



INVESTMENT UPDATE

SEPTEMBER 2014 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 net investment returns*** for the:

- Growth option was 1.1%
- Balanced 50/50 option was 1.1%
- Cash option was 0.5%

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

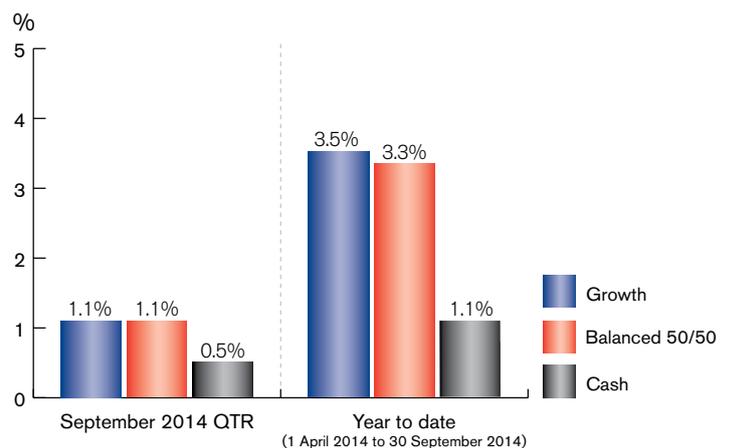
- Australian shares was -0.6%
- International shares (hedged) was 1.5%
- International shares (unhedged) was 5.7%
- Global property (hedged) was -1.7%
- Australian fixed interest was 1.0%
- Australian cash was 0.7%

The MSCI World ex Australia Accumulation Index returned 5.7% and 1.5% in unhedged Australian dollar and hedged Australian dollar terms, respectively.

Global listed property returned -1.7% for the quarter, which was lower than the Australian listed property sector, returning 1.2% as measured by the S&P/ASX 300 Property Accumulation Index.

The Reserve Bank of Australia (RBA) Board has kept the official cash rate level unchanged at 2.5% at each of its meetings over the course of the September 2014 quarter. At its September meeting, the RBA maintained that the current period of rates stability is likely to continue for some time.

The graph below shows the Plan's net investment returns* for the three investment options for the quarter ended 30 September 2014 and for the year to date (1 April 2014 to 30 September 2014).



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

* Net investment returns are net of fees, tax and an allowance for the build up of the Operational Risk Financial Requirement Reserve.

Plan investment performance

Australian economic data suggests that the economy here is still going through a soft patch, with a marginally higher unemployment rate and a decrease in manufacturing activity. Australian shares underperformed international markets during the September quarter, with the S&P/ASX 300 Accumulation Index returning -0.6% over three months.

International share markets outperformed the Australian share markets for the quarter. Regionally, North America (8.3%), Japan (5.4%), Asia Pacific ex Japan (4.3%) and Emerging Markets (4.1%) posted the strongest returns while Europe (ex UK) and UK posted the weakest returns (-0.2% and 1.3%, respectively).

The Australian dollar fell against the US dollar over the quarter, from 94.20 US cents at the end of June to 87.52 US cents at the end of September. This was an advantage for the Plan's unhedged international investments which outperformed hedged international investments by 4.2%.

Superannuation Guarantee rate increases delayed

Super has featured strongly in the media in recent months following the Federal Budget in May 2014. One of the key areas in the news was the Superannuation Guarantee (SG), which is the minimum amount of super the Government requires employers to pay on behalf of their employees under the legislation. The SG increased from 9.25% of Ordinary Time Earnings to 9.5% from 1 July 2014.

The timetable for future increases to the SG has now been confirmed, with future increases being delayed. The SG rate will remain at 9.5% for the next seven years until 30 June 2021, before increasing to 12% by 2025/26. It was initially proposed that the SG would remain at 9.5% for the next four years until 30 June 2018, before rising to 12% by 2022/23.

Do you know your eligibility age for the Age Pension?

The age at which you may become eligible for the Age Pension is proposed to increase progressively to age 70 by 1 July 2035. However, if you were born before 1 July 1958, the phasing in of your eligibility for the Age Pension is unchanged. See the table below for the proposed phase-in ages.

Date of birth	Eligibility age for Age Pension
1 July 1952 to 31 December 1953	65.5
1 January 1954 to 30 June 1955	66
1 July 1955 to 31 December 1956	66.5
1 January 1957 to 30 June 1958	67
1 July 1958 to 31 December 1959	67.5
1 January 1960 to 30 June 1961	68
1 July 1961 to 31 December 1962	68.5
1 January 1963 to 30 June 1964	69
1 July 1964 to 31 December 1965	69.5
1 January 1966 and later	70

↑ Change commences ↓

Preservation ages

So far, no corresponding changes to superannuation preservation ages have been announced (this is the age at which you can access your super). We will keep you updated should the situation change.

See the table below for the preservation age that applies to you.

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
1 July 1964 or later	60

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 November 2014 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).