



INVESTMENT UPDATE

JUNE 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 June 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 **June quarter investment returns*** for the:

- Growth option was 4.29%
- Balanced 50/50 option was 3.56%
- Cash option was 0.38%

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

- Australian shares was 8.0%
- International shares (hedged) was 3.4%
- International shares (unhedged) was 5.2%
- Global property (hedged) was 0.0%
- Australian fixed interest was 3.1%
- International fixed interest was 2.7%
- Australian cash was 0.4%

In response, the RBA reduced interest rates in June to a record low of 1.25% (and by a further 0.25% in July). Despite these concerns, the S&P/ASX300 Accumulation Index returned 8.0% over the June quarter and a healthy 11.4% for the year to 30 June 2019.

The AUD depreciated marginally against the US dollar over the June quarter, beginning the quarter at 70.96 US cents, falling below 68.5 US cents in mid-June, before recovering to 70.20 US cents as at the end of June. Australia's Trade Weighted Index fell from 60.5 at the beginning of the quarter to 60.1 at the end of June.

Bond yields continued to fall over the June quarter, signalling a negative outlook for the global economy looking forward. However, investors in bonds benefit in the short term when yields fall. The Plan's fixed interest investments posted strong results for the quarter with a return of 3.1% locally and 2.7% from its international fixed interest holdings.

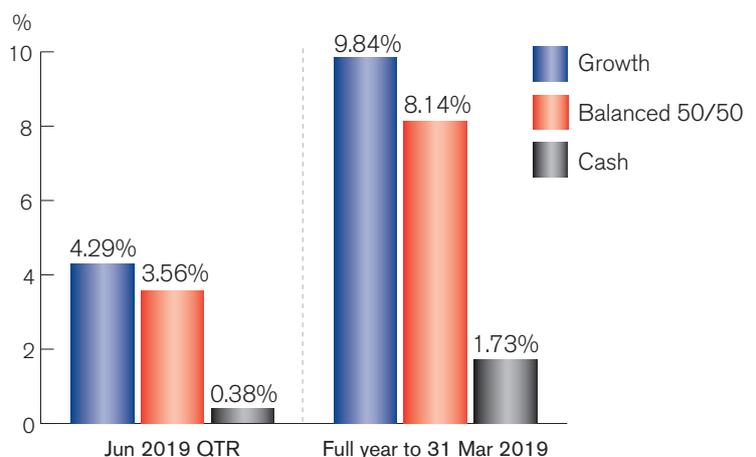
The graph below shows the Plan's net investment returns* for the three investment options for the quarter ended 30 June 2019 and for the full year ended 31 March 2019.

Plan investment performance

During the three months to 30 June 2019, members continued to benefit from the positive returns experienced by shares and other assets.

In May the US-China trade war escalated, halting the earlier upward trend apparent in international share markets with US shares (S&P 500 Composite Index) falling by 6.4% during the month. However this was offset by positive performance in April and June. For the quarter the picture was generally positive. In local currency terms, US shares rose 4.1% over the quarter and, despite uncertainty around Brexit and Theresa May's resignation, UK shares returned 3.3%. Eurozone shares earned 3.6%. In Japan, shares performed poorly for the quarter but since the Australian dollar was much weaker against the Yen, this resulted in a positive return of 2.3% from the Japanese share market for Australian investors.

In Australia, the share market reacted positively to the re-election of the Coalition Government. However the Australian economy continued to exhibit weakness with below-trend growth due to low wages growth and falling housing prices.



* Net of investment fees and taxes.

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

Reduced fees for Retained Benefits Division members

The Trustee is pleased to advise that administration fees for Retained Benefits Division (RBD) members will reduce from 1 August 2019. The new annual fee for RBD members will be 0.70% of account balance (down from 0.90% per year). This amount is deducted each month from each RBD member's account balance.

Your 2019 Annual Report is available

Your Annual Review pack, including your *Benefit Statement* and the Plan's 2019 *Annual Report*, were recently distributed. Highlights of the 2019 Annual Report include:

- A snapshot of the Plan's investment performance over the past 12 months, including relative performance against other peer superannuation funds with similar asset allocations;
- News on the Government's Protecting your Super changes which took effect from 1 July 2019 and an update on the Royal Commission;
- Details of the latest tax thresholds that apply to superannuation; and
- An overview of how the Plan is managed.

For an online copy of the 2019 *Annual Report* and other important information about the Plan, visit nsp.nissan.com.au.



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 August 2019 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).