



# 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 31<sup>st</sup> December 2018.

## Market Overview

Over the past few months, we have witnessed an increase in stock market volatility, which has now heightened further and this has mainly been caused by the two factors previously reported; Brexit and the US/China trade war.

Brexit is constantly in the news and as negotiations have edged closer towards the 29th March 2019 deadline, stock market volatility has increased and performance has now suffered with the main UK index, the FTSE100, falling by 10% over the past three months. We expect markets to remain volatile whilst the “political noise” continues. This has not been helped by the Italian budget dispute remaining unresolved.

The other cause for general market downturn has been the US/China trade spat – if you remember, the US unexpectedly imposed tariffs on certain Chinese goods entering the US. The Chinese were only ever going to retaliate and this then escalated further; the big concern has now switched to the impact this could have on World trade. They have recently agreed to suspend any new tariffs from being implemented and although the markets initially reacted positively, it was short lived. The economic outperformance of the US was aided by the tax reforms although this boost is likely to fade in 2019, with further interest rate rises expected to curb inflation.

Although the UK’s FTSE 100 Index reached an all-time record high very recently in May, uncertainty and negative sentiment coupled with concerns over World trade, the downturn has affected all markets – we expect this uncertainty to persist into 2019. For the vast majority of pension members who invest each month, this volatility can actually work to your advantage, as the average cost of the shares being purchased will be lower.

The performance figures to 31<sup>st</sup> December 2018 for the Default and Model portfolios are:

Portfolio	1m	3m	6m	1y	3y	5y
Lewis Default Portfolio 1 (for ages up to 59)	-5.76%	-10.95%	-8.77%	-6.66%	29.35%	42.79%
<b>DP 1 Benchmark</b>	-7.55%	-11.68%	-6.53%	-4.87%	31.11%	47.47%
Lewis Default Portfolio 2 (for ages 59 to 60)	-3.57%	-7.35%	-6.46%	-4.92%	18.77%	25.78%
<b>DP 2 Benchmark</b>	-5.27%	-8.13%	-4.48%	-3.26%	22.12%	33.82%
Lewis Default Portfolio 3 (for ages 61 to 62)	-1.96%	-4.03%	-3.44%	-2.40%	11.47%	15.79%
<b>DP 3 Benchmark</b>	-2.98%	-4.57%	-2.43%	-1.65%	13.13%	20.18%
Lewis Default Portfolio 4 (for ages 63 and over)	-0.09%	-0.28%	-0.24%	0.07%	1.91%	2.25%
<b>DP 4 Benchmark</b>	-0.32%	-0.42%	-0.03%	0.23%	2.65%	4.25%
Lewis Cautious Portfolio (available for any age)	-0.79%	-2.45%	-2.67%	-1.35%	21.59%	38.13%
<b>Cautious Benchmark</b>	-2.22%	-3.39%	-1.74%	-1.11%	10.14%	15.63%
Lewis Moderate Portfolio (available for any age)	-3.50%	-7.82%	-8.11%	-5.98%	32.66%	45.24%
<b>Moderate Benchmark</b>	-3.75%	-5.76%	-3.11%	-2.19%	16.13%	24.73%
Lewis Speculative Portfolio (available for any age)	-4.68%	-9.75%	-9.49%	-7.64%	34.36%	49.07%
<b>Speculative Benchmark</b>	-5.27%	-8.13%	-4.48%	-3.26%	22.12%	33.82%

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

The Lewis Workplace Pension Trust has a new dedicated website. You can access it via the following link: <https://lewismastertrust.co.uk/>

### **Next Pension Contribution Increase:**

The final scheduled increase in minimum contributions will commence from 6th April 2019 and it is the responsibility of all employers to make sure this is implemented. The minimum requirements from the employer will rise from 2% to 3% and the minimum from the employee will rise from 3% to 5%. The combined total will be 8%. Please note, the tax free Personal Allowance is set to increase to £12,500 at the same time, which will offset some or all of the increases in premium for employees although it will depend on personal circumstances and earnings. In addition, the lower and upper earnings limits are also changing slightly.

## **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 Pensions 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>

## **Expression of Wish**

We would encourage all members to complete an Expression of Wish form. This indicates to the trustees whom you wish to benefit from your pension on your demise. This form can be completed either on the Carey/CTC portal (where you view valuations/annual statements etc) or please contact the Lewis Workplace Pension team or Carey Pensions direct for the form. Please note, even if you have made a will, because pensions are void of any Inheritance Tax liability, your pension will not be included. Therefore, to have your wishes fulfilled, you should complete an Expression of Wish form.

**Please feel free to share this email with all staff and colleagues.**

If you have any questions concerning this, or any other matter, or have any suggestions, please do not hesitate to contact either your usual Lewis adviser or the Workplace Pension Team.

Regards

Trustees of The Lewis Workplace Pension Trust