes were made on the belief that they will

enhance expected outcomes for members, and improve the member experience with the extended use of white labelling.

Secondary Default Options

Secondary default investment options were created in October 2021 during the consolidation of the self-select fund range. The Visa Cash Fund, Visa Bond Fund and the Visa Global Equity Fund are classified as secondary default options for regulatory purposes.

Ongoing monitoring and review

The Trustee has a policy in place to review the funds within both the lifestyle strategies and self-select funds on an on-going basis. Where it is deemed that a manager or fund is no longer appropriate, the Trustee has operational procedures in place to remove and replace the manager or fund from the fund range.

The Trustee reviews the Plan's investment strategy triennially, assessing how members take their benefits from the DC Section, plus any changes to views on expected returns, volatility and correlations of the underlying asset classes. These reviews also take into account any significant changes in the make-up of the Plan's membership, and inform decisions relating to the Plan's future investments to ensure there are a suitable, diverse range of investment options available to the membership of the Plan. The Trustee also considers any feedback from members to ensure that a sufficient range of funds is offered to meet members' needs.

Investment risk measurement and management

The Trustee recognises a key risk is that members will have insufficient income in retirement or an income that does not meet their expectations. The Trustee considers this risk when setting the investment objectives for the Plan. The Trustee's policy in respect of risk measurement methods and risk management processes is set out below.

The Trustee also considers the following sources of risk:

- Risk of fund managers not meeting their objectives ("manager risk"). This risk is considered by the Trustee and its advisers both upon the initial appointment of the fund manager and on an ongoing basis thereafter.
- Risk of asset classes not delivering the anticipated rate of return over the long term.
- Risk of the lifestyle strategies being unsuitable for the requirements of some members.
- The risk of fraud, poor advice or acts of negligence ("operational risk"). The Trustee has sought to minimise such risk by ensuring that all advisers and third-party service providers are suitably qualified and experienced, and that suitable liability and compensation clauses are included in all contracts for professional services received.

Due to the complex and interrelated nature of these risks, the Trustee considers these risks in a qualitative as well as quantitative (where relevant) manner as part of the triennial defined contribution strategy review.

The Trustee measures risk in terms of the performance of the funds compared to the respective benchmarks on a quarterly basis. The Trustee also monitors any significant issues with the fund managers that may impact their ability to meet the performance targets set by the Trustee.

Members are provided with information on each of the funds available through the Plan via the Plan's investment guide and individual fund factsheets that are provided by Scottish Widows and updated on a quarterly basis.

Additional Voluntary Contributions (AVCs)

The Trustee has full discretion as to the appropriate investment vehicles made available to members of the DB Section of the Plan for their voluntary contributions. Only investment vehicles normally considered suitable for voluntary contributions will be considered by the Trustee, having taken appropriate written advice from a qualified and authorised investment adviser.

The Plan's current AVC providers are Scottish Widows and Zurich. The funds available through Scottish Widows mirror the investment options available through the DC Section. These investment options are open to new investments. The Zurich arrangement is closed to new investments.

In selecting this range of funds offered, the Trustee have taken advice from their professional advisers on the risks faced by members in investing on a money purchase basis and the Trustee's responsibilities in the selection and monitoring of the investment options offered. The Trustee will continue to manage the AVC arrangements having taken professional advice on these matters and will monitor the performance periodically.

Members are directed to seek independent financial advice when considering their AVC arrangements.

DB and DC Sections

Realisation of investments/liquidity

The Trustee recognises that there is a risk in holding assets that cannot be easily realised should the need arise.

In particular for the DB section, careful consideration has also been given to the need to have readily liquid assets available to supplement the cash backing the liability driven investment funds, should this be necessary. Consequently, a significant portion of the assets held are realisable at short notice (through the sale of units in pooled funds).

For the DC section, the majority of assets held on behalf of members are realisable at short notice (through the sale of units in pooled funds).

Responsible Investment

In setting the Plan's investment strategies, the Trustee's primary concern is to act in the best financial interests of the Plan and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk. The Trustee believes that in order to fulfil this commitment and to protect and enhance the value of the Plan's investments, it is important to act as a responsible steward of the assets in which the Plan invests.

1. Environmental, Social, and Governance considerations

The Trustee further acknowledges that an understanding of financially material considerations including environmental, social and corporate governance ("ESG") factors (such as climate change) and risks related to these factors can contribute to the identification of investment opportunities and financially material risks.

The Trustee has agreed the following set of belief statements in connection with ESG matters:

- "Our fiduciary duty requires us to take all financially material risks into account, including ESG risks."
- "Our investment managers should consider sustainability issues related to the companies they invest in as doing so is likely to improve risk-adjusted returns in the long-term."
- "We believe that our investment managers should integrate ESG factors into their investment process."

To this end, as part of their delegated responsibilities, the Trustee expects the Plan's investment managers to take into account corporate governance, social, and environmental considerations (including long-term risks posed by sustainability concerns including climate change risks) in the selection, retention and realisation of investments. Any decision made by the Plan's investment managers should not apply personal ethical or moral judgments to these issues but should consider the sustainability of business models that are influenced by them.

The Trustee is taking the following steps to monitor and assess ESG related risks and opportunities:

- The Trustee will have periodic training on Responsible Investment to understand regulatory requirements and approaches to this area, and how ESG factors, including climate change, could impact the Plan's assets and liabilities.
- As part of ongoing monitoring of the Plan's investment managers, the Trustee will use ESG ratings information provided by Aon, where relevant and available, to monitor the level of the Plan's investment managers' integration of ESG on a quarterly basis.

- Supported by Aon, the Trustee has also undertaken a 'deep dive' of their managers' responsible investment policies and approaches, and subsequently has engaged directly with their fund managers on these areas.
- Regarding the risk that ESG factors including climate change negatively impact the value of investments held if not understood and evaluated properly; the Trustee has received training on these risks. Further, the Trustee will take advice from Aon on this matter when setting the Plan's asset allocation, when selecting managers and when monitoring their performance.
- The Trustee will include ESG-related risks, including climate change, on the Plan's risk register as part of ongoing risk assessment and monitoring.

2. Stewardship - Voting and Engagement

The Trustee recognises the importance of its role as a steward of capital and the need to ensure the highest standards of governance and promotion of corporate responsibility in the underlying companies and assets in which the Plan invests. The Trustee recognises that ultimately this creates long-term financial value for the Plan and its beneficiaries.

The Trustee regularly reviews the continuing suitability of the appointed managers and takes advice from its investment adviser with regard to any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed managers. If an incumbent manager is found to be falling short of the standards the Trustee has set out in its policy, the Trustee undertakes to engage with the manager (where possible) and seek a more sustainable position but may ultimately look to replace the manager.

The Trustee reviews the stewardship activities of its investment managers on an annual basis, covering both engagement and voting actions. The Trustee will review the alignment of its policies to those of the Plan's investment managers and ensure that its managers, or other third parties, use their influence as major institutional investors to carry out the Trustee's rights and duties as a responsible shareholder and asset owner. This will include voting, along with – where relevant and appropriate – engaging with underlying investee companies and assets to promote good corporate governance, accountability and positive change.

The Trustee will engage with the Plan's investment managers as necessary for more information, to ensure that robust active ownership behaviours, reflective of its active ownership policies, are being actioned. This information, along with information on how the policies set out in this Statement were applied across the Plan's investments, will be shared with both DB and DC members in the annual Implementation Statement.

With regard to transparency over voting, the Trustee expects to receive reporting from the Plan's investment managers on voting actions and rationale for these votes, where relevant to the Plan, in particular where: votes were cast against management; votes against management were significant (more than 20%) or votes were abstained.

From time to time, the Trustee will consider the methods by which, and the circumstances under which, it would monitor and engage with an investment manager. The Trustee may engage on matters concerning an issuer of debt or equity, including its performance, strategy, risks, social and environmental impact and corporate governance, the capital structure and management of actual or potential conflicts of interest.

When setting its own policies, particularly in relation to stewardship and corporate sustainability, the Trustee has regard to the sponsor's relevant policies. The Trustee will look to integrate their policies and practices with those of the sponsor, provided these do not cause a financial detriment to members.

3. Members' Views and Non-Financial Factors

Where members make an active decision to share their views with the Trustee on ethical matters, social and environmental impact matters and present and future quality of life matters (defined as "non-financial factors" under the 2018 Regulations) the Trustee will note and discuss these.

4. Arrangements with Investment Managers

The Trustee monitors the investments used by the Plan on an annual basis to consider the extent to which the investment strategies and decisions of the investment managers are aligned with the Trustee's policies as set out in this Statement, including those on non-financial matters.

This includes monitoring the extent to which investment managers:

- make decisions based on assessments about medium- to long-term financial and non-financial performance of an issuer of debt or equity; and
- engage with issuers of debt or equity in order to improve their performance in the medium- to long-term.

The Trustee is supported in this monitoring activity by its investment adviser.

The Trustee receives reporting and verbal updates from its adviser on various items including the investment strategy, performance, and longer-term positioning of the strategy. The Trustee focusses on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Plan's objectives and assesses the investment managers over the long-term.

Before appointment of a new investment manager, the Trustee reviews the governing documentation associated with the investment and will consider the extent to which it aligns with its policies. Where possible, the Trustee will seek to express its expectations to the investment managers to try to achieve greater alignment.

The Trustee believes that having appropriate governing documentation, setting clear expectations to the investment managers (and doing so by other means e.g. verbally or in writing at time of appointment), and regular monitoring of investment managers' performance and investment strategy, is in most cases sufficient to incentivise the investment managers to make decisions that align with the Trustee's policies and are based on assessments of medium- and long-term financial and non-financial performance.

Where investment managers are considered to be making decisions that are not in line with the Trustee's policies, expectations, or the other considerations set out above, the Trustee will typically first engage with the manager but could ultimately replace the investment manager where this is deemed necessary.

There is typically no set duration for arrangements with investment managers, although the continued appointment for all investment managers will be reviewed periodically. For certain closed ended vehicles, the duration may be defined by the nature of the underlying investments.

Costs and transparency

The Trustee has engaged third-party specialists to assist in collating data on the costs and charges incurred on the Plan's investment funds, as described in further detail below.

The Trustee believes it is important to understand the different costs and charges incurred by the Plan. For the DB section, costs are incurred by the DB Plan (and therefore ultimately paid for by the sponsoring employer) whilst costs incurred on the DC Section are borne by the members. Costs incurred include:

- Explicit charges, such as the annual management charge, and additional expenses that are disclosed by investment managers as part of the Total Expense Ratio ('TER');
- Investment platform costs;
- Implicit charges, such as the portfolio turnover costs (transaction costs) borne within a fund;
- Performance-based fees in respect of several mandates in the DB Section.

The Trustee defines portfolio turnover costs as the costs incurred in buying and selling underlying securities held within the fund's portfolio. These are incurred on an ongoing basis and are implicit within the performance of each fund.

Other costs of providing the DC Section of the Plan (e.g. administration and adviser costs) are not charged to members.

For the DC Section, the Trustee collects information on member-borne costs and charges on an annual basis, where available, and sets these out in the Plan's Annual Chair's Statement regarding DC Governance (the "Annual Chair's Statement"), which is made available to members in a publicly accessible location.

No specific ranges are set for the DB section on acceptable costs and charges, particularly in relation to portfolio turnover costs. However, the DC default arrangements are subject to a cap of 0.75% of funds under management, or an equivalent combination charge. The Trustee expects its DC investment adviser to highlight if these costs and charges appear unreasonable when they are collected as part of the Annual Chair's Statement exercise.

It is the view of the Trustee that long term performance, net of fees, is the most important metric on which to evaluate its investment managers.

The Trustee believes that active investment managers can add value, net of fees. It is therefore comfortable with the use of active funds in the DB and DC Plan. For DC members, passively managed funds are also made available as a self-select option for those members who prefer low cost solutions.

Effective decision making

The Trustee recognises that decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively. It also recognises that where it takes investment decisions, it must have sufficient expertise and appropriate training to be able to evaluate critically any advice received. The Trustee receives investment training from its investment adviser and also the Plan's investment managers in order to make informed decisions.

Approved by the Trustee of the Visa Europe Pension Plan and effective from 14 September 2022.

The Visa Europe Pension Plan

Appendix to Statement of Investment Principles

Defined Benefit Section

Investment strategy

The Plan's investment strategy has been established as set out below. The Plan's actual asset allocation is reviewed regularly by the Trustee to determine whether any rebalancing is required. Input is sought in relation to any rebalancing from the Trustee's investment adviser.

	Target Weight
Returns Section	22.5%
Equities	5.0%
Property	5.0%
Unconstrained Bonds and Property Debt	12.5%
Protection Section	77.5%
Absolute Return	37.5%
Liability Driven Investment (LDI)	40.0%
Total	100.0%

Cash balances

A working balance of cash is held for imminent payment of benefits or expenses. Under normal circumstances it is not the Trustee's intention to hold a significant cash balance. The Trustee regularly monitors this and retains responsibility for the amounts held.

Investment management arrangements

Manager and fund	Benchmark	Performance Target	Fees (p.a.)
Returns Section			
Equities			
Visa Global Equity Fund	30.0% MSCI World (Hedged) 30.0% FTSE RAFI Developed 1000 30.0% MSCI World Minimum Volatility 10.0% MSCI Emerging Markets	To outperform the benchmark	0.277%
Property			
LGIM Managed Property Fund	IPD UK Pooled Property All Balanced Funds Total Return Index	Benchmark + 0.5% p.a. (net of fees) over a rolling three-year period	Incremental base fee based on the assets under managements of: 0.70% on the first £2.5m; 0.65% on the next £2.5m; and 0.60% thereafter.
Unconstrained Bonds and Property Debt			

BlackRock Fixed Income Global Opportunities (FIGO)	Sterling Overnight Index Average (SONIA)	Benchmark + 4.0% to 6.0% p.a. (net of fees)	0.50%
DRC UK Whole Loan Fund	N/A	To achieve a net internal rate of return of 6-7% p.a. (net of fees)	0.75% on invested capital.
ICG-Longbow Real Estate Debt IV	N/A	To achieve a net internal rate of return of 7.5% p.a. (gross of fees)	0.90% on invested capital. Performance fee of: 10% for returns between 6% and 7%; and 20% for returns over 7%.
Protection Section			
Absolute Return			
Insight Bonds Plus Fund	Sterling Overnight Index Average (SONIA)	Benchmark + 2.0% p.a. (gross of fees)	0.25% Performance fee of: 10% for returns in excess of benchmark +0.15%
T. Rowe Price Dynamic Global Bond Fund	Sterling Overnight Index Average (SONIA)	Benchmark +3.0% p.a. (gross of fees)	Incremental base fee, based on the total assets under management of the VEPP and the VUPP, of: 0.42% on the first £15.0m; 0.33% on the next £15.0m; 0.325% on the next £30.0m. Should total assets under management of the VEPP and the VUPP exceed £60.0m, a flat base fee of 0.30% is applied to entire asset holding.
Aegon European ABS Fund	Bloomberg Barclays Capital Euro ABS Fixed and Floating Index (GBP Hedged)	To outperform the benchmark	Incremental base fee, based on the total assets under management of Aon-advised clients, of: 0.25% on the first £50.0m; 0.23% on the next £50.0m; 0.20% on the next £150.0m; 0.16% thereafter.
Liability Driven Investment (LDI)			
BlackRock LDI	Liability Benchmark	To provide a 100% hedge against the interest rate and inflation risk of the Plan's asset value	0.05% on present value of liabilities hedged. Subject to a minimum fee of £200k p.a.

Defined Contribution Section

Investment options and objectives

There are three Lifestyle strategies available:

- Options Open Lifestyle
- Lump Sum Withdrawal Lifestyle
- Annuity Purchase Lifestyle

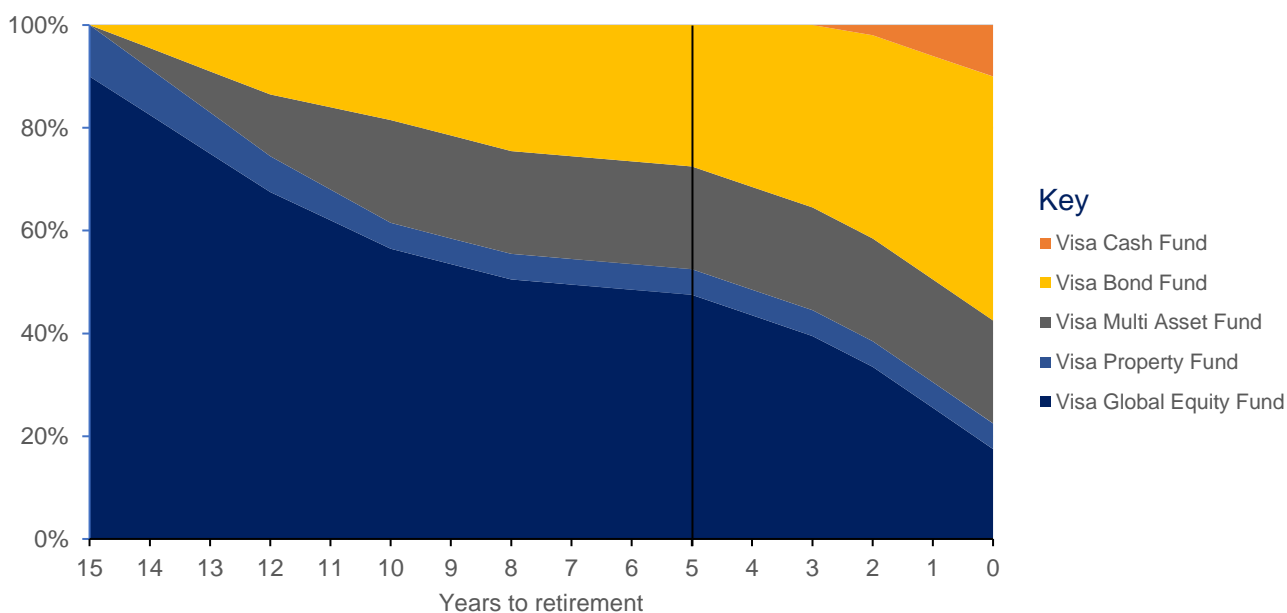
The Lifestyle strategies are designed for members to consider how they want to use their Account, upon retirement. They also help members make investment decisions aligned with their objectives. As members proceed through their working life, their investment priorities and their attitudes to risk, change. As such the Lifestyle strategies automatically adjust the distribution of investments to reduce the expected volatility as members approach retirement. The Lifestyle strategies are a useful option for members who do not want to regularly review their investments held.

Please note, that should it not be possible to trade in any of the Lifestyle Options' constituent funds, the Trustee will review the investment options available and agree a suitable alternative.

Options Open Lifestyle (the primary default option)

The Options Open Lifestyle strategy is designed for members who are undecided on how they intend to use their Account upon retirement. Initially members' assets are invested 90% in the Visa Global Equity Fund and 10% in the Visa Property Fund. The Options Open Lifestyle will gradually transition into the Visa Multi Asset Fund and the Visa Bond Fund 15 years prior to a member's expected retirement date, and then later into the Visa Cash Fund. The switching takes place on a regular basis and is outlined below.

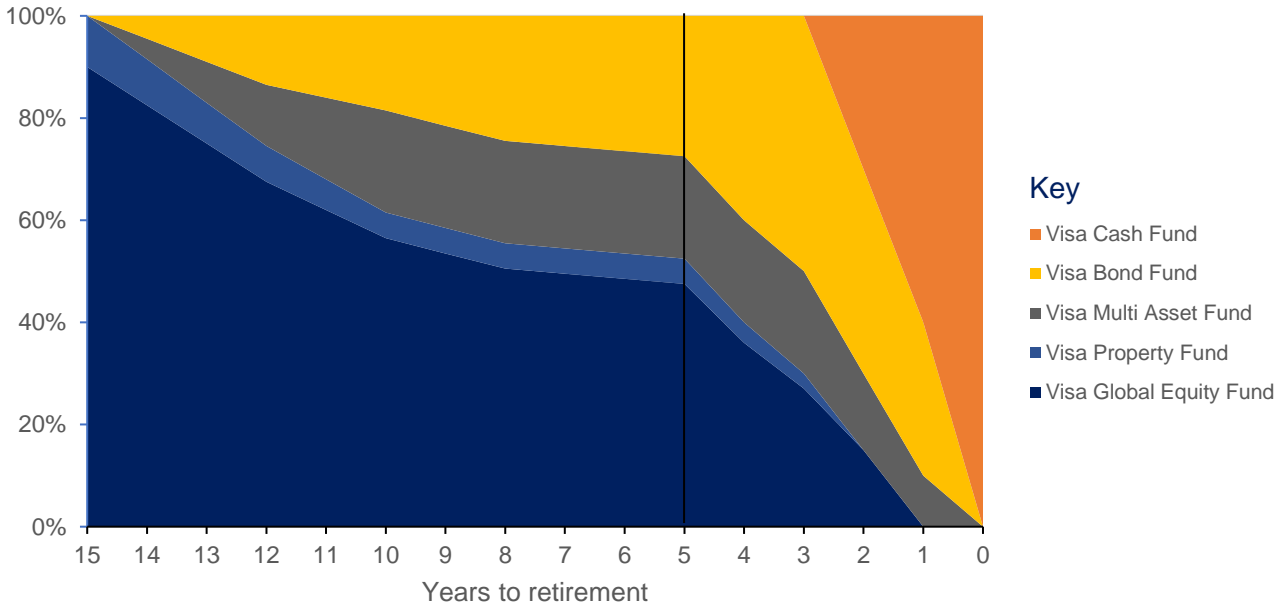
Options Open Lifestyle



Lump Sum Withdrawal Lifestyle

The Lump Sum Withdrawal Lifestyle strategy is identical to the Options Open Lifestyle strategy until five years pre-retirement. From three years pre-retirement the Lifestyle commences transitioning into the Visa Cash Fund, where members' assets will be fully invested at retirement.

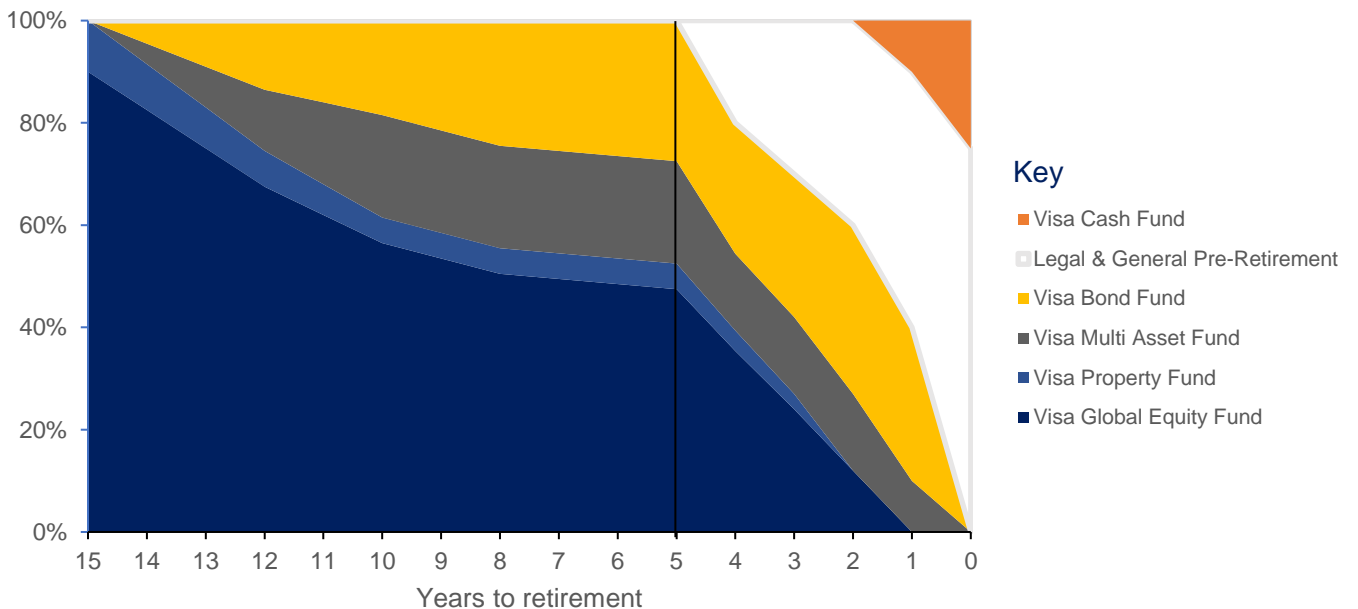
Lump Sum Withdrawal



Annuity Purchase Lifestyle

The Annuity Purchase Lifestyle adopts the same investment profile as the Options Open and Lump Sum Withdrawal Lifestyles until 5 years pre-retirement, whereupon the Lifestyles digress. The Annuity Purchase Lifestyle invests in annuity matching bonds and cash at retirement. The switching takes place on a regular basis and is outlined below.

Annuity Lifestyle



Individual Funds

The Trustee also makes available 16 self-select funds. The self-select fund range has been designed to enable members to create a diversified investment portfolio. The range contains a number of passively managed options as well as actively managed funds. Details of these funds, as well as those available through the lifestyle strategies are shown in the table below.

Manager and fund	Benchmark	Performance Target	Fees (% p.a.)
White Labelled Funds			
Visa Global Equity Fund	30.0% MSCI World (Hedged) 30.0% FTSE RAFI Developed 1000 30.0% MSCI World Minimum Volatility 10.0% MSCI Emerging Markets	Invests in one or more underlying funds with the aim of achieving long term capital growth.	0.277
Visa Property Fund	FTSE EPRA Nareit Developed	Invests in one or more underlying funds with the aim of achieving long term capital growth.	1.040
Visa Bond Fund	16.67% Bloomberg Global Aggregate – Corporates Hedge GBP, 16.67% Bloomberg Global High Yield Index Excl CMBS & EMG 2% Capped GBP Hedged Index 16.67% J.P. Morgan EMBI ESG Global Diversified GBP Hedged Index 50.0% Markit iBoxx GBP Non-Gilts	Invests in one or more underlying funds with the aim of achieving investment return in the form of capital growth and income over the long term.	0.156
Visa Multi Asset Fund	Bank of England Quarterly SONIA	Benchmark + 4.5% p.a. over rolling 5-year period (gross of fees)	0.804
Visa Cash Fund	SONIA	To provide return in line with money market rates by taking into account environmental and other characteristics when selecting investments.	0.110
Visa Responsible Investment Fund	50% MSCI ACWI 50% Solactive L&G ESG Global Markets Index	To achieve long-term capital growth through equity investments which are expected to benefit either directly or indirectly from a focus on environmental, social and governance (ESG) considerations.	0.393
Equity			
Schroders Global Emerging Markets	MSCI Emerging Markets Index GBP	3.5% outperformance per annum (gross of fees) over 3 years	1.150
Schroders Global Equity	MSCI World Index (NDR)	Benchmark +2-2.5% (gross of fees) over rolling 3-year periods	0.624
Aquila World ex-UK Equity Index	FTSE Custom Developed ex UK ESG Screened	To track the benchmark	0.114
Legal & General UK Equity Index	FTSE All-Share	To track the benchmark	0.120
Aquila MSCI World Index	MSCI World NET TR in GBP Index	To track the benchmark	0.125
Specialist			
HSBC Islamic Fund	Dow Jones Islamic Market Titans 100	To track the benchmark	0.390
Fixed Income			
Aquila Index-Linked Over 5 Year Gilt Index	FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index	To track the benchmark	0.108
Aquila Up to 5 Year Index Linked Gilt Index	FTSE Actuaries UK Index-Linked Gilts up to 5 Years Index	To track the benchmark	0.115

Legal & General Pre-Retirement	LGIM Composite - Pre-Retirement	To track the benchmark	0.144
Multi-Asset			
Managed Fund	ABI Mixed Investment 40%-85% Shares	To generate long term growth	0.285

Source: Scottish Widows. Fees as at 30 June 2022.

AVC Options

The DB AVC arrangements were rationalised in 2020 when members' DB AVCs invested with Scottish Widows, Aviva, Utmost Life and Pensions (formerly Equitable Life) and unit linked holdings with Zurich were transitioned to Scottish Widows. All legacy DB AVC arrangements with Scottish Widows, Aviva, Utmost Life and Pensions and Zurich are closed to new investment and all on-going DB AVC contributions are invested with Scottish Widows. Members' DB AVC investments transitioned to Scottish Widows are invested in the same investment options as those that are available to the Plan's DC members, and as set out in the section above.

There are a small number of AVC members who invest partially, or wholly, in the Zurich With Profits Fund and who remain invested with Zurich. The investment options available to members through the Zurich arrangement are set out in the table below.

Asset Class	Fund	TER (% p.a.)
Lifestyle	Balanced Lifestyle	0.70 – 0.72
	Aquila UK Equity Index	0.56
Equity Funds	Equity Managed	0.72
	UK Equity	0.75
Multi-Asset/Balanced Funds	Managed	0.72
Fixed Income	Long Dated Gilt	0.70
Cash	Secure 2	0.69
With Profits Funds	With Profits Fund	0.70