



INVESTMENT UPDATE

SEPTEMBER 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 September 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 **September quarter investment returns*** for the:

- Growth option was 2.24%
- Balanced 50/50 option was 1.97%
- Cash option was 0.25%

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

- Australian shares was 2.6%
- International shares (hedged) was 1.3%
- International shares (unhedged) was 4.7%
- Global listed property (hedged) was 7.0%
- Australian fixed interest was 2.0%
- International fixed interest was 2.3%
- Australian cash was 0.3%

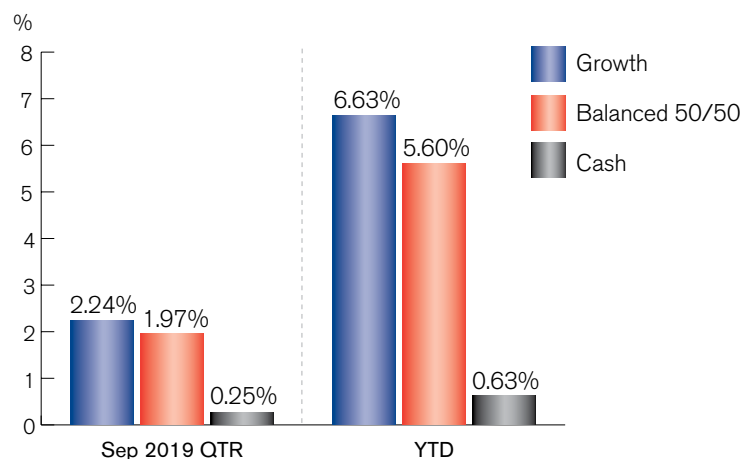
The Bank of Japan left its interest rate unchanged at -0.1% for another quarter. Taking into account the weaker Australian dollar compared to the Yen, Australian investors in the Japanese share market saw a positive return of 7.2%.

Australian consumer and business confidence both fell over the quarter. Data on the Australian economy showed that annual GDP growth slowed to its lowest rate since 2009. The Reserve Bank cut interest rates to 1% in July and subsequently to a new record low of 0.75% in October. Despite weak economic data, house prices in Sydney and Melbourne reported a noticeable rise.

Australian shares delivered a gain of 2.6% over the quarter (S&P/ASX300 Index). The Australian dollar (AUD) continued to depreciate against the US dollar over the September quarter, beginning the quarter at 70.2 US cents and falling to 67.5 US cents by the quarter end. The AUD also fell against other major currencies over the same period.

With continuing concerns over the economic outlook, bond yields continued to decline over the September quarter. This had the effect of producing some good returns for the Plan through its Australian and international fixed interest investments.

The graph below shows the Plan's net investment returns* for the three investment options for the quarter ended 30 September 2019 and for the six months to 30 September 2019.



* Net of investment fees and taxes.

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

Plan investment performance

During the September quarter, international share markets were volatile. This was in response to the escalated trade war between the US and China, a less positive economic outlook in the US resulting in two interest rate cuts, a drone attack on Saudi Arabia oil infrastructure and mass protesting in Hong Kong.

In the ongoing trade war, China and the US both announced tariff increases on the other's imports. While US shares saw a flat return of 1.5% for the quarter (S&P 500 Composite Index), Chinese shares fell by 2.5% over the same period (Shanghai Composite Index). However, investors gained relief in October after some progress in negotiations was made.

In the UK, new Prime Minister Boris Johnson replaced Theresa May in July and continued to lead Brexit negotiations. The Prime Minister suspended Parliament until 14 October, two weeks before the Brexit date, but this suspension was subsequently ruled unlawful. Amidst the ongoing uncertainty, UK shares delivered flat returns of 0.7% over the quarter (MSCI UK in local currency terms).

Reduced investment fees

There has been a reduction in the Plan's investment fees. Investment fees are deducted from investment returns on a monthly basis before they are applied to your accounts. These fees apply to benefits that are linked to investment returns and do not apply to benefits that are linked to salary.

Investment option	Old investment fee	New investment fee
Growth	0.679% p.a.	0.552% p.a.
Balanced 50/50	0.496% p.a.	0.416% p.a.
Cash	Nil	Nil

The Plan's investment fees compare favourably to other superannuation funds including industry funds.

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.

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