



INVESTMENT UPDATE

DECEMBER 2013 QUARTER

Dear Member,

Welcome to the latest *Investment Update* for the Nissan Superannuation Plan, keeping you up to date with what's been happening in the financial markets and how the Plan's investments and your super have performed during the December 2013 quarter.

If you have any questions about your super, please contact a member of the Policy Committee.

From the Directors, Towers Watson Superannuation Pty Ltd

Quarter results

The Plan's **December 2013 quarter investment returns** (net of investment fees and tax) for the:

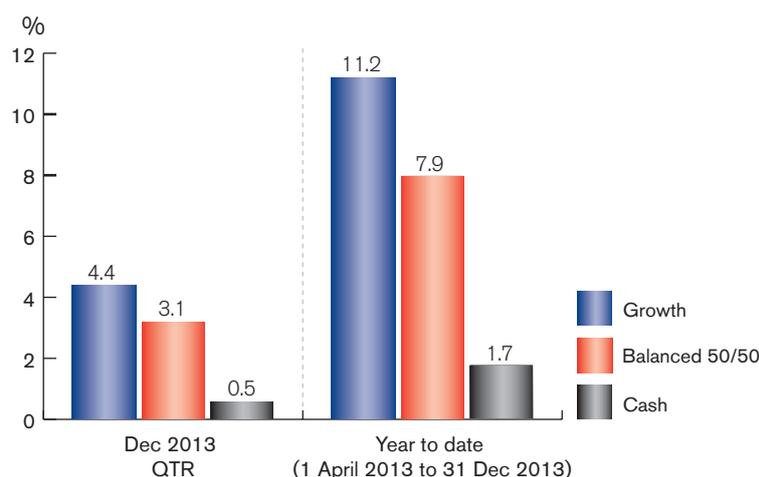
- Growth option was 4.4%
- Balanced 50/50 option was 3.1%
- Cash option was 0.5%

Investment returns for the key asset classes for the quarter for:

- Australian shares was 3.3%
- International shares (hedged) was 9.3%
- International shares (unhedged) was 13.2%
- Global property (hedged) was 0.6%
- Australian fixed interest was 0.3%
- Australian cash was 0.6%

The Reserve Bank of Australia has kept interest rates at 2.5%, announcing that the Australian economy has been sluggish recently, with unemployment edging up and growth being below initial forecasts. The Australian dollar reflected the conservative economic outlook, starting the quarter at 93.09 US cents but falling to 89.48 US cents by the end of December. It also fell against the currencies of Australia's major trading partners, as measured by the Trade Weighted Index, closing the year at 68.9 (from 71.2 at 30 September 2013). On a more positive note, during the quarter, Australian 10-year Government bonds yielded the highest return compared to the UK, US and German 10-year Government bonds.

The graph below shows the Plan's investment returns (net of investment fees and tax) for the three investment options for the quarter ended 31 December 2013 and for the year to date (1 April 2013 to 31 December 2013).



Please note that past investment performance is not necessarily an indication of future performance.

Plan investment performance

At the beginning of the quarter the US Government was shut down whilst its debt ceiling was being debated by Congress. Despite the uncertainty surrounding these events, investment markets remained relatively stable. In December, the Federal Reserve announced that it would begin reducing its economic support policies. This was reflective of the Federal Reserve's confidence in the strengthening economy, although economic support is still expected to be carried out until late 2014 and will be based on how well the economy continues to perform.

News out of Europe was broadly consistent with continued improvement in the global economy. In November, Spain emerged out of recession and overall there was economic growth (albeit at weak levels) across the Eurozone.

MySuper update

In the last *Investment Update*, the Trustee announced that it will continue the “choice” nature of the Nissan Superannuation Plan and will not be offering a MySuper product. MySuper is intended to receive compulsory Superannuation Guarantee (SG) contributions for employees who do not actively choose their superannuation fund or choose an investment option.

If you are an Accumulation member, you were asked to confirm your membership by completing and returning a *Confirmation of Membership Form*. We are pleased to confirm that all Accumulation members have returned their forms and will continue to enjoy the benefits of their Nissan Superannuation Plan membership.

Defined Benefit members are not affected by the MySuper changes and there is no immediate effect for Retained Benefit Division members.

Are you making additional contributions to your super?

If you have been making extra contributions to your super this financial year, remember that the Government sets limits on the amount you and your employer can contribute while receiving concessional tax treatment. The concessional contribution caps are different from the last financial year.

In 2013/14, the concessional contribution cap is \$35,000 (not indexed) if you are aged 59 or over on 30 June 2013. If you are under age 59, a \$25,000 cap applies. If you exceed these caps, the excess contributions will be taxed in total at your marginal tax rate, plus an interest charge. From 1 July 2014, the \$35,000 cap will be extended to individuals aged 49 and over at the end of the previous financial year.

For non-concessional contributions, a \$150,000 limit applies (this includes any after-tax contributions you make and excess concessional contributions). Remember, if you are under age 65, you can generally bring forward two years of caps to make total non-concessional contributions of up to \$450,000 over three years. A tax of 46.5% applies to any excess contributions – this will increase to 47% from 1 July 2014.

Contributions are reported by the Plan administrator to the Australian Taxation Office at the end of each financial year (i.e. 1 July – 30 June) and relate only to those contributions received into the Plan’s bank account during the year. So, please monitor your contributions against your contribution caps. Contact Julie Godwin should you wish to change your rate of contribution to the Plan.

If you are a Defined Benefit member . . .

The notional contribution determined by the Plan’s actuary in respect of your defined benefit is included in your concessional contributions rather than the Company’s actual contributions. Any before-tax contributions you make are also a concessional contribution. Contact Marcus Wappet should you require any further information.

Helping you on your journey to retirement . . .

There are many things to consider when planning for your retirement – things like determining how much you will need in retirement and what to ask when looking for financial advice. There are some resources which can be found at www.moneysmart.gov.au to help you on your journey towards retirement:

- **Financial advice and you**, a booklet giving you some helpful tips on what to look for when seeking advice from a licensed financial adviser. Go to the “Investing” tab and click on “Financial advice”.
- **Superannuation calculators** to help you plan for your retirement. Find out how much super you’re likely to have when you retire or see how you can boost your super by making extra contributions. Go to the “Tools & resources” tab and click on “Calculators & tools”. Scroll down to “Superannuation” and “Retirement”.
- **Financial decisions at retirement**, a booklet outlining key things to consider as you near retirement. Go to the “Tools & resources” tab, click on “Publications” and scroll down to the “Superannuation and retirement” section.



The information in this publication is general information only and does not take into account your particular objectives, financial circumstances or needs. It is not personal or tax advice. Any examples included are for illustration only and are not intended to be recommendations or preferred courses of action. You should consider obtaining professional advice about your personal circumstances before making any financial or investment decision based on the information contained in this document.

Issued in February 2014 by Towers Watson Superannuation Pty Ltd (ABN 56 098 527 256, AFSL 236049) as Trustee for the Nissan Superannuation Plan (ABN 24 774 305 410).