Virgin Super

Making your Super work harder for you

2010 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 PO Box R1801, Royal Exchange NSW 1225. Virgin Money is a subsidiary of Virgin Money Australia.

Trustee (the Issuer & Trustee): The Trust Company (Superannuation) Limited ABN 49 006 421 638 AFSL No 235153 PO Box 361 Collins Street West, VIC 8007 T: (03) 9665 0200 F: (03) 9620 5821

Administrator: Pillar Administration ABN 80 976 223 967 AFSL 245591 PO Box 1489, Wollongong, NSW 2500 T: 1300 652 770 F: 1300 882 327

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

Your 2010 Annual Report is for the 2009/2010 Financial Year and has been prepared by Virgin Money for the Trustee as Trustee of Virgin Super. 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

money

What's Virgin about our Super

Like all Virgin companies, Virgin Money is all about giving customers a better deal and a great range of financial products that are easy to understand and sort out - our customers tell us that's why they choose Virgin over anyone else.

Virgin Money is continually looking at ways to help Virgin Super members manage their super more effectively and save money over the long term.

Based on analysis undertaken by Virgin Money with the help of an industry researcher, Virgin Super's management fees are estimated to be **50% less than the retail super fund average.**[1] And the more you have in your Virgin Super account, the lower your management fee percentage rate may become.

Unlike some other superannuation funds out there, Virgin Super doesn't pay commissions to financial advisors and there are no joining, contribution, withdrawal or exit fees.

- ✓ No commissions paid to financial advisors
- ✓ No joining fee
- ✓ No withdrawal fee
- ✓ No exit fee

Smart changes in 2009/10

01 Gold Rated Fund

After a comprehensive analysis of over 350 superannuation products covering upwards of $400 billion, **Virgin Super was awarded a Gold Rating for 2010** by independent superannuation research company, SuperRatings. The SuperRatings rating system is designed to reflect each fund's "Value for Money". This means with Virgin Super, you can expect:

- Value from your fund
- A secure environment
- Good benefits
- Suitable and well-priced insurance options.

02 Baby Break – an Australian industry first

It didn't seem fair that when mums go on maternity leave, or dads go on paternity leave – their superannuation contributions may stop, yet super funds usually continue to charge super fees. So it's been decided to do something about this and to suspend management costs charged to mums and dads while on maternity or paternity leave. Called the Virgin Super Baby Break, it's a simple change that helps parents get more from their super come retirement time.

(Refer to the current Virgin Super PDS for what's included in management costs). The Baby Break is subject to conditions. For full terms and conditions go to virginmoney.com.au/super.

1 Based on membership costs for a $50K account balance invested in the funds default or balanced investment option. Information sourced from an external provider SuperRatings Pty Ltd September 2010 and is based on a sample of funds from within the Super industry. Management fees only include investment, administration and membership fees. Figures supplied by SuperRatings Pty Ltd are Virgin Super ($502 p.a.) Retail Fund Average ($1,041p.a.), Virgin Money has received permission from SuperRatings Pty Ltd to publish this information and does not endorse or accept responsibility for the accuracy or completeness of the information provided by SuperRatings Pty Ltd. You should not rely on these figures as a complete picture, as the actual fees applied to a person's account will vary depending on a number of factors such as super fund, fee structure, transactions undertaken, account balance, tax treatment, contribution amount and timings.

03 New administration partner

To continue bringing you a great superannuation experience, the Trustee changed its administration service provider to Pillar Administration in June 2010.

Pillar has been providing superannuation administration solutions for almost 100 years. Today, they manage over 1.8 million member accounts and are recognised as having the knowledge, experience and systems needed to efficiently administer superannuation related products.

Changing administrator is an important process and while Virgin Super's online functionality was unavailable during this time, the good news is that we believe Virgin Super is now bringing you a better online experience.

04 Better online experience

Virgin Money knows that it's easy to get bogged down in processes and information on superannuation. That's why they developed a new "Super explained" section at virginmoney.com.au to help de-jargon superannuation for both individual members and business customers. Plus existing members can now go to the new section "Manage My Super" to find out the 'how-to' of managing their account.

How you can grow a healthy balance

1 Get everything in the one place

If you've had more than one job, chances are you'll have more than one superannuation account. So you may be paying multiple fees, which eat away at your retirement savings over time.

Three ways to help eliminate multiple fees and maximise your savings are:

1. **Rollover:** find which funds your superannuation has been contributed to and consider moving all your super money into one fund of your choice. You can:
    - visit **virginmoney.com.au** to download a Rollover Form
    - or to get a copy of the Rollover Form sent to you, call us on 1300 652 770.
2. **Find your lost super:** Of the $12.9billion+ in lost super in Australia, some of it could be yours. To lay claim to any lost money you may have, call the ATO on 13 28 65 or use their Superseeker tool online – all you'll need is your Tax File Number (TFN) and date of birth.
3. **Your 9% Employer Contributions (SG):** check your employer is paying your super contributions into your consolidated Super account. You can:
    - **visit virginmoney.com.au**, for the Super Choice Form
    - hand the form to your employer so they can start paying your 9% employer contributions into your Virgin Super account. Note: not all employers have to follow your choice of Fund so check with your employer.

Remember before consolidating super you should check to see if insurance or other benefits will be impacted or lost. Some funds may also charge withdrawal or exit fees.

2 Salary Sacrifice

Another way to boost your balance and potentially save on tax is by contributing an additional part of your before tax (gross) salary.

This is called salary sacrificing and it works like this:

- you ask your employer if they will pay some of your gross salary into your super fund.
- your superannuation contributions are taxed at a maximum rate of 15% (provided you don't exceed the before tax (concessional) contribution cap for the year and we hold your TFN).

Salary Sacrifice contributions do not get treated as taxable income, so income tax is not payable on the amount paid to the super fund. However they do count as income for assessing your eligibility for a number of government programs including the government super co-contribution, spouse contributions rebates and numerous welfare benefits.

3 Government Co-Contribution

The government offers a co-contribution incentive to help boost your super savings. So if you earn less than $61,920 p.a. and meet other eligibility criteria, you may be able to receive a co-contribution from the government by making eligible personal superannuation contributions to your super fund.

If your 'total income' is $31,920 or less and you make a personal contribution of $1,000 or more, you may be able to receive the maximum co-contribution ($1,000). If your 'total income' is less than $61,920, you may be able to receive a smaller co-contribution. Your 'total income' includes your assessable income, reportable fringe benefits and reportable employer superannuation contributions (eg. Salary sacrifice contributions).

4 Keep on top of your super

- Read the latest Virgin Super quarterly market reports (email and online).
- Check your online account at virginmoney.com.au to be aware of how your super is performing (you can also check your balance or change your investment mix).
- Read your 2009/2010 Virgin Super Annual Statement carefully.
- Contact us to make sure we have your email address or if you've forgotten your online account login details.
- Give our friendly Customer Care Team a call on 1300 652 770; or email us at expert@virginsuperannuation.com.au

Why grow your balance?

Well the more you have in your Virgin Super account, the lower your fees could become thanks to our percentage based Management Fee which decreases as your balance grows. For more information refer to the current Virgin Super PDS.

How your super is invested

Investing that tracks the index

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

How it works is that we invest in a percentage of stocks on a particular index to 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 long-term performance history in all the major asset classes. In fact, few active managers have been able to sustain above-benchmark returns after costs over the long term.

The other cost benefit with indexing is that because we're not paying the wages for active fund managers, our costs are significantly reduced and you pay less fees.

LifeStage Tracker®

Our LifeStage Tracker® investment options provide long-term stability by adjusting your exposure to risk at four key life stages – under 40s, 50s, over 60s. A balanced and aggressive mix is available.

- Our *balanced mix* is for people who want mid to long-term growth while maintaining risk at a moderate level. It comprises an investment mix that targets moderate returns – Cash/Fixed Interest, Listed Property, Australian and International Shares.
- Our *aggressive mix* is for people who don't mind taking on more risk for the potential of higher returns. It comprises an investment mix that targets higher growth – a greater proportion of assets like Australian and International Shares, and Listed Property.

Select Your Own

For people who prefer more control, Select Your Own allows members to invest in one or all of our asset-specific portfolios. Each portfolio has a different level of risk and return, so you can choose where you want your money invested depending on your risk profile.

To see the investment option you are currently in, log in to your account at virginmoney.com.au, call us on 1300 652 770 or read your 2009/2010 Virgin Super Annual Statement.

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 sharemarket fluctuations.

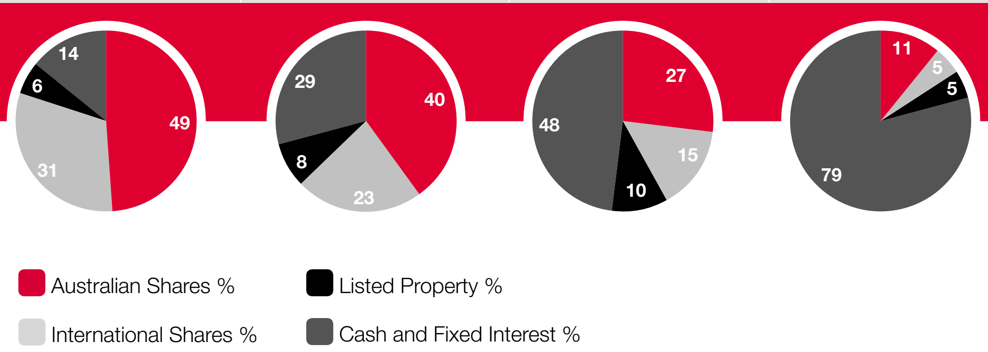
For more information about risk, read the current Virgin Super PDS.

Important info on investment options

When looking at your investment options, remember that objectives are not a promise or guarantee of a particular return. Asset allocations are indicative only and from time to time there may be some variation depending on the experience of the underlying funds, investment market fluctuations or asset allocation decisions.

LifeStage Tracker®
Balanced

	Under 40s mix	40s mix	50s mix	Over 60s mix
Objective	To get returns (after tax and fees) that exceed the Consumer Price Index (CPI) by at least 3.5% p.a. over rolling 5-year periods.	To get returns (after tax and fees) that exceed the Consumer Price Index (CPI) by at least 3% p.a. over rolling 5-year periods.	To get returns (after tax and fees) that exceed the Consumer Price Index (CPI) by at least 2% p.a. over rolling 3-year periods.	To get returns (after tax and fees) that exceed the Consumer Price Index (CPI) by at least 1% p.a. over rolling 2-year periods.
Strategy	To invest 85% in shares and property, with the remainder invested in cash and fixed interest.	To invest 70% in shares and property, with the remainder invested in cash and fixed interest.	To invest 50% in shares and property, with the remainder invested in cash and fixed interest.	To invest 20% in shares and property, with the remainder invested in cash and fixed interest.
Likelihood of negative annual return	Once every 4 years	Once every 4.5 years	Once every 5.5 years	Once every 8 years
Risk/Return	High risk High return	Medium/high risk Medium/high return	Medium risk Medium return	Low risk Low return
Investment timeframe	At least 7 years	At least 5 years	At least 4 years	At least 2 years
Asset allocation				

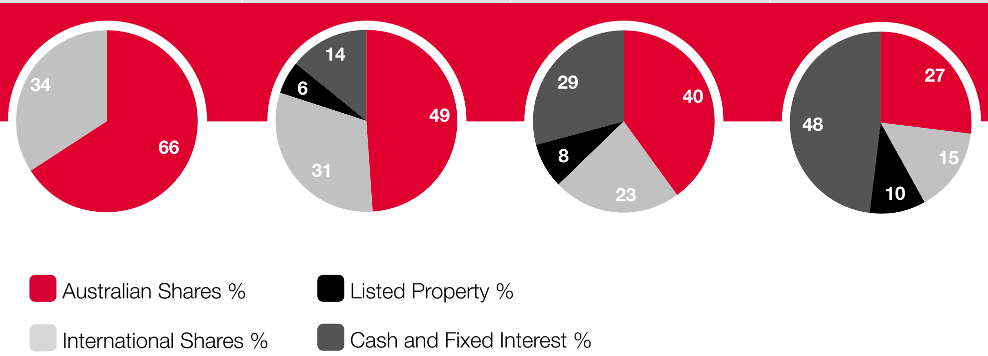


Important info on investment options cont'd

LifeStage Tracker®
Aggressive

	Under 40s mix	40s mix	50s mix	Over 60s mix
Objective	To get returns (after tax and fees) that exceed the Consumer Price Index (CPI) by at least 4.0% p.a. over rolling 7-year periods.	To get returns (after tax and fees) that exceed the Consumer Price Index (CPI) by at least 3% p.a. over rolling 5-year periods.	To get returns (after tax and fees) that exceed the Consumer Price Index (CPI) by at least 3.5% p.a. over rolling 5-year periods.	To get returns (after tax and fees) that exceed the Consumer Price Index (CPI) by at least 2% p.a. over rolling 3-year periods.
Strategy	To invest 100% in shares.	To invest 85% in shares and property, with the remainder invested in cash and fixed interest.	To invest 70% in shares and property, with the remainder invested in cash and fixed interest.	To invest 50% in shares and property, with the remainder invested in cash and fixed interest.
Likelihood of negative annual return	Once every 4 years	Once every 4 years	Once every 4.5 years	Once every 5.5 years
Risk/Return	High risk High return	Medium/high risk Medium/high return	Medium risk Medium return	Low risk Low return
Investment timeframe	At least 7 years	At least 7 years	At least 5 years	At least 4 years

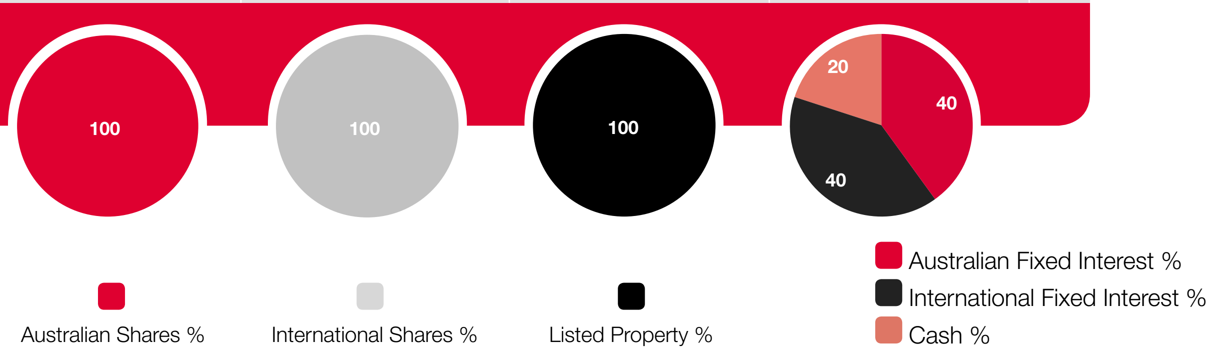
Asset allocation



Important info on investment options cont'd

Select Your Own

	Australian Shares	International Shares	Listed Property	Cash & Fixed Interest
Objective	To achieve returns (after tax and fees) that exceed the Consumer Price Index (CPI) by at least 3.5% pa over rolling 7-year periods.	To achieve returns (after tax and fees) that exceed the Consumer Price Index (CPI) by at least 3.5% pa over rolling 5-year periods.	To achieve returns (after tax and fees) that exceed the Consumer Price Index (CPI) by at least 2.5% pa over rolling 5-year periods.	To achieve returns (after tax and fees) in line with the Consumer Price Index (CPI) over rolling 1-year periods.
Strategy	To invest 100% in Australian shares.	To invest 100% in international shares.	To invest 100% in Australian listed property securities.	To invest 100% in Australian and international fixed interest securities and cash.
Likelihood of negative annual return	Once every 3.5 years	Once every 3.5 years	Once every 4 years	Once every 9 years
Risk/Return	High risk High return	High risk High return	Medium/high risk Medium/high return	Low risk Low return
Investment timeframe	At least 7 years	At least 7 years	At least 5 years	1 to 2 years
Asset allocation				



2009/10 market review

Cash and Fixed Interest

Bond markets continued their positive risk rally through the first half of the financial year consistent with the view that the global economy had entered a recovery phase. The Reserve Bank of Australia surprised the market by embarking on a hiking cycle sooner than anticipated, raising the cash rate by 0.25% in October, November and December and taking the cash rate to 3.75% by the end of the calendar year.

Concerns regarding sovereign risk dominated headlines in the second half of the financial year resulting in a flight to quality to US Treasuries and German Bonds. Although the European Union and the European Central Bank (ECB) announced a large European rescue package this only gave a short relief to bond markets. Towards the end of the financial year, Greece was downgraded and taken out of most global indices. In Australia, the RBA hiked rates for another three consecutive months in March, April and May by 0.25% each time bringing the official cash rate to 4.50% by the end of June 2010, primarily driven by strong economic data.

Listed Property

The Australian Listed Property market bounced back over 20% in the year to 30 June 2010 as debt and equity markets stabilised and Listed Property stocks brought their gearing levels back under control. The rebound was fairly short and sharp, with the sector up 30% in the quarter to 30 September and then for the following nine months tracked slowly down.

The previous financial year (to June 2009) saw the onset of the global financial crisis with most developed economies falling into recession, debt becoming scarce (especially for real estate companies), debt margins widening, and property valuations falling as transactions came to a virtual standstill. Listed Property companies, faced with increasing gearing levels and lack of buyers for their property assets, were forced to raise significant levels of equity in order to get their balance sheets under control. This helped restore investor confidence and as signs started to emerge in mid-2009 that debt markets were again opening up, the sector rallied strongly.

For the last nine months of the 2010 financial year, investors refocussed on latent signs of weakness in the global economy including the Greek debt crisis and a weaker than expected pick up in US activity. This saw momentum stall in the Listed Property market, which had started to price in a strong recovery in direct property markets.

Australian Shares

Australian equities turned in a strong performance over the 2010 financial year (FY2010) to register a positive return of 13.2% (S&P/ASX200 Accumulation Index). The first three quarters of the year all achieved strong gains while a weaker June quarter took some shine off what was an otherwise improved year for equities. Macroeconomic issues shaped investor sentiment throughout FY2010.

Factors such as the strains facing indebted European governments, potential fiscal austerity measures curbing growth, a slowing Chinese economy and the proposed domestic tax on resources all contributed to a re-evaluation of the global economic recovery.

On the domestic equity front, the stronger sectors were those exposed to recovering economies and markets: the Banks outperformed as did Materials, though the wider Resources group was held back by a weak Energy sector. The latter was hit by the Government's proposal in May to introduce a Resources Super Profits Tax (RSPT), which weighed heavily on the prospective value of gas projects. One of the other laggards over FY2010, Telco's, saw a late rally when Telstra agreed preliminary terms of participation in the government's National Broadband Network initiative. Company earnings growth improved as economies regained momentum, though towards the end of the period some softening of expectations was evident. In large part due to the Henry Review of Australia's tax system, a number of sectors attracted the focus of Government and regulators. These included superannuation providers, banks, telcos, exchange providers, gaming and of course, resources via the RSPT. Mergers & Acquisitions continued to feature with the merger of Lihir and Newcrest and rival bids for AXA from NAB and AMP. Australia's resource-rich economy was increasingly targeted by foreign companies, with the takeover of several coal miners potentially a sign of things to come.

Over the course of FY2010, most major international central banks remained on hold – the US Federal Reserve's target range remained at 0.00%-0.25%. The Australian economy bore witness to the efficacy of fiscal and monetary stimulus with a strong rebound in employment, solid retail spending and rising house prices. Australia confirmed its position as "the lucky country" by posting GDP growth while maintaining inflation to reasonable levels.

The Australian economy managed to avoid a technical recession by posting GDP growth of 0.4% in the fourth quarter.

International Shares

The equity markets in 2009/2010 were divided into two key phases. In months leading to the end of 2009, optimism returned to the market with equities continuing the rally from the previous quarter. However, during 2010, it became evident that the recovery in the global economy was unlikely to be a strong one given the strains that continue to exist in many financial markets and the balance sheet repair required to be undertaken by global financial institutions and US households. Investors became increasingly concerned over the possibility of a double dip recession and the equity markets remained range bound for most of 2010. For the 12 months to 30 June 2010, hedged international equities appreciated 14% and unhedged equities returned -5.2% in Australian Dollar terms.

The key theme leading into the calendar year end of 2009 was the improvement of sentiment in the recovery of the global economy. As expected, emerging markets led the recovery, with China ahead of the pack with an effective implementation of their stimulus package.

In the US, data points showed clear signs of a pick-up in housing activity, led by a strong rebound in home sales. This in turn saw a sharp fall in the stock of homes for sale and a marked slowing in the pace of decline in house prices - an important development following three years of significant declines in house prices and wealth. With the manufacturing sector expanding strongly, the composite ISM survey (which provides the first piece of news on the economy every month and provides the earliest clues of how the economy has fared during the previous four weeks) has accelerated to a level that historically has been consistent with growth in the US economy of around 4%. However, early on in 2010, data flow began to disappoint, with US housing starts and construction activity both recording sharp declines and industrial production easing back slightly following a few solid monthly gains. At the same time, fears over the continued fragile state of financial markets and exposure to poor lending practices were brought to the fore as concerns emerged over the debt of Government related entities in Dubai.

In the final quarter, the state of sovereign finances in peripheral euro area economies drove market returns as concerns mounted over the state of sovereign finances in Greece and other peripheral Euro area economies. The situation escalated early in April as Greek solvency concerns spilled over into an inspired liquidity crisis throughout most of the region which raised fears over the potential for a second global financial crisis. The resulting increase in risk aversion drove global equity markets sharply lower. Analysts have subsequently moved to lower projections for growth in several countries over the coming year whilst pushing down their expectations for official central bank interest rates in most countries.

As 2009/2010 concluded, monetary authorities continue to pledge significant stimulus to support economic recovery. The US Federal Reserve continued to note that "they anticipate that economic conditions are likely to warrant exceptionally low levels of the Federal funds rate for an extended period", while the ECB's latest forecasts anticipate only very modest growth in GDP over the next twelve months. The need for cautiousness was also reiterated by finance ministers and central bank Governors at the latest G20 meeting as they continue to maintain expansionary monetary and fiscal policies. Improvement in global labour markets will likely be gradual, which will see major central banks keep rates at their current extremely low levels for most, if not all, of 2010.

Note: This information is based on market commentary provided by Macquarie Investment Management Ltd[2]. It relates to investment markets generally. It does not constitute financial advice and is of a general nature only without taking into account a person's individual circumstances or needs.

2 The 2009/10 Market Review information is based on reports provided by Macquarie investment Management Limited ABN 66 002 867 003 AFSL 237492. We haven't verified its accuracy so we can't guarantee that it is correct, and accept no liability for inaccuracies, errors or omissions. It is very important to note this information is general market commentary only and past performance is not indicative of future performance.

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, the Trustee allocates you 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 2009 and 2010

	30 June 2009	30 June 2010
Macquarie Treasury Fund	$12,222,491	$13,682,711
Macquarie True Index Australian Fixed Interest Fund	$48,667,894	$56,476,683
Macquarie True Index Listed Property Fund	$11,061,159	$16,444,831
Macquarie International Index Equity Fund (Unhedged)	$27,429,241	$33,103,442
Macquarie International Index Equity Fund (Hedged)	$26,851,315	$32,807,448
Macquarie True Index Australian Equity Fund	$106,376,997	$136,681,902
Tax Provision*	$2,217,412.67	$1,603,922.03
Total	$234,826,509.98	$292,940,021.89

* Tax Provision is the money that's set aside to pay the Contributions Tax to the Tax Office each year. For further information, refer to the "Key Fund Information" section of this report.

^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). There may be a difference between the Buy and Sell price (referred to as a Buy/Sell spread). Buy/sell spreads can change from time to time.

Performance to June 2010

		Net Earnings*	
LifeStage Tracker® – Balanced	1 Year (% pa)	3 Year compound average (% pa)	Compound average since Inception^ (% pa)
Under 40s (85% growth)	9.70	-6.40	2.19
40s mix (70% growth)	9.02	-4.24	2.76
50s mix (50% growth)	8.42	-1.18	3.61
Over 60s (20% growth)	6.99	3.41	4.61
LifeStage Tracker® – Aggressive	1 Year (% pa)	3 Year compound average (% pa)	Compound average since Inception^ (% pa)
Under 40s (100% growth)	10.49	-8.11	2.08
40s mix (85% growth)	9.70	-6.40	2.19
50s mix (70% growth)	9.02	-4.24	2.76
Over 60s (50% growth)	8.42	-1.18	3.61
Select Your Own Portfolios	1 Year (% pa)	3 Year compound average (% pa)	Compound average since Inception^ (% pa)
Australian Equities	11.76	-7.23	3.78
International Equities	8.09	-9.78	-1.25
Listed Property	16.53	-19.89	-6.79
Cash & Fixed Interest	5.98	6.32	5.18

Source: Marsh Mercer Kroll, 30 June 2010. Past performance is not an indicator of future performance.

In case you didn't know

Performance can go up and down and there's no guarantee which way it will go. So you might get back less than what you first put in because of fluctuations in investment returns and the deduction of applicable taxes, fees and insurance premiums.

* Net earnings are calculated after the deduction of applicable taxes, fees and costs. Refer to the current Virgin Super PDS for more information about taxes, fees and costs.

^ "Since inception" means the earliest date that Virgin Super began investing into each investment portfolio. For Life Stage Tracker® options, the inception date is 4 July 2005, for Select Your Own options it is 5 July 2005, for Select Your Own options it is 5 July 2005.

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).

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'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.

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 five years.

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 $2000 (and you become a lost member) or your account balance falls below $1000 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
- you'll need to talk directly with the ERF about your super (see contact details below)
- the investments and fees are different to Virgin Super
- any insurance cover you have with Virgin Super will stop.

The Administrator
Super Safeguard
GPO Box 3426
MELBOURNE VIC 3001

Tel: 1300 135 181
Fax: 1300 135 191

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). The tax rates payable in respect of a DASP are:

- Tax free component - Nil
- Taxable component - 35%

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).

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

Tel: 1300 652 770

If you should 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 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

Tel: 1300 884 114
w: sct.gov.au

Here to help

For information about investments, insurance and contribution options available to you, 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 abridged financial information (based on audited accounts) which shows how financially healthy we were at 30 June 2010.
If you would like a copy of our full audited accounts and auditor's report, they will be available from 16 November 2010 through our Customer Care Team on 1300 652 770.

Statement of Net Assets	$ 30-Jun-09	$ 30-Jun-10
Assets		
Investments	234,826,510	292,940,022
Cash at Bank	3,131,289	3,783,774
Sundry Debtors	282,196	5,000
Deferred Tax Assets	7,616,218	8,854,923
GST Receivable	57,227	70,486
Total Assets	245,913,440	305,654,204
Less Liabilities		
Benefits Payable		228,901
Administration Fees Payable	263,936	109,581
Insurance Premiums Payable	49,142	59,793
Cash Clearing Account	1,437,998	2,079,580
Other Amounts	43,528	2,657
Income Tax Payable	1,264,142	1,417,605
Deferred Tax Liabilities	736	958
Total Liabilities	3,059,482	3,899,074
Net Asset Available to Pay Benefits at 30 June	242,853,958	301,755,131
Represented by: Liabilities for Accrued Benefits		
Allocated to Members Accounts	241,679,275	301,396,172
Unallocated	1,174,683	358,959
Total	242,853,958	301,755,131

	$ 2009	$ 2010
Changes in Net Assets	242,853,958	301,755,131
Plus Income		
Trust Distribution Income	9,571,954	10,385,352
Interest	92,197	61,821
Other Investment Income	263,893	66,454
Changes in Net Market Value of Assets	(48,700,817)	14,582,197
Employer Contributions	46,693,794	45,079,651
Member Contributions	5,919,108	4,725,462
Transfers in	9,413,497	12,065,522
Insurance Proceeds	214,107	712,304
Government Co-Contributions	1,152,828	1,018,508
Total Income	24,620,561	87,984,966
Less Outgoings		
Insurance Premiums	657,598	712,304
Administration Expenses	3,080,016	3,501,232
Other Expenses	185,077	246,013
Total Outgoings	3,922,691	4,459,549
Benefits Accrued before Income Tax	20,697,870	83,525,417
Benefits Paid before Income Tax	16,656,994	19,666,930
Less Income Tax Expenses	5,129,905	4,957,314
Net Assets Available to Pay Benefits at 30 June	242,853,958	301,755,131