



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 31st March 2019.

Market Overview

After nearly 3 years since the referendum (23rd June 2016), Britain missed the 29th March 2019 Brexit date and the saga continues to rumble on.

Although uncertainty continued during the quarter and even heightened towards the original 29th March 2019 exit date, as highlighted by the currency swings in Sterling and the daily political news flows, the UK stock market has actually been fairly resolute with the main FTSE100 Index increasing by 9.4% over the past 3 months to 31st March 2019. A number of fund management teams are reporting the relative cheapness of some individual stocks and are looking past the comparatively short term time horizon of Brexit.

Potentially (ordinarily) we would expect a "relief rally" for the UK stock market once a deal has been formalised. Whilst this may occur, this is new territory and the coming months/years could remain volatile on the political front which may impede stock markets. That said, many corporate balance sheets are looking healthy as they will start to look for forward momentum once a political decision has been made. Stock markets and companies don't like uncertainty and unfortunately that is exactly what we have, so even if there is a no deal, companies can at least start to formulate plans.

In mainland Europe, the political landscape has featured heavily but not just with Brexit; Spain announced a snap general election scheduled at the end of April and Italy having a fall in support for the main coalition party, the Five Star Movement. Another concern is that Germany's 10 year Government bond yield turned into negative territory for the first time since October 2016 amid rising concerns about the eurozone's largest economy, with a string of weak data in recent months fuelling speculation that Germany could be heading into recession. The next European parliamentary elections are also scheduled towards the end of May, potentially leading to more political uncertainty; it could even include the UK in those elections!

The other cause of concern has been the potential impact to world trade with the US/China trade spat which remains unresolved. In addition, on 20th March 2019 the US Federal Reserve unexpectedly announced they were not expecting to raise interest rates for the remainder of 2019 and perhaps only once in 2020. This was a sudden change from December 2018, when they signalled three potential rate increases. With a recent reduction in inflation and now the interest rate announcement, that would indicate The Fed being perhaps a little more wary about the US's economic prospects and they were certainly lower in their predictions compared to that of President Trump!

The performance figures to 31st March 2019 for the Default and Model portfolios are:

Portfolio	1m	3m	6m	1y	3y	5y
Lewis Default Portfolio 1 (for ages up to 59)	2.74%	8.59%	-3.06%	7.87%	41.25%	57.51%
DP 1 Benchmark	3.15%	9.35%	-3.42%	9.79%	41.05%	61.12%
Lewis Default Portfolio 2 (for ages 59 to 60)	1.95%	6.12%	-1.88%	5.19%	27.29%	35.79%
DP 2 Benchmark	2.22%	6.60%	-2.29%	7.03%	29.10%	43.41%
Lewis Default Portfolio 3 (for ages 61 to 62)	1.20%	3.66%	-0.83%	3.46%	16.42%	21.69%
DP 3 Benchmark	1.30%	3.85%	-1.16%	4.28%	17.15%	25.69%
Lewis Default Portfolio 4 (for ages 63 and over)	0.25%	0.67%	0.23%	0.93%	2.65%	3.09%
DP 4 Benchmark	0.21%	0.64%	0.16%	1.06%	3.21%	5.02%
Lewis Cautious Portfolio (available for any age)	3.21%	5.12%	2.79%	6.46%	24.86%	44.74%
Cautious Benchmark	0.99%	2.93%	-0.78%	3.36%	13.17%	19.79%
Lewis Moderate Portfolio (available for any age)	2.99%	8.66%	-0.24%	6.91%	44.15%	57.93%
Moderate Benchmark	1.61%	4.77%	-1.54%	5.20%	21.14%	31.60%
Lewis Speculative Portfolio (available for any age)	2.33%	8.45%	-2.42%	5.43%	46.01%	61.82%
Speculative Benchmark	2.22%	6.60%	-2.29%	7.03%	29.10%	43.41%

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 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 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.

Because of GDPR, we are unable to email these quarterly updates directly to the members, although we do upload a copy to their portal and it is available on the website. Could we, therefore, ask you to forward this email to all staff as we want all members to engage and benefit in their retirement savings.

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