



30th June 2021

## Welcome to our quarterly newsletter

Inside you'll find a brief stock market overview and performance update in relation to our Auto Enrolment pension funds for the quarter ending 30th June 2021.



### How can I increase my pension fund?

As you know, both employers and employees contribute minimum requirements into the member's workplace pension.

If a member wishes to increase their regular contribution, this can easily be actioned by contacting TLWPT. Remember, the more you can contribute into your pension, the bigger the pension pot will be, providing you income in retirement.

The majority of our schemes have been established under a salary exchange basis. This basically means that you exchange part of your salary for a pension contribution which results in you paying less Income Tax and National Insurance. Just with the Basic Rate Income tax saving alone, personal contributions are boosted by 20%, with Higher Rate taxpayers benefitting further.

As an example of making additional contributions, if the increase is an extra £50 per month, over a 30 year term and assuming annualised investment returns of 5%, the investor would have over £40,000 extra in their pension fund, which under current legislation, will mean over £10,000 can be withdrawn tax free (assumed as gross personal contributions only).

If a member wishes to increase their contributions, please contact us on **01202 738650** or by email at [mypension@TLWPT.co.uk](mailto:mypension@TLWPT.co.uk)

# World Market Overview

For Q2 to 30th June 2021, it has been another pleasing quarter for equity markets, with gains in most regions. May and June both witnessed sharp spikes in monthly inflation figures, with further increases expected over the coming months as spending and commodity prices rise but with low inventories leading to supply shortages.

The recent increase in global inflation, coupled with the potential for central banks to raise interest rates sooner than expected, gave the markets cause for concern and uncertainty in the reporting period and an increase in volatility.

The number of vaccine doses administered around the globe continues at a pace — at the time of writing, it is estimated that 3.05 billion doses have been administered and 41 million are given each day, which means 23.4% of the world population has received at least one dose of a COVID-19 vaccine. That said, only 0.9% of people in low-income countries have received at least one dose. Although there is still a long way to go, enormous strides are being made in the fight against COVID and there will invariably be setbacks along the way, but progress is being made.

In the UK, the FTSE100 Index extended its recovery, boosted by the continued vaccination rollout and the gradual lifting of restrictions, albeit now slightly delayed until July.

For the 3 months to 30th June 2021, the FTSE100 Index increased by 4.5% (ex dividends), which although pleasing, was still slightly behind the main US and European bourses.

The UK's latest CPI inflation rate for May (published 16th June) rose sharply again to 2.1% and is now officially higher than the Bank of England's 2% target. As reported in our last newsletter, this increase was expected on the back of a general supply shortage. Depending on consumer spending appetite and commodities (e.g. increasing oil prices), many economists are predicting inflation to continue to rise for the remainder of the year but to revert to more average levels in 2022. Oil prices (WTI and Brent) continue to rise with both trading over US\$70 a barrel, which has resulted in a steady rise in fuel prices at the pumps.

In the Eurozone, vaccine numbers continue to improve and although the tourism trade has been stop/start, economic data is expected to rise, with inflation also increasing like the UK. Like other major central banks, the ECB left its key rate unchanged at -0.50% and whilst they are keeping a watching brief on inflation, it isn't generally expected that interest rates will rise this year.



In the US, markets continued to trade well with the indices such as the S&P500, reaching new all-time highs on the back of a strong economic recovery and jobs created. During the quarter, markets turned slightly jittery on the back of the June Fed meeting, when they voted to keep interest rates on hold but a survey of FOMC members suggested the Fed now foresees the timing of its first post-pandemic rate hike in 2023, rather than in 2024 as per the previous survey in March. That said, the S&P500 rose nearly 7% over the last 3 months.

In Asia, the Chinese economic data was not quite as strong as expected, although there is a general expectation that consumption growth will gradually increase at the expense of export growth. In other regions, we expect production to increase following the resurgent global demand for goods. Concerns persist with some emerging market countries and the poor pandemic management in Latin America.

The Japanese Nikkei index has been lacklustre over the past 3 months amid rising tension over the handling of the pandemic with many locals planning to boycott the Olympic games and will now not benefit as expected on the back of an influx in tourism.

Overall, we remain cautiously optimistic for the remainder of 2021. We continue to prefer equity backed investments rather than credit/Government bonds on the expectation that corporate earnings and supply will continue to improve, supported by fiscal stimulus. Central banks will have a tough supporting role to play, in that they will be concerned over rising inflation but will be keen to avoid any interest rate hikes for fear of stifling the recovery.

## Performance Figures

The performance figures to **30th June 2021** for the Default and Model portfolios are:

Portfolio	1m	3m	6m	1y	3y	5y
<b>Lewis Default Portfolio 1 (for ages up to 59)</b>	<b>1.86%</b>	<b>5.70%</b>	<b>9.10%</b>	<b>20.72%</b>	<b>22.06%</b>	<b>63.68%</b>
DP 1 Benchmark	4.34%	7.17%	10.99%	22.57%	38.02%	76.62%
Lewis Default Portfolio 2 (for ages 59 to 60)	1.23%	4.24%	6.81%	14.76%	11.21%	38.09%
DP 2 Benchmark	3.04%	5.02%	7.69%	15.82%	27.04%	54.24%
Lewis Default Portfolio 3 (for ages 61 to 62)	0.80%	2.48%	3.91%	8.63%	6.92%	22.49%
DP 3 Benchmark	1.74%	2.87%	4.40%	9.08%	16.05%	31.87%
Lewis Default Portfolio 4 (for ages 63 and over)	0.00%	0.24%	0.33%	0.78%	1.26%	3.25%
DP 4 Benchmark	0.22%	0.36%	0.55%	1.20%	3.24%	5.76%
Lewis Cautious Portfolio (for any age)	0.67%	2.72%	0.66%	4.16%	16.02%	33.90%
Cautious Benchmark	2.17%	3.59%	5.50%	11.33%	19.72%	39.33%
Lewis Moderate Portfolio (for any age)	0.98%	4.49%	7.22%	19.96%	27.38%	71.79%
Moderate Benchmark	3.47%	5.74%	8.79%	18.07%	30.70%	61.70%
Lewis Speculative Portfolio (for any age)	1.29%	4.42%	9.61%	24.59%	29.41%	79.60%
Speculative Benchmark	3.91%	6.45%	9.89%	20.32%	34.36%	69.16%
Lewis Responsible Investing Portfolio	4.30%	7.80%	7.30%	22.80%	12.60%	42.60%
Lewis Sharia Portfolio	6.80%	9.30%	10.90%	22.40%	68.20%	119.90%

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

## e-Member Portal

Where you can find details of **your funds, transactions and other useful information.**

Members should have received an email advising their new registration details. This will allow you to register for the new e-Member Portal.

If you have not received this communication contact employer support

**+44 (0) 330 124 9130** or

via email

**EmployerSupport@optionspensions.co.uk**

You should ensure personal details and your home email address are kept up to date; you can change your email online via the portal but will need to advise any change of your postal address in writing. The portal shows a history of contributions and how they are invested, including any important correspondence issued.

## Environmental, Social & Governance (ESG)

ESG refers to the three main factors or standards when measuring the sustainability and ethical impact of an investment in a company. The Environmental criteria consider how a company performs as a steward of nature; Social criteria examine how it manages relationships with employees, suppliers, customers and the communities where it operates. The Governance criteria deal with a company's leadership, executive pay, audits, internal controls and shareholder rights. An ESG investment fund will seek to influence companies that do not meet the ethical standards or that harm society or the environment.

## Pension Scammers wreck lives

That's why we're pledging to **raise awareness of the risks, educate ourselves and protect members.**

The Trustees of TLWPT would like to remind everyone that The Pensions Regulator is concerned about the rising number of fraud cases in relation to pension scamming. We would therefore ask you to **forward this email to all**

**members of staff**, not only as we want them to engage in their retirement savings but the newsletter also provides a link to The Pensions Regulator website which offers advice on preventing scamming and fraud. **For more information visit:**

[The Pension Regulator website](#)



Our pledge to  
combat pension scams

## 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 e-Member Portal (where you view valuations/ annual statements, etc) or please contact the Lewis Workplace Pension team on **01202 738650** for the form.

**Please note** : even if you have made a will, because pensions are normally outside your estate for any Inheritance Tax liability, your pension will not be included. To ensure your loved ones benefit from your pension, you should complete an Expression of Wish form.

## Defaqto Rating

The ratings agency, defaqto, have a [dedicated link](#) on their website to workplace pensions, where it provides their rating on each scheme. The link can be opened below:

<https://www.defaqto.com/advisers/ratings/star-ratings/pensions/workplace-pension/>

## Useful Links

### State Pension Forecast

Your State Pension is a regular payment you can claim from the government once you reach State Pension age. You can get a State Pension [online](#) forecast to tell you how much you might receive, when you can claim it, along with details of any shortfalls in previous NI contributions.

<https://www.gov.uk/check-state-pension>

### The Pension Tracing Service

The Department of Work and Pension's [online](#) Pension Tracing Service helps reunite people with their lost pensions, giving details of providers to help people track them down.

<https://www.gov.uk/find-pension-contact-details>

### Retirement Budgeting

A [budget](#) shows you how much money you have coming in and what you spend it on. It makes it easier to create your own spending plan which will put you in control of your money in retirement.

<https://www.moneyadvice.service.gov.uk/en/pensions-and-retirement/budgeting>

## Feedback

If you have any questions concerning this newsletter, or any other matter, or have any suggestions, please do not hesitate to contact the Workplace Pension Team.

Regards

**Trustees of The Lewis Workplace Pension Trust**