



# INVESTMENT UPDATE

## JUNE 2016 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 return\* for the:

- Growth option was 3.21%
- Balanced 50/50 option was 2.80%
- Cash option was 0.45%

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

- Australian shares was 4.0%
- International shares (hedged) was 1.7%
- International shares (unhedged) was 4.4%
- Global property (hedged) was 4.6%
- Australian fixed interest was 2.9%
- Australian cash was 0.6%

### Plan investment performance

Investment markets started the Plan's new financial year on a solid footing.

In June, Britain's vote to leave the European Union (Brexit) shocked financial markets which had become increasingly confident that Britain would vote to remain in the EU. Despite the negative impact of the Brexit on the markets in June overall, international share markets still achieved reasonably solid returns over the quarter with the MSCI World ex Australia Accumulation Index (unhedged, A\$) returning 4.4% over the quarter assisted by a depreciating Australian dollar. The same index on an A\$ hedged basis returned 1.7% for the quarter.

The June quarter started strongly for the Australian share market before falling late in the quarter so that the S&P/ASX 300 Accumulation Index returned 4.0% for the three-month period to 30 June. Despite the uncertainty with the current Australian political environment and the Brexit referendum, businesses still remain confident on economic fundamentals. Consumer confidence also increased over the quarter.

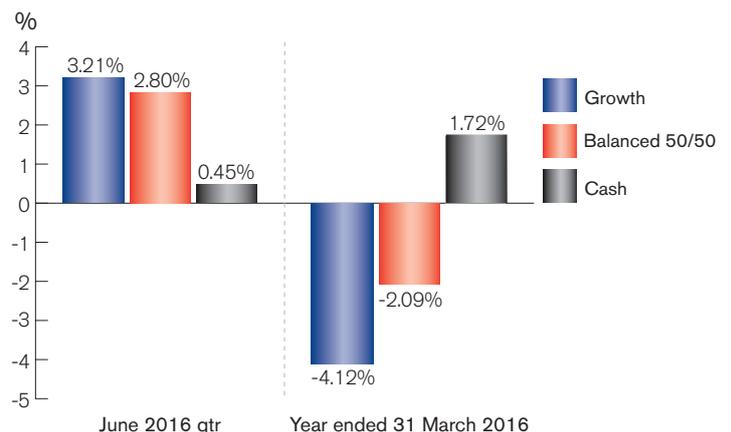
The Australian dollar fell relative to the US dollar, closing at 74.51 US cents at the end of June 2016 (down from 76.57 US cents at the end of the March quarter). The Australian dollar also fell against the currencies of Australia's major trading partners. This drop was due to factors including the cash rate reduction, an increase in expectations of a tightening US monetary policy and a general decline in commodity prices.

The RBA lowered the official cash rate to 1.75% from 2.0% in its May meeting. The RBA currently views the historically low 1.75% cash rate as being at a level that is appropriate to improve prospects for sustainable growth.

Global listed property also performed well, returning 4.6% for the quarter as measured by the FTSE EPRA/NAREIT Developed ex-Australia Rental Index (AUD hedged). The Plan's fixed interest investments saw positive returns, due to a corresponding decrease in government bond yields around the world during the June quarter.

These factors contributed to a relatively positive start for the Plan's investment options, with Growth and Balanced 50/50 benefiting from the improving fixed interest returns and share market conditions.

The graph below shows the Plan's net investment returns\* for the three investment options for the quarter ended 30 June 2016 and the year ended 31 March 2016.



\* Net of investment fees and tax, and between 1 July 2013 and 30 June 2016 included an allowance for the build-up of the Operational Risk Financial Requirement reserve.

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

## Your 2016 Annual Report is available

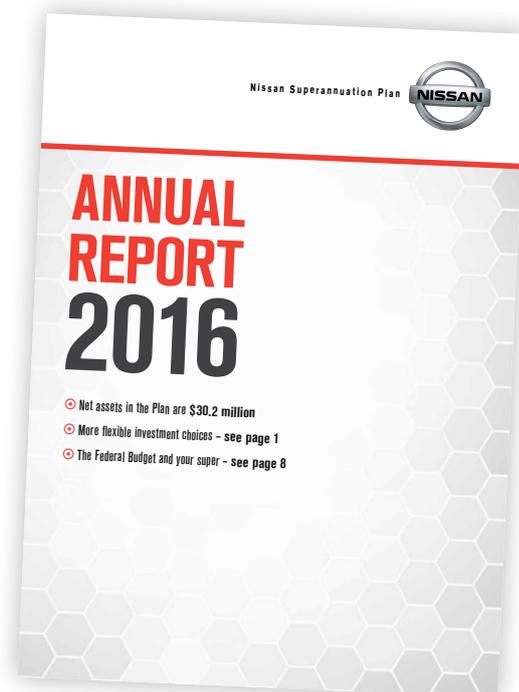
By now you will have received your Annual Review pack including the Plan's 2016 *Annual Report*, together with your annual *Benefit Statement* for the year ended 31 March 2016.

This year's Report includes:

- A summary of the Plan's investment performance over the past 12 months, including how the Plan performed against other superannuation funds that have similar asset allocations.
- A super news update, including:
  - The latest tax thresholds; and
  - A summary of the 2016 Federal Budget superannuation proposals.
- Information about how the Plan is managed.

Did you know that your 2016 *Annual Report* is also available online? Visit [nsp.nissan.com.au](http://nsp.nissan.com.au) for a copy 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.



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Issued in August 2016 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).