



Virgin Money Super 2017 Supplementary Annual Report

PART TWO
PREPARED DECEMBER 2017



Important information

Virgin Money Super is a plan in the Retail Division of the Mercer Super Trust. Your 2017 Mercer Super Trust Annual Report is made up of two parts:

- Part one - (Mercer Super Trust - Annual Report 2017) contains a general update on how the Mercer Super Trust has performed and information on changes that may have impacted the Mercer Super Trust for the year ended 30 June 2017. You can access this report using the following link mercervfinancialservices.com/mstannualreport-2017-part1
- Part two - (this 2017 Supplementary Annual Report) contains an update on information specific to Virgin Money Super for the year ended 30 June 2017.

Both parts should be read in conjunction with each other. Where we refer to the annual report, we're referring to both parts collectively.

Inside, the year that was

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Welcome to the 2017 Virgin Money Super Supplementary Annual Report

A MESSAGE FROM THE VIRGIN MONEY TEAM

It has been a big and exciting year for Virgin Money Super. In October 2016, we let you know about Virgin Money's partnership with Mercer Superannuation Australia Limited (MSAL), with the aim of delivering a feature packed, low cost superannuation offering. The partnership with MSAL resulted in the successor fund transfer (SFT) of the old Virgin Super product to the Mercer Super Trust, thus creating Virgin Money Super as a plan within the Mercer Super Trust. The SFT enabled the delivery of a range of benefits to our customers (new and old) including:

1. A simplified product offering with the Virgin Super Essentials and Virgin Super Plus products combined into a single Virgin Money Super offering.
2. A revamp to our LifeStage tracker option, leveraging MSAL's strong investment management capabilities to improve our lifecycle methodology with the aim of providing better investment outcomes.
3. A significant decrease in fees across all investment options. Virgin Money Super now offers amongst the lowest fees in the market.
4. A new broader range of investment options; and
5. A new mobile friendly, state of the art online account including our online super consolidation tool, making keeping track of your super easier.

Virgin Money Super Key Metrics	
Membership numbers as at 30 June 2017	Plan assets as at 30 June 2017^
19,046	\$571,260,678

^This figure is prepared on a cash basis. This means that it does not allow for any accruals such as outstanding contributions or benefits due as at 30 June 2017.

POLICY COMMITTEE

A policy committee is a body that provides feedback to the trustee and receives information concerning the operations of the plan. It is made up of equal member-elected and employer-appointed representatives for groups of employees of a common standard employer-sponsor. Virgin Money Super does not currently have a policy committee.

CONSOLIDATING YOUR SUPER HAS NEVER BEEN SO EASY

We can help bring all your accounts together over the phone; with no paper work, no hassle. Call our Customer Care team on 1300 652 770 or, you can do it online at virginmoney.com.au/super

Investment information

INVESTMENT OBJECTIVES AND STRATEGY

Each investment option has a specific performance objective.

Our strategy generally is to select a long-term mix of investments to support investment objectives and we believe our investment options are reasonably likely to meet their objectives. However, there are no guarantees.

We may change the investment objective and strategy for each investment option to keep in line with the option's objective. The actual asset allocation may fall outside the stated ranges during material transactions or due to factors including extreme market conditions or asset transitions.

We will provide information about any significant changes to the features of our investment options.

We use formal quarterly analysis to monitor the performance of investment options against their objectives and to help us assess whether we need to make any changes.

MANAGER RESEARCH AND SELECTION

The trustee has appointed Mercer Investments (Australia) Limited (MIAL) to advise on the selection, appointment, replacement and ongoing evaluation of investment managers.

MIAL's significant scale in researching managers globally provides it with access to some of the best ideas from more than 5,000 investment managers around the world.

MIAL leverages its global research network to establish optimal combinations of specialist managers for each asset class. Some Virgin Money Super investment options adopt a multi-manager approach. This approach involves selecting optimal combinations of

investment managers to achieve exposure to a range of investment management styles. This is designed to maximize the potential of the options to produce consistent performance throughout market cycles. For passive or indexed options, a single investment manager may be used.

The trustee may remove, replace, or appoint investment managers for investment options at any time.

INVESTING VIRGIN MONEY SUPER'S ASSETS

The trustee invests Virgin Money Super's assets in:

- funds managed by MIAL including but not limited to the Mercer Multi-Manager Funds (MMFs) or the Mercer Investment Funds (MIFs), which in turn have investments with underlying investment managers. The assets may also be invested in funds or investment vehicles managed by other Mercer related entities,
- other funds managed by professional investment managers, and
- a range of investments such as securities, derivatives and cash managed via mandates held with professional investment managers.

MIAL is the responsible entity of the MMFs and MIFs and appoints professional investment managers to manage the assets of the MMFs and MIFs either directly or via external investment vehicles.

All of the external investments for Virgin Money Super including the underlying investments of the MMFs and MIFs are held by an independent custodian.

Investment information cont.

SUSTAINABLE INVESTMENT

We build sustainability principles into our investment options to help protect and enhance the value of your super. We look beyond traditional financial factors to consider the potential investment impacts of corporate governance as well as environmental and social issues – such as an aging population, energy and resource constraints and climate change.

We believe Environmental, Social and Governance (ESG) factors may have a material impact on long-term risk and return outcomes. For more information refer to the trustee's Mercer Funds Sustainable Investment Policy and Mercer Funds Corporate Governance Policy, available from virginmoney.com.au/super or by calling our Customer Care Team.

Principles of sustainable investment and good governance apply to all asset classes unless otherwise indicated. Investment managers appointed to investment options may consider the ESG factors when assessing investment risk and opportunities. The trustee does not impose any specific ESG requirements on investment managers for indexed investment options.

USE OF DERIVATIVES

Derivatives, such as futures or options, are investment products where value is derived from one or more underlying assets. The value of a share option, for example, is linked to the value of the underlying share.

The trustee does not undertake day-to-day management of derivative instruments.

Derivatives may be used to assist in the efficient management of the portfolios (e.g. to quickly and effectively adjust asset class exposures and for rebalancing purposes) and

to manage risk (e.g. for currency hedging). Losses from derivatives can occur (e.g. due to market movements).

Derivative risk is managed by limiting derivative use in relevant Investment and/or Transition Management Agreements with investment managers and by considering the risks and controls set out in the managers' Derivative Risk Statements where applicable.

INVESTMENT RISK AND STANDARD RISK MEASURE

Our aim is to deliver competitive long-term investment performance. While all investments carry some risk, the trustee manages the impact of any investment risk by using carefully considered investment policies.

Investment options in Virgin Money Super have different levels of risk depending on the mix of assets in each option. Investment returns cannot be guaranteed and you may lose some of the money you have invested.

The Standard Risk Measure (SRM) is the estimated number of negative annual returns in any 20 year period. It is a tool to help you compare investment risk across investment options.

The SRM is based on industry guidance and is not a complete assessment of investment risk. It does not take into account:

- what the size of a negative return could be,
- if the size of a positive return will be enough to meet your objectives, or
- the impact of administration fees and tax on the likelihood of a negative return.

You should check you are comfortable with the risks and potential losses associated with your chosen investment option(s).

The SRM consists of seven risk labels:

Risk Label	Estimated number of negative annual returns over any 20 year period
Very high	6 or more
High	Between 4 and 6
Medium to high	Between 3 and 4
Medium	Between 2 and 3
Low to medium	Between 1 and 2
Low	Between 0.5 and 1
Very low	Less than 0.5

Risk labels are not a guarantee of the number or frequency of negative annual returns for an investment option. For details of the SRM for each investment option, refer to the 'Your investment options in detail' section later in this document.

YOUR INVESTMENT OPTIONS IN DETAIL

You can choose from a range of investment options in Virgin Money Super, which have different investment styles and asset classes.

The mix of investment options available is specific to Virgin Money Super, so whether you prefer to leave the hard work to us or if you prefer to have some control over your investments, we have you covered.

The LifeStage Tracker investment option is suitable for people who want to automatically change their investment mix as their age changes. Each year the path is adjusted to reduce exposure to growth assets.

You can create your own investment mix by choosing a combination from our range of Choice investment options giving you the option to get more involved with how your funds are invested.

Since the investment options for Virgin Money Super commenced after 1 July 2016, asset allocations are not applicable prior to this date and are denoted with N/A throughout this section.

Refer to the [Virgin Money Super PDS](#) for further details or contact our Customer Care team.



Virgin Money Super Lifestage Tracker

BORN PRIOR TO 1949

Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 1.50% per annum over rolling four year periods.

Standard Risk Measure

Medium to High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	19.9%	N/A
International Shares	19.8%	N/A
Property & Infrastructure	4.9%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	44.9%	N/A
Cash	10.5%	N/A

BORN 1954 - 1958

Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 2.25% per annum over rolling five year periods.

Standard Risk Measure

Medium to High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	27.1%	N/A
International Shares	26.7%	N/A
Property & Infrastructure	5.0%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	34.6%	N/A
Cash	6.6%	N/A

BORN 1949 TO 1953

Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 1.75% per annum over rolling four year periods.

Standard Risk Measure

Medium to High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	21.9%	N/A
International Shares	21.9%	N/A
Property & Infrastructure	4.8%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	41.9%	N/A
Cash	9.5%	N/A

BORN 1959 - 1963

Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 2.75% per annum over rolling six year periods.

Standard Risk Measure

High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	32.0%	N/A
International Shares	31.9%	N/A
Property & Infrastructure	5.0%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	26.7%	N/A
Cash	4.4%	N/A

BORN 1964 - 1968

Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.25% per annum over rolling seven year periods.

Standard Risk Measure

High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	37.1%	N/A
International Shares	36.9%	N/A
Property & Infrastructure	5.0%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	19.3%	N/A
Cash	1.9%	N/A

BORN 1974 - 1978

Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.50% per annum over rolling seven year periods.

Standard Risk Measure

High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	39.5%	N/A
International Shares	40.2%	N/A
Property & Infrastructure	5.0%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	14.8%	N/A
Cash	0.5%	N/A

BORN 1969 - 1973

Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.50% per annum over rolling seven year periods.

Standard Risk Measure

High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	39.6%	N/A
International Shares	40.1%	N/A
Property & Infrastructure	5.1%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	14.7%	N/A
Cash	0.5%	N/A

BORN 1979 - 1983

Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.50% per annum over rolling seven year periods.

Standard Risk Measure

High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	39.8%	N/A
International Shares	40.0%	N/A
Property & Infrastructure	5.0%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	14.7%	N/A
Cash	0.5%	N/A

Virgin Money Super Lifestage Tracker cont.

BORN 1984 - 1988

Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.50% per annum over rolling seven year periods.

Standard Risk Measure

High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	39.7%	N/A
International Shares	39.8%	N/A
Property & Infrastructure	5.1%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	14.9%	N/A
Cash	0.5%	N/A

BORN 1994 - 1998

Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.50% per annum over rolling seven year periods.

Standard Risk Measure

High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	39.8%	N/A
International Shares	39.8%	N/A
Property & Infrastructure	5.0%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	14.9%	N/A
Cash	0.5%	N/A

BORN 1989 - 1993

Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.50% per annum over rolling seven year periods.

Standard Risk Measure

High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	39.8%	N/A
International Shares	39.8%	N/A
Property & Infrastructure	5.0%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	14.9%	N/A
Cash	0.5%	N/A

BORN 1999 - 2003

Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.50% per annum over rolling seven year periods.

Standard Risk Measure

High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	39.5%	N/A
International Shares	40.1%	N/A
Property & Infrastructure	4.9%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	15.0%	N/A
Cash	0.5%	N/A

BORN 2004 - 2008

Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.50% per annum over rolling seven year periods.

Standard Risk Measure

High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	N/A	N/A
International Shares	N/A	N/A
Property & Infrastructure	N/A	N/A
Alternative Assets	N/A	N/A
Higher Yielding Fixed Interest	N/A	N/A
Defensive Fixed Interest	N/A	N/A
Cash	N/A	N/A

*There was no investment in this option at 30 June 2017 therefore asset allocations are N/A.

BORN 2009 - 2013

Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.50% per annum over rolling seven year periods.

Standard Risk Measure

High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	39.7%	N/A
International Shares	39.7%	N/A
Property & Infrastructure	5.0%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	15.0%	N/A
Cash	0.6%	N/A



Virgin Money Super Choice investment options

AUSTRALIAN LISTED PROPERTIES

Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

Standard Risk Measure

High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	0%	N/A
International Shares	0%	N/A
Property & Infrastructure	99.1%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Cash	0%	N/A

CASH

Investment objectives

To maintain the invested capital and to achieve a return above that available on bank bills as measured by the Bloomberg AusBond Bank Bill Index on an annual basis.

Standard Risk Measure

Very Low.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	0%	N/A
International Shares	0%	N/A
Property & Infrastructure	0%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Cash	100%	N/A

INDEXED DIVERSIFIED SHARES

Investment objectives

To match the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

Standard Risk Measure

Medium to High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	49.9%	N/A
International Shares	49.8%	N/A
Property & Infrastructure	0%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	0%	N/A
Cash	0.3%	N/A

INDEXED AUSTRALIAN SHARES

Investment objectives

To match the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

Standard Risk Measure

Medium to High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	98.7%	N/A
International Shares	0%	N/A
Property & Infrastructure	0%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	0%	N/A
Cash	1.3%	N/A

INDEXED OVERSEAS SHARES

Investment objectives

To match the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

Standard Risk Measure

Medium to High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	0%	N/A
International Shares	99.2%	N/A
Property & Infrastructure	0%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	0%	N/A
Cash	0.8%	N/A

ENHANCED INDEXED GROWTH

Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.00% per annum over five year rolling periods.

Standard Risk Measure

High.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	30.0%	N/A
International Shares	33.0%	N/A
Property & Infrastructure	5.9%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	23.7%	N/A
Cash	7.4%	N/A

ENHANCED INDEXED CONSERVATIVE GROWTH

Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 1.50% per annum over rolling three year periods.

Standard Risk Measure

Low to Medium.

Asset allocation at 30 June.

Asset Class	2017	2016
Australian Shares	12.0%	N/A
International Shares	13.6%	N/A
Property & Infrastructure	4.0%	N/A
Alternative Assets	0%	N/A
Higher Yielding Fixed Interest	0%	N/A
Defensive Fixed Interest	56.7%	N/A
Cash	13.7%	N/A

Investment returns

HOW INVESTMENT RETURNS ARE CALCULATED

Single year and compound returns are calculated assuming that \$1.00 is invested at the start of the relevant period and that no further amounts are invested over the period.

Returns are based on exit prices and allow for the deduction of tax and investment fees including indirect costs (but not administration fees or other fees).

Compound returns are calculated as the average of annual returns.

HOW WE CALCULATE VIRGIN MONEY SUPER INVESTMENT EARNINGS

Super contributions and rollovers made to Virgin Money Super purchase units in each investment option. Unit prices are generally calculated daily (except weekends and Melbourne public holidays) and fluctuate according to the investment performance of the individual investment options.

The number of units that your investment can purchase depends on the unit price at the relevant time. For example, if you contributed \$1,000 and the unit price was \$1.00 at that time, then 1,000 units would be purchased.

Units are also redeemed when the fund needs to make super payouts or pay fees, taxes and other expenses.

The value of your payout at any time is the number of units you have, multiplied by their exit price at that time (less any exit fee payable). Your latest member statement shows you how many units you have, the exit price and their value.

ALLOCATION OF INVESTMENT EARNINGS

The net investment earnings of Virgin Money Super investment options are allocated to members through changes in the unit price of the investment options.

You should carefully consider the risks of each of the options before making any investment decisions. You should be aware that investment returns can be volatile and the value of your investments may increase or decrease. You should not rely on past performance as an indicator of the future performance of any of the investment options.

You can obtain up to date returns for your plan's investment options at virginmoney.com.au/super or by calling Customer Care on **1300 652 770**.

We recommend that you speak to a licensed, or appropriately authorised, financial adviser before making any decision about your super.

Investment performance

HOW INVESTMENT RETURNS ARE CALCULATED

Investment Option		1 year return %*	5 year return per annum	10 year return per annum
LifeStage Tracker	Born prior to 1949	4.3	N/A	N/A
	Born 1949-1953	4.5	N/A	N/A
	Born 1954-1958	5.2	N/A	N/A
	Born 1959-1963	5.8	N/A	N/A
	Born 1964-1968	6.3	N/A	N/A
	Born 1969-1973	6.7	N/A	N/A
	Born 1974-1978	6.7	N/A	N/A
	Born 1979-1983	6.7	N/A	N/A
	Born 1984-1988	6.7	N/A	N/A
	Born 1989-1993	6.7	N/A	N/A
	Born 1994-1998	6.7	N/A	N/A
	Born 1999-2003	6.7	N/A	N/A
	Born 2004 - 2008	N/A	N/A	N/A
	Born 2009 - 2013	N/A	N/A	N/A
Choice Investment Options	Australian Listed Property	2.5	N/A	N/A
	Cash	1.0	N/A	N/A
	Indexed Diversified Shares	4.3	N/A	N/A
	Indexed Australian Shares	6.6	N/A	N/A
	Indexed Overseas Shares	7.9	N/A	N/A
	Enhanced Indexed Growth	3.4	N/A	N/A
	Enhanced Indexed Conservative Growth	2.1	N/A	N/A

*Since the investment options for Virgin Money Super commenced after 1 July 2016, this column shows performance since commencement date.

N/A indicates that the investment option was not operating for the full period.

The investment returns shown in this Supplementary Annual Report do not take into account the unique characteristics that apply to each member (such as timing of cashflows). As a result, the actual returns applying to a particular member may vary from the investment returns shown.

Past performance should not be relied upon as an indicator of future performance.

The performance information contained in this report is up to date at the time of its preparation. You can obtain updated performance information at virginmoney.com.au/super (sign in using your personal log-in) and going to the Investments section, or by calling Customer Care. We can send you a copy of the updated information, free of charge, on request.

Investment Managers

INVESTMENT MANAGERS AS AT 30 JUNE 2017

The majority of the assets of Virgin Money Super are invested in funds managed by Mercer Investments (Australia) Limited (MIAL), which in turn have investments with underlying investment managers. The underlying investment managers as at 30 June 2017 are listed below.

Fund type	Manager
Australian Shares	JCP Investment Partners Ltd Plato Investment Management Limited State Street Global Advisors, Australia, Limited
Overseas Shares	Acadian Asset Management Northern Trust Limited (currency hedging only) Macquarie Investment Management Limited Schroder Investment Management Australia Limited State Street Global Advisors, Australia, Limited
Property	Macquarie Investment Management Limited Northern Trust Limited (currency hedging only)
Infrastructure	Macquarie Investment Management Limited Northern Trust Limited (currency hedging only)
Australian Fixed Interest	Ardea Investment Management Pty Limited Challenger Management Services Limited Macquarie Investment Management Limited QIC Limited
Overseas Fixed Interest	AXA Investment Managers Asia (Singapore) Ltd BlackRock Investment Management (UK) Ltd Challenger Managed Investments Limited Colonial First State Investments Limited Wellington International Management Company Pty Limited
Cash	Blackrock Investment Management (Australia) Limited Challenger Managed Investment Limited

CHANGES TO INVESTMENT MANAGERS

The following underlying managers were appointed in the 2016/17 financial year.

Fund type	Manager
Overseas Fixed Interest	BlackRock Investment Management (UK) Ltd
Currency Hedging	Northern Trust Limited (currency hedging only)

The following underlying managers were terminated in the 2016/17 financial year.

Fund type	Manager
Currency Hedging	National Australia Bank Limited (currency hedging only)

Largest share holdings

The tables below show the top ten Australian and overseas shares held in aggregate by Virgin Money Super as at 30 June 2017 within the Australian shares and Overseas shares asset classes across all investment options. For example, Commonwealth Bank of Australia represents 9.2% of the total Australian shares component of all the Virgin Money Super investment options.

TOP 10 AUSTRALIAN SHARE HOLDINGS

Company	Holding %
Commonwealth Bank of Australia	9.2
Westpac Banking Corporation	6.6
Australia & New Zealand Banking Group Ltd	5.3
National Australia Bank Limited	5.2
BHP Billiton Limited	4.8
CSL Limited	4.1
Telstra Corporation Limited	3.4
Wesfarmers Limited	2.9
Woolworths Limited	2.2
Macquarie Group Limited	2.0

TOP 10 OVERSEAS SHARE HOLDINGS

Company	Holding %
Apple Inc	2.2
Microsoft Corp	1.5
Johnson & Johnson	1.1
Amazon.com Inc	1.1
JP Morgan Chase & Co	1.0
Facebook Inc	1.0
Exxon Mobil Corp	1.0
Alphabet Inc C	0.8
Alphabet Inc A	0.8
Nestle	0.8

The trustee invests Virgin Money Super's assets as follows:

- in other funds managed by professional investment managers,
- in a range of investments such as securities, derivatives and cash managed via mandates held with professional investment managers, and
- by investing the assets in funds managed by MIAL including but not limited to Mercer Multi-Manager Funds (MMFs) or Mercer Investment Funds (MIFs). The assets may also be invested in funds or investment vehicles managed by other Mercer related entities.

MIAL is the responsible entity of MMFs and MIFs and appoints professional investment managers to manage the assets of MMFs and MIFs either directly or via external investment vehicles.

All of the external investments for Virgin Money Super Trust including the underlying investments of the MMFs and MIFs are held by an independent custodian.

Indirect cost ratio

Details of Indirect Cost Ratio (ICR) are set out in the PDS and/or other member materials (as applicable) for your plan.

INDIRECT COST RATIO

The ICR for the period of 1 December 2016 to 30 June 2017 are set out below.

Investment option	Indirect cost ratio*
Born prior to 1949	0.07%
Born 1949-1953	0.07%
Born 1954-1958	0.07%
Born 1959-1963	0.07%
Born 1964-1968	0.07%
Born 1969-1973	0.07%
Born 1974-1978	0.07%
Born 1979-1983	0.07%
Born 1984-1988	0.07%
Born 1989-1993	0.07%
Born 1994-1998	0.07%
Born 1999-2003	0.07%
Born 2004 - 2008	0.07%
Born 2009 - 2013	0.07%
Mercer Australian Listed Property	0.07%
Cash	0.02%
Indexed Diversified Shares	0.06%
Indexed Australian Shares	0.06%
Indexed Overseas Shares	0.04%
Enhanced Indexed Growth	0.10%
Enhanced Indexed Conservative Growth	0.10%

* The indirect cost ratios (ICRs) are for the year ending 30 June 2017 and are based on the actual information available and/or reasonable estimates for the period as at the date of this Supplementary Annual Report. The ICRs may vary from year to year. The ICR consists of indirect costs (including but not limited to, performance related fees, any expense allowance charged by external investment trusts or managers, the net explicit transactional and operational costs and Over the Counter Derivative costs used for either hedging and non-hedging purposes) incurred by the underlying investment vehicles of the Mercer Super Trust.

CHANGE IN NET ASSETS IN YOUR PLAN TO 30 JUNE 2017

Net assets at 1 December 2016	\$543,259,299
PLUS	
Net investment revenue	\$33,266,102
Employer contributions*	\$23,510,205
Member contributions	\$2,523,854
Government co-contributions	\$387,465
Transfers from other funds	\$2,704,194
Insurance proceeds	\$395,900
Total revenue	\$62,787,719
LESS	
Benefits paid	\$29,621,182
Administration fees	\$760,290
Group insurance premiums	\$1,098,300
Contributions and surcharge tax	\$3,306,568
Total expenses	\$34,786,340
EQUALS	
Net assets at 30 June 2017	\$571,260,678

* Please note that the amounts shown in the table above as employer contributions include any pre-tax or salary sacrifice member contributions.

STATEMENT OF FINANCIAL POSITION OF YOUR PLAN AT 30 JUNE 2017

Assets (investment options)	
Lifestage Tracker	
All paths	\$455,165,741
Choice Investment Option	
Australian Listed Property	\$19,830,404
Cash	\$23,441,387
Indexed Diversified Shares	\$551,387
Indexed Australian Shares	\$40,701,382
Indexed Overseas Shares	\$30,371,642
Enhanced Indexed Growth	\$885,329
Enhanced Indexed Conservative Growth	\$313,406
Total	\$571,260,678

This information has been prepared on a cash basis.

The financial information contained in this Supplementary Annual Report for your plan has not been audited. This information does form part of the full financial accounts for the Mercer Super Trust in which your plan participates. You can request a copy of the Mercer Super Trust full audited accounts and the auditor's report by contacting the Customer Care team.

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It is also recommended that you obtain advice from a licensed, or appropriately authorised, financial adviser.

You should be aware that the value of an investment in the Mercer Super Trust may rise and fall. Neither MSAL, Mercer nor any of the investment managers guarantees the investment performance, earnings or return of capital invested in the Mercer Super Trust. © 2017, Mercer LLC. All rights reserved.

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