

Significant Event Notice



Important information about your Virgin Super account

28 October 2016

Last year, Virgin Super contacted you to advise that we had appointed and transitioned to a new administrator, Mercer Outsourcing (Australia) Pty Ltd. Diversa Trustees Limited (ABN 49 006 421 638), the Trustee of Virgin Super, advises that Virgin Money is now pleased to announce that it is intending to expand that partnership in order to deliver further enhancements for Virgin Money's superannuation customers, planned to take effect by the end of the year.

In order to implement these enhancements, it is planned to transfer your investment from the existing Virgin Super fund (ABN 88 436 608 094) to a new fund called Virgin Money Super, by way of a Successor Fund Transfer (SFT) on 1 December 2016. Once the SFT is completed, Virgin Money Super will be a separate plan within the Mercer Super Trust (ABN 19 905 422 981). Mercer Superannuation Australia Limited (MSAL) (ABN 79 004 717 533) is the trustee of the Mercer Super Trust. The SFT can take place only after the Trustee and MSAL establish that the SFT is in the best interest of members and have executed the necessary legal documentation.

This notice contains some important information regarding the upcoming changes. Please take the time to read on to understand what you need to be aware of over the coming months.

WHAT IS A SUCCESSOR FUND TRANSFER (SFT)?

An SFT is a mechanism under Australian Superannuation law that allows for a member's account to be transferred from one fund to another fund. Under Superannuation law, the proposed SFT can only occur where the existing trustee of Virgin Super assesses members' rights and obligations in the new Virgin Money Super and determines that they are, at a minimum, equivalent to those of the current fund. This process is designed to protect the rights of the existing members in respect of their benefits and ensure that they are not disadvantaged by the transfer. Whilst the transfer will not require separate consent from each member of the fund, the trustee can only approve this transfer once it is satisfied that these requirements are met.

Subject to all necessary legal and operational SFT steps being completed, in the coming weeks, you will receive a Transfer Guide, which will provide you with further information about the SFT.

What's new?

The new Virgin Money Super offering is expected to deliver improved benefits for customers, including:

- a simplified product structure, with the current Virgin Super Essentials and Virgin Super Plus products combined into a single offering, called Virgin Money Super
- an improved and more advanced LifeStage Tracker® option, with the aim of providing better investment outcomes. The new LifeStage Tracker will be the new MySuper option and replaces the existing LifeStage Tracker Balanced and LifeStage Tracker Aggressive options
- a decrease in administration fees and investment fees across all investment options
- a new, broader range of investment options
- a brand new, mobile-friendly, state of the art online account to make managing your super even easier
- access to personalised superannuation advice over the phone
- an online tool that will search for your lost super and make it easier for you to consolidate from other funds.

The table below shows the differences in fees between new Virgin Money Super and existing offerings:

	New	Existing	
	Virgin Money Super	Virgin Super Essentials	Virgin Super Plus
Administration Fees			
Administration Fee	\$58 p.a + 0.394% of your account balance	\$78 p.a + 0.5% of your account balance	\$78 p.a, + a % of your account balance calculated as follows: Account Balance \$0 – \$25,000 0.7% p.a. \$25,000.01 – \$250,000 0.5% p.a. \$250,000.01 + 0.3% p.a.
Investment Fees			
LifeStage Tracker	0.116% p.a. of your account balance in this option	0.3% p.a. of your account balance	0.3% p.a. of your account balance
Australian Shares	0.20% p.a. of your account balance in these options		
International Shares			
Australian Listed Property			
Cash	0.10% p.a. of your account balance in this option		
Indexed Diversified Shares	0.20% p.a. of your account balance in this option	Not Applicable	
Enhanced Indexed Growth	0.24% p.a. of your account balance in this option		
Enhanced Indexed Conservative Growth	0.24% p.a. of your account balance in this option		
Other Fees			
Indirect cost ratio	0.04% p.a. of account balances	0.15% p.a. of account balances	0.15% p.a. of account balances
Withdrawal Fee	\$100	\$0	\$0
Insurance Administration Fee	\$18 p.a. per policy (deducted monthly)	\$18 p.a. per policy (deducted monthly)	\$18 p.a. per policy (deducted monthly)
Total Fees			
Example of total fees for a customer with a \$50,000 balance invested in the LifeStage Tracker option with no insurance			
Administration Fee	\$58 + (0.394% x \$50,000) = \$255	\$78 + (0.50% x \$50,000) = \$328	\$78 + (0.70% * \$25,000) + (0.50% x \$25,000) = \$378
Investment Fee	0.116% x \$50,000 = \$58	0.30% x \$50,000 = \$150	0.30% x \$50,000 = \$150
Indirect Cost Ratio	0.04% x \$50,000 = \$20	0.15% x \$50,000 = \$75	0.15% x \$50,000 = \$75
Total Fees for a customer with a \$50,000 balance invested in the LifeStage Tracker option	\$255 + \$58 + \$20 = \$333	\$328 + \$150 + \$75 = \$553	\$378 + \$150 + \$75 = \$603

These fees are correct as at the time of writing. Fees may change in the future.

Please take the time to read the Transfer Guide closely, when you receive it, to ensure you fully understand the changes to your super investment.

What does this mean for you?

In order to deliver these planned great new benefits, there are some changes you need to know about:

- Your Virgin Money Super member number is going to change. You will be sent your new member number and online account PIN/password in mid to late December.
- Your BPAY Customer Reference Number (CRN) will change. You'll receive your new CRN when the transfer is complete.

There will be no changes to your insurance or your insurance premiums.

Please keep an eye out for the Transfer Guide, which will be sent to you within the next two weeks, or review the Frequently Asked Questions (FAQs) in the 'Important Documents' section at virginmoney.com.au/super for more information.

INFORMATION FOR MEMBERS WHO HAVE TRANSFERRED A U.K. PENSION BALANCE TO VIRGIN SUPER (OTHERWISE KNOWN AS QROPS)

The Trustee and MSAL have sought and received an exemption from HM Revenue & Customs (HMRC) which allows QROPS balances to be transferred from Virgin Super to Virgin Money Super without any tax or penalty imposed by HMRC.

Transition period – planned for 28 November to 12 December 2016

The transfer of all accounts to the new Virgin Money Super fund is expected take a few weeks, planned to commence 28 November 2016 and to end 12 December 2016. During this time, you will not be able to transact on your account. We apologise for any inconvenience caused by the service interruption.

YOUR ACCOUNT

During the transition period:

- you will not have access to your online account
- you will not be able to make any changes or requests through your online account. This includes rolling money in, insurance or investment changes, personal contributions, general updates and general withdrawals. **Please consider reviewing and making any planned updates to your online account prior to 27 November 2016.**

To check your account details and for limited assistance during the transition period, please contact the Customer Care team on **1300 652 770**.

CONTRIBUTIONS

Transactions, including any employer contributions, received up until 27 November 2016 will be processed as normal. Contributions that are received during the transition period will not be processed immediately, but rather will be stored and processed once everything is up and running, expected to be 12 December.

If you were planning to transact, we encourage you to submit your personal contributions or other super account related requests before 28 November 2016.

YOUR CURRENT INVESTMENTS

Investment instructions received up to 27 November 2016 will be processed as normal.

Subject to all necessary legal and operational SFT steps being completed, it is planned that, on 1 December, we'll move your existing investments into the corresponding new investment options. The Transfer Guide will provide you with more information about these changes.

Once the transition is complete, you'll receive a personalised statement outlining all changes to your Virgin Money Super account.

YOUR TRANSACTION HISTORY

Your new online account will show all transactions from December 2016. Transactions made between 1 July 2016 and 30 November 2016 will be made available to you through your personalised transaction statement or by calling the Customer Care Team.

From 12 December

From 12 December your Virgin Money Super account should be back up and running.

LOGGING INTO YOUR ONLINE ACCOUNT

You can login using your new member number and online account PIN/password, which will be sent to you in December. Access to your online account can be found via the Login button on the home page at virginmoney.com.au.

IMPORTANT THINGS YOU NEED TO COMPLETE AFTER THE TRANSFER

You must resubmit (if applicable) the following documentation to ensure your instructions are acknowledged by the new Trustee. These are:

- ✓ Binding Death Benefit Nomination Form
- ✓ Third Party Authority to your account
- ✓ any Powers of Attorney

Your Quick Checklist

BEFORE 28 NOVEMBER

- ✓ Before 28 November you may wish to download past statements or transaction history as your new online account will only show transactions from December 2016. Transactions made between 1 July 2016 and 30 November 2016 will be made available to you through a personalised transaction statement or by calling the Customer Care Team.

FROM 12 DECEMBER

- ✓ Update your BPAY details with your new Customer Reference Number
- ✓ Login to your online account to:
 - o review your investment holdings
 - o make contributions
 - o search for lost super or consolidate super from another fund
 - o review your insurance holdings
- ✓ Update your documentation for Binding Death Benefit Nomination Form, Third Party Authority to your account and any Powers of Attorney
- ✓ Read the new Product Disclosure Statement and supporting documents available in the 'Important Documents' section at virginmoney.com.au/super. You can also request a paper copy at any time, which will be provided free of charge, by calling the Customer Care team on **1300 652 770**.

Other news

INSURANCE PREMIUMS REDUCED

From 1 September your insurance premiums were reduced, with an average 14% reduction to Death and Total Permanent Disability (TPD) insurance and 5% reduction to Income Protection insurance. OnePath Life Limited has been Virgin Super's insurer since our launch in 2005. Our rates were already competitive, but a good claims experience and the long-term relationship has enabled OnePath to lower our premiums, making them even more competitive.

Your level of insurance cover did not change, unless requested. You receive the same level of cover at a lower premium. The lower premiums are now reflected in your insurance transactions in your account.

To review or update your insurance options, login to your online account.

IN CASE YOU MISSED IT

Effective 1 July 2016, the trustee of Virgin Super changed its name from "The Trust Company (Superannuation) Limited" to "Diversa Trustees Limited". All references to the Trustee or The Trust Company (Superannuation) Limited in the PDS or the website or any other documents issued by the trustee are taken to mean Diversa Trustees Limited from that date.

Need more information?

Subject to all necessary legal and operational SFT steps being completed, Virgin Money is excited about bringing you these enhancements and will be back in touch with further information in the coming weeks. In the meantime, watch out for the Transfer Guide, which should be sent to you shortly.

If you have any questions, please call the Customer Care team on **1300 652 770**, Monday to Friday, 8am to 6pm (Sydney time) or head to virginmoney.com.au/super.

DISCLAIMER

This information in this statement has been prepared without taking into account your personal objectives, financial situation or needs. You should consider obtaining advice suited to your personal circumstances to determine how the changes may affect you or before acting on any of the information contained within.

Yours sincerely,

Christopher Sozou

Christopher Sozou
General Manager, Wealth & Insurance

For and on behalf of the trustee of Virgin Super
Diversa Trustees Limited