



30th September 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 September 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 benefiting 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would have over £40,000 extra in their pension fund, which under current legislation, will mean over £10,000 can be withdrawn tax free (assumed as gross personal contributions only).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

World Market Overview



BY KRISTAN WARD

Although global equity markets witnessed an increase in volatility during Q3 to 30th September 2021 and falling prices in the latter part, overall it was another positive quarter despite continued concerns over inflation and monetary policy from central banks.

The global vaccine doses being administered continues to rise. At the time of writing, it is estimated that 6.25 billion doses have been administered (it was 3.05 billion in the Q2 newsletter) and 25 million are given each day, which means 45.3% of the world population has received at least one dose of a COVID-19 vaccine. The onset of winter in the northern hemisphere will be a test, but the rollout of booster vaccinations should help prevent widescale renewed lockdowns.

The UK's FTSE100 Index was broadly flat for the quarter to 30th September (down 0.5%), with supply issues and labour shortages causing concern in some sectors, which in turn created inflationary pressures and a slow down in business activity. Although the economy grew by 4.8% during the second quarter, it was marginally below the Bank of England's 5% forecast, with the economy remaining below pre-pandemic levels and lagging the recoveries seen in the US and Europe. However, the Office of National Statistics predictions show the economy is on a path to return to pre-pandemic levels of output before the end of the year, providing Covid-19 remains under control.

The UK's latest CPI inflation rate for August (published 15th September) increased sharply to 3.5%. As mentioned in previous newsletters, the general increase in inflation has been caused by the recent supply shortage, but also from last year's Eat Out to Help Out scheme and business owners in the hospitality and tourism sector receiving a VAT discount. Oil prices (WTI and Brent) continue to rise, both edging towards US\$80 a barrel, which coupled with the recent supply issues, has seen further petrol price increases.



Giving a speech on 27th September, the Bank of England governor Andrew Bailey said, "the MPC is prepared to raise interest rates before the year end if inflation continues to rise." We don't necessarily think it will happen, as the BoE will be keen not to dampen the economic recovery but much will depend on the near term inflation figures.

In the Eurozone, the federal election took place on 26th September in Germany to replace Angela Merkel, who has been chancellor for 16 years. At the time of writing, it appears a coalition will be the likely outcome. European equities were boosted by the ECB pledging to keep benchmark interest rates at historical low levels unless inflation is persistently above its 2% target. Potentially, the Eurozone could outperform in the coming quarters, as Europe's exposure to financials and cyclically sensitive sectors such as industrials, materials and energy, and its relatively small exposure to technology, gives it the potential to outperform if economic activity picks up.

In the US, markets had another positive 3 months, with the S&P500 reaching new highs, although during the later part of Q3, there was an increase in volatility especially with the news of the potential debt default from the China Evergrande Group and US bond yields rising as investors anticipate the Federal Reserve to start tapering its asset purchase programme.

World Market Overview continued

In Asia, markets have stabilised following regulatory concerns within China and a renewed Covid-19 outbreak, followed by worry for the survival of one of the world's top 500 companies, China Evergrande. Evergrande are one of the largest Chinese property development companies, but have debts of £220billion. It has recently been reported on a near default on their debt repayment and it is unclear whether Beijing will provide the company with funds to meet its debt obligations. This uncertainty will likely create further volatility in global markets over the coming months, coupled with the added risk of a sharper than expected slowdown in the Chinese economy.

The Japanese Nikkei index has rallied well during the reporting period, even with the news on Evergrande. Given the lack of overseas spectators, the Olympics appeared to be successful. The focus now turns to the general

election on 28th November, with an anticipated win for Fumio Kishida. If the ruling Liberal Democratic party do maintain control, it is unlikely to trigger a huge shift in policies as Japan seeks to revive its economy hit by the pandemic.

Our outlook remains the same for the remainder of 2021 and beyond, however, there will inevitably be setbacks along the way, not just with Covid-19 and the vaccine rollout, but with global inflation and matters such as China Evergrande. Economies are fragile and any setback could witness a sharp retracement in equity markets, but will potentially benefit those workplace pension members who make monthly contributions. Towards the tail end of Q3, global equities have fallen, which has dampened performance.

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.

Defaqto Rating

The ratings agency, defaqto, have a [dedicated link](https://www.defaqto.com/advisers/ratings/star-ratings/pensions/workplace-pension/) 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/>

Performance Figures

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

Portfolio	1m	3m	6m	1y	3y	5y
Lewis Default Portfolio 1 (for ages up to 59)	0.04%	3.36%	9.70%	23.38%	22.49%	54.73%
DP 1 Benchmark	-2.32%	0.94%	9.06%	23.02%	15.72%	38.55%
Lewis Default Portfolio 2 (for ages 59 to 60)	-0.16%	2.32%	7.19%	17.00%	12.26%	32.23%
DP 2 Benchmark	-1.63%	0.50%	6.29%	16.28%	8.08%	22.01%
Lewis Default Portfolio 3 (for ages 61 to 62)	-0.08%	1.25%	3.95%	9.59%	7.44%	19.10%
DP 3 Benchmark	-0.93%	0.26%	3.59%	9.34%	6.23%	15.22%
Lewis Default Portfolio 4 (for ages 63 and over)	0.02%	0.12%	0.37%	1.12%	1.25%	2.78%
DP 4 Benchmark	-0.12%	-0.09%	0.41%	1.31%	0.85%	1.88%
Lewis Cautious Portfolio (for any age)	-2.39%	1.64%	4.51%	6.55%	18.15%	28.07%
Cautious Benchmark	-0.75%	-0.10%	2.78%	7.81%	3.67%	9.94%
Lewis Moderate Portfolio (for any age)	-1.71%	1.02%	5.60%	19.08%	27.41%	56.91%
Moderate Benchmark	-1.86%	0.79%	7.26%	18.37%	17.85%	39.66%
Lewis Speculative Portfolio (for any age)	-0.73%	1.27%	5.77%	23.11%	29.14%	63.67%
Speculative Benchmark	-2.13%	1.08%	8.40%	20.94%	22.07%	48.23%
Lewis Responsible Investing Portfolio	-0.80%	4.40%	12.60%	29.40%	19.20%	36.90%
Lewis Sharia Portfolio	-1.90%	3.60%	13.10%	18.80%	61.30%	111.70%

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

Please note, we have altered the benchmarks to be more reflective of where the underlying capital is 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.

Expression of wish

We encourage all members to complete a Nomination of Beneficiaries form, sometimes referred to as an Expression of Wish. This is an instruction from you to the Trustees advising them of who you would like your pension benefits to be paid to should you die before you retire. As your pension funds do not form part of your estate, the pension trustees will not be bound by any instructions left in your will. So, by completing an instruction you help the trustees ensure your wishes are taken into consideration keeping the monies outside your estate.

The form can be completed either on the e-Member Portal (where you view valuations/annual statements, etc), downloaded [here](#) or contact the Lewis Workplace Pension team on 01202 738650 for a hard copy of the form.

Once completed all you need to do is make sure it is updated should your circumstances change; you can change it as many times as you like.

“Remember you can nominate anyone, this could be your spouse, civil partner, children, other relatives, a charity or any person that you would like the Trustee to consider. Any monies left to charities whether before age 75 or after age 75 are tax-free but charity payments can only be made if you have no dependents.”

MATTHEW PIKE,
FINANCIAL ADVISER
LEWIS INVESTMENT



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:**



Our pledge to
combat pension scams

[The Pension Regulator website](#)

Death in Service Schemes

- Something to consider



CINDY SLADE
EMPLOYEE BENEFITS CO-ORDINATOR AT
LEWIS INVESTMENT

“Death in Service schemes fall under the pension regulations with a maximum cease age of 75. However, traditionally many policies have been set up with a cease age of 65 which means that when an employee reaches their 65th birthday their cover automatically ceases.

With the normal retirement age now varying by date of birth many employees will continue to work beyond 65 with many unable to claim state pensions until their late 60s.

Our recommendation to employers is to check their employee demographic matches the cease age applying to their policy; especially if the plan is renewed year after year with the same Company. It may be possible to increase the cease age at little or no cost depending on the policy terms and conditions.

*If we can be of any assistance to you **please contact me on 01202 718400.**”*

Cindy

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.moneyadviceservice.org.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