

The Visa UK 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 Trustees comply 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 Trustees whose powers of investment are set out in Clause 7 of the Trust Deed and Rules dated 8 December 2000.

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

Responsibilities in relation to Statement

The Trustees are responsible for the investment strategy of the Plan and have obtained written advice on the investment strategy appropriate for the Plan and on the preparation of this Statement. This advice was provided by Aon Investment 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.

Objectives

The Trustees’ primary objectives for setting the investment strategy of the Plan are set out below. In setting and monitoring the Plan against these objectives, the Trustees have taken into consideration the Plan’s current and future liabilities, the strength of the sponsor covenant and the risk capacity of both the Trustees and sponsor.

- **"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 Trustees aim to diversify their 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 Trustees' objectives. The assets of the Plan are invested in the best interests of the members and beneficiaries.

The Trustees exercise their powers of investment in a manner calculated 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.

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

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 Trustees recognise that the key source of financial risk (in relation to meeting their objectives) arises from asset allocation. They therefore retain responsibility for setting asset allocation and take expert advice as required from their investment adviser.

The investment strategy set out in the Appendix was agreed by the Trustees 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 Trustees will determine the most appropriate investment strategy for the Plan by taking into account advice from their investment adviser and the characteristics of the Plan's liabilities. The Trustees will review the investment strategy at least once every three years.

As part of the investment strategy, the Trustees have 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 Trustees and their 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 Trustees by receiving updates from the employer and their covenant adviser as required.

The Trustees will re-consider the appropriateness of the Plan's investment strategy if they determine 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 Trustees' investment advisers, Aon.

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

The Trustees receive, 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 Trustees 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.

Realisation of investments/liquidity

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

The Trustees do not have an allocation to any assets which would typically be considered illiquid. Careful consideration has been given to the need to have readily liquid assets available to supplement the liability driven investment funds, should this be necessary. Consequently, all of the assets held are expected to be realisable at short notice (through the sale of units in pooled funds).

Responsible Investment

In setting the Plan's investment strategy, the Trustees' 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 Trustees believe 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 Trustees further acknowledge 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 Trustees have 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 Trustees expect 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 Trustees are taking the following steps to monitor and assess ESG related risks and opportunities:

- The Trustees 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 Trustees 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.
- Regarding the risk that ESG factors including climate change negatively impact the value of investments held if not understood and evaluated properly; the Trustees will take advice from Aon on this matter when setting the Plan’s asset allocation, when selecting managers and when monitoring their performance.
- The Trustees 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 Trustees recognise the importance of their 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 Trustees recognise that ultimately this creates long-term financial value for the Plan and its beneficiaries.

The Trustees regularly review the continuing suitability of the appointed managers and take advice from their 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 Trustees have set out in their policy, the Trustees undertake action to engage with the manager to set out expectations and seek a more sustainable position (where possible) but may ultimately look to replace the manager.

The Trustees accept responsibility for how managers steward assets on its behalf, including the casting of votes in line with each manager's individual voting policies.

The Trustees review the stewardship activities of the Plan's investment managers on an annual basis, covering both engagement and voting actions, as part of their Implementation Statement process to ensure they are in line with the Trustees expectations and in members' best interests. The Trustees also carry out an ESG specific review of the Plan's managers on an annual basis. The annual ESG review includes stewardship matters and the exercise of voting rights by the appointed managers. The Trustees will review the alignment of their policies to those of the Plan's investment managers and ensure that their managers, or other third parties, use their influence as major institutional investors to carry out the Trustees' rights and duties as responsible shareholders and asset owners. 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 Trustees also review the alignment of their policies to those of prospective investment managers in advance of any new appointment.

The Trustees will engage with the Plan's investment managers as necessary for more information, to ensure that robust active ownership behaviours, reflective of their active ownership policies, are being actioned. This information will be shared in the annual Engagement Policy Implementation Statement.

With regard to transparency over voting, the Trustees expect 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 Trustees will consider the methods by which, and the circumstances under which, they would monitor and engage with an investment manager. The Trustees 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 their own policies, particularly in relation to stewardship and corporate sustainability, the Trustees have regard to the sponsor's relevant policies. The Trustees 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 Trustees 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 Trustees will note and discuss these.

The Trustees are aware of the impact diversity and inclusion can have on investment decisions.

4. Arrangements with Investment Managers

The Trustees monitor 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 Trustees' 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 Trustees are supported in this monitoring activity by their investment adviser.

The Trustees receive reporting and verbal updates from their adviser on various items including the investment strategy, performance, and longer-term positioning of the strategy. The Trustees focus on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Plan's objectives and assess the investment managers over the long-term.

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

The Trustees believe 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 Trustees' 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 Trustees' policies, expectations, or the other considerations set out above, the Trustees 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.

Costs and transparency

The Trustees have 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 Trustees believe it is important to understand the different costs and charges incurred by the Plan. Costs that are incurred by the Plan (and therefore ultimately paid for by the sponsoring employer) 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') as well as performance-based fees;
- Investment platform costs;
- Implicit charges, such as the portfolio turnover costs (transaction costs) borne within a fund;

The Trustees define 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.

No specific ranges are set for acceptable costs and charges, particularly in relation to portfolio turnover costs.

It is the view of the Trustees that long term performance, net of fees, is the most important metric on which to evaluate the Plan's investment managers.

The Trustees believe that active investment managers can add value, net of fees. They are therefore comfortable with the use of active funds.

Additional Voluntary Contributions (AVCs)

The Trustees provide a facility for members to pay AVCs into the Plan to enhance their benefits at retirement. The Trustees have full discretion as to the appropriate vehicles made available for members' AVCs. Only investment vehicles normally considered suitable for voluntary contributions will be considered by the Trustees, having taken appropriate written advice from a qualified and authorised investment adviser.

Members of the Plan can pay AVCs into the Utmost Life and Pensions policy. The Plan has legacy relationships with Prudential and Zurich which are closed to contributions. The Plan's current AVC policies are included in the Appendix.

Members are expected to take independent financial advice before choosing a specific AVC vehicle.

Effective decision making

The Trustees recognise that decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively. They also recognise that where they take investment decisions, they must have sufficient expertise and appropriate training to be able to evaluate critically any advice received. The Trustees receive investment training from their investment adviser and also the Plan's investment managers in order to make informed decisions.

Approved by the Trustees of the Visa UK Pension Plan and effective from February 2026.

The Visa UK Pension Plan

Appendix to Statement of Investment Principles

Investment strategy

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

	Target Weight
Absolute Return	30.0%
Investment Grade Credit	10.0%
Liability Driven Investment (LDI)	60.0%
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 Trustees' intention to hold a significant cash balance. The Trustees regularly monitor this and retain responsibility for the amounts held.

Investment management arrangements

Manager and fund	Benchmark	Performance Target	Fees (p.a.)
Absolute Return			
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.
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% p.a., capped at 4.0%.
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.
Hedging Portfolio¹	Liability Benchmark	To provide a 100% hedge against the interest rate and inflation risk of the Plan's liabilities measured on a gilts +0.0% p.a. basis	-
Investment Grade Credit			
BlackRock Buy and Maintain UK Credit Fund	-	-	Fixed base fee of 0.12% p.a.
Liability Driven Investment (LDI)			
BlackRock LDI	-	-	0.06% on present value of liabilities hedged ² . 0.10% on Liquidity Fund.

1. From 1 January 2024, the "Hedging Portfolio" combines performance from the BlackRock Buy and Maintain UK Credit Fund and BlackRock LDI, with the combined performance benchmarked against the performance of the Plan's liability benchmark.

2. Subject to a minimum fee of £50k p.a. until 1 October 2026. Minimum fee lifted to £70k p.a. until 1 October 2027 and is £90k p.a. thereafter.

AVC Options

The Utmost Life and Pension Policy is the only Policy open to new contributions. A summary of the current AVC arrangements is shown in the table below:

Fund type	Insurer
Multi Asset/Mixed	Utmost Life & Pensions / Zurich
Equity	Utmost Life & Pensions / Zurich
Fixed Income	Utmost Life & Pensions / Zurich
With Profits Funds	Prudential / Zurich
Cash Funds	Utmost Life & Pensions / Zurich