



Virgin Stakeholder Pension

Independent Governance Committee Report

Published August 2024



Virgin Money Independent Governance Committee Chair's Report
For the year ending 31 December 2023

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Independent Chair's introduction



Dianne Day
Independent Chair

Welcome to the 2023 report on your Virgin Stakeholder Pension from the Independent Governance Committee (IGC).

Our role is to assess whether your Virgin Money pension provided value for money in 2023. We do this with your sole interests in mind, and independently of Virgin Money. We report to you on what went well during the year, what improvements should be prioritised, and how your pension compares to other workplace pensions available on the market. Our conclusion is that we found your pension to be well-managed and had no new concerns to raise with Virgin Money in 2023.

This is the ninth and final report from your Virgin Money IGC. In January 2024, all policyholders in the Virgin Stakeholder Pension were transferred, with permission from the Financial Conduct Authority (FCA) to the Virgin Money Self-Invested Personal Pension or SIPP. This has been in the planning for three years and was well signalled to policyholders in advance. As a result, the Virgin Stakeholder Pension was wound up in February 2024. This completes Virgin Money's exit from the workplace pension market and now policyholders have become personal pension customers serviced by a new digital platform.

This means that the work of your IGC is no longer required, and our role in assessing value for money has come to an end. However, Virgin Money is in the process of making new governance arrangements to assess the value for money provided once Investment Pathways are made available to Personal Pension customers rather than SIPP customers in future.

A positive year for pension returns

2023 was a much-improved year for investment returns for savers, compared with 2022. Returns in 2023 were especially high for global shares (+17.4%) and UK shares (+7.9%), reflecting increased company profits and strong investor sentiment towards US technology companies. Fixed interest markets stabilised, and cash gave much better returns than over the past decade (+5.2%). Investors were optimistic as falling inflation seemed to suggest interest rates might also be lowered soon, although that expectation eased during the first half of 2024.

Virgin Money's default investment strategy, Glidepath, has been in place now for three years, during which investment market returns have been extremely varied. The Glidepath, in which 89% of policyholders are invested, was designed to provide an appropriate mix of growth and diversification for policyholders at different stages in their savings journey. For the three years to 31 December 2023,

Glidepath has delivered positive returns after fees for policyholders both near to and far from retirement age. Returns have also been comparable to other pensions providers. The IGC is pleased to note that Virgin's Glidepath strategy has delivered a satisfactory outcome for policyholders so far.

Value for money – up to 31 December 2023 only

It is important to note that the transition of all policyholders in the Virgin Stakeholder Pension to the new personal pension (SIPP) from January 2024 has already delivered important improvements to value for money. This means that some of our observations of 2023, which are backward looking, are now outdated as this report is published and read in mid-2024.

For the year ending 31 December 2023 only, we found that your Virgin Stakeholder Pension provided value for policyholders as follows:

- Investment returns for policyholders across all cohorts compared well with other leading providers, in the context of a more positive year for investment markets.
- Administration has been reliable, and transactions have been processed promptly and accurately.
- Communications were fit for purpose, easy to read and accessible.
- Costs and charges were broadly in line with similar-sized workplace pensions, although at the higher end.
- A 3-yearly in-depth review of Glidepath's design was conducted with policyholders' interest in mind, resulting in important changes planned for the length and shape of the Glidepath to improve long-term member outcomes.
- Responsible investment considerations are now built into the Glidepath and most of the other fund options available.

Areas where we think value for money could be improved (and, in some cases, are being addressed in 2024) are:

- Better online policyholder support, including digital services and communications, which are available from leading pensions providers. We would like to see more help for non-

advised policyholders to engage during their savings journey and plan for their retirement.

- Access to a regular income drawdown at retirement, including Investment Pathways options.
- Continue to evolve the Responsible Investment policy and approve their Voting and Stewardship policies.
- Call centre service levels fell at times during late 2023, ahead of the transition.

Key developments in 2023

We welcomed Virgin Money's reduction of charges so that standard and auto-enrolment policyholders paid the same from January 2023. We think this is fair because the service and returns they receive are the same. Costs and charges have also reduced for some self-select funds from the same date, a further cost reduction for policyholders.

Virgin Money, together with investment adviser abrdn, undertook a formal three-yearly in-depth review of the design of the Glidepath default investment strategy to ensure it continues to be fit for purpose in future. The review focussed on the characteristics and objectives of policyholders, projecting their likely retirement needs. Virgin Money and its

investment manager, abrdn, worked well together to consider a range of different economic and investment market scenarios. We were comfortable with the investment governance framework around this review process, which focused on policyholders' long-term interests. While the blend of funds used in the Glidepath remained the same, Virgin Money decided that a change in the duration and shape of the Glidepath as policyholders approach retirement age would produce better long-term outcomes. The IGC urges Virgin Money to prioritise the implementation of this recommendation, in the interests of policyholders, as soon as feasible.

In 2023, we saw Virgin Money complete the implementation of its Responsible Investment Policy within the two funds that make up the default investment strategy, namely Growth Fund 3 and the Defensive Fund. The policy results in a tilting within the two funds towards certain environmental, social and governance factors that are considered financially material. It also excludes certain investments, such as those associated with high-carbon emissions and controversial weapons. We are pleased that this implementation has finally taken place, noting that it resulted in a one-off but reasonable increase in transaction costs

for policyholders in 2023 as investment portfolio turnover increased.

Virgin Money's policies are now in line with the market in respect of responsible investments, and we like the detailed reporting made available to the IGC and policyholders. We encourage Virgin Money to continue to develop this area of its investment focus, as its peers continue to advance. We would also like Virgin Money to become a more active steward of the assets it holds and manages on behalf of customers, by developing a more active policy approach to stewardship and voting.

The transition to a personal pension – January 2024

The Virgin Money team has kept your IGC updated on the transition to the Virgin Money SIPP throughout 2023. While oversight of this transition does not fall within the formal scope of our role, we were pleased to keep an eye on Virgin Money's programme on behalf of policyholders and share any useful observations. The scope of the transition included not only policyholders in the Virgin Stakeholder Pension, but a broader group of pension savers comprising 65,000 policyholders and £1.5bn in assets.

We had the opportunity to review the communications sent to policyholders

and were pleased that Virgin Money established a transition website to keep everyone informed along the way. The oversight and governance of the change programme appeared robust, with risk management a key focus.

As stated in last year's report, the IGC had a reasonable expectation that the transition would occur within 2023. We were disappointed that this was deferred to January 2024, involving further communications to policyholders late in the year. Virgin Money shared their reasons for the delay, keeping the security of policyholders' savings as their highest priority. We were pleased that the 7 January 2024 transition date was achieved, and Virgin Money shared their post-implementation transition review with us. Note that the Glidepath, the default investment strategy, has been renamed Navigator as part of the transition.

The transition involved several mailouts to policyholders, who predictably responded in higher than usual call volumes and longer than expected call lengths which the provider has struggled to respond to in a timely fashion. The IGC urges Virgin Money to meet customers' service expectations with suitable staffing levels, noting that this will improve over time as customers register for and use

online services (e.g. web chat) for more routine queries.

Once transition issues are ironed out, we encourage Virgin Money to develop its support for its personal customers, to help especially those who do not seek formal advice to make decisions for their retirement savings. The new consumer duty introduced by the FCA in 2023 has contributed to this, and we challenge Virgin Money to go beyond these expectations and provide policyholders with a modern, competitive pension experience that offers value for money.

Changes with your pension provider, Virgin Money, in 2024

Things have changed at Virgin Money since the end of 2023. In February 2024, it was announced that Virgin Money purchased the 50% stake in their joint venture, Virgin Money Investments, held by abrtn. This event followed closely on the heels of the transition to its new investment and pension service for customers, on the FNZ platform. While the joint venture with abrtn, established in 2019, has come to an end, abrtn will continue to provide investment advice and management to Virgin Money Investments totalling some £3.7bn on behalf of over 150,000 customers. We have no concerns about this change in ownership, which

streamlines the Virgin Money Investments business. It may provide future flexibility for Virgin Money to consider a broader range of investment managers, such as other specialist managers (in private markets, for example) that offer the potential to improve value for money.

On 22 May 2024, the shareholders of Virgin Money voted to accept a takeover offer from Nationwide. Subject to regulatory approvals, the acquisition is expected to complete in late 2024. In the meantime, the priority of Virgin Money Investments is to continue to assist its customers to benefit from the new SIPP portal and to proceed with plans to launch new retirement solutions.

Thanks

As the role of your Virgin Money IGC ends, I would like to thank IGC members past and current for their dedicated efforts to evaluate and improve value for money on behalf of policyholders in the Virgin Stakeholder Pension. Having served on this IGC since its establishment, my experience has been that members, whether independent or Virgin Money-appointed,, have acted solely in the interests of policyholders. The Virgin Team and the Board of Virgin Money Unit Trust Managers has been responsive and supportive in our work, providing the information, advice,

and resources we needed in our role. And we have engaged in open and mutual challenge when it comes to our combined effectiveness in serving policyholders. Thank you to those policyholders who provided feedback along the way, even though this was less often than we'd hoped. Nevertheless, we think that the IGC's role in assessing value for money on your behalf has been worthwhile.

Feedback and keeping in touch with your Virgin Money pension

We welcome your feedback on our final IGC annual report. You can contact the IGC directly at workplacepensionsfeedback@virginmoney.com

If you wish to contact Virgin Money about your new personal pension, and the renamed default strategy, Navigator (was Glidepath), the contact details are as follows:

Phone line: 03455 28 88 88

[My Virgin Money](#)

Dianne Day



















Chair, Virgin Money Independent Governance Committee

Value for Money – Our assessment at a glance



Each year, the IGC provides a report on how we believe your pension provider, Virgin Money, is managing your pension. Our report contains feedback on the things we like about your pension, as well as areas where things could improve. This is our ninth and final report and gives an update for the calendar year 2023.

The IGC found that Virgin Money provided value for money to its stakeholder pension policyholders in 2023.

Value for money factors	IGC Rating 2022	IGC Rating 2022
1. Investment returns <ul style="list-style-type: none"> Returns from the Glidepath default compared well with leading workplace pension providers, for policyholders both far from and nearer to retirement age (65) 		
2. Quality of services <ul style="list-style-type: none"> Processing of policyholder account transactions was well above target service levels and other pension providers. Policyholder satisfaction was at market levels and complaint numbers fell. The call centre performance improved in 2023, although response times were unsatisfactory in late 2023–early 2024 due to increased policyholder queries during the SIPP transition. Communications were fit for purpose and take account of policyholders’ needs; they’re ahead of the market in using accessible language. Digital access, servicing, and policyholder support lags other providers, which was addressed from January 2024 on the new personal pension online portal. No regular income drawdown service in retirement is available, which is essential to a good value pension. Plans for their launch, along with Investment Pathways, are well advanced. Oversight of the Glidepath and select-funds was sound, and objectives are clearly set out. Virgin Money’s 3-yearly review of the Glidepath was thorough and conducted with policyholders’ needs in mind, with some important adjustments planned to enhance future returns. 	    	    
3. Costs and charges <ul style="list-style-type: none"> Costs and charges are at the higher end for a workplace pension, reflecting the relatively small size of the Virgin Pension. Costs were reduced for some policyholders and funds from January 2023, which makes them the same for all policyholders. In the new personal pension, delivered in January 2024, costs and charges compare well with peers. Transaction fees are acceptable and within industry tolerances for each fund type. Transaction costs saw an expected but reasonable one-off increase due to the implementation of the Responsible Investment Policy. 	  	  

The IGC uses a colour coded scoring system of Red, Amber and Green on the scorecard. This shows how your pension has been assessed in terms of value for money for policyholders. The scoring system is our assessment of suitability, not an assessment of regulatory compliance. Red indicates that **urgent attention is needed**. Amber means that there’s **room for improvement**. And Green means that performance is **satisfactory** and **compares well with other providers**.

We encourage you to get in touch with any questions or feedback. You can contact the IGC at workplacepensionsfeedback@virginmoney.com

Virgin Money's response



2023 was positive for both bond and equity markets, as inflation around the world started to fall and markets started to expect and price in, interest rate cuts. The Bank of England paused interest rate hikes (at 5.25%) in the final quarter of the year with the expectation shifting to rates having peaked and that the next move would be down.



Jonathan Byrne
CEO Virgin Money
Investments

Our key growth fund, used by the Navigator Pension solution, grew by 11%, whilst the Defensive Fund was up 5.9%. Our Growth funds benefited from strong performance from North America, in particular the technology sector which rose on a number of factors including hopes for the commercialisation of AI.

We continue to assess the value offered by our funds and will make changes if we consider value could be improved.

- For 2023, we assessed that the default 'Glidepath' strategy had performed relatively well since launch in 2020 considering market conditions last year.
- In January 2023, we reduced the annual cost of our three Growth Funds (Growth Fund 3 is a key component within Navigator) from 0.85% to 0.75% as part of our regular appraisal of the strategy and cost of our funds.
- In November 2023, we completed a detailed review of the Navigator (formerly known as Glidepath) investment strategy. We aim to complete these reviews every

three years. Our analysis, using updated economic, state and customer assumptions, showed that Navigator remains suitable for our target customers.

Responsible Investing remains a key priority, we believe over the long-term investing in responsible companies can provide better returns for members. By responsible we mean companies that are considering people and the planet in the way they do business.

In 2023, we have made some important changes to our funds to align them with our responsible investing approach and notified members ahead of these changes:

- In January, we updated our Growth Funds including Growth Fund 3 used by the Navigator investment strategy.
- In September, we updated the Defensive Fund used by the Navigator investment strategy.
- In October, we updated our Global Share Fund.

For more information on our approach, you can visit our Investing Responsibly page <https://uk.virginmoney.com/investments/responsible-investing/>

As a business we are motivated to deliver strong customer service and whilst we have fallen short of our high standards, in some areas at times during 2023, we always act quickly to remedy any challenges as quickly as possible.

We were delighted to migrate our pension customers to our new platform on 7 January 2024. All customers data and assets were successfully migrated without incident. Customers have been able to seamlessly transition from the old platform or given the choice to exit should they not wish to become a member of the new scheme.

This move has delivered an excellent digital offering that our customers have been requesting for some time and allows customers to service their account in a way that best suits their needs. Early feedback has been positive with customers citing

the ease of use of the new digital platform as a key improvement. We will continue to develop and build out the new pension offering and are actively developing capability to service our customers in retirement.

The ex-workplace pension customers are now members of the Virgin Money Personal Pension scheme and no longer under the oversight of the IGC but members should be assured there is no removal of services or reduction in protection as a consequence of this change.

The IGC has been very stable throughout 2023 and we have had extensive dialogue throughout this transformational year for our business. The IGC were proactively engaged in critical customer communications and have continued to challenge us to deliver good customer outcomes on your behalf. The Committee is professional and acts robustly on your behalf to hold the management of Virgin Money to account.

How your
Independent
Governance
Committee
assesses value
for money



The Financial Conduct Authority (FCA) regulates the Virgin Stakeholder Pension scheme and sets out how it expects IGCs to assess value for money.

We focus on a combination of three key factors:

- 1. Investment returns**
- 2. Quality of services – administration, communications and policyholder support, and investment oversight governance**
- 3. Costs and charges – what you pay and how that impacts your savings**

To assess these three factors, we met regularly throughout 2023 and reviewed a variety of information and reports from Virgin Money. We also considered any policyholder feedback. We asked questions, sought further insights, and challenged the Virgin Money executive team (where necessary) to make sure our assessment was thorough, and evidence based.

The FCA also requires the IGC to assess value for money in all three areas compared to similar pension plans. For this purpose, we engaged pensions consultants Hymans Robertson LLC (Hymans Robertson) as advisers, to benchmark the Virgin Stakeholder Pension with other pension schemes. Throughout our report, you'll see reference to this study where we found its findings relevant and helpful.

Because all policyholders' costs and charges are now the same, regardless of which employer they were with on joining the scheme, we treated the Virgin Stakeholder Pension as a single scheme without the need for analysis of different employer cohorts. The Virgin Stakeholder Pension is relatively small, with low average pot sizes and most policyholders are no longer making regular contributions because they have left their employer. The scheme's value for money has been benchmarked to similar schemes.

Another requirement from the FCA is to tell employers if, in the IGC's opinion, better value may be available from other

workplace pension providers. However, your IGC is unable to fulfil this duty, of which the FCA is aware, given the status of the Virgin Stakeholder Pension. In 2018, Virgin Money decided to no longer offer the Virgin Stakeholder Pension as a workplace pension. The Provider wrote to all participating employers, who then put new pension providers in place for their staff. There is no ongoing relationship between the Virgin Stakeholder Pension, your IGC and your previously participating employer.

Value for money in your new Virgin Money personal pension (SIPP)

On 7 January 2024, all policyholders in the Virgin Stakeholder Pension scheme were transferred to the Virgin Money Personal Pension. The FCA endorsed this as a non-consented transfer and policyholders were informed of the move along the way. Virgin Money wound up the Scheme on 26 February 2024. As a result, the IGC's role has come to an end with the publication of this final report for 2023. Based on advice from our legal advisers, our obligations are now fulfilled under FCA regulations.

The Virgin Money Personal Pension is expected to develop further over time, to meet the needs of its pension savers. In 2024-5, the provider plans to add a flexible access drawdown for customers so that you can choose to receive a regular income in retirement. With that will come the option to invest in four different Investment Pathways. The provider plans to establish a new independent body, the Virgin Money Governance Advisory Arrangement (GAA), which will review the Investment Pathways prior to launch, and assess and report annually on the Investment Pathways' value for money thereafter.



Value for Money report in detail



1. Investment returns G

2023 was a much-improved year for investment returns for savers, compared with 2022. Returns in 2023 were especially high for global shares (+17.4%) and UK shares (+7.9%), reflecting increased company profits and strong investor sentiment towards US technology companies. Fixed interest markets stabilised, and cash gave much better returns than over the past decade (+5.2%). Investors were optimistic as falling inflation seemed to suggest interest rates might also be lowered soon, although that expectation has since faded somewhat so far in 2024.

The Virgin Money Glidepath has now been in place for three years and this gives a longer-term picture of how the default strategy's broader diversification has delivered for policyholders. Unlike 2022, policyholders achieved positive returns throughout all phases of the Glidepath. 89% of policyholders invest in the Glidepath.

We looked at three-year returns for three different age groups: those a long way from retirement (30 years) and those closer to retirement (10 and 5 years). It's assumed that retirement age is 65 years old, although policyholders can currently access their pensions at age 55. Virgin Money produced returns in line with five leading workplace pension providers, slightly behind for younger savers and ahead for those within 10 and 5 years of retirement age.

Years to retirement age (assumed 65)	% pa net returns for the 3 years to 31 December 2023	
	Virgin Money Stakeholder Pension Glidepath	Average of 5 leading default strategies
30	5.3 %pa	5.8 %pa
10	4.4 %pa	4.0 %pa
5	3.2 %pa	2.4 %pa

Source: Hymans Robertson 2024



Comparative performance of Virgin Money Glidepath strategy with five leading workplace pension providers

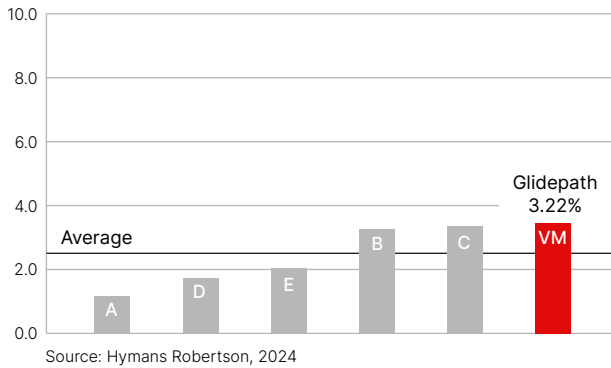
In the following charts, Hymans Robertson have compared investment performance of the default Glidepath investment strategy with that of five broadly similar workplace pensions providers (labelled A to E) and the average of those five providers.

The investment strategies used by these other providers will differ from the Virgin Money Glidepath strategy, so caution is needed when comparing performance.

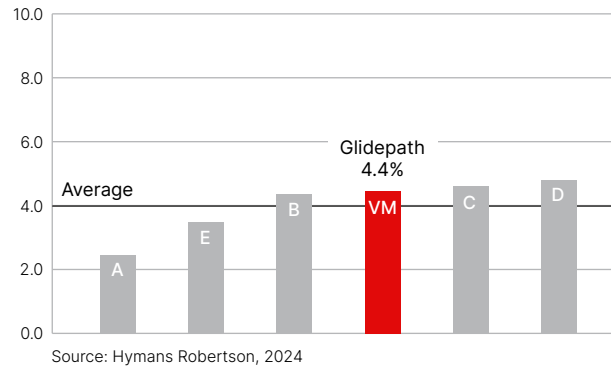
Over longer time periods, providers with lower risk strategies (higher weightings to fixed income securities and cash) typically report more stable returns and those with higher risk strategies (such as global and UK shares) typically report more volatile returns. This was the case in 2023 but not in 2022 and outcomes will vary from year to year. Default strategies are best measured over longer term periods of 5 or more years. Expected retirement age is 65.

3-year returns to 31 December 2023 for policyholders who are:

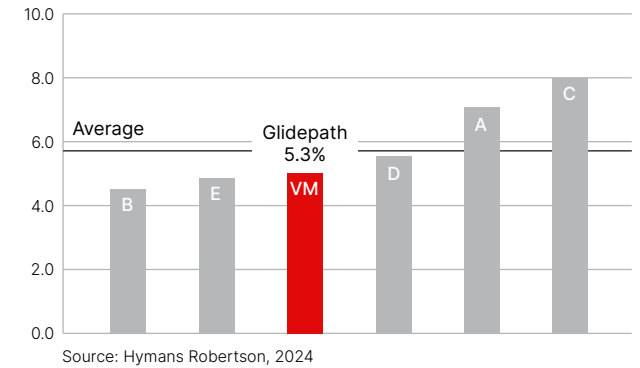
5 years from expected retirement age



10 years from expected retirement age



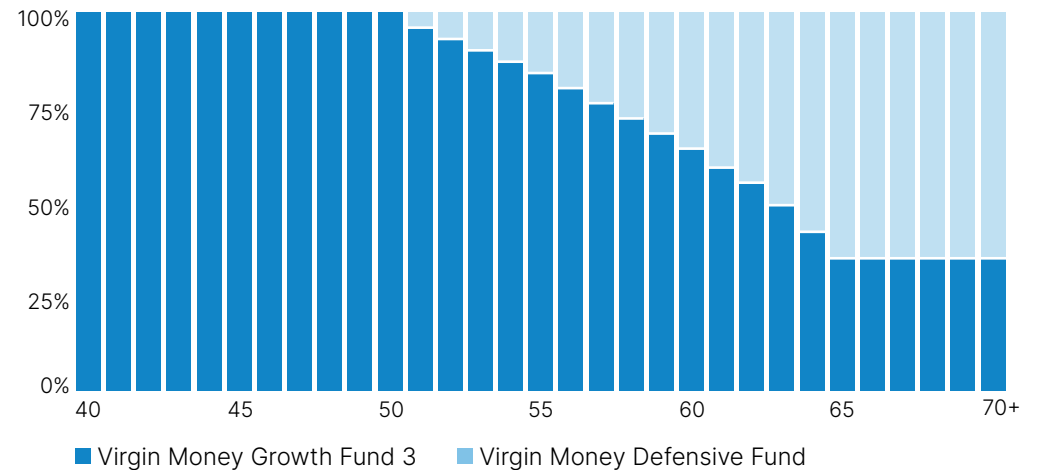
30 years from expected retirement age



Glidepath: Virgin Money's default investment since November 2020

For those with a target retirement age of 65, in the initial stage until policyholders reach age 50, Glidepath invests in the Virgin Money Growth Fund 3. From age 51 funds move gradually into the lower risk Virgin Money Defensive Fund. By the time policyholders reach age 65, 36% of funds are invested in the Virgin Money Growth Fund 3 and 64% are invested in the Virgin Money Defensive Fund. Glidepath has been in place since November 2020.

What does the Glidepath mean for policyholders' investment mix as they age? Up to age 50, when policyholders are fully invested in the Virgin Money Growth Fund 3, the underlying investment mix is around in 92% growth assets. Younger policyholders with many years to retirement can benefit from higher returns and risk, as their pension pots grow through investment returns and regular contributions. When policyholders reach retirement age, assumed to be age 65, the mix of the two funds provides an effective weighting of 40% to growth assets and 60% to income investments.



This blend is more suited to retirees looking for a more stable return and higher income to replace their employment income.

There is no 'right' asset mix or glidepath design: Virgin Money is responsible for selecting a suitable mix based on their assessment of the needs, objectives, and characteristics of most policyholders. When compared to the default strategies offered by the five leading schemes included in Hymans Robertson's comparison study, the Virgin Money Glidepath mix was broadly in line with others, although slightly

more at the conservative end of the range. With few policyholders contributing to their pots and a lower average balance, Virgin Money Stakeholder Pension policyholders were more likely to cash out their full pots earlier, and therefore a more conservative investment mix was consistent with that expected behaviour.

Virgin Money review the design of the Glidepath on a regular basis, and in more depth every three years, as they did in 2023. See page 17 for more details of how they considered policyholders' interests in their 2023 review.

2. Quality of services

2.1 Administration

The IGC monitored the performance of key aspects of Virgin Money's service throughout 2023. Our conclusion is that core transactions were processed in an accurate and timely fashion, and policyholders' pension records kept secure.

Virgin Money has performed very well across its administration tasks with 99.8% processed within service level agreements, which outscores the Hymans Robertson comparator group average which was 96%.

Satisfaction scores received over the year by Virgin Money in relation to their administration service were in line with the industry, suggesting that policyholders were generally happy with the service they received throughout 2023. The volume of complaints through the period in question gave the IGC no major concerns.

Virgin Money highlighted an issue with debit card payments online. Due to security regulations, since March 2022, customers have needed to contact the call centre to make debit card payments. Extra customer service staff were brought in to support this process, especially around tax time. The facility to make debit card payments was reintroduced in January 2024 with the move the new digital SIPP platform.

Virgin Money's telephony performance improved over 2022 measures, with a substantial reduction in previously unsatisfactory call abandonment rates. While these improved in the first three quarters of 2023, call abandonment rates remained higher than other pensions providers and we would like to see them continue to fall now that a new service provider is in place. Virgin Money's opening hours for the call centre are excellent with availability for customers 6 days per week, until 9pm on weekdays. During 2023, there was no webchat functionality available,

but this was introduced from January 2024, and should speed up response times, especially for simple queries.

The transition to a new call centre service provider was challenging for Virgin Money to manage, as the SIPP transition extended over three years, which was much longer than expected. The outgoing provider's service levels have varied during 2021-23, unsurprisingly, and this has been made worse by staff and skill shortages in the shadow of the pandemic.

In the lead-up to the transition from late 2023 to early 2024, call centre performance has been unsatisfactory. Call volumes have been exceptionally high as customers responded to the mailings and other contacts ahead of the transition, often calling about routine issues unrelated to the transition. The length of each call has also been longer than forecast. Virgin Money expects that as customers move to digital service options, the pressure on the call centre will fall.

The IGC expects Virgin Money to work with its new call centre provider to improve call centre performance as a priority, to maintain customer confidence post-transition.

2.2 Communications

Overall, the IGC found the communication materials provided to policyholders to be fit for purpose and take account of policyholders' needs, especially in the use of Plain English to deliver straightforward messages and achieve understanding. Written materials target key metrics such as reading age and financial literacy to make them accessible. The use of segmentation to deliver appropriate messages to different policyholder groups was effective. The IGC likes their freshness and simplicity, particularly the unique branding and style that Virgin Money uses.

However, in 2023 Virgin Money was behind in terms of digital communication offerings. The IGC's review of communications found that a refresh

of online documents and materials was overdue. The IGC wanted to see enhanced ongoing communications beyond the standard 6-monthly pension statements issued in 2023. Similarly, we felt Virgin Money needed to introduce more ways for policyholders to get in touch about their pension.

To help policyholders and keep them informed about the transition to the new Virgin Money Personal Pension and digital platform, Virgin Money developed a separate transition portal which it plans to keep open for a few months after transition. The letters sent directly to policyholders advising of the move to a Personal Pension were clear and timely, and policyholder panels were consulted to gauge the effectiveness of the transition communications programme along the way. This feedback loop was especially helpful when the target transition date was deferred from November 2023 to January 2024.

From January 2024, Virgin Money's SIPP has begun to deliver a broader range

of support via a new app and platform. We have been encouraged by the new digital communications to date, such as greater personalisation of statements and the introduction of live chat. Personal Pension customers have responded well, with registration numbers strong. We urge Virgin Money to continue to enhance its support for policyholders, retaining their effective communications style within a digital service.

2.3 Policyholder support

Many people do not take personal financial advice at retirement, and so the support that pensions providers can give online in making important decisions has become increasingly vital. The Virgin Money website is easy to navigate and includes lots of straightforward educational material to help policyholders understand their scheme, in a static format.

However, the IGC felt that Virgin Stakeholder Pension policyholders would benefit from a wider range of decision-making tools and support

from Virgin Money to help plan their retirement. Similarly, Hymans Robertson noted that Virgin Money's digital services were lagging those of leading pensions providers in 2023.

Ahead of the transition to the SIPP in January 2024, Virgin Money shared with the IGC the full range of online digital services to be provided on the new platform. We were encouraged by the ease of use and breadth of the new service proposition, delivered in an app format. This offers the potential to bring the Virgin Money pension service into line with other, modern pension providers and we are pleased that policyholders are now beginning to benefit from this enhanced service. We encourage Virgin Money to focus on their customers' broader savings and pensions needs, which requires a more holistic approach than just offering a funds platform.

What we like about Virgin Money's transition approach so far is the gradual move to digital, allowing policyholders

to set the pace, rather than an overnight move to a 100% digital-only service. Virgin Money has reported strong take-up of its app, which it is keen to encourage, but has also kept traditional telephone and web-based services in place for those policyholders who prefer these. This recognises that change takes time and the IGC welcomes the consideration Virgin Money has given to policyholders during the transition process.

As raised by the IGC in previous years, the Virgin Money pension is incomplete without the ability for policyholders to take regular income payments when they reach access age. This service is essential to a good value pension and puts Virgin Money well behind its competitors in both the workplace and personal pension market. The delayed transition to the new digital platform has meant that these valuable pension features have also been on hold.

Virgin Money is well advanced in the planning for both a regular income

drawdown and with it, the inclusion of Investment Pathways. The IGC urges Virgin Money to prioritise the provision of in-retirement functionality for customers, so that they can benefit from a complete to-and-through retirement service.

2.4 Investment oversight of the default Glidepath strategy

In line with its investment policy and FCA guidance, Virgin Money conducted its in-depth, three-yearly review of the Glidepath design and strategy in 2023, which has been in place since December 2020. This review, supported by abrdn's extensive investment team, including a review of economic forecasts and assumptions, and considered different scenarios. Policyholders' interests were considered, including demographic composition, pot size and project savings rates.

Virgin Money concluded that the current blend of the Growth Fund 3 with the Defensive Fund remained fit for purpose

in the Glidepath, and their returns over the last three years were in line with objectives and peers. The Glidepath takes younger policyholders from a 92% growth asset exposure, gradually moving to a blend of 40% growth and 60% income assets at retirement age of 65. This was comparable to other default investment strategies offered in the market and achieves a good mix of growth and income with suitable levels of risk and diversification.

However, Virgin Money's modelling suggested that a shortening of the Glidepath from 15 years to 10 years would result in better outcomes for policyholders. This would allow for greater upside performance to be captured in more positive economic scenarios, but still mitigate against the impacts of shocks in downturns.

The IGC reviewed Virgin Money's approach to triennial review of the default investment strategy, Glidepath, and observed that it was conducted in

a robust and thorough manner, keeping policyholders' interests at the forefront. The reduction in the Glidepath is scheduled for consideration in 2024-25 and we encourage Virgin Money to prioritise this adjustment as soon as feasible, given the expected benefits to long-term outcomes.

Between triennial reviews, a formal review of the adequacy, quality and suitability of the default investment strategy takes place annually. The review considers the ongoing suitability of the target asset allocation and the performance target or benchmark for each fund in the Glidepath and for the range of optional funds. Quarterly reports on investment performance, risk, and asset allocation, together with commentary on performance attribution, were made available to the IGC. More fundamental investment principles are also reviewed, such as the merits of active or passive investing or any geographic or asset limits to be applied.

Where changes to strategy or to fund composition or comparators were proposed, the details were considered and constructively challenged by Virgin Money and abrdn before any agreed changes were made. Agreed changes to default investment strategy or fund composition are submitted to the Virgin Money Board for final approval. Once FCA approval had been obtained, strategy changes are implemented.

Having reviewed Virgin Money's investment governance framework and its implementation, the IGC was satisfied that the suitability of investment strategies has been under continual review based on policyholders' needs, and adjustments made when appropriate. We observed that the characteristics and net performance of the default investment strategy was regularly reviewed by Virgin Money and was aligned with the interests of policyholders.

3. Costs and charges – what you pay and how that impacts your savings A

The IGC reviewed the ongoing charges you pay, and the transaction costs incurred when buying and selling investments. We compared the 2023 charges against the charges and costs in 2022 and reviewed the benchmarking provided from Hymans Robertson.

We have assessed value for money in relation to costs and charges as Amber, which means there's room for improvement. Costs and charges were at the higher end (although not the highest) of the contract-based workplace pension market. This ranking reflects the relatively smaller size of the Virgin Money Stakeholder Pension, which limited the competitiveness of fees achievable in the market.

We welcomed Virgin Money's reduction

of ongoing charges on Virgin Money Growth Fund 3 (which forms part of the Glidepath default strategy) from 9 January 2023. Now all policyholders pay the same annual management charge of 0.75% – whether their pots were originally built up from auto-enrolment contributions or not. We feel this is appropriate and reflects that the services and returns policyholders received are the same. Costs and charges were also reduced for some optional funds from that date.

The level of transaction costs is considered reasonable and within industry tolerances for each fund type, although some funds saw increased transaction costs incurred due to changes in portfolios as Virgin Money's responsible investment policies were implemented.

Policyholders transferred to the Personal Pension on 7 January 2024 now benefit from the new features, online tools and

digital services that are made available in the new online pension portal. We consider the costs and charges for the Virgin Money Personal Pension are more competitive in comparison with similar personal pensions.

3.1 What you pay – ongoing charges

The Glidepath default strategy – where most policyholders are invested

The Glidepath default strategy – introduced in late 2020 – blends two funds, with the mix depending on how far away you are from retirement. These are the Virgin Money Growth Fund 3 and the Virgin Money Defensive Fund. Each one is dynamically managed over time, changing the mix of assets they invest in based on the manager's expectations of future returns and risks for each asset class. However, each fund maintains a mix of assets in keeping with its risk profile: Virgin Money Growth Fund 3 is a high

return / high risk fund (adventurous) whilst the Virgin Money Defensive Fund will always seek more stable returns, hence why it is weighted more heavily in the Glidepath as age increases and retirement approaches. Virgin Money believes that these sophisticated funds, combined in a well-designed Glidepath strategy, offer potential for suitable risk-adjusted returns over the life of your pension.

The ongoing charges for each fund are shown in the following table. Turning percentages into pounds, an annual fee of 0.7% means you pay £70 per year in ongoing charges for every £10,000 in your pension account with Virgin Money. An annual fee of 0.75% means you pay £75 per year in ongoing charges for every £10,000 in your account. The Glidepath strategy is called Navigator on the new SIPP platform.

Annual management charges (as a portion of your pension pot) for the two Glidepath default funds in 2023

Virgin Money Growth Fund 3	0.75%
Virgin Money Defensive Fund	0.70%

Annual ongoing charges reduce (as a portion of your pension pot) as you age through your Glidepath journey:

Your Age	Up to 53	54-58	59-63	64+
Annual Charge	0.75%	0.74%	0.73%	0.72%

Costs and charges – what you pay and how that impacts your savings (continued)

Other funds – for policyholders to make their own fund choices.

Policyholders who want to select their own funds can mix and match the two funds shown on the previous page with the five other funds in the table below. From 9 January 2023, the annual management charge on optional funds Virgin Money Growth Funds 1 and 2, and the Virgin Global Share Fund, were reduced to 0.75%p.a. This brings the optional fund range to a more competitive fee level, which we welcome.

Other Funds available to Policyholders

	Annual Management Charge	
	2023	2022
Virgin Money Growth Fund 1	0.75%	0.85%
Virgin Money Growth Fund 2	0.75%	0.85%
Virgin Global Share Fund	0.75%	0.85%
Virgin UK Index Tracking Trust	0.60%	0.60%
Virgin Money Bond Fund	0.60%	0.60%

3.2 Transaction costs

Transaction costs vary from year to year and reflect the costs of buying and selling investments within your pension. Examples of these include stamp duty, taxes, broker commission and the effect of timing of investment transactions and policyholder switching. These costs, along with the annual management charge, reduce the value of your pension savings. Our consultant, Hymans Robertson, reviewed the detailed transaction costs reported by Virgin Money for 2023 and concluded that they were reasonable for the type of funds offered and the changes which took place within some of the funds during 2023. Appendix 1 gives a more detailed breakdown of all transaction costs for the two funds in the Glidepath default investment strategy and the five optional funds.

Transaction costs for funds in the Glidepath default investment strategy:

In 2023, transaction costs were higher than in 2022 for both the Virgin Money Growth Fund 3 and the Virgin Money Defensive Fund, which combine to make up the Glidepath default strategy. The costs were incurred due to increased trading activity as portfolios were changed in line with Virgin Money's Responsible Investment policy during 2023. The IGC is pleased that the implementation of these policies has finally occurred within the default funds, and note that this led to some additional transaction costs in 2023. Overall, these costs were reasonable and within industry tolerances for actively managed funds.

Fund	2021	2022
Virgin Money Growth Fund 3	0.163%	0.068%
Virgin Money Defensive Fund	0.110%	0.044%

Transaction costs for the five optional funds:

In 2023, transaction costs were higher than in 2022 for the Virgin Money Growth Fund 1, Growth Fund 2, and the Global Share Fund. The costs were incurred due to increased trading activity as portfolios were changed in line with the implementation of Virgin Money's Responsible Investment policy during 2023. In addition, the Global Share Fund underwent a change in its country mix, from fixed allocations to market capitalisation weightings, and this involved further trading activity.

With the UK Index Tracking Trust and the Virgin Money Bond Fund, costs are largely driven by implicit costs that represent the timing of when the trade is carried out. Changes were made to these bond funds in 2022 in line with Virgin Money's Responsible Investment Policies, and so 2023 levels were lower. The UK Index Tracking Trust is expected to have responsible investment considerations implemented in 2024.

Fund	2023	2022
Virgin Money Growth Fund 1	0.139%	0.058%
Virgin Money Growth Fund 2	0.160%	0.080%
Virgin Global Share Fund	0.303%	0.050%
Virgin UK Index Tracking Trust	0.073%	0.159%
Virgin Money Bond Fund	0.136%	0.174%

3.3 How costs and charges impact your pension pot

Value for money in pensions means policyholders paying costs that are in line with the investment strategy design and the mix of assets used to achieve their retirement goals. Looking at these fees is important as over the course of many years, they reduce pension savings. The table on the next page shows the impact that both ongoing annual charges and transaction costs can have on your pension over the years you are invested. The first column shows the value before charges are deducted and the second shows the value after fees and transaction costs. This is not a promise of a return, and your outcome may be different, but it illustrates why it's important to consider charges – and why the IGC focuses on these as part of our value-for-money assessment. Firstly, we show the impact of ongoing and transaction costs might have if you're invested in the default strategy (Glidepath). Secondly, we show an illustration of the two most popular optional funds – the Virgin UK Index Tracking Trust and the Virgin Money Bond Fund.

Projected pension pot in today's money*

Years	Glidepath* (Default Arrangement)		Years	UK Index Tracking Trust		Years	Bond Fund	
	Before charges + costs deducted	After all charges + costs deducted		Before charges + costs deducted	After all charges + costs deducted		Before charges + costs deducted	After all charges + costs deducted
1	£13,434	£13,317	1	£13,435	£13,349	1	£13,371	£13,277
3	£21,141	£20,676	3	£21,147	£20,803	3	£20,891	£20,518
5	£30,088	£29,092	5	£30,100	£29,362	5	£29,550	£28,758
10	£58,964	£55,573	10	£59,006	£56,482	10	£57,121	£54,462
15	£99,663	£91,672	15	£99,764	£93,790	15	£95,288	£89,110
20	£156,168	£140,224	20	£156,373	£144,399	20	£147,375	£135,218
25	£233,696	£204,818	25	£234,072	£212,292	25	£217,658	£195,943
30	£339,015	£290,102	30	£339,713	£302,550	30	£311,626	£275,238
35	£479,754	£404,425	35	£482,231	£421,640	35	£436,306	£378,042
40	£664,979	£559,954	40	£673,257	£577,777	40	£600,683	£510,521

Assumption Notes

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. The starting pot size is assumed to be £10,000.
3. Inflation is assumed to be 2% each year.
4. Annual contributions are made at 8% of salary based on an average salary of £35k (source: ONS.gov.uk).
5. Contributions are assumed from age 22 and increase in line with assumed earnings inflation of 3.5% each year.
6. Values shown are estimates and are not guaranteed.
7. The projected growth rate for each fund (based on COBS 13 Annex 2 method – mid inflation adjusted):
 - Growth Fund 3: 5.0%
 - Defensive Fund: 4.5%
 - UK Index Tracker: 5.0%
 - Bond and Gilt Fund: 4.5%

The above tables meet the requirement under COBS 19.5.13 R (4) for an illustration of the compounding effect of the administration charges and transaction costs. The illustration summary was prepared in accordance with COBS 19.5.15 G.

*Glidepath funds – Virgin Money Growth Fund 3 and Virgin Money Defensive Fund. Glidepath is called Navigator on the new Personal Pension platform.

Review of Virgin Money's responsible investment policies



The IGC considered the adequacy and quality of Virgin Money's responsible investment policies and progress made in developing these over 2023.

Responsible investing includes the provider's integration of environmental, social and governance (ESG) considerations when choosing investments, together with policies on engagement with the companies they invest in and voting at company meetings (also referred to as stewardship). This is a rapidly developing area for pension product providers.

Virgin Money made significant progress over the year in implementing ESG considerations into the funds available to policyholders, has developed some of the necessary internal reporting to monitor the policies implementation and customer communications about responsible investing.

However, Virgin Money continues to lag behind the market in developing its Voting and Stewardship policies. ESG continues to evolve across the pension industry, and we urge Virgin Money to maintain its pace of development in this area.

Responsible Investment Policy

The Virgin Money Board agreed a responsible investment policy in September 2022. The policy scope covers the first phase of changes to its fund range to integrate responsible investment considerations and building fundamental responsible investment capabilities in areas such as oversight, reporting and disclosure. Embedding ESG considerations into the day-to-day operations will need ongoing evolution of the policy. The current policy is deliberately not aspirational, focusing on minimum standards. It doesn't cover responsible investment or stewardship priorities, or climate targets for the funds offered to policyholders, which is becoming standard practice amongst pension providers. Instead, reliance had been placed on delegation to Virgin Money's Investment Adviser (abdrn) and other third-party asset managers and assessing suitability of their policies. The announced change from a

50% ownership of Virgin Money Unit Trust Manager (VMUTM) by abdrn to a 100% ownership by Virgin Money highlights the necessity of developing Virgin Money's own policies.

Implementation

In previous years, we have noted the level of responsible investment integration as the main feature of the strategy, which was behind the market, with most providers having a high level of integration across their strategies. Significant progress was made over 2023 with responsible investment considerations being incorporated into the Growth Funds in the first half of 2023 and the Defensive Fund in the second half of 2023.

Funds that have been reviewed now have exclusions to controversial weapons, tobacco, thermal coal, nuclear weapons, and companies with controversies pertaining to responsible investment issues. Most Funds are benchmarked against indices that consider responsible investment issues.

The largest allocation of the Growth Funds is now to the abdrn Sustainable Index

World Equity Fund and Growth Fund 3 now includes an allocation to the Virgin Climate Change Fund, which invests solely in companies that provide solutions that address climate change or are considered to follow best environmental practices within their industry. This fund is also now available as a self-select fund within the Virgin Money Personal Pension (VMPP).

The Defensive Fund's largest allocations are to cash and government bonds which typically do not have responsible investment equivalents, but the largest corporate bond fund, the Vontobel TwentyFour Sustainable Short Term Bond Fund, is an actively managed fund with a bespoke responsible investment screening process giving standard exclusions and a screen against any issuers that rate lowly on their own rating process.

These key improvements compared with last year bring the Glidepath strategy closer in line with best practice.

ESG considerations were integrated into the Global Equity Fund in late 2023. Planning has started for implementation into the UK Index Tracking Trust in 2024.

MSCI has been appointed to provide ESG ratings and carbon metrics for the Fund reporting, providing information to Virgin Money management, but as yet, carbon targets have not been set.

Virgin Money have developed their Responsible Investment Hub; a website accessible to customers which provides information on responsible investing and how Virgin Money have approached it. More work on informative articles and ensuring anti-greenwashing requirements are met are to be developed in 2024.

Voting and Stewardship

During 2023 Virgin Money established a collaborative stewardship approach with the Investment Adviser (abrdrn), as a basis for Virgin Money Unit Trust Managers' ability to comply with the FRC Stewardship Code. The Responsible Investment policy sets out the foundation for Virgin Money's stewardship. A Stewardship policy was prepared over 2023, whilst the data required to support its implementation for Virgin Money Investments remains a work in progress. Virgin Money's ability to vote directly on issues is currently limited to the UK Index Tracking Trust and

the Virgin Money Climate Change Fund. These rights have been delegated to their Investment Adviser (abrdrn), following a review by Virgin Money of abrdrn's voting policies to confirm they were comfortable with those policies. Other Funds offered to policyholders consist of funds offered by several different asset managers who have control over the voting rights. Virgin Money is yet to finalise its own stewardship priorities and engagement policy.

Responsible Investment Summary

Overall, for 2023, the IGC have concluded that Virgin Money have made significant progress in implementing responsible investment considerations into the Funds available to policyholders but remain behind the market in developing their Stewardship policy and engagement with policyholders on responsible investment considerations.

Looking forward, we're confident with the work Virgin Money are doing in this area and the developments which they plan to implement during the next 12 months.

With the transition to the new platform, personal pension customers will benefit from this progress.



Independent Governance Committee members and their role





Dianne Day
Independent Chair



Steve Balmont
Independent Member



Anne Sander
Independent Member



Ben Broome
Virgin Money Appointed Member



Susan Thom
Virgin Money Appointed Member

As the name suggests, the Virgin Money IGC is completely independent of Virgin Money and acts solely in the interests of pension policyholders like you.

The IGC is established under the rules of the FCA, which regulates all stakeholder pension plans. [We have clear terms of reference.](#) Our primary responsibility is to assess whether you get value for money from your Virgin Stakeholder Pension, and to raise any concerns or areas for improvement with its Provider, Virgin Money. You can find a summary of our meetings and agendas for the year on page 30.

During 2023, your IGC had five members, with a majority being wholly independent members, including the Chair. The terms of appointment of affiliated members nominated by Virgin Money include the duty to act solely in the interests of policyholders. This overrides any obligations to their employer or shareholders. All IGC members are independent in character and judgement.

Virgin Money pays all costs associated with the IGC, including the fees of the independent members. The IGC believes that it receives appropriate resources

from Virgin Money to carry out its duties. The IGC considers that it has the right expertise, experience, and independence to act in policyholders' interests.

Flexible income drawdown has never been available in the Virgin Stakeholder Pension scheme. This means the IGC has no Investment Pathways funds to review in its value-for-money report.

**Dianne Day
Independent Chair**

Dianne is a professional trustee with Independent Governance Group. She has a wealth of experience in investment, governance and trusteeship in the UK and Australia. She has held senior executive roles with investment firms, including Board accountability for substantial investment portfolios and pension funds. She has been a Pension Trustee since 2007 and has experience serving on both defined benefit and defined contribution schemes.

Steve Balmont
Independent Member

Steve has acted as a professional pension trustee since 2000. As a trustee executive with BESTrustees Limited, he works with defined benefit and defined contribution pension schemes of various sizes and complexity. He has experience in investment, administration, governance, and funding. Steve is a Chartered Accountant by professional background. He is involved with various pensions' bodies including the Association of Professional Pension Trustees and the Pensions Research Accountants Group. He teaches in the Business School at London South Bank University.

Anne Sander
Independent Member

Anne is a professional pension trustee with Zedra Governance Limited and has worked in a variety of financial services organisations around the world for over 35 years. As a professional trustee since 2021, Anne has worked with defined benefit schemes and defined contribution schemes and is Head of the Zedra Governance Advisory Arrangement service provision, which undertakes Value for Money assessments on smaller contract-based workplace pension arrangements. Anne is also a Member Nominated Trustee for a large UK hybrid pension scheme. She has extensive experience in pensions, investment, risk management and governance. Anne completed the Actuarial Fellowship qualification in Australia and has a Masters in Management from London Business School.

Ben Broome (resigned March 2024)
Virgin Money Appointed Member

Ben has over 20 years' experience in Financial Services, predominantly in Wealth Management and Mortgage distribution and more latterly Operations. He started his career as a Financial Advisor and has the Diploma in Financial Planning which gives him an excellent foundation of knowledge when supporting members of the IGC. In his current role, Ben heads up both the Direct Mortgage and Mortgage Operations for the Virgin Money brand which essentially supports customers right through the mortgage journey from enquiry to completion. He is passionate about providing a unique and first-class service to Virgin's customers and is a huge advocate for simplicity and transparency.

Susan Thom (resigned February 2024)
Virgin Money Appointed Member

Susan joined Virgin Money in 2016, after 10 years at Standard Life, where she undertook her Chartered Accountancy qualification and performed several roles within Finance, latterly focusing on Risk Management disclosures. Her roles at Virgin Money have retained this focus on external disclosure, as well as covering internal governance reporting, strategic risk oversight, key elements of enterprise risk management such as the RMF, the PMF and the RAS, and the operational activity required to run the function such as budgeting, forecasting, OD, communications, and engagement. Susan is a CA, with a degree in English Language, a Diploma in International Financial Reporting Standards, and a Certificate in Risk Management in Financial Services.

Appendix 1

Transaction costs in detail

Fund Classification	Fund Name	Transaction Cost						2023	2022	2021
		Lending & Borrowing Costs	Explicit Taxes	Explicit Fees & Charges	Implicit Costs	Indirect Costs	Anti-dilution offset (taken away from other costs)	Total Transaction Costs*		
Glidepath Funds (Fund of Funds)	Virgin Money Growth Fund 3 (GF3)	0.017%	0.000%	0.000%	0.021%	0.125%	0.000%	0.163%	0.068%	0.033%
	Virgin Money Defensive Fund (DEF)	0.025%	0.000%	0.000%	0.003%	0.083%	0.000%	0.110%	0.044%	0.079%
Single Funds	Virgin UK Tracking Trust (Tracker)	0.006%	0.007%	0.001%	0.048%	0.012%	0.000%	0.073%	0.159%	0.104%
	Virgin Money Bond Fund (Bond)	0.006%	0.001%	0.000%	0.129%	0.000%	0.000%	0.136%	0.174%	0.022%
Fund of Funds	Virgin Money Growth Fund 1 (GF1)	0.038%	0.000%	0.000%	0.005%	0.096%	0.000%	0.139%	0.058%	0.135%
	Virgin Money Growth Fund 2 (GF2)	0.039%	0.000%	0.000%	0.010%	0.112%	0.000%	0.160%	0.080%	0.125%
	Virgin Global Share Fund (Global)	0.005%	0.000%	0.015%	0.196%	0.087%	0.000%	0.303%	0.050%	0.041%

Transaction Cost Description (FCA COBS 19.8)

Cost associated with stock lending, borrowing and financing

Transaction taxes – such as stamp duty and financial transaction taxes

Broker commission and other explicit transaction costs

Transaction costs calculation for buying and selling transactions [slippage cost]

Transaction costs incurred in an underlying investment vehicle [look through]

Reduction to total transaction costs, either levy or adjustment for dual price funds

*Totals may not add up due to rounding.

Appendix 1: Transaction cost summary – Commentary

Fund Classification	Fund Name	Commentary
Glidepath Funds (Fund of Funds)	Virgin Money Growth Fund 3 (GF3)	2023 costs largely driven by indirect costs from trading due to the increase in trading activity within the fund following the integration of ESG into the fund in Jan '23.
	Virgin Money Defensive Fund (DEF)	2023 costs largely driven by indirect costs from trading due to the increase in trading activity within the fund following the integration of ESG into the fund in Sep '23.
Single Funds	Virgin UK Tracking Trust (Tracker)	2023 costs largely driven by implicit costs, although these were lower than 2022. Taxes were the second biggest contributor to the fall in costs against prior year.
	Virgin Money Bond Fund (Bond)	2023 costs largely driven by implicit costs which represent the timing of when trading is carried out. This reflects the increase in trading activity within the fund. These costs were lower than 2022, when ESG was integrated into the fund.
Fund of Funds	Virgin Money Growth Fund 1 (GF1)	2023 costs largely driven by indirect costs from trading due to the increase in trading activity within the fund following the integration of ESG into the fund in Jan '23.
	Virgin Money Growth Fund 2 (GF2)	2023 costs largely driven by indirect costs from trading due to the increase in trading activity within the fund following the integration of ESG into the fund in Jan '23.
	Virgin Global Share Fund (Global)	2023 costs largely driven by implicit costs from trading, this slippage can increase when including FX costs for trading USD denominated funds. Indirect costs also rose due to the increase in trading activity within the fund following a change in the SAA and ESG integration in Oct '23.

Appendix 2

List of meetings and work undertaken

March 2023

Virgin Money update to the IGC:

- VMUTM Quarterly Update
- Transformation Programme Update
- IGC Effectiveness Review
- Fund Performance
- Responsible Investment (RI) Policy
- Service and Administration Update
- Demonstration of new user platform
- Risk and Regulatory Update
- Consumer Duties

IGC:

- Annual Report Planning
- Training – COBS Rules
- Training – Investment Pathways

July 2023 (2 meetings held)

Virgin Money update to the IGC:

- Deep Dive – Investment Pathways
- VMUTM Quarterly Update
- Transformation Programme Update
- Value for Money Tracker
- Glidepath Performance
- Update on RI Policy Implementation
- Consumer Duties

IGC:

- Review of draft Annual Report
- Communications Review Process

May 2023

Virgin Money update to the IGC:

- VMUTM Quarterly Update
- Transformation Programme Update
- Glidepath Governance Review Process
- Update on RI Policy Implementation
- Fund Performance
- Risk and Regulatory Update

IGC:

- VFM Benchmarking Report
- Review of draft Annual Report

August 2023

Virgin Money update to the IGC:

- Update on Transition to FNZ Platform
- FCA Value Review

IGC:

List of meetings and work undertaken

November 2023

Virgin Money update to the IGC:

- VMUTM Quarterly Update
- Glidepath Performance and Fund Strategy
- RI Reporting
- FCA Value Review Dialogue
- Triennial Review of Glidepath
- Abrdn Strategic Asset Allocation Process
- Telephony Customer Services
- IGC Annual Reporting Obligations

IGC:

- Transformation Programme Delay
- Learnings from 2022 Annual Report Process
- 2023 Annual Report Planning
- IGC Priorities for 2024
- BoardEffect Annual Review

January 2024

Virgin Money update to the IGC:

- Update on Transition to FNZ Platform

IGC:

- 2023 Annual Report Planning
- Scope for 2023 Benchmarking Report

March 2024

Virgin Money update to the IGC:

- VMUTM Quarterly Update
- Digital Member Experience Demo
- IGC Effectiveness Review 2023
- Updated IGC Terms of Reference
- Wind up of the Stakeholder Plan
- Transformation post implementation review

IGC:

- VFM Benchmarking Report
- VMUTM Reporting post Transformation
- 2023 Annual Report Planning
- Proposed Letter to the FCA