

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 2023 to 30 September 2024** 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 2024

- Changes to the Visa Global Equity Fund and the Options Open Lifestyle were made over the Plan year, following the September 2023 triennial investment strategy review.
- Markets are beginning to pick up following a period of volatility and a high inflationary environment impacting fixed income investments in particular. Overall, fund performance has been strong over the year.
- There are no significant or unexpected changes in charges over the year with changes in total costs being largely driven by transactions costs. The Trustee continues to believe that the Plan’s investments and the related charges provide good value to members.
- The Trustee is satisfied that all core financial transactions over the Plan year have been processed accurately.

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

The Trustee is required to design a default arrangement in the interest of the members and keep it under review. The Trustee needs to outline the aims and objectives of the default arrangement and consider the appropriate level of costs and risk profile 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, known as the Options Open Lifestyle.

The Options Open Lifestyle's pre-retirement investment mix is well diversified. The strategy has been designed to be appropriate for 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 alternative decision as to how they will take their benefits at retirement.

Deemed defaults

The self-select fund range was consolidated to 16 funds during 2021. To achieve this, 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, minimise decision making fatigue and ensure ongoing oversight. Assets invested in the closing funds were mapped to either the Visa Cash, Visa Global Equity or Visa Bond funds. These funds are now considered default arrangements.

The Trustee selected these funds (Visa Cash, Visa Global Equity and Visa Bond) to transfer assets into as they most appropriately matched the asset allocation of the closing funds while remaining within 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). The Plan's most recent SIP at the time of writing is dated December 2024 and can be found on the Visa website here:

<https://www.visa.co.uk/content/dam/VCOM/regional/ve/unitedkingdom/PDF/visa-in-europe/uk-veep-statement-of-investment-principles-dec-2024.pdf>

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

- A growth phase consisting of the white labelled Visa Growth Fund; a fund comprised of a range of passive and active underlying equity and property 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 risk investment funds: Visa Multi Asset Fund, Visa Bond Fund and Visa Cash Fund. The aim is to provide some protection to members' accumulated savings through diversification and investment in lower risk asset classes.

Investment strategy review

The Plan's default arrangements were not formally reviewed over the Plan year. The last review was completed on 12 September 2023 and considered the Plan's membership profile, the needs of members, how members access their benefits as well as the expected member outcomes at retirement. The Trustee also reflected on the ongoing suspension of the Visa Property Fund and the subsequent member impact. The Trustee took advice from its investment adviser on all of these aspects and considered the aims and objectives outlined in the SIP.

As a result of the last review, the Trustee agreed to retain the Plan's lifestyle strategies, including the Options Open Lifestyle as the primary default arrangement. Changes to the underlying funds used within the lifestyle strategies were agreed and these changes were implemented over January and February 2024. The changes made were as follows:

- **Visa Global Equity Fund:** The Trustee agreed to change the underlying fund allocations used within the Visa Global Equity Fund. The developed market equity allocation was replaced with two BlackRock ESG-aligned developed market equity funds. The Trustee believes that the changes will support member outcomes and improve financial performance over the medium and long-term by identifying companies that are better positioned for the future.
- **Visa Growth Fund:** The Visa Global Equity Fund and the Visa Property Fund were 'wrapped' and delivered together under a new single fund structure, the Visa Growth Fund. The Visa Growth fund replaced the Visa Global Equity Fund and Visa Property Fund components within the Plan's lifestyle strategies. This change was designed to mitigate any future operational challenges, and member impact, associated with a property fund suspension.

In the planning of the Visa Global Equity Fund transition, the Trustee received expected transaction costs from its investment adviser and concluded that the costs were reasonable when considered in conjunction with the expected benefits outlined above. The Trustee, with support from its 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. The Trustee reviewed transaction costs following the transition which were in line with expectations.

The Visa Growth Fund introduction was managed internally within the Scottish Widows investment platform. Scottish Widows worked to ensure there were no transaction costs associated with this change.

The Trustee is required to undertake a formal review of the default investment arrangements 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 begin no later than 14 March 2026.

Specified performance-based fees

Where a fee is calculated by reference to the returns from investments held by the Plan and is not calculated by reference to the value of the member's rights under the Plan, the Trustee must state the amount of any such performance-based fees in relation to each default arrangement.

During the Plan Year, there have been no performance-based fees.

Performance Monitoring

The Trustee also reviews the performance of the default arrangements 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.

The Trustee reviews that took place in the year concluded that the default arrangements were performing broadly as expected and in line with the aims and objectives of the strategy as shown in the SIP.

Default arrangement asset allocation

The Trustee is required to disclose its full asset allocations of investments for each default arrangement. The table below shows the percentage of assets allocated in the default arrangements to specified asset classes, including the UK equity allocation, over the year to 30 September 2024.

Options Open Lifestyle

Average asset allocation over year to 30 September 2024 (%)				
Asset class	Member age at 30 September 2024			
	25 years old	45 years old	55 years old	At retirement
Cash	0.9%	0.9%	1.0%	10.8%
Bonds	0.0%	0.0%	24.6%	53.4%
<i>Corporate bonds</i>	<i>0.0%</i>	<i>0.0%</i>	<i>19.0%</i>	<i>47.8%</i>
<i>Fixed interest government bonds</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Index-linked government bonds</i>	<i>0.0%</i>	<i>0.0%</i>	<i>2.4%</i>	<i>2.4%</i>
<i>Other bonds</i>	<i>0.0%</i>	<i>0.0%</i>	<i>3.2%</i>	<i>3.2%</i>
Listed equities	90.2%	90.2%	61.3%	26.1%
<i>UK equities</i>	<i>2.7%</i>	<i>2.7%</i>	<i>6.5%</i>	<i>5.4%</i>
<i>Developed market equities (excluding UK)</i>	<i>78.7%</i>	<i>78.7%</i>	<i>49.4%</i>	<i>18.7%</i>
<i>Emerging markets</i>	<i>8.8%</i>	<i>8.8%</i>	<i>5.4%</i>	<i>2.0%</i>
Private equity	0.0%	0.0%	0.0%	0.0%
<i>Venture capital</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Growth equity</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property	4.9%	4.9%	4.6%	2.7%
Private debt	0.0%	0.0%	0.0%	0.0%
Other	4.0%	4.0%	8.5%	7.0%

Source: Scottish Widows as at 30 September 2024.

Visa Cash Fund (deemed default)

Average asset allocation over year to 30 September 2024 (%)				
Asset class	Member age at 30 September 2024			
	25 years old	45 years old	55 years old	At retirement
Cash	100.0%	100.0%	100.0%	100.0%
Bonds	0.0%	0.0%	0.0%	0.0%
<i>Corporate bonds</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Fixed interest government bonds</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Index-linked government bonds</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Other bonds</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Listed equities	0.0%	0.0%	0.0%	0.0%
<i>UK equities</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Developed market equities (excluding UK)</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Emerging markets</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Private equity	0.0%	0.0%	0.0%	0.0%
<i>Venture capital</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Growth equity</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property	0.0%	0.0%	0.0%	0.0%
Private debt	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%

Source: Scottish Widows and underlying manager as at 30 September 2024.

Visa Bond Fund (deemed default)

Average asset allocation over year to 30 September 2024 (%)				
Asset class	Member age at 30 September 2024			
	25 years old	45 years old	55 years old	At retirement
Cash	0.5%	0.5%	0.5%	0.5%
Bonds	99.5%	99.5%	99.5%	99.5%
<i>Corporate bonds</i>	<i>99.5%</i>	<i>99.5%</i>	<i>99.5%</i>	<i>99.5%</i>
<i>Fixed interest government bonds</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Index-linked government bonds</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Other bonds</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Listed equities	0.0%	0.0%	0.0%	0.0%
<i>UK equities</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Developed market equities (excluding UK)</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Emerging markets</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Private equity	0.0%	0.0%	0.0%	0.0%
<i>Venture capital</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Growth equity</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property	0.0%	0.0%	0.0%	0.0%
Private debt	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%

Source: Scottish Widows as at 30 September 2024.

Visa Global Equity Fund (*deemed default*)

Average asset allocation over year to 30 September 2024 (%)				
Asset class	Member age at 30 September 2024			
	25 years old	45 years old	55 years old	At retirement
Cash	0.2%	0.2%	0.2%	0.2%
Bonds	0.0%	0.0%	0.0%	0.0%
<i>Corporate bonds</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Fixed interest government bonds</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Index-linked government bonds</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Other bonds</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Listed equities	95.6%	95.6%	95.6%	95.6%
<i>UK equities</i>	<i>2.8%</i>	<i>2.8%</i>	<i>2.8%</i>	<i>2.8%</i>
<i>Developed market equities (excluding UK)</i>	<i>83.5%</i>	<i>83.5%</i>	<i>83.5%</i>	<i>83.5%</i>
<i>Emerging markets</i>	<i>9.3%</i>	<i>9.3%</i>	<i>9.3%</i>	<i>9.3%</i>
Private equity	0.0%	0.0%	0.0%	0.0%
<i>Venture capital</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Growth equity</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property	0.0%	0.0%	0.0%	0.0%
Private debt	0.0%	0.0%	0.0%	0.0%
Other	4.2%	4.2%	4.2%	4.2%

Source: Scottish Widows and underlying managers as at 30 September 2024.

Ongoing items to report

During the plan year, the Visa Property Fund remained suspended to contributions and divestments. The fund has been suspended since November 2022, when the Invesco Global Real Estate Fund ('Invesco GREF'), which makes up 100% of the Visa Property Fund, suspended trading following a reduction in its liquid holdings.

Recognising that the property fund had been suspended for a prolonged period, the Trustee took explicit action to address this during the 2023 investment strategy review. The Trustee decided to deliver the Visa Property Fund and Visa Global Equity Fund components within the lifestyle strategies together under a new fund structure, the Visa Growth Fund. This change was intended to mitigate the operational issues arising from the ongoing property fund suspension and was successfully implemented in January 2024.

In recognition of the impact this suspension had on member experience, the Trustee worked with its investment adviser and administrators to facilitate a solution for members who had retired or transferred out of the Plan during the suspension period and still held assets in the Visa Property Fund. The Trustee offered impacted members the option to receive a payment equivalent to the value of their Visa Property Fund holdings to fully settle their benefits from the Plan, with these payments being processed during Q3 and Q4 of 2024.

The Trustee has also continued to monitor the progress of the Invesco GREF suspension and of Invesco's newly launched property fund, using an identical investment strategy as Invesco GREF,

designed to better support DC investors. The Trustee has considered the benefits of this alternative fund as a long-term solution for the Plan and post-year end, decided to transition to this fund to resume contributions and divestments into the Visa Property Fund for self-select members.

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 2024.

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

(i) Primary default arrangement – Options Open Lifestyle

Net investment returns for the Options Open Lifestyle vary 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 returns (% p.a.) Options Open Lifestyle	
	1 year	5 years ¹
Age of Member on 1 October 2023		
25	16.1	7.4
45	16.1	7.4
55	14.5	5.6

Source: Scottish Widows as at 30 September 2024.

1. Five year performance does not incorporate the Visa Growth Fund and instead looks at the blended performance of its two underlying funds; the Visa Global Equity and the Visa Property Funds.

(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 deemed defaults.

Fund performance covering the five-year period to 30 September 2024 has not been reported for both the Visa Bond and Visa Cash funds as the inception date for both funds is after 30 September 2019.

Performance	Annualised returns (% p.a.)	
	1 year	5 years
Fund name		
Visa Global Equity Fund	19.2	8.4
Visa Bond Fund	12.6	n/a
Visa Cash Fund	5.3	n/a

Source: Scottish Widows as at 30 September 2024.

(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 before the 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 returns (% p.a.) Annuity Lifestyle	
	1 year	5 years ¹
Age of Member on 1 October 2023		
25	16.1	7.4
45	16.1	7.4
55	14.5	5.6

Source: Scottish Widows as at 30 September 2024.

1. Five year performance does not incorporate the Visa Growth Fund and instead looks at the blended performance of its two underlying funds.

Performance	Annualised returns (% p.a.) Lump Sum Withdrawal Lifestyle	
	1 year	5 years ¹
Age of Member on 1 October 2023		
25	16.1	7.4
45	16.1	7.4
55	14.5	5.6

Source: Scottish Widows as at 30 September 2024.

1. Five year performance does not incorporate the Visa Growth Fund and instead looks at the blended performance of its two underlying funds.

Performance	Annualised returns (% p.a.)	
	1 year	5 years ¹
Core Funds		
Visa Global Equity	19.2	8.4
Visa Bond Fund	12.6	n/a
Visa Cash Fund	5.3	n/a
Visa Multi-Asset Fund	11.5	2.0
Visa Responsible Investment Fund	15.1	n/a
Visa Property Fund	-2.9	-1.0
Non-Core Funds	1 year	5 years
BlackRock Aquila World ex-UK Equity Index Fund	21.0	11.5
Schroder Global Equity Fund	22.6	12.9
Legal & General Future World Annuity Aware Fund	10.7	-4.9
BlackRock Aquila MSCI World Index Fund	20.9	11.6
Legal & General UK Equity Index Fund	13.3	5.7
BlackRock Aquila Over 5 Year Index-Linked Gilt Index Fund	6.5	-8.7
BlackRock Aquila Up to 5 Year Index-Linked Gilt Index Fund	4.5	2.9
Schroder Global Emerging Markets Equity Fund	15.0	3.5
Managed Fund	15.3	7.3
HSBC Islamic Global Equity Index	26.8	14.2

Source: Underlying investment managers and Scottish Widows as at 30 September 2024.

1. Where fund performance covering a five-year period to 30 September 2024 has not been reported, this is as a result of these funds having an inception date after 30 September 2019.
2. Visa Growth Fund performance has not been included as the fund was only launched in December 2023 and therefore does not have a long enough performance track record.

(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	13.0	4.8
Equity Managed Fund	17.1	7.4
Managed Fund	13.0	5.0
UK Equity Fund	12.6	4.9

Source: Zurich and Financial Express Analytics as at 30 September 2024.

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 published at the beginning of each calendar year and apply to the prior year. The rates detailed below are therefore dated as a year prior to their announcement:

Zurich With Profits Fund	
Year	Annual Bonus Rates %
2024	3.50
2023	2.75
2022	2.75
2021	2.50
2020	2.50

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 and Zurich who are the AVC provider. The Trustee can confirm that there is no missing transaction costs data relating to the Plan's DC Section. Where transaction costs have been provided, and 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 arrangements has 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.

Where a fee is calculated by reference to the returns from investments held by the Plan and is not calculated by reference to the value of the member's rights under the Plan, the Trustee must state the amount of any such performance-based fees in relation to each default arrangement. During the Plan year, there were no performance-based fees paid in respect of the Plan's DC Section or AVC investments.

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 members' assets are automatically moved between different investment funds as they approach their target retirement date.

For the period to 30 September 2024, the Options Open Lifestyle had TER values ranging from 0.312% p.a. to 0.384% p.a. depending on the member's period to retirement. Transaction costs ranged between 0.073% p.a. and 0.092% p.a., and the total cost associated with the Options Open Lifestyle is between 0.385% p.a. and 0.476% p.a.

Total costs experienced over the year to 30 September 2024 were less than that experienced over the year to 30 September 2023. This has in part been driven by the Trustee making changes to the Options Open Lifestyle and negotiating a fee deal with underlying managers which has reduced the TERs. Total costs have also come down due to a reduction in transaction costs. This is not unexpected as transaction costs do vary year to year and depend on the level of trading required to maintain the fund. The ranges are within the 0.75% p.a. charge cap for schemes that are used for auto-enrolling employees.

Primary Default Arrangement	Total Expense Ratio (TER) % p.a.	Transaction Costs % p.a.	Total costs % p.a.
Options Open Lifestyle (<i>primary default arrangement</i>)	0.312 - 0.384	0.073 - 0.092	0.385 - 0.476

Source: Scottish Widows as at 30 September 2024.

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

A breakdown of the TERs and transaction costs applicable to the deemed default funds are listed below.

Total costs experienced over the year to 30 September 2024 were more than those experienced over the year to 30 September 2023 for the Visa Global Equity Fund and Visa Cash Fund. Total costs were less for the Visa Bond Fund over the equivalent period. Changes to total cost were primarily driven by changes in transaction costs over the year. Again, charges remain within the 0.75% p.a. charge cap for schemes that are used for auto-enrolling employees.

Deemed Default Funds	Total Expense Ratio (TER) % p.a.	Transaction Costs % p.a.	Total costs % p.a.
Visa Global Equity Fund	0.249	0.079	0.328
Visa Bond Fund	0.156	0.057	0.213
Visa Cash Fund	0.110	0.013	0.123

Source: Scottish Widows as at 30 September 2024.

(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 2024 are listed in the table below.

Total costs have decreased or stayed the same for the majority of funds with only six of the Plan's funds seeing an increase in total costs. Increases to total cost were primarily driven by changes in transaction costs over the year. Again, charges remain within the 0.75% p.a. charge cap for schemes that are used for auto-enrolling employees.

Lifestyles	Total Expense Ratio (TER) % p.a.	Transaction Costs % p.a.	Total costs % p.a.
Lump Sum Withdrawal Lifestyle	0.110 - 0.384	0.013 - 0.092	0.123 - 0.476
Annuity Lifestyle	0.136 - 0.384	0.003 - 0.092	0.139 - 0.476
Core Funds	Total Expense Ratio (TER) % p.a.	Transaction Costs % p.a.	Total costs % p.a.
Visa Growth Fund ¹	0.329	0.092	0.421
Visa Global Equity Fund	0.249	0.079	0.328
Visa Bond Fund	0.156	0.057	0.213
Visa Cash Fund	0.110	0.013	0.123
Visa Multi-Asset Fund	0.764	0.120	0.884
Visa Responsible Investment Fund	0.393	0.082	0.475
Visa Property Fund	1.040	0.310	1.350

Non-Core Funds	Total Expense Ratio (TER) % p.a.	Transaction Costs % p.a.	Total costs % p.a.
BlackRock Aquila World ex-UK Equity Index Fund	0.114	0.028	0.142
Schroder Global Equity Fund	0.594	0.129	0.723
Legal & General Future World Annuity Aware Fund	0.144	0.000	0.144
BlackRock Aquila MSCI World Index Fund	0.124	0.000	0.124
Legal & General UK Equity Index Fund	0.120	0.000	0.120
BlackRock Aquila Over 5 Year Index-Linked Gilt Index Fund	0.108	0.000	0.108
BlackRock Aquila Up to 5 Year Index-Linked Gilt Index Fund	0.119	0.044	0.163
Schroder Global Emerging Markets Equity Fund ²	0.960	0.287	1.247
Managed Fund	0.285	0.189	0.474
HSBC Islamic Global Equity Index	0.390	0.006	0.396

Source: Scottish Widows as at 30 September 2024.

1. Included for information only. Visa Growth Fund is included in all three of the Plan's lifestyles however is not available as a standalone self-select fund. The Visa Growth Fund invests in both the Visa Global Equity Fund and Visa Property Fund, both of which are available as a self-select fund.
2. The Schroder Global Emerging Markets Equity Fund TER was over reported in previous Statements as 1.150%. The TER has been corrected in this year's Statement.

(iv) Additional Voluntary contributions

The AVC assets remaining with Zurich are closed to new contributions. This arrangement was 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	Total Expense Ratio (TER) % p.a.	Transaction Costs % p.a.	Total costs % p.a.
Aquila UK Equity Index Fund	0.560	0.009	0.569
Equity Managed Fund	0.740	0.235	0.975
Managed Fund	0.730	0.150	0.880
UK Equity Fund	0.750	0.288	1.038
With Profits Fund	0.700	0.050	0.750

Source: Zurich as at 30 September 2024.

(v) 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.

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 17.

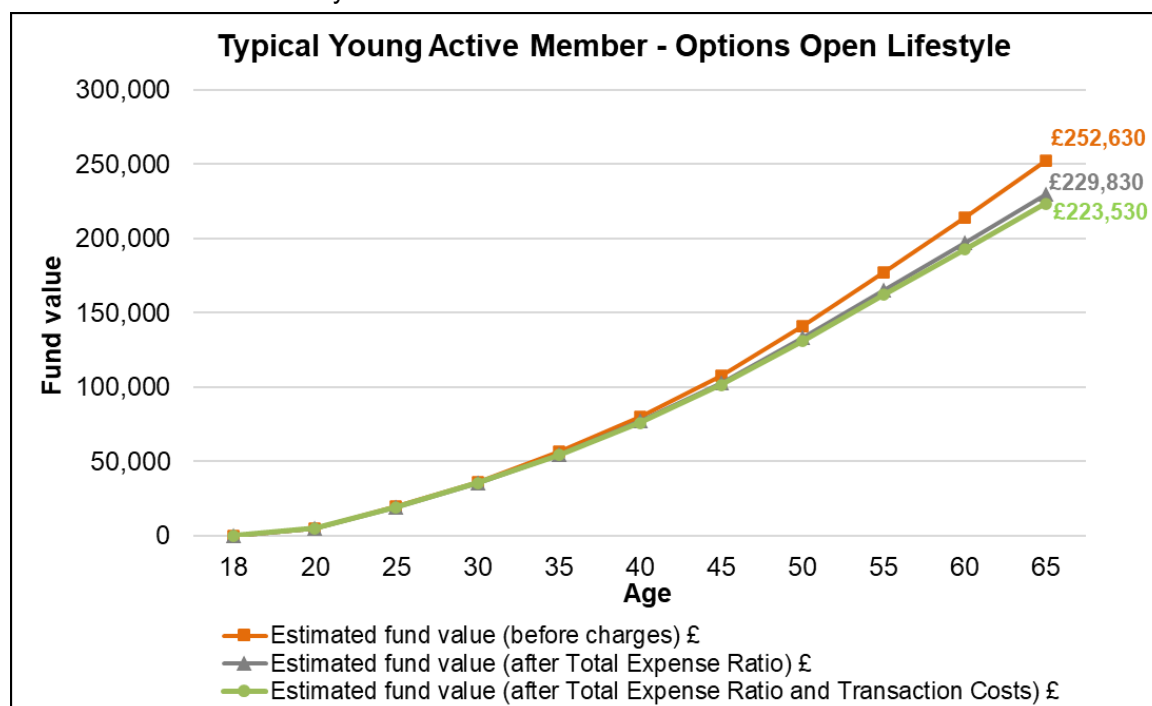
Members should be aware that such assumptions may or may not hold true, so the illustrations do not promise what could happen in the future and fund values are not guaranteed. Furthermore, because the illustrations are based on typical members of the Plan, they are not a substitute for the individual 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 fully invested in the fund within the DC Section of the Plan which attracts the lowest total charges – the BlackRock Aquila Over 5 Year Index-Linked Gilt Index Fund and the fund which attracts the highest total 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 47 years to go until their retirement at age 65. The member has a current pensionable salary of £27,500, has future contributions of 9% of salary and current fund value of £190.

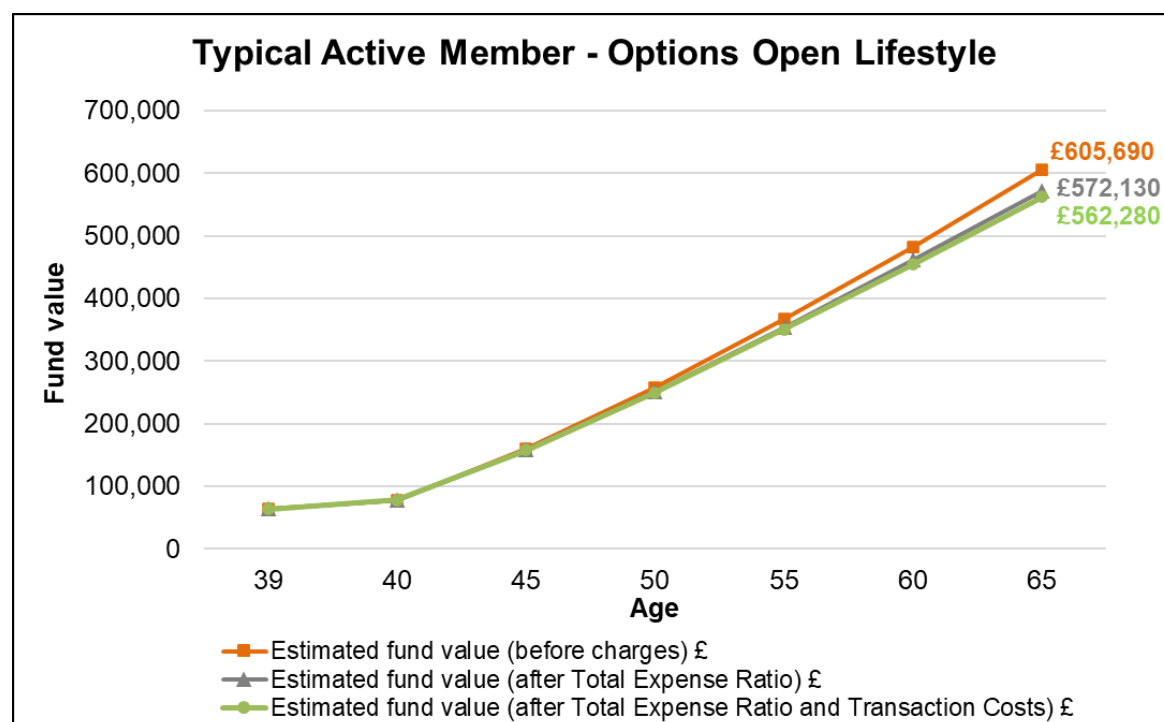


Projected Pension Account in today's money

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	190	190	0	190	190	0	190	190	0
20	5,260	5,240	20	5,260	5,250	10	5,160	5,140	20
25	19,530	19,250	280	19,530	19,340	190	18,230	18,040	190
30	36,410	35,490	920	36,410	35,800	610	32,280	31,700	580
35	56,380	54,330	2,050	56,380	55,010	1,370	47,390	46,180	1,210
40	79,990	76,170	3,820	79,990	77,430	2,560	63,630	61,520	2,110
45	107,920	101,490	6,430	107,920	103,610	4,310	81,110	77,780	3,330
50	140,960	130,850	10,110	140,960	134,160	6,800	99,900	95,020	4,880
55	177,290	162,160	15,130	180,030	169,830	10,200	120,100	113,280	6,820
60	214,290	192,700	21,590	226,250	211,470	14,780	141,830	132,630	9,200
65	252,630	223,530	29,100	280,910	260,070	20,840	165,190	153,140	12,050

Age	Visa Cash Fund			BlackRock Aquila Over 5 Year Index Linked Gilt Index			Visa Property Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£	£	£	£
18	190	190	0	190	190	0	190	190	0
20	5,060	5,050	10	5,310	5,310	0	5,160	5,090	70
25	17,010	16,940	70	20,220	20,130	90	18,230	17,380	850
30	28,670	28,460	210	38,700	38,380	320	32,280	29,740	2,540
35	40,050	39,640	410	61,610	60,870	740	47,390	42,170	5,220
40	51,160	50,490	670	90,010	88,570	1,440	63,630	54,680	8,950
45	62,000	61,000	1,000	125,220	122,690	2,530	81,110	67,260	13,850
50	72,580	71,210	1,370	168,860	164,710	4,150	99,900	79,910	19,990
55	82,900	81,100	1,800	222,960	216,480	6,480	120,100	92,640	27,460
60	92,970	90,690	2,280	290,030	280,250	9,780	141,830	105,440	36,390
65	102,800	100,000	2,800	373,170	358,810	14,360	165,190	118,320	46,870

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 pensionable salary of £86,060, has future contributions of 15% of salary and a current fund value of £63,500.

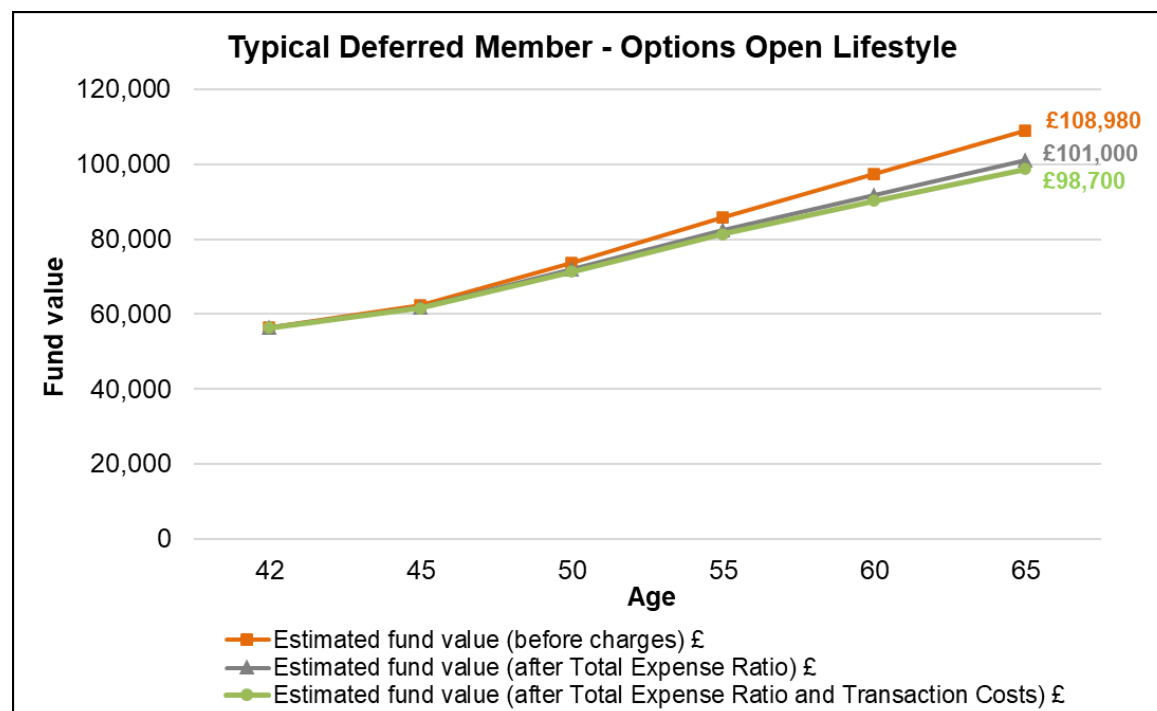


Projected Pension Account in today's money

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
	£	£	£	£	£	£	£	£	£
39	63,500	63,500	0	63,500	63,500	0	63,500	63,500	0
40	78,330	78,040	290	78,330	78,140	190	76,970	76,760	210
45	160,400	157,560	2,840	160,400	158,510	1,890	147,310	145,420	1,890
50	257,470	249,750	7,720	257,470	252,330	5,140	222,950	218,180	4,770
55	366,800	350,920	15,880	372,290	361,850	10,440	304,290	295,280	9,010
60	482,710	454,690	28,020	508,100	489,690	18,410	391,760	377,000	14,760
65	605,690	562,280	43,410	668,730	638,920	29,810	485,820	463,600	22,220

Age	Visa Cash Fund			BlackRock Aquila Over 5 Year Index Linked Gilt Index			Visa Property Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£	£	£	£
39	63,500	63,500	0	63,500	63,500	0	63,500	63,500	0
40	75,610	75,530	80	79,010	78,920	90	76,970	76,030	940
45	135,260	134,530	730	167,350	166,390	960	147,310	138,890	8,420
50	193,460	191,770	1,690	276,870	274,150	2,720	222,950	202,110	20,840
55	250,260	247,270	2,990	412,640	406,880	5,760	304,290	265,710	38,580
60	305,690	301,110	4,580	580,940	570,370	10,570	391,760	329,670	62,090
65	359,780	353,320	6,460	789,570	771,760	17,810	485,820	394,020	91,800

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 £56,330.



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	56,330	56,330	0	56,330	56,330	0	56,330	56,330	0
45	62,310	61,570	740	62,310	61,810	500	58,840	58,330	510
50	73,690	71,390	2,300	73,690	72,160	1,530	63,280	61,820	1,460
55	85,810	81,370	4,440	87,170	84,230	2,940	68,050	65,510	2,540
60	97,410	90,240	7,170	103,100	98,330	4,770	73,170	69,430	3,740
65	108,980	98,700	10,280	121,950	114,780	7,170	78,690	73,580	5,110

Age	Visa Cash Fund			BlackRock Aquila Over 5 Year Index Linked Gilt Index			Visa Property Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£	£	£	£
42	56,330	56,330	0	56,330	56,330	0	56,330	56,330	0
45	55,510	55,310	200	64,090	63,840	250	58,840	56,530	2,310
50	54,170	53,640	530	79,440	78,640	800	63,280	56,860	6,420
55	52,870	52,030	840	98,480	96,870	1,610	68,050	57,200	10,850
60	51,590	50,460	1,130	122,080	119,320	2,760	73,170	57,530	15,640
65	50,340	48,940	1,400	151,340	146,980	4,360	78,690	57,870	20,820

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 Growth Fund* 6.00% p.a.
 - *Visa Property Fund* 4.00% p.a.
 - *Visa Global Equity Fund* 6.00% p.a.
 - *Visa Multi-Asset Fund* 4.00% p.a.
 - *Visa Cash Fund* 2.00% p.a.
 - *Visa Bond Fund* 4.00% p.a.
 - *BlackRock Aquila Over 5 Year Index-Linked Gilt Index Fund* 7.00% 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 2024.*

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" for the process of determining this for members of the Plan. Therefore, working in collaboration with its DC advisor, Aon, the Trustee has developed its cost-benefit analysis framework to evaluate 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:

1. Plan governance;
2. Investments;
3. Administration and member experience;
4. Member communications and engagement; and
5. 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 governance assessment to ensure it continues to adhere to 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, Gallagher (previously known as 'Buck'), to discuss and progress areas of the administration that require input from the Trustee.
- The Trustee board has also delegated specific duties to 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') focusses its time on investment matters and DC investment is always a standing item at the ISC's meetings.
 - During the Plan year, the Administration and Governance Sub Committee ('AGSC') was responsible for the administrative and governance issues including monitoring, management and mitigation of Plan risks, including DC specific risks through maintenance of a risk register, which will be reviewed at least annually.
 - Post Plan year end, the AGSC has been restructured into two sub-committees, the Actuarial, Administration and Operations Sub-Committee ('AAOC') and the Governance, Audit and Risk Management Sub-Committee ('GARC'). Responsibilities have been appropriately redistributed with both sub-committees expected to meet at least quarterly.
 - Less formal joint working groups to discuss specific matters, such as the Plan's retirement options and implementation of the General Code, who meet as and when appropriate.
 - Any discussion and decision making that takes place at any sub-committee is reported back to the full Trustee board at its board meetings.

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's 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 and meetings with 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 Gallagher, 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 Gallagher of the current position with regards to common and conditional data and any amendments which may be required to rectify gaps in data. The last common and conditional data check was carried out in September 2024, with scores of 96% and 79% respectively.
- The Plan's internal controls and processes are reviewed on an annual basis by the AGSC, with the GARC taking on this responsibility going forwards.

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 (including video 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.
- Educational material and important documentation are also available via the member portal. For example, the Member Handbook, Investment Guide and FAQ documents detailing the Visa Property Fund suspension.
- Member communications and engagement are being considered in more detail over 2025 to consider whether further enhancements can be made.

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 member portal, including a retirement modeller, calculators and supporting information to assist with their pension planning.
- During the Plan year, the Trustee and the Company put in place a preferred Independent Financial Advisor, Ilumiti (previously known as 'Informed Pensions'). For active members, this can be paid for via their Visa flexible benefits allowance (subject to relevant taxation).
- Ongoing at retirement support and options are being considered further by the Trustee to assess the possibility of enhancing the options and support available.

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 with Zurich

A small amount of legacy AVC assets remain invested with Zurich. The Trustee carried out a detailed review of the arrangement in December 2024. The Trustee has no immediate concerns with the Zurich AVC arrangement however recognises that charges associated with the Zurich arrangement are higher than those in the core DC arrangement held with Scottish Widows. The Trustee believes that the Scottish Widows arrangement is better value given its more sophisticated fund offering and improved charges.

The Trustee recognises that the unique structure and guarantees associated with the Zurich With Profits Fund may be valued by invested members and therefore has chosen to maintain this arrangement.

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 Gallagher. 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 Gallagher.

In order to determine how well Gallagher is performing, the Trustee has service level agreements ('SLAs') in place with Gallagher. 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, Gallagher 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 10 working days for more complex member enquiries such as transfer quotations and settlements.

The Trustee has also reviewed the key processes adopted by Gallagher 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 Gallagher 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 Gallagher.
- 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 Gallagher 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 Gallagher, and based on these, is comfortable that appropriate procedures and policies are in place to ensure financial transactions are processed as expected.

Gallagher is subject to internal and external audits. Gallagher has provided the Trustee with its assurance report on internal controls representing the review of controls in place from 1st May 2023 to 30th April 2024.

The Trustee is satisfied that over the Plan year:

- Gallagher were operating appropriate procedures, checks and controls and operating within the agreed SLA, with the Gallagher 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

Gallagher administer the DB section of the Plan which includes coordinating and relying on Zurich as the underlying record keeper to support with core financial transaction activities. The Trustee has therefore requested specific information relating to core financial transactions from Zurich. At the time of writing, this was still awaited from Zurich. However, as part of the recent AVC review, the Trustee did find that Zurich have adequate resourcing allocated to processing administration requests considering how few corporate schemes they have remaining. The Trustee, along with its advisers, will continue to request specific information relating to the core financial transactions and will take such follow up action as it considers necessary to ensure that the Trustee is satisfied with the 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.

The comments in this section relate to the Plan as a whole and not solely the DC Section.

The Trustee has processes and procedures in place to meet the Pension Regulator's Trustee Knowledge and Understanding requirements; some of which are identified below:

- Maintaining a core list of items which the Trustee Directors should be familiar with and/or have a working knowledge of. This list is reviewed and updated on a regular basis.
- An onboarding programme to provide training and support to new Trustee Directors, including a requirement to complete an assessment of skills, behaviours and experience both as part of the onboarding process and annually thereafter.

- A training and development plan for individual Trustee Directors to address specific needs as required. Training covering these knowledge gaps is delivered at Trustee meetings, through attending webinars, conferences or online events as well as self-learning.
- A requirement to complete the Pension Regulator's trustee toolkit, which is an online learning programme and undertake new modules as necessary.
- Undertaking a regular assessment of Trustee effectiveness.
- Succession planning to maintain the skills and competencies of the Trustee.
- Maintaining training logs for each Trustee Director which are updated on a quarterly basis.

During this Plan year the Trustee received training on various topics, including:

- Illiquid Investments
- Real Estate Debt Funds
- Actuarial Valuations
- General Code
- Trustee Indemnity Insurance
- Climate Change and TCFD Reporting
- GMP Equalisation
- Liability Driven Investment
- Cyber Considerations
- Retirement options and member support
- DB funding code

The Trustee Directors have also attended seminars including topics such as Mansion House reforms, DC value for members, responsible investment, equity, diversity and inclusion, financial wellbeing and various other pension related topics.

Trustee Directors have engaged with their professional advisers regularly throughout the Plan year to ensure that they exercise their functions properly and have taken 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:

- 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. Due regard is given to the existing skills within the Trustee Board on selection of any new Trustee Directors to ensure the Board collectively has access to the right knowledge and understanding to appropriately run the Plan.

Over the Plan year, changes were made to the board composition:

- Two Member-Nominated Trustee Directors were appointed on 31 October 2023;
- One Member-Nominated Trustee Director resigned on 22 March 2024;
- As a replacement, a further Member-Nominated Trustee Director was appointed on 20 June 2024; and
- One Employer-Nominated Trustee Director resigned on 30 September 2024.

As part of the onboarding process, the new Trustee Directors all completed the Trustee Toolkit, have attended training sessions and are being supported by the fellow Trustee Directors.

As at 30 September 2024, the Trustee board was made up of seven Trustee Directors with varying skill sets. There were four Employer-Nominated Trustee Directors, two of whom 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 _____