

INVESTMENT UPDATE

DECEMBER 2020 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 5.55%
- Balanced 50/50 option was 3.75%
- Cash option was 0.01%

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

- Australian shares was 13.8%
- International shares (hedged) was 11.7%
- International shares (unhedged) was 5.7%
- Global listed property (hedged) was 10.6%
- Australian fixed interest was -0.1%
- International fixed interest was 0.8%
- Cash was 0.0%

Investment performance

Despite rising COVID-19 infection rates in the US and Europe, investment markets were strong over the December 2020 quarter on the back of vaccine breakthroughs and the US election outcome. US-China trade tensions continued and trade relations between China and Australia deteriorated, with restrictions imposed on Australian wine, lobster, coal and timber. Governments and Central banks around the world continue to set policies to help boost their economies and combat the financial effects of COVID-19.

Australian shares surged over the December quarter, helped by Victoria's easing of COVID-19 restrictions and higher resource prices. Increased trading activity between Australian states led to a strong rebound in economic activity. In November, the Reserve Bank of Australia announced new measures to stimulate economic recovery and employment, including reducing interest rates from 0.25% to 0.10%.

International shares rose 11.7%* (MSCI World Index Australia) and US shares returned 12.1%* (S&P 500 Composite Index) over the December quarter. Data for the US reflected improvements in the economy, including for manufacturing and employment. The incoming Biden administration campaigned for an infrastructure spending program and support for US growth and employment, which investors viewed favourably. The US Congress approved a long-awaited pandemic relief plan for companies and households towards the end of the year.

Chinese shares rose 7.9%* over the quarter (Shanghai Composite Index), as did Japanese shares which returned 12.8%* (MSCI Japan Index). The Bank of Japan kept the short-term policy rate unchanged at -0.10%. Positive vaccine news, a landmark Euro 1.85 trillion budget package, as well as an agreed Brexit trade deal between the EU and the UK led European shares to rise by 11.4%* (Euro Stoxx 50 Index).

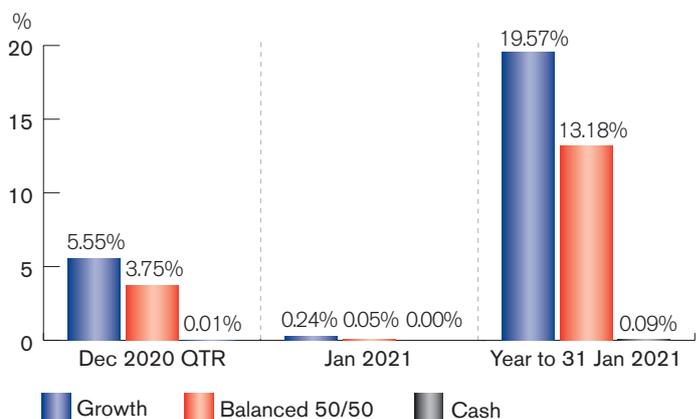
Both Australian and international listed property continued to recover ground, posting strong positive returns over the quarter. However, the one-year returns for these sectors remain negative.

Returns from Australian fixed interest were -0.1% (Bloomberg AusBond Composite Index) and 0.8% for international fixed interest (Barclays Global Aggregate Hedged in AUD Index).

The Australian dollar rose against the US dollar to its highest level since April 2018, to finish the year at 77.02 US cents (up from 71.08 US cents at the beginning of October). The Australian dollar also appreciated against other major currencies. The rapid rise in the Australian dollar has the effect of dampening returns from international share markets which are subject to currency fluctuations. For example, while the return from international share markets for the quarter was 11.7%*, when expressed in Australian dollars this return reduces to 5.7%.

* Returns from international shares are expressed in local currency terms (i.e. hedged to Australian dollars).

The graph below shows the Plan's net investment returns# for the three investment options for the quarter ended 31 December 2020, the month of January 2021 and 10 months to 31 January 2021.



Net of investment fees and taxes.

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

Measuring super funds' success: Member outcomes assessment

Superannuation fund trustees are now required to make a holistic assessment of fund performance every year, in areas such as:

- Investment strategy and performance;
- Costs and fees;
- Insurance;
- Options, benefits and facilities offered to members; and
- Overall size and scale of the fund.

The aim of the assessment is to measure fund performance against the outcomes that the Trustee sets for members, to ensure the financial interests of members are being promoted by the Trustee and to identify any areas for improving the quality of those outcomes.

The Trustee of the Nissan Superannuation Plan has completed the assessment for the Plan's 2019/20 financial year. A summary of the report will be available on the Plan's website later in March 2021, at nsp.nissan.com.au under the Disclosures tab.

Defined benefit members

If you are a defined benefit member, your benefits are generally linked to final average salary (and are not dependent upon the Plan's investment performance) and the Plan's administration and insurance fees are met by Nissan. For this reason, much of the assessment does not apply to your defined benefits. However, you may still find the assessment interesting, as the Plan's investment performance does apply to any additional accounts you may have and the assessment also considers other features of the Plan.

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 March 2021 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).