

Virgin Money Super Target Market Determination

22 April 2025

Legal disclaimer

A Target Market Determination (**TMD**) is required under section 994B of the Corporations Act 2001. This TMD describes the class of customers that comprises the target market for the financial product and matters relevant to the product's distribution and review (specifically, distribution conditions, review triggers and periods, and reporting requirements). Distributors must take reasonable steps that will, or are reasonably likely to, result in distribution of the product being consistent with the most recent TMD (unless the distribution is excluded conduct). It forms part of the Mercer Superannuation (Australia) Limited design and distribution framework for the product.

This document is **not** a Product Disclosure Statement (**PDS**) and is not a complete summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Customers interested in acquiring this product should carefully read the PDS for Virgin Money Super before making a decision whether to join this product.

Important terms used in this TMD are defined at the end of the document. Capitalised terms have the meaning given to them in the product's PDS, unless otherwise defined. The PDS can be obtained from virginmoney.com.au/super.

Issued by Mercer Superannuation (Australia) Limited (MSAL) ABN 79 004 717 533, Australian Financial Services Licence 235906, the trustee of the Mercer Super Trust ABN 19 905 422 981 ('Mercer Super').

1. Product summary

Product and issuer identifiers

1.1	Name of product	Virgin Money Super
	Issuer name	Mercer Superannuation (Australia) Limited (MSAL)
	Issuer AFSL	235906
	Fund Name	Mercer Super Trust
	Fund ABN	19 905 422 981
	USI code	19 905 422 981 701
1.2	TMD issue date	22 April 2025
	TMD Version	6
	Distribution status of product	Open

Product description and Key attributes

1.3	Product description	<p>This is a product for individuals to accumulate savings for retirement through superannuation.</p> <p>This product is not a self-managed super fund.</p> <p>This TMD only relates to the non-MySuper options in this product.</p>
1.4	Key product attributes	<ul style="list-style-type: none">• This product is an accumulation account.• The customer can make investment choices in this product.• This product is subject to superannuation preservation legislation.• Insurance cover generally available for eligible customers is:<ul style="list-style-type: none">– Death (including Terminal Illness),– Total and Permanent Disablement (TPD), and– Income Protection• Online access. Allows customers to manage their accounts online including to:<ul style="list-style-type: none">– Check account balance, account activity and download account statements.– Switch investment options.– Check insurance.– Check beneficiaries.

Description of Target market

The Target Market is the class of customers who have the needs and objectives set out below and are in the financial situation set out in the sections below.

2. Needs and objectives of customer

2.1 TMD indicator key

The Customer Attributes for which the product is likely to be appropriate have been assessed using a red/amber/green rating methodology with appropriate colour coding:

In target market

See issuer instructions

Not considered in target market

Instructions

In the tables below, Column 1 indicates a description of the likely objectives, financial situation and needs of the class of customers that are considering this product. Column 2 indicates whether a customer meeting the attribute in column 1 is likely to be in the target market for this product.

2.2 Customer objectives

For an individual customer, Virgin Money Super is likely to be consistent with **any one or more** of the following short-term and long-term objectives:

- to accumulate capital/wealth for retirement
- to hold capital/wealth during retirement
- to provide a source of income during retirement
- to provide an environment for concessional taxation of savings
- to obtain protection through having insurance cover inside superannuation.

This product is **not** designed for individuals who:

- Require access to their funds before meeting a superannuation condition of release.
- Are approaching retirement or are fully retired and want to receive a regular income stream from their superannuation savings.
- Want to design their own investment portfolio through direct investment in shares, exchange traded funds or term deposits.

2.3 Level of decision making

Customer's intended level of decision making	Product consistency with target market
Fully self-managed, including fund administration (SMSF)	Not considered in target market
Investment options chosen by customer from extensive investment menu	Not considered in target market
Investment options chosen by customer from limited investment menu	In target market
Default investment options applied where no investments selected	In target market
Automatic death and disability insurance arrangements available upon joining the fund (subject to eligibility)	In target market
A range of death and disability insurance arrangements able to be applied for and subject to underwriting	In target market

2.4 Product investment menu

Looking to invest in one, or a combination of, investment options that sit within the following categories of investment:

Customer's intended type of strategy on investment menu	Product consistency with target market
Cash	In target market
Indexed sector investment options	In target market
Indexed diversified investment options	In target market
Sustainability themed investment options	Not considered in target market
Member Direct investment options, including direct shares exchange traded funds or term deposits	Not considered in target market

2.5 Number of investment holdings

Customer's intended holding of multiple investment options/ strategies	Product consistency with target market
Low – customer intends to hold no more than 4 investment options	In target market
Medium – customer intends to hold between 5 and 8 investment options	In target market
High – customer intends to hold more than 8 investment options	Not considered in target market

2.6 Financial Advice

Customer's desired availability of financial advice	Product consistency with target market
Customer wishes to have the option to receive comprehensive personal financial advice paid by them through the fund.	In target market
Customer wishes to have the option to receive personal financial advice through the fund that relates to the customer's interest in the fund (intra-fund advice).	In target market
Customer does not wish to have the option to receive advice through the fund.	In target market
Customer wishes to have the option to authorise an external financial adviser to assist in managing the customer's interest in the fund.	In target market

2.7 Insurance cover options available and eligibility criteria

Customers in the accumulation phase are the target market for the insurance cover options within Virgin Money Super.

- Customers receive Automatic Insurance cover upon meeting the eligibility criteria of the product (see section 2.8 below for further details including the eligibility criteria).
- Insurance designs are based on factors such as age and salary that provide the type and amount of insurance cover that reflects customers' likely needs.
- Typically, the amount of insurance cover is highest when customers' needs are highest (e.g. to service debt and to cover the financial needs of dependants) with the amount of insurance cover then reducing as customers approach retirement.

Customers have the flexibility to either opt-in or opt-out of Automatic Insurance cover, increase, decrease or cancel their insurance cover at any time depending on their needs.

Customers in the target market are those:

- Seeking insurance cover to assist with financial commitments that will not otherwise be satisfied in the event of death, terminal illness or disability (as applicable), and
- Who satisfy the eligibility requirements for the product's insurance cover.

Cover available and likely needs	Product consistency with target market
Death (including Terminal Illness) cover Provides a lump sum benefit to those who depend on the customer for financial security if the customer is diagnosed with a terminal illness or passes away.	In target market
Total and Permanent Disablement (TPD) cover Protects a customer if they are no longer able to work permanently as a result of illness or injury. TPD cover cannot be held separately and must be held jointly with Death cover.	In target market
Income Protection (IP) cover Provides a monthly benefit while a customer recovers from a temporary illness or injury that prevents them from working.	In target market

2.8 Information and eligibility criteria for insurance cover

Cover available	Type of customer – Virgin Money Super customer		Product consistency with target market	
Death (including Terminal Illness) and TPD cover	This type of cover is designed for customers seeking Death only cover, or Death and TPD cover through their Virgin Money Super account. Subject to meeting certain eligibility criteria, this option provides customers with access to:		In target market	
		Death cover		TPD cover
	Automatic Insurance cover without underwriting	Yes		Yes
	Tailored Insurance cover through underwriting, subject to insurer approval	Yes		Yes
	Maximum cover amount	Unlimited (Terminal Illness benefit is limited to \$5 million)		\$3 million
	Apply for cover between the ages	15 to 64		15 to 64
	Cover expiry age	65		65
	Customer characteristics A customer must meet the following criteria to be eligible to access Death and TPD cover: <ul style="list-style-type: none">• have a Virgin Money Super account and rollover funds and/or make super contributions into the account,• be an Australian Resident (or hold a visa entitling you to residency or employment), and• be aged between 15 and under 65			
Income Protection (IP) cover	This type of cover is designed for customers seeking Income Protection insurance through their Virgin Money Super account. Subject to meeting certain eligibility criteria, this option provides customers with access to:		In target market	
	Cover through underwriting, subject to insurer approval	Yes		

Cover available	Type of customer – Virgin Money Super customer	Product consistency with target market
	<div><div>Maximum cover amount</div><div>Lesser of 1/12 of 75% of salary and \$30,000 per month. Important: Customers eligible to receive a benefit payment may have the benefit amount reduced if income or other benefits are received from other sources during the benefit payment period.</div></div>	
	<div><div>Applying for cover between ages</div><div>15 to 64 (inclusive)</div></div>	
	<div><div>Cover expiry age</div><div>65</div></div>	
	<div><div>Benefit period and waiting period</div><div>2-year benefit period 90 day waiting period</div></div>	
	<div><div>Customer characteristics</div><div><p>A customer must meet the following criteria to be eligible to access Income Protection insurance:</p><ul style="list-style-type: none">• have a Virgin Money Super account and rollover funds and/or make super contributions into the account,• be working at least 15 hours per week,• be an Australian Resident (or hold a visa entitling you to residency or employment), and• be aged between 15 and 64.</div></div>	

Customers not considered in target market for insurance include those who:

- do not meet the criteria to access insurance cover as outlined above,
- are working in an Excluded Occupation (i.e. an occupation deemed not insurable by the insurer) and want to apply for Tailored Insurance cover,
- are actively serving in the armed forces (policy exclusions for injury, disability and illness caused by war or participation in active service in the armed forces limit the ability to claim for these customers).

3. Financial situation of customer

3.1 Life stage of customer

Life stage of customer	Product consistency with target market
Child (under 18), subject to eligibility rules	See issuer instructions ¹
Accumulation phase (over 18)	In target market
Pension draw down phase (any age)	Not considered in target market

3.2 Intended size of investment

Customer's intended account balance	Product consistency with target market
Below \$500	Not considered in target market
Over \$500	In target market

3.3 Customer selected investment options

This section of the TMD is relevant to customers who choose one or more investment options (that is, customers who do not rely on the default investment option). Customers are automatically invested in the default investment option, LifeStage Tracker, when they join and are able to make an investment choice once their account has been set up.

The investment menu is designed to provide a range of choices across the risk/return spectrum and with a corresponding suggested minimum time for holding the investment option. It is therefore encouraged that customers utilise the Risk Attitude Quiz found through Member Online by using your personal login at virginmoney.com.au/super (available after joining the product), and/or the limited financial advice service available through the Customer Care Team at no additional cost, or seek their own financial advice.

Each of the sections in the table below should be taken into account individually.

¹ The default investment option, LifeStage Tracker, is only available for customers born prior to 2018.

Customer's intended type of strategy on investment menu	Cash	Indexed Diversified options	Indexed Sector options
Customer's Risk (ability to bear loss) and Return profile			
Extremely high			
Very high		Multiple options available to members with a Moderate, High or very High risk appetite.	Multiple options available to members with a High or Very High risk appetite.
High			
Medium			
Low	Cash option available to members with a Low risk appetite.		
Customer's investment timeframe			
Short (<3 years)	Cash option available to members with an investment timeframe of less than 3 years.		
Medium (3 ≤ 7 years)		Multiple options available to members with an investment timeframe of 3 years or more.	
Long (> 7 years)			Multiple options available to members with an investment timeframe of 7 years or more.

4. Other elements of TMD

4.1 Appropriateness requirements

Explanation of consistency of key attributes with TMD

MSAL has reviewed the manner in which existing customers are using the product as at the date of this TMD. This review of customer data and behaviour confirms that the key product attributes (as listed in section 1) are consistent with customer needs and objectives.

4.2 Distribution Conditions/Restrictions

Distribution channel	Permitted channel?	Distribution conditions/Restrictions
Personal advice	Yes	An adviser can only recommend the product not establish an account on behalf of the customer.
Direct retail, where permitted	Yes	The product should only be distributed to customers in target market.
Through an Authorised Representative of an Australian Financial Services License holder	Yes	
Customers enrolled through their employer	Yes	
Robo advised	Yes	
Indirect	Yes	<ul style="list-style-type: none">• A customer can have their super benefits transferred into the plan from another part of the Fund.• The spouse of a customer can also be a customer of this product through a family law split.

4.3 Review triggers

1. Where MSAL has determined that any of the following has occurred, including but not limited to:
 - a) ASIC reportable significant dealing outside of TMD.
 - b) Significant or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) regarding product design, product availability or any distribution condition where MSAL considers this reasonably suggests that this TMD is no longer appropriate.
 - c) Material changes to key product attributes, terms and/or conditions where MSAL considers this reasonably suggests that this TMD is no longer appropriate.
 - d) A significant reduction in insurance claims ratios, a significant increase in denied insurance claims, a significant increase in withdrawn insurance claims or a significant increase in insurance cancellations that reasonably suggests that this TMD is no longer appropriate.
 - e) The use of Product Intervention Powers, regulator orders or directions in relation to the distribution of this product where MSAL considers this reasonably suggests that this TMD is no longer appropriate.
 - f) A significant breach event relating to the design or distribution of this product where MSAL considers this would reasonably suggest that (i) this product is unsuitable for a particular cohort of customers and (ii) the TMD may no longer be appropriate.
 - g) The issuer's monitoring of investment performance under SPS 530 (including monitoring of the APRA heatmaps) reasonably suggests the TMD is no longer appropriate.
2. The trustee (MSAL) of this product makes a determination for purposes of s52(9) of Superannuation Industry (Supervision) Act 1993 that the financial interests of the customers who hold this product are not being promoted.

4.4 Mandatory review periods

Review periods	Maximum period for review
Initial review	NA – initial review has already occurred
Subsequent review	3 years and 3 months

4.5 Distributor information reporting requirements

Regulated person(s)	Requirement	Reporting deadline
All distributors	Complaints (as defined in section 994A(1) of the Corporations Act 2001) relating to the product. The distributor should provide all the content of the complaint, having regard to privacy law.	Quarterly *
All distributors	Significant dealing outside of target market under s994F(6) of the Act.	As soon as practicable but no later than 10 business days after distributor becomes aware of the significant dealing.

* Quarterly reporting is due as soon as practicable, but no later than 10 business days after the end of the March, June, September and December quarters. Distributors must report to MSAL.

4.6 Important terms within this TMD document

Term	Definition
Australian Resident	Means a permanent resident within the meaning of the Migration Act 1958 (Cth), an Australian citizen or a New Zealand citizen.
Extensive Investment Menu	More than 10 investment options.
Limited Investment Menu	Less than 10 investment options.
Material Change	A material change is a change to the product attributes, fees, charges, terms and conditions or the manner of distribution which may cause the TMD to no longer be appropriate.
Product Disclosure Statement	The Product Disclosure Statement (PDS) is a summary of the features of Virgin Money Super, a plan in the Retail Division of the Mercer Super Trust. It includes references to important information in a series of booklets that are part of this PDS. These booklets include the Product Guide, the Insurance Guide and the Sustainable Investment Information booklet.
Robo Advice/Advised	A self-guided online wealth management service that provides automated investment advice at low costs and low account minimums, employing portfolio management algorithm. Also known as Digital Advice.
Significant dealings	<p>Section 994F(6) of the Corporations Act 2001 requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is 'significant' and distributors have discretion to apply its ordinary meaning.</p> <p>The issuer will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy, and to meet its own obligation to report significant dealings to ASIC.</p> <p>Dealings outside this TMD may be significant because:</p> <ul style="list-style-type: none"> • they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or • they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the customer (or class of customer). <p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none"> • the nature and risk profile of the product (which may be indicated by the product's risk rating or withdrawal timeframes), • the actual or potential harm to a customer (which may be indicated by the value of the customer's investment, their intended product use or their ability to bear loss), and • the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red or amber ratings attributed to the customer).
Customer's intended investment timeframe	
Minimum	The minimum suggested timeframe for holding the option. Typically, this is the rolling period over which the investment objective of the option is likely to be achieved.

Customer's Risk (ability to bear loss) and Return profile

This TMD uses the Standard Risk Measure (SRM) to estimate the likely number of negative annual returns for an option over a 20-year period. However, SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return (including under conditions of market stress) or that a positive return could still be less than a customer requires to meet their investment objectives/needs. The SRM methodology may be supplemented by other risk factors. For example, some options may use leverage, derivatives or short selling; may have liquidity or withdrawal limitations; may have underlying investments with valuation risks or risks of capital loss; or otherwise may have a complex structure or increased investment risks, which should be documented together with the SRM to substantiate the product risk rating.

A customer's desired product return profile would generally take into account the impact of fees, costs and taxes.

Term	Definition
Extremely high	<p>For the relevant part of the customer's portfolio, the customer:</p> <ul style="list-style-type: none"> • has an extremely high risk appetite, • can accept significant volatility and losses, and • seeks to obtain accelerated returns (potentially in a short timeframe). <p>The customer seeks extremely high risk, speculative or complex options which may have features such as significant use of derivatives, leverage or short positions or may be in emerging or niche asset classes (for example, crypto-assets or collectibles).</p>
Very high	<p>For the relevant part of the customer's portfolio, the customer:</p> <ul style="list-style-type: none"> • has a very high risk appetite, • can accept very high volatility and potential losses (e.g. has the ability to bear 6 to 7 negative returns over a 20 year period (SRM 6 or 7)), and • seeks to maximise returns (typically over a medium or long timeframe). <p>The customer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative investments).</p>
High	<p>For the relevant part of the customer's portfolio, the customer:</p> <ul style="list-style-type: none"> • has a high risk appetite, • can accept high volatility and potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 5 or 6)), and • seeks high returns (typically over a medium or long timeframe). <p>The customer typically prefers growth assets (for example, shares and property).</p>
Medium	<p>For the relevant part of the customer's portfolio, the customer:</p> <ul style="list-style-type: none"> • has a moderate or medium risk appetite, • seeks low volatility and potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)), and • is comfortable with a moderate target return profile. <p>The customer typically prefers defensive assets (for example, fixed income).</p>
Low	<p>For the relevant part of the customer's portfolio, the customer:</p> <ul style="list-style-type: none"> • has a conservative or low risk appetite, • seeks to minimise volatility and potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)), and • is comfortable with a low target return profile. <p>The customer typically prefers stable, defensive assets (such as cash).</p>



Customer Care

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