Member Investment Choice in the Nissan Superannuation Plan

Member Investment Choice is a feature of the Plan that gives you a choice in how you want to invest your super. The Plan's investment options are designed with different investment needs and savings goals in mind. Having investment choice adds flexibility during different stages of your life.

This flyer outlines the basics of investing and explains the different investment options available to you.

For further information about your investment options in the Plan, call the Plan administrator on 1800 127 953.

Member Investment Choice is available to:

- Accumulation members,
- Defined Benefit members in respect of voluntary contributions and/or rollover accounts only, and
- Retained Benefits Division members.

The Plan offers three investment options. You can choose a single option, or split your eligble accounts across the options:

- **Growth** – 75% growth assets/25% income assets
- **Balanced 50/50** – 50% growth assets/50% income assets
- **Cash** – 100% income assets

Defined Benefit members

If you are a Defined Benefit member, assets supporting your defined benefits will be invested in the **Balanced 50/50** option. Member Investment Choice is not offered to Defined Benefit members except for any additional voluntary accounts and rollover accounts because it is the Company's responsibility to ensure your defined benefits are adequately funded and the Company continues to bear the investment risk associated with the investment of the defined benefit assets. You can read more on page 3.

Making your investment decision

The Plan's investment options will suit different needs and the savings goals of different people. What suits your co-workers might not suit you.

To make your investment choice, consider these four steps:

1. **Discover** your investment style.
2. **Learn** the basics of investing.
3. **Understand** your investment options.
4. **Decide** which option suits you with the help of a licensed financial adviser if necessary.

1. Discover your investment style

Everyone is different. So, before making your investment choice you should consider your investment style. To help find your style, ask yourself these three important questions:

- What are my financial needs in retirement?
- How much time do I have before I will need my super?
- How do I feel about investment risks?

The answers to these questions will help you understand which type of investments are more appropriate for you. If you have no other retirement savings and/or you need your money in the short term, a less risky investment type may be more appropriate. Alternatively, if you have other savings and/or a long time until you need to access your super, you may be more comfortable with investing your money in higher risk investment types, such as shares and property.

Investment risks

As with all investments, there are risks associated with a decision to invest your super and choosing a particular investment option. The returns from investment options may vary significantly and may be negative from time to time. Capital and investment returns are not guaranteed.

Each asset class is likely to perform differently. As each investment option has a different asset class mix, the risks of investing in each option are not the same. Some risks that you should consider are detailed below:

Taxation risk

In times of poor returns, there is a possibility that certain tax credits may not be available immediately to the Plan, which potentially affects members' returns. This can be considered a risk (to varying degrees) for all the investment options.

Inflation risk

The rate of inflation may be higher than the rate of return achieved on your investment, which means your investment would not retain its purchasing power. This risk can be considered significant for the Cash option if investing over long periods.

Individual investment risk

Individual investments can, and do, fall in value. This risk mainly affects investments in shares and property, although it can also affect investments in fixed interest. As a result, there are varying degrees of risk associated with investing in the Growth and Balanced 50/50 options.

Market risk

Changes in investment markets, resulting from changes in economic, political and legal conditions or market sentiment can affect the value of your investments. This risk affects investments in shares, property and fixed interest. It can be considered a significant risk (to varying degrees) for the Growth and Balanced 50/50 options.

Interest rate risk

Changes in interest rates can have a positive or a negative impact directly or indirectly on investment value or returns. This risk affects all investments and can therefore be considered a significant risk for the Cash investment option and to a lesser extent the Balanced 50/50 option.

Currency risk

Some investments are made in other countries. If their currencies change in value relative to the Australian dollar, the value of the investment can change. This risk affects only overseas investments where there is no currency hedging in place so it can only be considered a risk for the Growth and Balanced 50/50 options, which invest a proportion of their assets overseas.

Liquidity risk

Liquid assets are assets that can be readily converted to cash. Liquidity risk is the risk that some assets may not be able to be converted to cash when needed to pay benefits or process investment switches. This risk only affects the Growth and Balanced 50/50 options.

Derivatives risk

There are a number of risks associated with investing in derivatives contracts, which include:

- The value of the derivative failing to move in line with the underlying asset; and
- The risk that the derivative may not readily be converted to cash.

This risk only affects the Growth and Balanced 50/50 options.

2. Learn the basics of investing

Each investment option is made up of different types of assets that can be grouped as income assets or growth assets. The different types of assets range from high potential risk to low potential risk. In general, as the potential for a high return increases, so will the risk of fluctuations in value (or even negative returns).

Growth assets are investments like property and shares. They provide income from rent, dividends or capital growth. Growth assets generally provide a higher expected return than defensive assets over the long term. They are also more likely to fluctuate in value in any one year.

Income assets are investments like cash and fixed interest. Generally, these types of investments provide income from interest earned and the money you invest is repaid at a fixed rate. Income assets generally provide a lower expected return than growth assets over the long term. They are also less likely to fluctuate, or go up or down in value, in the short term.

The relationship between risk and return

Risk is the potential for your savings to go up and down in value. Return is the amount of money earned by your investment.

When investing, risk and return go hand in hand. The higher the long-term return you're aiming for, the greater the risk of your money going up and down in value in the short term. This is because in order to get a higher long-term return, you generally have to invest a greater proportion of your savings in growth assets, and returns from growth assets can be volatile.

There is also a risk that you may not have enough super when you retire. Returns from growth assets vary a lot more than returns from investments in income assets. So there's a much greater risk that growth assets will have a negative return in any one year.

3. Understand your investment options

Member Investment Choice is available on all contributions for Accumulation members including Retained Benefits Division members. If you are a Defined Benefit member, please see the highlight box below.

You can choose to invest your super in **one or a combination** of the Plan's three investment options. Both your current and future contributions will be invested in the same way.

Please study the options' investment objectives and strategy in the table below. There are subtle, but important differences between the Growth and Balanced 50/50 options. In particular, please note the differences in the levels of expected volatility between the two options and in the expected 1 in 20 year investment losses when markets are at their worst.

Growth

Objectives

Real Return Objective

To achieve a return (net of tax and investment fees) of at least 3% p.a. in excess of inflation as measured by the Consumer Price Index (CPI) over rolling five-year periods.

Downside Risk Objective

To limit the probability of a negative return over rolling 1 year periods to approximately 1 year in 4.

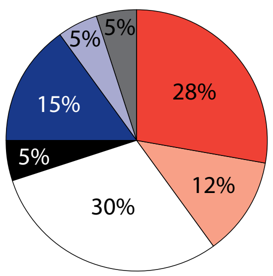
1 in 20 year adverse return

-16.0%

Strategy

To invest 75% in growth assets and 25% in income assets.

Target asset allocation and ranges



Australian shares	21% to 35%
International shares (hedged)	5% to 19%
International shares (unhedged)	23% to 37%
Global Listed Property	2% to 8%
Australian fixed interest	0% to 20%
International fixed interest	0% to 20%
Cash	0% to 10%

Exposure ranges

Growth assets 70% to 80%

Income assets 20% to 30%

Balanced 50/50

Objectives

Real Return Objective

To achieve a return (net of tax and investment fees) of at least 2.5% p.a. in excess of inflation as measured by the Consumer Price Index (CPI) over rolling five-year periods.

Downside Risk Objective

To limit the probability of a negative return over rolling 1 year periods to approximately 1 year in 5 to 6.

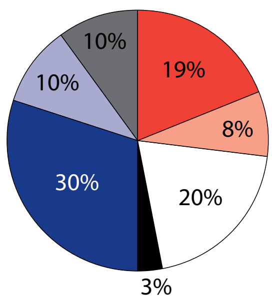
1 in 20 year adverse return

-11.0%

Strategy

To invest 50% in growth assets and 50% in income assets.

Target asset allocation and ranges



Australian shares	14% to 24%
International shares (hedged)	3% to 13%
International shares (unhedged)	15% to 25%
Global Listed Property	0% to 6%
Australian fixed interest	5% to 35%
International fixed interest	5% to 35%
Cash	5% to 15%

Exposure ranges

Growth assets 45% to 55%

Income assets 45% to 55%

Cash

Objectives

Real Return Objective

To achieve a return (net of tax and investment fees) equal to the Bloomberg AusBond Bank Bill Index (net of tax).

Downside Risk Objective

To prevent negative returns over any 1 year period.

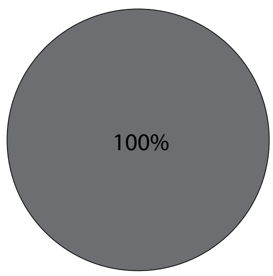
1 in 20 year adverse return

N/A

Strategy

To invest 100% in cash.

Asset allocation and ranges



Cash	100%

Exposure ranges

Growth assets 0%

Income assets 100%

Defined Benefit members

As a Defined Benefit member, your defined benefit (including compulsory member contributions you make) will be invested in the Balanced 50/50 option. The 3% productivity account will also be invested in the Balanced 50/50 option as this forms part of the defined benefit calculation which is used to ensure that all benefits payable from the Plan meet Superannuation Guarantee obligations. If you have a Surcharge Offset account this will receive the returns of the Balanced 50/50 option.

Defined Benefit members have Member Investment Choice for additional voluntary accounts and rollover accounts (if any).

- Australian shares
- International shares (hedged)
- International shares (unhedged)
- Global Listed Property
- Australian fixed interest
- International fixed interest
- Cash

4. Decide which option suits you

Changing your investment choice

You can change your investment option once a month if you wish to. There is no buy/sell spread for switches between the Growth and Balanced 50/50 options, or switches to the Cash option. However, there is a buy/sell spread to switch from the Cash option to either the Balanced 50/50 or Growth options. These fees are:

Cash to Balanced 50/50	0.34% of the amount switched
Cash to Growth	0.42% of the amount switched

These buy/sell spreads will be deducted from your account at the time of your switch. No switching fee applies.

To change your investment option, you will need to complete a *Changing Your Investment Choice Form*. You can request a form by calling the Plan administrator on **1800 127 953** or download a copy from **nsp.nissan.com.au**. Forms must be received at least **five working days before** the end of the month. All switches will take effect at the beginning of the following month. A letter confirming your choice will be sent to you.

Investment fees

The composition of the investment option determines the annual investment fees that the Plan pays its appointed investment managers. As a general rule, the cost of investing in growth assets (shares and property) is greater than that for investing in income assets.

Based on a neutral asset allocation for each of the Plan's investment options, the cost of managing your investment is:

Growth	0.50% to 0.60% per annum of assets
Balanced 50/50	0.38% to 0.46% per annum of assets
Cash	Nil

These fees are deducted from investment returns before they are applied to your accounts on a monthly basis. The fees only apply to benefits that are linked to investment returns. They do not apply to defined benefits.

Need help making an investment choice?

When you need to make important financial decisions, the Trustee recommends speaking to a licensed financial adviser who can help you determine which investment choices are the most appropriate for your personal situation. To speak to a licensed financial adviser, you can contact Willis Towers Watson on (03) 9655 5222 or call the Financial Planning Association (FPA) on 1300 337 301 or visit their website at www.fpa.com.au.

Keeping track of investment performance

You can find out how the Plan's investment options are performing in the Plan's quarterly *Investment Update*, as well as the *Annual Report*. These are available from **nsp.nissan.com.au**.

Review your investment option regularly

Having made your investment choice, don't forget about it. Generally, it's a good idea to review your investment choice every few years. This is particularly important if you're nearing retirement.

Further information

If you need more information about Member Investment Choice, please contact:

Nissan Superannuation Plan
PO Box 1442
Parramatta NSW 2124
Phone: **1800 127 953**
Email: nissansuperadmin@linksuper.com

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