



# INVESTMENT UPDATE

## JUNE 2021 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<sup>#</sup>** for the:

- Growth option was 6.13%
- Balanced 50/50 option was 4.35%
- Cash option was 0.02%

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

- Australian shares was 8.5%
- International shares (hedged) was 7.6%
- International shares (unhedged) was 9.3%
- Global listed property (hedged) was 9.0%
- Australian fixed interest was 1.5%
- International fixed interest was 0.9%
- Cash was 0.0%

### Investment performance

Vaccination rollouts gained significant momentum over the June 2021 quarter, with 2.2 billion COVID shots administered globally by the end of June. Investor sentiment picked up with the prospect of faster reopening of economies, despite new, more contagious COVID-19 strains. International shares continued to rally, returning 7.6%\* over the quarter (MSCI World ex Australia Index, hedged to AUD). Meanwhile, tensions between the US and China continued to linger.

US shares continued to perform strongly, with news of President Biden securing a deal on a \$1.2 trillion infrastructure package. The US Federal Reserve announced no changes to its policy, reaffirming there would be no interest hike until at least 2023. European shares climbed by 4.9%\* (Euro Stoxx 50 Index), helped by increased investor confidence due to nearly half of the EU's adult population having had at least one dose of a COVID-19 vaccine.

The Chinese share market soared, and Japanese shares rose slightly by 1.2%\* over the quarter (MSCI Japan Index). However, the persistence of COVID-19 cases has heightened criticism of the Japanese government's response.

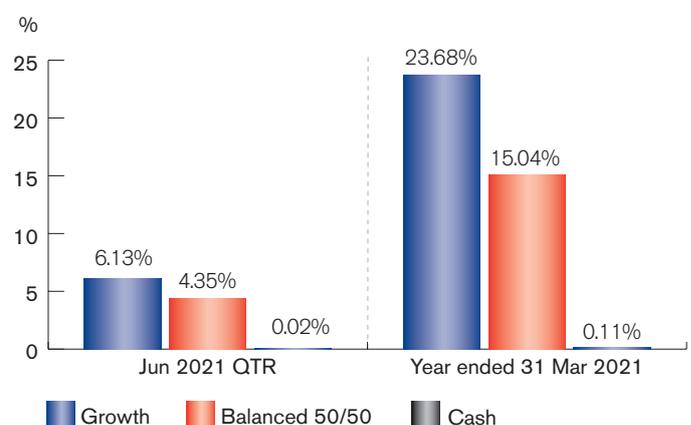
The outlook for the Australian economy remained positive despite the rapid rise in COVID-19 infections, particularly in New South Wales. With the vaccination roll-out still slow relative to other developed countries and fresh lockdown measures in place towards quarter end, the recovery is set to slow. Australian shares rose by 8.5% over the quarter (S&P/ASX 300 Accumulation Index). Data released in the June 2021 quarter reflected a third straight quarter of economic growth and a slight fall in the unemployment rate, despite the JobKeeper scheme having ended earlier in the year.

During its June meeting, the Reserve Bank of Australia (RBA) Board left the cash rate unchanged at 0.1% and reaffirmed its decision to not increase the rate until at least 2024, when inflation is expected to be within its target range. The Australian dollar depreciated against the US dollar and other major currencies, falling from 75.96 US cents at the end of March to 74.98 cents at the end of June.

Global listed property showed steady signs of recovery, returning 9.0% over the June quarter (FTSE EPRA/NAREIT Developed Rental Net TRI Index (AUD hedged)).

\* 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<sup>#</sup> for the three investment options for the quarter ended 30 June 2021 and for the year ended 31 March 2021.



<sup>#</sup> Net of investment fees and taxes.

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

## Higher contribution caps from 1 July 2021

Making contributions to super is a great way of saving for retirement. However, it's important to keep your contributions within the yearly caps in order to receive favourable tax treatment and to avoid paying extra tax. These caps increased from 1 July 2021.

### What are the caps from 1 July 2021?

The **concessional contributions** cap for the 2021/22 financial year has increased to \$27,500. This cap includes:

- any voluntary contributions you make from your before-tax salary i.e. by salary sacrifice;
- any personal contributions for which you claim a tax deduction; and
- your employer's contributions or notional contributions in respect of your defined benefit (see the box below).

A higher cap may apply if, in recent financial years, you did not use all your concessional caps and your total superannuation balance at 30 June 2021 was under \$500,000<sup>^</sup>.

#### Arrangements for Defined Benefit members

The amount of concessional contributions that count toward the cap in respect of your defined benefit (your "notional contributions") is calculated by the Plan actuary in accordance with special rules, rather than your employer's actual contributions. To learn more about your notional employer contributions from the Plan, contact Marcus Wappet on 03 9797 4290.

A separate cap of \$110,000 applies to **non-concessional contributions** (generally these are after-tax contributions for which you have not claimed a tax deduction; some other amounts also count as non-concessional contributions). In some cases, you may be able to make non-concessional contributions of up to \$330,000 in one lump sum or via a combination of contributions<sup>^</sup>.

<sup>^</sup>Conditions apply. Further information is in the *Super and Tax 2021* factsheet, which is available under "Forms and Publications" at [nsp.nissan.com.au](http://nsp.nissan.com.au).

### How do I change my contributions?

The Plan allows Employee members to make contributions either from before-tax salary (i.e. via salary sacrifice) or after-tax salary. Contact Nissan payroll to start adding to your super or to make any changes to your current contribution arrangements.

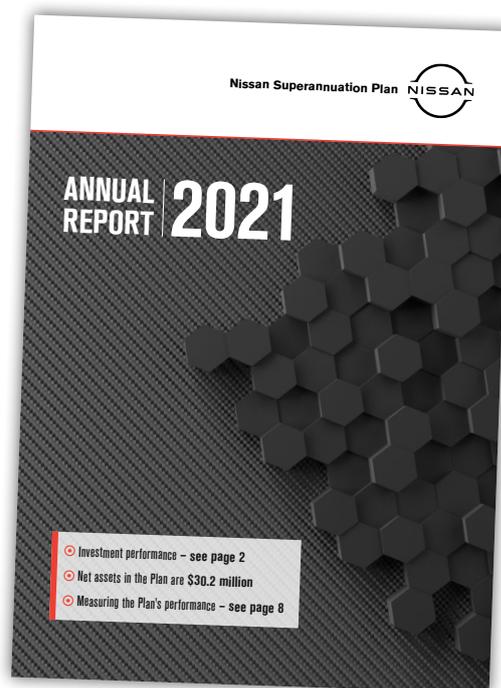
If you need help on retirement planning, you should seek advice from a licensed financial adviser.

## Your 2021 Annual Report

You should have now received your 2021 Annual Review pack, which contains the Plan's latest *Annual Report* and your *Benefit Statement* for the year ended 31 March 2021.

This year's report summarises how the Trustee measures the Plan's performance against the objectives it seeks for members. The Trustee's assessment highlights the Plan's strong investment performance over an extended period and the low fees that are paid by Employee members of the Plan.

The Plan's *2021 Annual Report* is available at [nsp.nissan.com.au](http://nsp.nissan.com.au) under the "Disclosures" tab.



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](http://nsp.nissan.com.au) for more details.

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Issued in August 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).