



Lewis Workplace Pension Trust Newsletter

Welcome to our quarterly newsletter that provides a brief stock market overview and performance update in relation to our **Auto Enrolment pension funds** for the quarter ending 30th September 2018.

Market Overview

The majority of the main global stock markets benefitted from positive returns over the quarter, with the US market leading the way as economic growth remained robust. Trade tensions persist between the US and China, with the Governor of the Bank of England, Mark Carney, recently expressing concern over the ballooning debt in China. A meeting between President Trump and European Commission President Juncker eased tensions when they agreed to work towards zero tariffs, although the US have since imposed further tariffs on an additional 6,000 items from China. Unsurprisingly, the Chinese retaliated by imposing tariffs on \$60 billion of US goods.

Equities in the UK and Eurozone have struggled, not helped by the continuing uncertainty over Brexit negotiations. We expect this to continue along with increased volatility in currencies. European banks came under pressure with lenders exposed to Turkey and Italy being the main detractors. The Italian government's 2019 budget may come close to breaching EU fiscal rules, which are expected to be presented to the EU during October. In Britain, Theresa May's leadership is on shaky ground yet again after the Chequers Plan led to the resignations of Foreign Secretary Boris Johnson and Brexit secretary David Davis and more recently with a number of Tory MPs discussing a revolt for a change of leader.

In Asia, markets in general had a poor quarter as US tariffs on Chinese goods took effect and little progress achieved in negotiations. Similarly, Emerging Markets registered negative returns with US\$ strength and the currency crisis in Turkey and Argentina and other Latin American markets detracting from performance.

September marked the 10th anniversary of the Lehman Brothers collapse and the start of the global financial crisis and although stock market performance since has been strong, we are now entering a further period of uncertainty in the coming months as markets are dominated by political noise. That said, the investment committee are maintaining the current equity content within each portfolio.

The performance figures to 30th September 2018 for the Default and Model portfolios are:

Portfolio	1m	3m	6m	1y	3y	5y
Lewis Default Portfolio 1	-0.54	2.98	12.07	10.86	56.52	67.52
DP 1 Benchmark	0.06	5.83	15.45	12.32	17.05	11.93
Lewis Default Portfolio 2	-0.39	1.35	7.89	6.87	36.24	41.31
DP 2 Benchmark	0.06	4.12	10.89	8.74	12.26	8.92
Lewis Default Portfolio 3	-0.14	0.85	4.67	4.26	21.37	24.60
DP 3 Benchmark	0.05	2.42	6.33	5.16	7.47	5.92
Lewis Default Portfolio 4	0.04	0.07	0.67	0.73	2.77	3.06
DP 4 Benchmark	0.05	0.42	1.01	0.98	1.89	2.41
Lewis Cautious Portfolio	-1.44	0.03	4.11	4.59	27.78	44.96
Cautious Benchmark	0.05	1.85	4.81	3.96	5.88	4.92
Lewis Moderate Portfolio	-1.88	0.94	7.35	7.53	52.53	63.36
Moderate Benchmark	0.06	2.99	7.85	6.35	9.07	6.92
Lewis Speculative Portfolio	-1.68	1.50	8.32	7.89	59.12	71.06
Speculative Benchmark	0.06	4.12	10.89	8.74	12.26	8.92

Past performance is no guarantee of future performance and the value of your investment may be less than originally invested.

Warning - Protect your pension

With the increase in flexibility on how you can use your pensions, scammers could be after yours and they know you can now access your pensions in new ways and will try to lure you with promises of upfront cash and one-off 'deals' with guaranteed high returns. The Pension Regulator has a section on their website specifically designed to help you protect your pension and you can access it here: <http://www.thepensionsregulator.gov.uk/pension-scams.aspx>

Please feel free to share this information with your members. If you have any questions concerning this, please do not hesitate to contact your usual Lewis adviser or the Workplace Pension Team.

Regards Lee van Hoyland, APFS, Director

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