



INVESTMENT UPDATE

MARCH 2017 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 March 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 **March quarter** investment returns* for the:

- Growth option was 3.1%
- Balanced 50/50 option was 2.5%
- Cash option was 0.4%

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

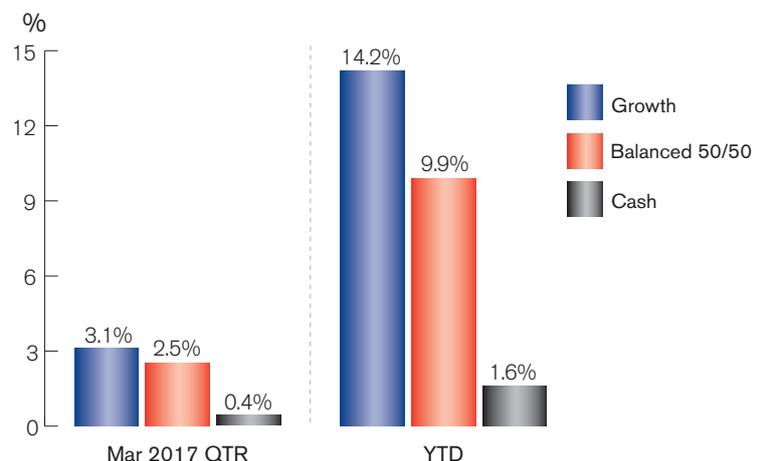
- Australian shares was 4.7%
- International shares (hedged) was 5.7%
- International shares (unhedged) was 0.9%
- Global property (hedged) was 0.6%
- Australian fixed interest was 1.2%
- International fixed interest was 0.7%
- Australian cash was 0.4%

inflation remains below the RBA's target range as at the end of December and there are still concerns around the labour and housing markets, in particular the rise in housing loan approvals for investors.

The Australian dollar appreciated against the US dollar over the quarter, from 72.08 US cents at the end of December 2016, to 76.29 US cents at March end. The Australian dollar also appreciated against the currencies of its other major trading partners.

The Plan's Growth and Balanced 50/50 options performed well in the March quarter and have achieved excellent results over the Plan's financial year.

The graph below shows the Plan's net investment returns* for the three investment options for the quarter ended 31 March 2017 and for the year ended 31 March 2017.



* Net of investment fees and taxes. Between 1 April 2016 and 30 June 2016, net investment returns also allowed 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.

The results detailed in the graph above are the interim crediting rates for the year. Once the audit of the Plan has been completed, final crediting rates will be determined by the Trustee. These will appear on your annual *Benefit Statement* which is expected to be issued to you by the end of June 2017. The final crediting rates may differ from the interim rates outlined above.

Plan investment performance

Economic data released in the first quarter of 2017 showed a broad improvement in the world economic outlook. The US economy is nearing the Federal Reserve's employment and inflation goals, while political uncertainty in Europe has eased with the failure of the populist movement in the Dutch elections.

International shares saw strong returns of 5.7% in the March quarter (MSCI World ex Australia Accumulation Index, hedged). Due to an appreciating Australian dollar, this equated to a return of 0.9% in unhedged terms. Global listed property returns moved to positive territory during the March quarter. Australian and global bond yields were generally flat resulting in modest returns for fixed interest investments over the period.

In Australia, data released during the last three months gave mixed indications about the strength of the Australian economy. Manufacturing activity recorded its sixth month of expansion, but the rate of unemployment worsened slightly, increasing by 0.1% from December to 5.9% in March 2017.

The Reserve Bank of Australia (RBA) Board again left the official cash rate unchanged at 1.5% in its March meeting. The Board noted the more positive outlook for global growth, the higher than expected Australian GDP growth in the December quarter and the continued rise in commodity prices. However, headline

Policy Committee election

The Policy Committee has input into how the Plan is managed and ensures that the interests of members and the Company are represented. There are four members in the Policy Committee, with two being appointed by the Company and two being elected by Plan members.

The current member-elected representatives will complete their three-year term of office later this year and an election will take place around July/August 2017. More information about the election will follow closer to the time.

Can you take advantage of the super contributions window?

New rules around making super contributions are not far away. It's time to see if you can take advantage of a window that allows higher super contributions before the rules change from 1 July 2017. From this date, the amount of concessional contributions that receive concessional tax treatment will be \$25,000 per year for everyone.

This is less generous than the current limits, which are:

- \$30,000 if you are under age 50, and
- \$35,000 if you are 50 or older on 30 June 2017.

Concessional contributions include your employer's contributions (or notional contributions for Defined Benefit members) and any contributions you make from your before-tax salary, i.e. by salary sacrifice.

If you have questions about concessional contributions, please contact Marcus Wappet on **03 9797 4290**. To make or change your additional voluntary contributions, please contact Nissan's payroll manager Julye Godwin on **03 9797 4262**.

Check your beneficiary nominations

Your nomination of beneficiaries records your preference on how you would like your super death benefit paid. It's important to keep this up to date, so as to protect your loved ones should the unexpected happen.

By the end of June, you will be receiving your *Benefit Statement*, which will confirm your current nomination for your death benefit. However, you are able to make or change your nomination at any time by completing a *Nomination of Beneficiaries* form which forms part of the leaflet *Who will get your super if you die?*

For a copy, visit the Plan's website at **nsp.nissan.com.au** or contact the Plan administrator on **1800 127 953**.

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 publication. Investment returns can be positive or negative and are not guaranteed by the Trustee.

Issued in May 2017 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).