



INVESTMENT UPDATE

SEPTEMBER 2015 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 -3.3%
- Balanced 50/50 option was -1.7%
- Cash option was 0.4%

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

- Australian shares was -6.5%
- International shares (hedged) was -7.3%
- International shares (unhedged) was 0.4%
- Global property (hedged) was 1.9%
- Australian fixed interest was 2.1%
- Australian cash was 0.5%

Plan investment performance

Difficult market conditions over the September quarter have led to negative returns. The Australian share market fell by 6.5% over the September quarter according to the S&P/ASX 300 Accumulation Index. Global share markets fell by around 7.3%, but the rapidly depreciating Australian dollar cushioned this fall. When expressed in Australian dollars, global share markets actually recorded a small gain over the September quarter.

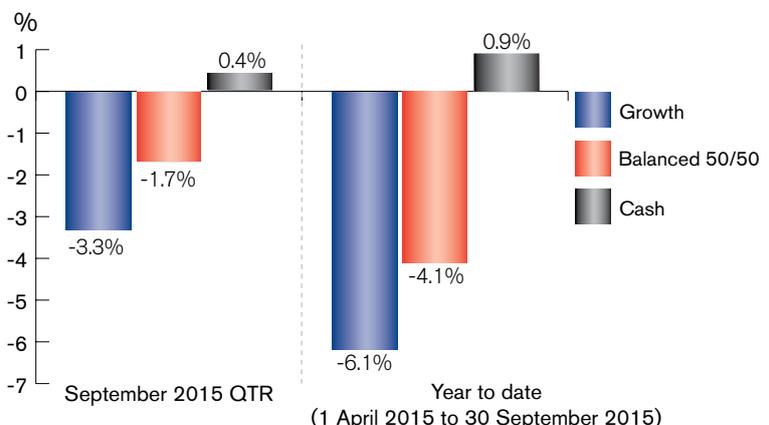
Economic data from China continues to cause concern for markets. However, the previous threat of Greece exiting from the Eurozone has faded after an agreement was reached between Greece and its creditors in July. The US economy continues to signal growth, albeit more slowly than expected. Although the US unemployment rate declined and builder confidence improved, manufacturing activity and consumer sentiment were both lower than in the June quarter. Unemployment in Europe improved slightly, falling to 10.9% (from 11.1% at 30 June).

In Australia, consumer confidence remained subdued and the unemployment rate increased slightly from 6.0% in June to 6.2% in August. On a more positive note, manufacturing activity increased over the quarter. The Australian dollar dropped significantly, from 76.80 US cents at 30 June 2015 to 70.01 US cents as at 30 September 2015. This is a reflection of the slowing demand from China, weak commodity prices and increasing optimism regarding the US economy.

The official cash rate remained unchanged at 2.0% for the quarter as the Reserve Bank of Australia (RBA) considered it appropriate given the current economic environment.

The 5-year Australian Government bond yield decreased significantly during the quarter, down from 2.28% to 1.98%. Apart from the Euro area, global bond yields generally decreased during the quarter. This has a positive effect on the value of bond holdings, and consequently the Plan saw positive returns from its Australian and global fixed interest investments.

The graph below shows the Plan's net investment returns* for the three investment options for the quarter ended 30 September 2015 and for the year to date (1 April 2015 to 30 September 2015).



* Net of investment fees, tax and 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.

QUIZ: THINK YOU KNOW ABOUT SUPER?

Take this quick quiz and you may discover more about retirement planning and the Plan.

1 Which animal can last the longest without food?

- A) Snake
- B) Crocodile
- C) Spider

2 On average, how many more years can you expect to live if you're a 65-year old man?

- A) 9 years (to age 74)
- B) 14 years (to age 79)
- C) 19 years (to age 84)

3 If instead of buying your lunch for \$8 a day, you take your own lunch to work each day and add that money to your super. How much might you save after 10 years if your money earned 7% a year?

- A) \$10,000
- B) \$20,000
- C) \$25,000

4 True or false? If you leave Nissan, you have to move your super to another fund.

- A) True
- B) False

The results

Question 1

Crocodiles can go three years without food, outlasting both spiders and snakes. Unfortunately humans are not so lucky. Start planning now so that you will have enough to live on once you retire. If you have made additional voluntary contributions or have rolled money into the Plan, these amounts will be shown on your *Benefit Statement*.

You may wish to find ways of improving your lifestyle in retirement by thinking about where your money is currently going and how much extra you could potentially save by using a Budget planner.



To find the Budget planner and other tools, go to www.moneysmart.gov.au, click on "Tools & resources" and look under "Calculators & apps".

Question 2

If you are presently aged 65 you can expect to live, on average, another 19 years* (to 84) if you are a man or 22 years* (to 87) if you are a woman. See the tips above to start your retirement planning now.

* Australian Life Tables 2010-2012, Australian Government Actuary, December 2014

Question 3

By bringing your own lunch, you could save around \$1,800 a year. If you kept this savings pattern up, after 10 years of saving your super could be worth an extra \$25,000! (This is assuming contributions of \$1,800 after-tax each year for 10 years, with an investment return of 7% per year.) Of course, the amount could be more or less than this depending on how investments performed.

If you wish to change your contribution rate, please contact Nissan's payroll manager.

Question 4

False. Even if you stop working for Nissan (or an associated company), you can keep your super in the Plan and become a member of the Retained Benefits Division. This is as long as your account balance is greater than \$10,000. There are no entry fees, and it could be a convenient and cost-effective alternative for you.

For more information, including what happens if you are a Defined Benefit member of the Plan, see the Plan's *Retained Benefits Division leaflet* available at nsp.nissan.com.au under "Forms and Publications".

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