



INVESTMENT UPDATE

JUNE 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 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 9.20%
- Balanced 50/50 option was 6.32%
- Cash option was 0.05%

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

- Australian shares was 16.8%
- International shares (hedged) was 17.8%
- International shares (unhedged) was 5.9%
- Global listed property (hedged) was 8.8%
- Australian fixed interest was 0.5%
- International fixed interest was 2.3%
- Cash was 0.1%

Plan investment performance

Globally, the June 2020 quarter was again dominated by the coronavirus pandemic. While there was a significant economic downturn in March and leading into April, the situation improved by June as many countries began to ease restrictions. Most governments and central banks ramped up their policy responses to try to mitigate the spread and impact of COVID-19 and stimulate the economy. As a result, international share markets rebounded, with the MSCI World Index ex-Australia rising by 17.8%* over the quarter.

Despite high US unemployment and negative growth in the March quarter, the US share market ended the quarter 20.5%* higher (S&P 500 Composite Index). Interest rates in the US were left unchanged and are expected to stay low for an extended period.

In Europe, shares rose by 17.4%* over the quarter. The European Central bank expanded its program to further stimulate the economy. The Chinese share market saw positive returns over the quarter, as manufacturing continued to recover from its record low in February 2020.

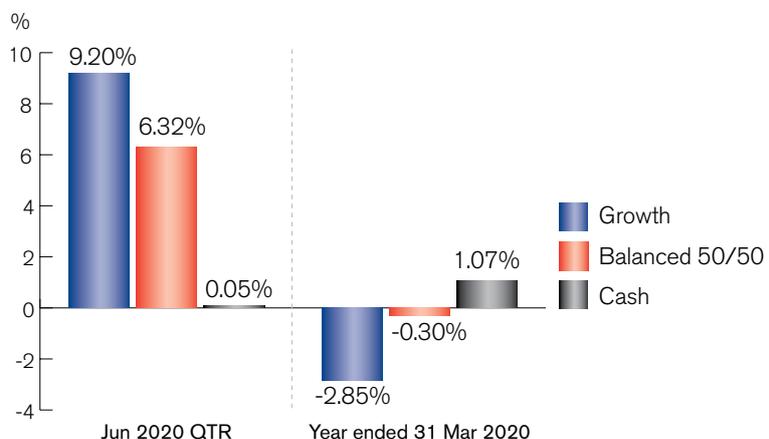
The Australian economy contracted in the March quarter due to bushfires and COVID-19, and data is expected to show that the economy has gone into recession. April was a low point as lockdowns were strictly enforced, however manufacturing activity, business confidence and consumer confidence started to improve over May and June as restrictions eased and support measures such as JobKeeper payments commenced.

The Australian share market rebounded over the June quarter, returning 16.8% (S&P/ASX 300 Accumulation Index) and reversing a significant portion of the losses from the previous quarter. The Reserve Bank of Australia left interest rates unchanged in June. In its May outlook, the RBA stated that it expects the global economy to contract sharply in the first half of 2020 and Australian unemployment to rise to 10%.

The Australian dollar rose against the US dollar, from 61.75 US cents at the beginning of April to end June at 69.02 US cents. The Australian dollar also appreciated against other major currencies. The rapid rise in the Australian dollar undermined the returns from international share markets. For example, while the return from international share markets for the quarter was 17.8% (before taking into account the currency movement), when expressed in Australian dollars this return reduces to 5.9%. Hedging separates the investment from currency movements. Most of the Plan's international shares are unhedged, i.e. are subject to currency movements, and have therefore been adversely affected by the appreciation of the Australian dollar over the quarter.

* Returns from international shares are expressed in local currency terms (i.e. returns do not take into account movements between the Australian dollar and other currencies).

The graph below shows the Plan's net investment returns[#] for the three investment options for the quarter ended 30 June 2020 and the year ended 31 March 2020.



[#] Net of investment fees and taxes.

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

Your 2020 Annual Report

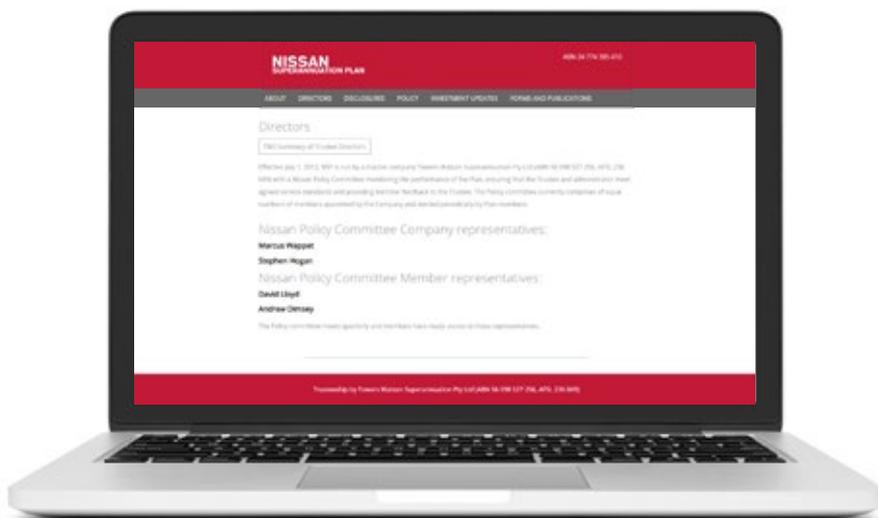
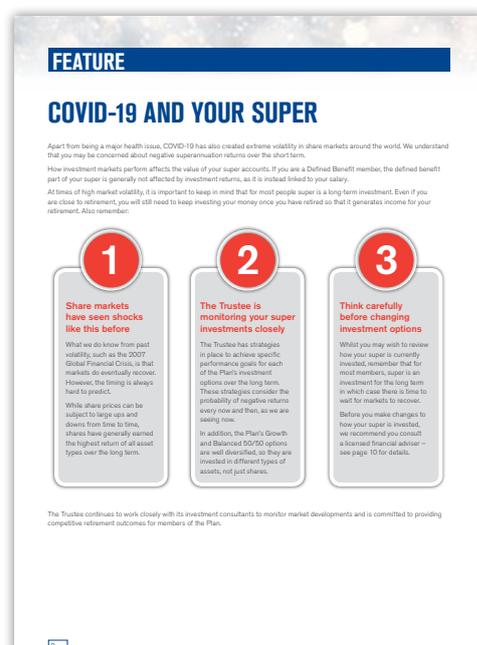
By now you will have received your Annual Review pack, which includes the Plan's 2020 Annual Report and your annual Benefit Statement for the year ended 31 March 2020.

This year's Report includes:

- A summary of the Plan's investment performance;
- The feature article, "COVID-19 and your super" about important points to remember when investment markets are highly volatile; and
- Information about how the Plan is managed.

Did you know that your 2020 Annual Report is also available online? Visit nsp.nissan.com.au for a copy (under the 'Disclosures' tab) or to access other important information, documents and forms relating to the Plan.

We encourage you to read the Report carefully and contact the Plan administrator on **1800 127 953** if you have any questions.



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 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).