



INVESTMENT UPDATE

DECEMBER 2019 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 quarter.

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

Towers Watson Superannuation Pty Ltd

Quarter results

The Plan's **December quarter investment returns*** for the:

- Growth option was 1.80%
- Balanced 50/50 option was 0.96%
- Cash option was 0.21%

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

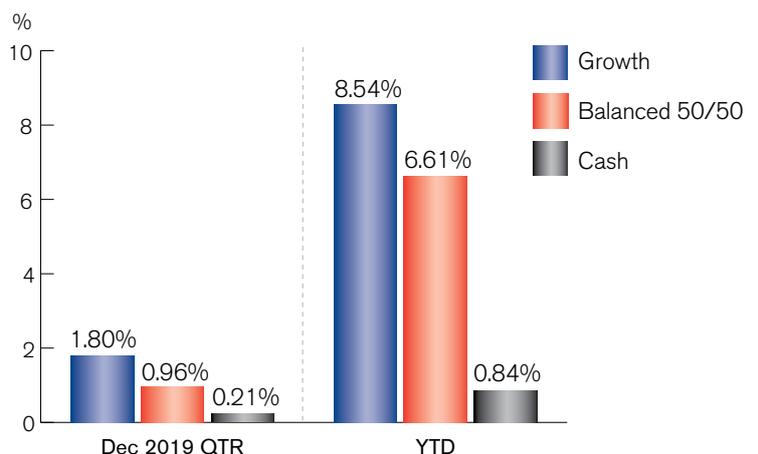
- Australian shares was 0.7%
- International shares (hedged) was 4.3%
- International shares (unhedged) was 7.5%
- Global listed property (hedged) was 0.6%
- Australian fixed interest was -1.3%
- International fixed interest was -0.8%
- Cash was 0.2%

Australian share markets delivered modest gains over the December quarter with the S&P/ASX300 returning 0.7%. This capped off a stellar 2019 for domestic shares, which returned 23.8% for the 12 months to 31 December 2019.

The Australian dollar (AUD) appreciated against the US dollar, beginning the December quarter at 67.49 US cents and increasing to 70.06 US cents by quarter end. The AUD also appreciated against other major currencies including the Chinese yuan, Japanese yen and euro while depreciating against the British pound.

International fixed interest yields rose over the December quarter, as did the yield on the Australian Government 10-year bonds. As rising yields have an adverse effect on fixed interest returns in the short term, the Plan's Balanced 50/50 option, which has a 40% exposure to fixed interest investments, has been impacted.

The graph below shows the Plan's net investment returns* for the three investment options for the quarter ended 31 December 2019 and for the nine months to 31 December 2019.



* Net of investment fees and taxes.

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

Plan investment performance

The December quarter was positive for international share markets. The US and China reached a phase one trade deal, which was subsequently signed in January. This boosted share markets, with the S&P 500 Composite (in local currency terms) returning 9.1% over the quarter. The US Federal Reserve cut interest rates in October, however kept rates unchanged in December, pointing to strong labour market conditions and rising economic activity.

In December, the Conservative Party under Boris Johnson secured a parliamentary majority in the UK general elections. This helped lift UK shares, with the MSCI UK (in local currency terms) returning 5.7% over the quarter. European shares, as measured by the Euro Stoxx 50 Index, also posted a positive return for the December quarter of 4.3%.

The Reserve Bank of Australia left rates unchanged at its December meeting, with the economy seen to be reaching a turning point, supported by interest rate cuts, tax cuts, ongoing spending on infrastructure and increasing house prices. The Australian economy grew 1.7% over the year to September.

If there's a change in your life, don't forget about your super

Change is a natural part of life. You may marry, separate from or divorce your partner, or have a child. As your circumstances change, it's important that you regularly review and, if necessary, update your nomination for who should receive your super benefit if you were to pass away. If you have a binding nomination, this includes ensuring that you renew your nomination at the end of its three-year term.

It is your responsibility to ensure that your nomination is up to date.

You can nominate your dependants and/or your legal personal representative (e.g. the executor of your estate). Your dependants include your spouse (including de facto spouse or same-sex partner), your children, and anyone who is dependent on you, which typically involves financial dependence.

If you nominate the legal personal representative of your estate, your death benefit will be paid according to the terms of your Will. So, you should also ensure that your Will is up to date.

Non-binding vs binding nominations

How does a non-binding nomination work?	What about a binding nomination?
<ul style="list-style-type: none">● You give the Trustee a guide to how you would like your death benefit paid.	<ul style="list-style-type: none">● Gives you more certainty as the Trustee will be legally bound by your wishes if your nomination is valid.
<ul style="list-style-type: none">● The Trustee will investigate your personal circumstances at the time of your death and decide how to pay the benefit, taking into account the best interests of your dependants.	<ul style="list-style-type: none">● If you split your nomination across several beneficiaries, you must also ensure that the proportions you allocate total 100%. If not, your nomination will be invalid.
<ul style="list-style-type: none">● No time limit applies.	<ul style="list-style-type: none">● Expires after three years, so be sure to check it is still valid and reflects your current personal circumstances.
<ul style="list-style-type: none">● No witnesses are required.	<ul style="list-style-type: none">● Must be witnessed by two adults who are not beneficiaries.

If you have a binding nomination and it is invalid, the Trustee will determine who receives your death benefit and treat your nomination in the same way as a non-binding nomination.

How do I check or change my nomination?

Your most recent *Benefit Statement* shows your current nomination and the type of nomination made. Alternatively, you can call the Plan administrator on **1800 127 953** to check.

You can make or change your nomination at any time by completing a *Nomination of Beneficiaries form*, attached to the leaflet *Who will get your super if you die?* For a copy, visit the Plan's website at **nsp.nissan.com.au** or contact the Plan administrator.

Should you have any questions about the Plan or your benefits, please contact the Plan administrator on **1800 127 953**. Members of the Policy Committee can also assist with general queries relating to the Plan. See **nsp.nissan.com.au** for more details.

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. Investment returns can be positive or negative and are not guaranteed by the Trustee.

Issued in February 2020 by Towers Watson Superannuation Pty Ltd (ABN 56 098 527 256, AFSL 236049) as Trustee of the Nissan Superannuation Plan (ABN 24 774 305 410).