

Another strong year of returns for Virgin Super

Virgin Super
2015 Annual Report



Virgin Super (your Super Fund): Virgin Superannuation
ABN 88 436 608 094

Virgin Money (the Promoter): Virgin Money Financial Services
Pty Ltd ABN 51 113 285 395 AFSL 286869 GPO Box 4268, Sydney
NSW 2001. Virgin Money is a subsidiary of Virgin Money Australia.

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Administrator: Pillar Administration ABN 80 976 223 967
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T: 1300 652 770 F: 1300 882 327

Investment Manager: Macquarie Investment Management Limited
ABN 66 002 867 003 (Macquarie). Macquarie is the investment
manager of underlying funds in which Virgin Super invests.

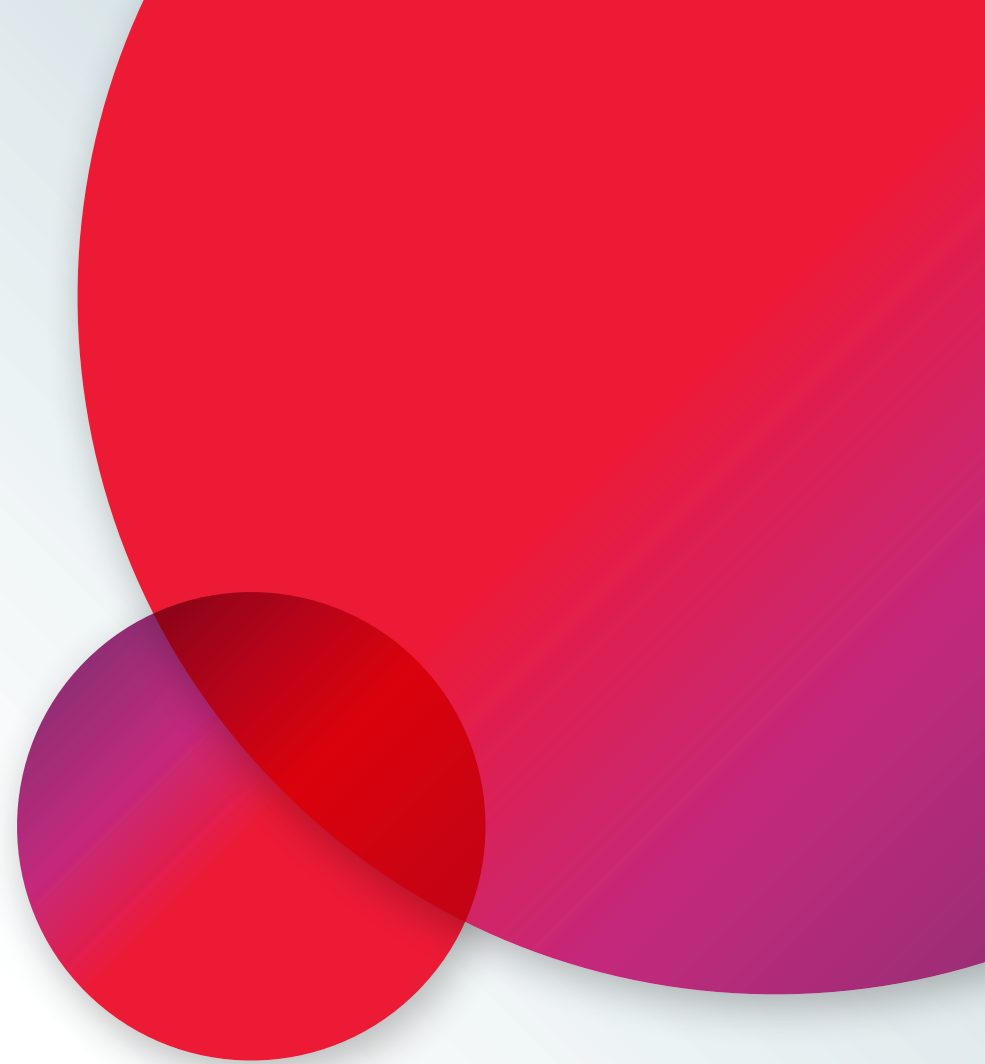
Your 2015 Annual Report is for the 2014/2015 Financial Year and has been prepared by Virgin Money for the Trustee as Trustee of Virgin Super. The Trustee is the issuer of this Report. Please note your Annual Report doesn't contain personal financial product advice. It contains general information that doesn't take account of your objectives, financial situation or needs so before making any decisions you may wish to consult a financial advisor having regard to your personal situation. You should also consider the current Virgin Super Product Disclosure Statement (PDS) which can be found on the website virginmoney.com.au/super.

As the promoter of Virgin Super, Virgin Money will directly and through its agents (including the Virgin Super website virginmoney.com.au), provide general advice and arrange for customers to acquire products issued by The Trust Company (Superannuation) Limited in its capacity as Trustee of Virgin Super. Virgin Money provides these services under its own Australian Financial Services Licence (AFSL) and not as representative of the Trustee. The Trustee does not accept responsibility for the advice and arranging services provided by Virgin Money under its own AFSL.

You should read the current Virgin Super PDS issued by the Trustee for details of product features, investment options, fees and costs before making any decision about Virgin Super. Neither Virgin Money, the Trustee or any related entities guarantee the return of your capital or the performance of Virgin Super or its investment options.

Inside, the year that was

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Why you and Virgin Super are good together

We're delighted to report that all Virgin Super members have benefited from some strong returns in the Financial Year 2014/15. The performance of your Virgin Super account will depend on which portfolio and assets you're invested in. But there's good news for everyone with solid results across the full suite of Virgin Super portfolios, here are some highlights:

- Our LifeStage Tracker® options returned between 5.3% and 8.9% for the 12 months to 30 June 2015. Pleasingly all of our LifeStage Tracker® options continue to outperform their return target over 1, 3, 5 years and since its inception in July 2005.
- Our Create Your Own® options returned between 4.9% and 16.3% for the 12 months to 30 June 2015.

Virgin Super Essentials & Virgin Super Plus

Virgin Super takes the complexity and confusion out of choosing a super solution that's right for you. Choose from two options:

- **Virgin Super Essentials** (our default product offering) – leave the hard work to us with our pre-mixed LifeStage Tracker® – Balanced investment option. It automatically adjusts your risk profile as you get older; or
- **Virgin Super Plus** – for those who'd like more control, select your own investment portfolio from our menu of investment options.

Both Virgin Super Essentials and Virgin Super Plus have won SuperRatings[^] Silver rating in 2015.

[^] SuperRatings award reflects a funds' value for money, and is awarded based on a rating system of investment, fees and service. SuperRatings does not issue, sell, guarantee or underwrite this product. Go to www.superratings.com.au for details of its ratings criteria.

How your super is invested

Investing that tracks the index

In terms of the bigger picture on superannuation investing, there are two key strategies that funds use – index tracking and active fund management. Our investment options use index tracking.

Index tracking is designed to mirror the performance of a share or bond index by investing in a percentage of stocks or bonds on a particular index to closely replicate the performance of that index – so instead of trying to outperform the market like active managers, our options track (or follow) the market instead.

This strategy has a proven history of long-term performance in all the major asset classes. This is because few active managers have been able to consistently sustain above-benchmark returns after costs over the long term.

Tracking the index has another cost benefit – because the typical index fund is not actively managed, we're not paying the wages of active fund managers, our costs are lower than average management costs for actively managed funds, which means you are more likely to pay less fees.

To see the investment option you are currently in, login to your account at virginmoney.com.au, call us on 1300 652 770 or read your 2014/2015 Virgin Super Annual Statement. Your 2014/2015 Virgin Super Annual Statement shows your investment option as at 30 June 2015, so if you have made any changes since then go to the website or call us.

Virgin Super Essentials

- Our LifeStage Tracker® investment options provide the potential for long-term stability by adjusting your exposure to risk at four key life stages – under 40s, 40s, 50s, over 60s+.
- With Virgin Super Essentials your investment option is called **LifeStage Tracker® – Balanced**. Our balanced mix is for people who want mid to long-term growth while maintaining risk at a moderate level. It's made up of an investment mix that targets moderate returns – Cash & Fixed Interest, Listed Property, Australian and International Shares.

Virgin Super Plus

- Virgin Super Plus provides our members with more investment options and greater flexibility to mix and match their asset allocation to suit their risk profile. Options include **LifeStage Tracker® – Balanced** and **LifeStage Tracker® – Aggressive** (our pre-set investment options) or you can choose from our **Asset Classes** (Australian Equities, International Equities, Listed Property or Defensive. Members are also able to change their asset allocation and investment mix as many times as they like.

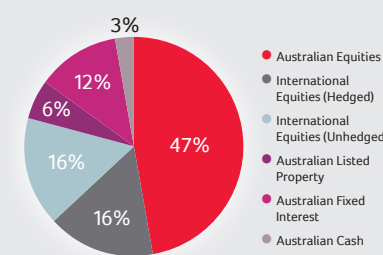
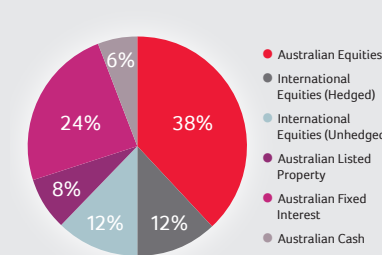
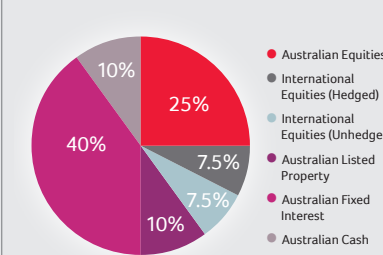
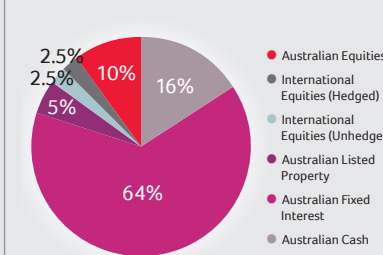
Your risk profile

Your risk profile is a personal choice, but you could look at it in terms of age or life stage.

- At one end of the spectrum are workers nearing retirement with not much time left in the investment market. For these people risk is potentially tricky in that any losses incurred could be harder to recoup over a shorter timeframe.
- At the other end are the young ones with many years of work left in them. For these people risk could be less of an issue, as they've got more time to recover from share market fluctuations.

For more information about risk, read the current Virgin Super PDS.

Important info on investment options

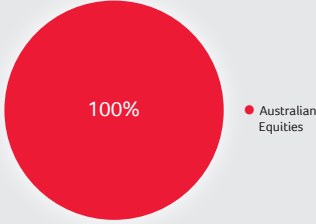
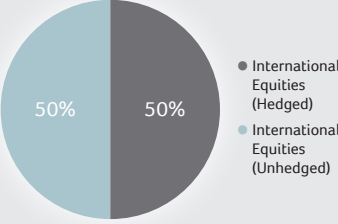
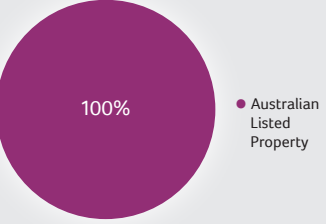
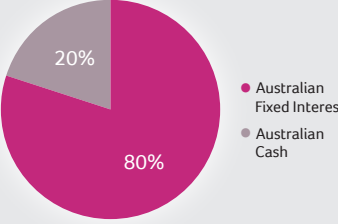
Investment characteristics – LifeStage Tracker® Balanced (LSTB) – Virgin Super Essentials and Virgin Super Plus				
	Under 40s mix	40s mix	50s mix	Over 60s mix
Applicable to	All LSTB members aged under 40	All LSTB members aged between 40 and 50 years	All LSTB members aged between 50 and 60 years	All LSTB members aged over 60 years
Investment objective	Achieve returns (after fees and taxes) that exceed movements in the Consumer Price Index (CPI) by at least 3.0% over rolling 10 year periods	Achieve returns (after fees and taxes) that exceed movements in the Consumer Price Index (CPI) by at least 2.5% over rolling 10 year periods	Achieve returns (after fees and taxes) that exceed movements in the Consumer Price Index (CPI) by at least 2% over rolling 10 year periods	Achieve returns (after fees and taxes) that exceed movements in the Consumer Price Index (CPI) by at least 1% over rolling 10 year periods
Strategic asset allocation	 <ul style="list-style-type: none"> Australian Equities International Equities (Hedged) International Equities (Unhedged) Australian Listed Property Australian Fixed Interest Australian Cash 	 <ul style="list-style-type: none"> Australian Equities International Equities (Hedged) International Equities (Unhedged) Australian Listed Property Australian Fixed Interest Australian Cash 	 <ul style="list-style-type: none"> Australian Equities International Equities (Hedged) International Equities (Unhedged) Australian Listed Property Australian Fixed Interest Australian Cash 	 <ul style="list-style-type: none"> Australian Equities International Equities (Hedged) International Equities (Unhedged) Australian Listed Property Australian Fixed Interest Australian Cash
Date of inception	5 July 2005	5 July 2005	5 July 2005	5 July 2005
Standard Risk Measure Profile	Band 6: High Risk	Band 6: High Risk	Band 5: Medium to High Risk	Band 3: Low to Medium Risk
Probability of not achieving return objective	Between 4 and 6 out of 20 years	Between 4 and 6 out of 20 years	Between 3 and 4 out of 20 years	Between 1 and 2 out of 20 years
Estimated Liquidity	High	High	High	High
Minimum suggested investment time period	7 years	5 years	4 years	2 years

The objectives shown above are not a promise or guarantee of any particular rate of return or benefit. Instead, the objectives are used by the Trustee to monitor the performance of Virgin Super's investments.

Important info on investment options cont.

Investment characteristics – Lifestage Tracker® Aggressive (LSTA) – Virgin Super Plus only				
	Under 40s mix	40s mix	50s mix	Over 60s mix
Applicable to	All LSTA members aged under 40	All LSTA members aged between 40 and 50 years	All LSTA members aged between 50 and 60 years	All LSTA members aged 60 or more
Investment objective	Achieve returns (after fees and taxes) that exceed movements in the Consumer Price Index (CPI) by at least 3.5% over rolling 10 year periods	Achieve returns (after fees and taxes) that exceed movements in the Consumer Price Index (CPI) by at least 3.0% over rolling 10 year periods	Achieve returns (after fees and taxes) that exceed movements in the Consumer Price Index (CPI) by at least 2.5% over rolling 10 year periods	Achieve returns (after fees and taxes) that exceed movements in the Consumer Price Index (CPI) by at least 2% over rolling 10 year periods
Strategic asset allocation	<ul style="list-style-type: none"> Australian Equities International Equities (Hedged) International Equities (Unhedged) 	<ul style="list-style-type: none"> Australian Equities International Equities (Hedged) International Equities (Unhedged) Australian Listed Property Australian Fixed Interest Australian Cash 	<ul style="list-style-type: none"> Australian Equities International Equities (Hedged) International Equities (Unhedged) Australian Listed Property Australian Fixed Interest Australian Cash 	<ul style="list-style-type: none"> Australian Equities International Equities (Hedged) International Equities (Unhedged) Australian Listed Property Australian Fixed Interest Australian Cash
Date of inception	5 July 2005	5 July 2005	5 July 2005	5 July 2005
Standard Risk Measure Profile	Band 6: High Risk	Band 6: High Risk	Band 6: High Risk	Band 5: Medium to High Risk
Probability of not achieving return objective	Between 4 and 6 out of 20 years	Between 4 and 6 out of 20 years	Between 4 and 6 out of 20 years	Between 3 and 4 out of 20 years
Estimated liquidity	High	High	High	High
Minimum suggested investment time period	7 years	5 years	5 years	4 years

Important info on investment options cont.

Create Your Own – Virgin Super Plus only				
	Australian Equities	International Shares	Listed Property	Cash/Fixed Interest
Applicable to	All members that select a choice of investment strategy that includes an allocation to the Fund's Australian Equities Portfolio investment option	All members that select a choice of investment strategy that includes an allocation to the Fund's International Equities investment option	All members that select a choice of investment strategy that includes an allocation to the Fund's Australian Listed Property investment option	All members that select a choice of investment strategy that includes an allocation to the Fund's Australian Cash/Fixed Interest investment option
Investment objective	Achieve returns (after fees and taxes) that exceed movements in the Consumer Price Index (CPI) by at least 3.5% over rolling 10 year periods	Achieve returns (after fees and taxes) that exceed movements in the Consumer Price Index (CPI) by at least 3.0% over rolling 10 year periods	Achieve returns (after fees and taxes) that exceed movements in the Consumer Price Index (CPI) by at least 3.5% over rolling 10 year periods	Achieve returns (after fees and taxes) that achieve movements in the Consumer Price Index (CPI) over rolling 10 year periods
Strategic asset allocation	 <p>100% Australian Equities</p>	 <p>50% International Equities (Hedged) 50% International Equities (Unhedged)</p>	 <p>100% Australian Listed Property</p>	 <p>80% Australian Fixed Interest 20% Australian Cash</p>
Date of inception	5 July 2005	5 July 2005	5 July 2005	5 July 2005
Standard Risk Measure Profile	Band 6: High Risk	Band 6: High Risk	Band 6: High Risk	Band 3: Low to Medium Risk
Probability of not achieving return objective	Between 4 and 6 out of 20 years	Between 4 and 6 out of 20 years	Between 4 and 6 out of 20 years	Between 1 and 2 out of 20 years
Estimated liquidity	High	High	High	High
Minimum suggested investment time period	7 years	7 years	5 years	1 year

2014/2015 Market Review

Note: This information is based on market commentary provided by Macquarie Investment Management Limited (AFSL 237492) and is published in this report with its consent. It is very important to note it relates to investment markets generally and not this product or its investments specifically. It does not constitute financial advice and is of a general nature only without taking into account a person's individual circumstances or needs. Past performance is not indicative of future performance. The opinions, estimates and other forward looking statements are subject to various risks and uncertainties.

Cash and Fixed Interest

Bond yields contracted during the 6 months to January 2015 as weaker than expected US data had markets doubting the strength and in turn the likelihood of a forecast recovery for the US economy. The move to lower yields was despite the US Federal Reserve (Fed) meeting the market's expectations of tapering, and then concluding, their quantitative easing bond purchase program. The reduction in the bond purchase program was, however, accompanied by a downgrade to longer term forecasts for US interest rates by the Fed, in addition to material declines in the oil price and inflation outlook which in conjunction were key drivers of lower bond yields during late 2014.

Events outside the US also supported the bid for bonds during quarters 3 and 4 of 2014 with the Bank of Japan announcing an unprecedented stimulatory program in Q4 and in Europe, European Central Bank President Draghi cut rates and hinted at the possibility of a European quantitative easing program which contributed to lower global bond yields. Offshore events led our market lower in yields during the second half of 2014, before the RBA surprised the market by cutting the benchmark rate from 2.5% to 2.25% in February, which then accelerated the move resulting in the low for FY 2014/15 domestic 10 year yields of 2.28%.

The first half of 2015 was characterised by the overriding theme of central bank divergence between the US and other developed economies coupled with a reversal in bond markets of the moves from quarters 3 & 4 of 2014 to higher yields. Subtle changes of language in official releases from the Fed signalled to markets that the Fed was considering raising rates during late 2015, while in Europe further monetary stimulus was indeed forthcoming via the implementation of quantitative easing. This resulted in many European markets trading to all time historical low in bond yields, as exemplified by 10 yr German bonds briefly trading at 7.5bps, and the spread to US treasuries moving to multi decade wides. Bonds sold off sharply thereafter during Q2 2015 as data in the US improved and skewed bond market positioning in European markets unwound.

The domestic economy continued to grapple with the transition away from a mining based economy during early 2015 and the cut in the cash rate in February was followed up by another cut in May to 2% by the RBA. The moves in global bond markets continued to drive yields higher however, and the actions of the RBA had negligible impact on our domestic bond market. Late in the year the back up in yields was tempered by the flight-to-quality bid for bonds from ongoing uncertainty regarding the Greek debt negotiations and as at year end the disagreement between the Greek government and creditors was unresolved. Over the year to June 2015 Australian 10 yr bonds and 10 yr US treasuries traded in 145bp and 100bp range, closing at 3.01% and 2.35% respectively.

2014/2015 Market Review cont.

Australian Listed Property

The S&P/ASX 200 A-REIT Accumulation Index returned 20.3% for the financial year, outperforming the broader S&P/ASX 200 Accumulation Index (+5.7%) handsomely. This was consistent with the other defensive sectors of the market as investors sought their reliable earnings and dividend streams in the face of increased economic uncertainty. After the broader market had rerated in prior years, it was left to earnings to determine market direction, and in aggregate these tended to be fairly flat, while trusts delivered some growth. The sector was also supported by generally improving asset values as low interest rates fed through to higher valuations.

The sector was led by the offshore exposed stocks such as Westfield and Goodman, with these names also benefiting from their development activities. Laggards included the residential exposed names such as Mirvac and Stockland as investors tried to price in the peak of the cycle. Office exposed stocks were also weak as that subsector continues to be hampered by oversupply issues. During the year Federation Centres launched a scrip bid for its larger retail rival Novion, with the takeover completed in the fourth quarter. Many saw this as a reverse takeover. Morgan Stanley also announced its intention to divest its Investa interests. Two new stocks were added to the index – Growthpoint Properties and National Storage REIT.

Australian Equities

The 2014-2015 financial year was again positive for Australian stocks, with the S&P/ASX 200 returning 5.7% in accumulation terms. This was largely due to the running yield of the market, with the price return a more modest +1.2%. After the market had rerated in prior years, it was left to earnings to determine market direction, and in aggregate these tended to be fairly flat. The modest annual return hid some large quarterly moves, with the

accumulation index having a strong +10.3% gain in the March quarter on the way to its April high, followed by a -6.5% loss in the June quarter. The market also tended to have sharper monthly moves than the prior year, with three monthly returns greater than +/-5%, compared to just one in 2013/2014.

Sector leadership was almost the reverse of the prior year, with the market led by the more defensive sectors. Healthcare (+29.2%), Telecommunications (+25.8%), Property Trusts (+20.3%) and Utilities (+14.2%) were among the leading sectors, as investors sought their reliable earnings and dividend streams. The more cyclical sectors such as Energy (-20.2%) and Materials (-6.5%) lagged. Within Materials, Mining fell heavily (-15.0%). The exception was Consumer Staples, which despite its normally defensive characteristics retreated -10.4% due to weakness in Woolworths, which fell almost 20%. Banks performed more or less in line with the broader market (+5.6%). While investors continued to be drawn to their high dividend yields, the sector was held back by indications from APRA that they would be required to hold more capital, as well as concerns that investor lending was contributing to an overheated housing market.

The year was characterised by weakness in commodity markets. Oil prices fell over 40% (Brent from \$112/bbl to \$63/bbl) after OPEC decided early in the year to expand production in an attempt to drive higher cost production out of the market. Iron ore retreated over 30% on concerns over slowing growth in China, which also caused weakness in other commodities such as Copper (-18%) and Aluminium (-11%). The uncertainty in Europe surrounding the Greek referendum and possible default did little to quell concerns. Globally, the United States was the one bright light, where activity data continued to print firmer, so much so that the Fed started to flag its intention to begin raising short term interest rates from the current near zero levels, likely later this calendar year or early next.

2014/2015 Market Review cont.

Domestically, strength in the economy continued to rotate from commodities as large projects near completion. To assist in this rebalancing, the Reserve Bank twice cut its overnight rate by 0.25%, in February and May. This also helped in causing currency weakness, with the AUD/USD falling almost 40%, though less against other currencies. This should help exporters and import competing industries. Domestic economic data remained fairly soft, though consumer confidence steadily improved after falling markedly due to the first coalition budget late in May 2014 where tax increases and spending cuts were announced. The government found it difficult to implement these policies, with its second budget far more benign.

International Equities

FY15 was another positive year for global equities, with the MSCI World ex-Australia net index returning 25.2%, of which 5.9% was through dividends. This was partly helped by a weakening Australian dollar which fell 18% during the financial year against the greenback. In particular, the index performed strongly for the first nine months of the financial year as the Australian dollar sharply depreciated, and ended the last quarter flat in the midst of volatility.

The S&P 500 was range bound, with the price index up 5.2% for the year. U.S. markets started the year with volatility as fears of a triple dip recession in Europe and sharp falls in oil price gripped markets. The market was also trading on a “rate hike overhang”. After the withdrawal of quantitative easing, the Federal Reserve was also widely expected to eventually begin the “monetary policy normalisation process”. In an effort to soothe market concerns, the Fed has commented that any policy normalisation would be gradual and data driven. In contrast to S&P 500, the tech- and biotech-heavy NASDAQ climbed 13.1% over the year as investors favoured higher growth sectors. The year was also peppered with corporate activities, with total

value of M&A deals in the U.S. reaching US\$1.3 trillion. Notable deals include Actavis’ acquisition of Allergan, the Kraft-Heinz merger, spinoff of Paypal by eBay and the acquisition of Pharmacyclics by AbbVie.

The economic recovery continues to be tepid in Europe. The European Central Bank (ECB) slashed interest rates to negative and began a historic sovereign bond buying program in an effort to stimulate Eurozone economies. The structural imbalances within Europe forced Switzerland to de-peg the Swiss franc from euro, causing the franc to immediately jump by 30%. Lastly, European markets were hamstrung by the Greek crisis. European markets were roiled in volatility in the last 6 months of FY15 as markets rallied on speculation of progress in Greece bailout talks only to be left disappointed when progress falters. Greece ultimately agreed to a new bailout deal in July which included substantial budget discipline measures.

In Asia, aggressive stimulus programs undertaken by the Japanese Government has weakened the Yen and supported Japanese equities. Prime Minister Abe has also pushed labour forward reforms aimed at lifting wage growth and increasing women participation in the labour force. Finally, stimulus and deregulation in China had pushed the Shanghai Composite up 109% over FY15. However, the index peaked in June and has since fallen over 20% from the peak. The fall has caused the Chinese Government to step in to support equity markets by both actively buying equities, and also lowering interest rates and reserve.

More investment information

Derivatives and their use

While the Trustee doesn't directly invest in derivatives, the managers of the underlying investments may use derivatives indirectly as a hedging device to help protect the value of assets against a significant decline in investment markets.

(Derivatives are a type of security that derive their value from other security types, like futures and options. They're often used to increase returns while minimising the risk of losing money.)

How we value your super and pass on investment earnings

When you invest in Virgin Super, you don't buy actual assets – instead, you are allocated units in the investment option your money goes into.

Your account balance is calculated by multiplying the number of units you have by the applicable unit price (at any particular time). Your account balance will reflect that unit prices may fluctuate from day to day based on the value of underlying investments after taking into account any investment earnings and relevant fees, costs and taxes. Each investment option has a different unit price, because they grow at different rates. Unit prices may fall as well as rise and in this way investment earnings (negative or positive) are passed on to members.

There is a difference between the unit price we use when you put money into an investment option and the one we use when you take money out, this is called a buy/sell spread. Unit prices are usually

calculated daily, based on the latest available market price at the end of each business day. The unit price is normally calculated the next business day.

(For more information on buy/sell spreads[^], read the current Virgin Super PDS.)

How the Fund was invested at 30 June 2015

	30-Jun-15	30-Jun-14
Macquarie Treasury Fund	\$20,807,414	\$20,253,892
Macquarie True Index Australian Fixed Interest Fund	\$83,069,723	\$79,092,271
Macquarie True Index Listed Property Fund	\$42,338,320	\$34,755,399
Macquarie International Index Equity Fund (Unhedged)	\$87,527,683	\$73,940,712
Macquarie International Index Equity Fund (Hedged)	\$76,618,359	\$73,456,230
Macquarie True Index Australian Equity Fund	\$219,336,503	\$212,855,909
Cash and short term deposits	\$17,402,663	\$14,783,673
Total	\$547,046,665	\$509,138,086

Note: Macquarie True Index Australian Fixed Interest Fund, Macquarie True Index Listed Property Fund, Macquarie International Index Equity Fund (Unhedged), Macquarie International Index Equity Fund (Hedged) and Macquarie True Index Australian Equity Fund each represented more than 5% of the Fund's total assets.

[^]A Buy price applies when acquiring units (for example, when you join the Fund or switch into a new investment option). A Sell price applies when selling units (for example, when you leave the Fund or switch out of an investment option). Buy/sell spreads can change from time to time.

Performance to 30 June 2015

In case you didn't know

Past performance is not a guarantee of future returns. All investments carry some risk and performance may vary from time to time

	Net Earnings*			
LifeStage Tracker® – Balanced	1 Year (% pa)	3 year compound average (% pa)	5 year compound average (% pa)	Compound average since Inception[^] (% pa)
Under 40s (85% growth)	8.9	13.0	9.4	6.1
40s mix (70% growth)	8.0	11.2	8.5	5.8
50s mix (50% growth)	6.6	8.6	7.1	5.3
Over 60s (20% growth)	5.3	5.3	5.3	4.5

	Net Earnings*			
LifeStage Tracker® – Aggressive	1 Year (% pa)	3 year compound average (% pa)	5 year compound average (% pa)	Compound average since Inception[^] (% pa)
Under 40s (100% growth)	8.5	14.3	9.8	6.4
40s mix (85% growth)	8.9	13.0	9.4	6.1
50s mix (70% growth)	8.0	11.2	8.5	5.8
Over 60s (50% growth)	6.6	8.6	7.1	5.3

	Net Earnings*			
Create Your Own Portfolios	1 Year (% pa)	3 year compound average (% pa)	5 year compound average (% pa)	Compound average since Inception[^] (% pa)
Australian Shares	4.9	12.0	8.0	6.2
International Shares	14.4	18.4	13.3	6.6
Listed Property	16.3	14.3	11.1	3.6
Cash & Fixed Interest	3.6	2.8	3.9	4.1

Source: Atchison Consultants, 30 June 2015. Past performance is not an indicator of future performance.

* Net earnings: Directly relates to the investment performance of each investment option based on unit price movements, after relevant fees, costs and taxes have been deducted (see the current Product Disclosure Statement for more information). The rate of net earnings applicable to your investment option(s) is the basis for the amount of money added to your account (if rates of return have been positive) or subtracted from your account (if rates of return have been negative). The amount allocated to your account is also influenced by things such as when you joined the Fund, when you made contributions or withdrawals or if you switched investment options.

[^] In case you didn't know, "since Inception" refers to the earliest date that Virgin Super began investing into each investment portfolio. For Life Stage Tracker® and Create Your Own options, inception date is 5 July 2005.

A word about performance: The returns shown are the returns of the Fund's investment options, not the returns of your investment in the Fund that were actually allocated to your account. The returns of the Fund and the returns allocated to your account can be different for reasons including that:

- You were invested in one or more different investment options during the period; and
- The unit prices change daily, and so investment performance depends on the day you've invested and when your money moves in or out of your account.

A note from our legal team: This Performance Snapshot needs to be read in conjunction with your Annual Statement as it forms part of your member periodic statement. Prepared by Virgin Money Financial Services Pty Ltd ABN 51 113 285 395, AFSL 286869 for The Trust Company (Superannuation) Limited ABN 49 006 421 638, AFSL 235153, RSE L0000635 as Trustee for Virgin Superannuation ABN 88 436 608 094.

You should consider our Product Disclosure Statement which can be found on our website. Please note this information does not constitute personal financial product advice, and you may wish to consult your financial adviser before making a decision about whether Virgin Superannuation fits your objectives, financial situation and needs.

Performance to 30 June 2015 cont.

Fund Reserves

The fund operates two Reserve Accounts:

1. Expense Reserve Account (ERA)

The ERA is an expense reserve used to fund strategic projects, regulatory projects and the Operational Risk Financial Requirement reserve.

2. Operational Risk Financial Requirement (ORFR)

The ORFR was established in 2013 to comply with the new Super regulations as a contingency reserve to protect the Fund for losses that might arise from operational risk events.

Funding for the ORFR comes from the ERA and is not a separate expense.

The Trustee reviews the appropriateness of the amount of the reserve and ensures that payments from the reserve are limited to those purposes for which the reserve was established. All reserve amounts are held in cash unless otherwise determined by the Trustee. The following movements occurred in the reserve over the period:

	2014–2015	2013–2014
Expense Reserve Account		
Opening Balance	\$892,598	\$9,390
Deposits	\$727,689	\$2,242,489
Withdrawals	\$300,000	\$1,078,342
Transfer to ORFR	\$1,050,000	\$360,000
Closing Balance	\$270,287	\$892,598
Operational Risk Financial Reserve		
Opening	\$443,973	\$0
Deposits	\$21,298	\$83,973
Transfer from ERA	\$1,050,000	\$360,000
Withdrawals	\$21,863	\$0
Closing Balance	\$1,493,408	\$443,973

Key fund information

Deduction of tax from contributions

Contributions Tax is deducted from your taxable contributions (eg. employer contributions), put into an account and forwarded to the ATO once a month (we call this the 'Tax Provision').

The Trustee has determined that the interest accrued on this account be used to pay certain extraordinary fund expenses, such as the cost of upgrading administration systems to ensure they comply with legislative change.

In the future, the Trustee may determine to use any remaining interest on this account to reimburse certain expenses, properly incurred by the Trustee, in the administration and management of the Fund.

Superannuation Surcharge Tax (where applicable) may also apply to some members. While the superannuation surcharge was abolished with effect from 1 July 2005, the ATO may still issue assessments in relation to previous years. Any assessments received in relation to individual members of Virgin Super are paid to the ATO by deducting the surcharge amount from the relevant member's account balance.

The Trustee

The Trustee is The Trust Company (Superannuation) Limited (ABN 49 006 421 638, AFSL No 235153, RSE L0000635) (the Trustee).

It's the Trustee's job to keep Virgin Super running smoothly and working the best it can for you so that Virgin Super remains compliant under super and other relevant laws. The Trustee is also responsible for the issue of this Annual Report. The Trustee has engaged various service providers to assist with the management and operation of the Fund, and the issue of this report.

Approved Guarantee

The Trustee satisfies its capital requirements under section 29 DA (3) of the Superannuation Industry (Supervision) Act through an Approved Guarantee in the sum of \$5 million. A copy of the Approved Guarantee is available for review at the Trustee's offices (see the Trustee's contact details at the beginning of this report).

The Trustee's insurance

Should any claims be made against the Fund, the Trustee has taken out professional indemnity insurance. This protects the directors and the Fund from any liabilities that might arise subject to the terms of the insurance policy. Like most insurance, not all claims are covered.

Key fund information cont.

Lost member, a definition

You're classed as a lost member if we:

- receive one piece of unclaimed mail returned from your address, or
- have no details of your current address, or
- haven't received any contributions or rollovers for you in one year.

It's easy to become a lost member, but just as easy not to. If you're moving house please let us know by calling 1300 652 770 otherwise your benefits may be transferred to the Tax Office or our nominated eligible rollover fund.

The Eligible Rollover Fund (ERF)

Our nominated ERF is Super Safeguard. The ERF is the fund used should we decide to move a member's super money elsewhere. So, if we lose contact with you and your balance is less than \$2,000 (and you become a lost member) or your account balance falls below \$1,000 we may transfer your super into the ERF we've chosen unless we are required to pay your lost account to the Tax Office.

If it's the latter, we'll try to contact you first to see if you'd like to top up your account and stay with Virgin Super.

A few things happen if your super is transferred to the ERF:

- you stop being a member of Virgin Super
- the investments and fees are different to Virgin Super
- any insurance cover you have with Virgin Super will stop
- any you'll need to talk directly with the ERF about your super (see contact details below)

The Administrator
Super Safeguard
GPO Box 3426
Melbourne VIC 3001
Tel: 1300 135 181
Fax: 1300 135 191

The Trust Company (Superannuation) Limited is also the trustee of Super Safeguard and receives remuneration in this capacity.

Key fund information cont.

Temporary residents

If you enter Australia on a temporary visa you are entitled to receive your superannuation benefit once you leave Australia permanently and your visa has expired (except for certain visa sub-classes). This type of payment is known as a Departing Australia Superannuation Payment (DASP). Under Federal Government (Unclaimed Money) legislation, a former temporary resident's superannuation benefit must be paid to the Australian Taxation Office as unclaimed money where it has been at least six months since they have departed Australia and their visa has lapsed AND the Australian Taxation Office issues a notice to the Fund requesting the benefit be paid to the Australian Taxation Office. If this happens, you have a right, under the Government's legislation, to claim your super money directly from the Australian Taxation Office (subject to the applicable tax rates). For more information go to www.ato.gov.au

If you are a former temporary resident whose superannuation benefits are transferred to the ATO as unclaimed money, you may not be notified of this or receive an exit statement after the transfer occurs. The Trustee will rely on relief provided by the Australian Securities & Investments Commission (ASIC) Class Order [CO 09/437] which says, in effect, that the trustee of a superannuation fund is not obliged to meet certain disclosure requirements in relation to non-residents that have ceased to hold an interest in the fund as a result of the payment of unclaimed superannuation to the Commissioner of Taxation. If you require any further information, contact the Administrator on 1800 336 911.

How to resolve a complaint

As you'd expect, we're dedicated to providing the best service we can. If there comes a time that you're not happy, please write to us at the address below. We'll try to resolve your issue within one week and will write to you with the outcome. If the issue is complicated please allow up to 90 days to hear from us.

Resolutions Manager
Virgin Money
PO Box 1489
Wollongong NSW 2500
T: 1300 652 770

If you make a complaint and you're not happy with the outcome or you don't hear from us in 90 days, you can contact the Superannuation Complaints Tribunal (SCT) at the address or on phone number listed below. (The SCT is an independent body set up by the Federal Government to help super members resolve their complaints.)

Superannuation Complaints Tribunal
Locked Bag 3060
Melbourne VIC 3001
T: 1300 884 114
W: sct.gov.au

Here to help

For general inquiries including information about investments, insurance and contribution options available to you or any other information about Virgin Super, refer to the current Virgin Super PDS, contact our Customer Care Team on 1300 652 770 or email us at expert@virginsuperannuation.com.au

Virgin Super's financials

The following tables contain the Fund's abridged financial information (based on audited accounts) which shows how financially healthy we were at 30 June 2015. If you would like a copy of our full audited accounts and auditor's report, they will be available on request from 1 November 2015 through our Customer Care Team on 1300 652 770.

Statement of net assets	30-Jun-15 (\$)	30-Jun-14 (\$)	Statement in changes in net assets	2015 (\$)	2014 (\$)
Assets			Income		
Investments	529,698,002	494,354,413	Trust Distribution Income	32,188,580	18,036,833
Cash at Bank	17,348,663	14,783,673	Interest	59,844	62,963
Sundry Debtors	11,980	9,276	Other Investment Income	73,427	68,714
Deferred Tax Assets	3,133,082	4,108,854	Changes in Net Market Value of Assets	17,823,267	50,637,391
GST Receivable	90,983	85,098	Investment Expense	-703,967	-606,373
Total Assets	550,282,710	513,341,314	Net Investment Revenue	49,441,151	68,199,528
			Plus Contributions and Other Revenue		
Less Liabilities			Employer Contributions	45,170,855	45,888,835
Benefits Payable	827,287	771,696	Member Contributions	2,832,776	3,336,967
Administration Fees Payable	458,181	657,494	Transfers In	9,119,245	11,063,495
Insurance Premiums Payable	173,056	160,627	Other Revenue	11,782	5,632
Unsettled Transactions	386,713	401,979	Government Co-Contributions	126,152	183,168
Other Amounts	0	0	Low Income Superannuation Contributions	616,558	602,303
Income Tax Payable	748,394	921,813	Group Life Insurance Proceeds	719,223	718,543
Deferred Tax Liabilities	12,430,816	9,507,116	Total Income	108,037,742	129,998,471
Total Liabilities	15,024,447	12,420,725			
Net Asset Available to Pay Benefits at 30 June	535,258,263	500,920,589	Less Outgoings		
			Group Life Insurance Expense	2,231,096	1,743,353
Represented by: Liabilities for Accrued Benefits			Administration Expenses	5,228,309	5,101,207
Allocated to Members Accounts	522,497,696	493,731,841	Superannuation Contribution Surcharge	70	0
Unallocated	10,996,872	5,852,177	Operating Expenses	312,864	1,087,866
Operational Risk Reserve	1,493,408	443,973	Total Outgoings	7,772,339	7,932,426
Expense Recovery Reserve	270,287	892,598	Benefits Accrued before Income Tax	100,265,403	122,066,045
Total	535,258,263	500,920,589	Less Income Tax Expenses	8,936,025	13,287,769
			Benefits Accrued after Income Tax	91,329,378	108,778,276

