

# TLWPT Newsletter

QUARTER ENDING 30<sup>TH</sup> JUNE 2022



TODAY IS THE FIRST DAY  
OF THE REST OF YOUR LIFE

## WORLD MARKET OVERVIEW

A brief overview of world markets and current world events.

[Read more](#)

## DEFAULT FUND PERFORMANCE

The default portfolio fund performance to 30<sup>th</sup> June 2022.

[Read more](#)



## SIMPLER PENSION BENEFIT STATEMENTS

Simpler workplace pension statements will be introduced from 1st October 2022 as part of a Government commitment to encourage people to save more for retirement.

[Find out what to expect](#)

# Performance Figures

The performance figures to **30th June 2022** for the Default and Model portfolios are:

Portfolio	1m	3m	6m	1y	3y	5y
<b>Lewis Default Portfolio 1 (for ages up to 60)</b>	<b>-6.03%</b>	<b>-9.07%</b>	<b>-10.19%</b>	<b>-2.13%</b>	<b>20.16%</b>	<b>31.18%</b>
DP 1 Benchmark	-5.35%	-7.86%	-8.63%	-1.37%	10.92%	22.02%
<b>Lewis Default Portfolio 2 (for ages 60 +)</b>	<b>-4.06%</b>	<b>-6.29%</b>	<b>-6.66%</b>	<b>-0.38%</b>	<b>15.98%</b>	<b>18.58%</b>
DP 2 Benchmark	-3.73%	-5.22%	-5.52%	-0.56%	5.70%	12.17%
<b>Lewis Default Portfolio 3 (for ages 62 +)</b>	<b>-2.29%</b>	<b>-3.51%</b>	<b>-3.60%</b>	<b>-0.20%</b>	<b>8.71%</b>	<b>11.34%</b>
DP 3 Benchmark	-2.10%	-2.87%	2.99%	-0.18%	4.35%	9.01%
<b>Lewis Default Portfolio 4 (for ages 64 +)</b>	<b>-0.16%</b>	<b>0.00%</b>	<b>0.13%</b>	<b>0.48%</b>	<b>1.02%</b>	<b>2.47%</b>
DP 4 Benchmark	-0.20%	-0.04%	0.15%	0.41%	0.63%	1.60%
<b>Lewis Cautious Portfolio (for any age)</b>	<b>-5.50%</b>	<b>-8.58%</b>	<b>-11.61%</b>	<b>-7.50%</b>	<b>1.57%</b>	<b>12.46%</b>
Cautious Benchmark	-1.67%	-1.81%	-1.43%	0.60%	2.62%	5.78%
<b>Lewis Moderate Portfolio (for any age)</b>	<b>-6.78%</b>	<b>-9.49%</b>	<b>-9.82%</b>	<b>-4.48%</b>	<b>15.46%</b>	<b>32.82%</b>
Moderate Benchmark	-4.27%	-6.31%	-6.98%	-1.15%	12.25%	23.78%
<b>Lewis Speculative Portfolio (for any age)</b>	<b>-6.36%</b>	<b>-8.56%</b>	<b>-9.09%</b>	<b>-4.06%</b>	<b>19.57%</b>	<b>35.52%</b>
Speculative Benchmark	-4.91%	-7.54%	-8.58%	-1.74%	15.10%	29.05%
<b>Lewis Responsible Investing Portfolio</b>	<b>-6.10%</b>	<b>-12.70%</b>	<b>-16.10%</b>	<b>-2.60%</b>	<b>8.10%</b>	<b>17.40%</b>
<b>Lewis Sharia Portfolio</b>	<b>-2.60%</b>	<b>-10.80%</b>	<b>-13.90%</b>	<b>-1.40%</b>	<b>45.50%</b>	<b>83.30%</b>

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

# World Market Overview

By Kristan Ward



As Q2 ended, the economic outlook has deteriorated markedly since the start of the year, with continuing negative news flows on global inflation and rising commodity prices, coupled with central banks increasing interest rates amid monetary tightening. In addition, there are the supply chain issues from Ukraine/Russia along with China, following their recent Covid lockdown.

Against a backdrop of continued negativity and uncertainty, has led to further falls in global equity markets, along with that of fixed interest securities. This has meant very few asset classes have provided positive returns.

The war in Ukraine creates near-term risks for markets, as outlined above, but also casts doubt on the future—with a blow to globalisation and a defining moment for Europe, which now needs to react to decades of Russian energy dependency and to accelerate its sustainable energy transition and increase military spending.

The UK economy began the year with strong momentum but will slow like all others due to the Bank of England tightening, higher energy prices and matters like the rise in National Insurance contributions. The BoE recently increased its base rate to 1.25%, with further hikes expected. Currently, the general consensus are for rates to increase to 2.5% to 3%, which will be a further blow to household finances.

Despite concerns around the economy, the FTSE100 Index has been one of the better performing equity markets this year. This is mainly because a large proportion of companies generate their revenues from overseas, along

with high exposure to commodity prices and financial stocks that benefit from higher interest rates and almost no exposure to the under-pressure technology stocks.

The UK's latest CPI inflation rate for May (published 22nd June) increased to 9.1%, with current indications that it will rise further to 11% this year.

Pre invasion of Ukraine, our expectations were for a strong economic boost in the eurozone, although this has now been curtailed. The invasion has created a significant level of uncertainty given the region's dependency on Russian gas. One of the most significant risks is that Russia responds to the EU's embargo on Russian oil exports by cutting gas supplies to Europe. This would likely see a large rise in gas prices.

In the US, the war in Ukraine has injected further uncertainty but given that they have less energy dependency from overseas, they should be among the most resilient economies globally. That said, similar to the UK, they do have more job vacancies than unemployed people, so the rising inflation figures is being supported by salary increases. The pace and magnitude of the US Federal Reserve tightening creates recession risk like any other economy. If there is a recession in the next 12 months, we think it more likely to be a mild recession rather than deep rooted, as US household and business balance sheets are generally in good shape, which should protect against a more severe downturn. In addition, the norm for US mortgages is to fix into 30 year rates, unlike the UK, where we tend to fix at no more than 5 years. Therefore, rising interest rates in the US will have less impact on

# World Market Overview continued

household finances.

Asian markets have steadied following the lifting of lockdown restrictions in China. The region could outperform other markets if the Chinese Government provides significant stimulus, but energy prices will need to subside and the US dollar weaken.

The Japanese economy faces the challenge of higher energy and food prices, but this has been exacerbated by the significant depreciation in the Japanese yen. However, that weakness will provide a timely boost to the Japanese export market.

The first half of the year has been extremely tough on a number of fronts. For some slight reassurance, the current issues surrounding surging inflation and commodity prices, the Russia/Ukraine war, economic lockdowns and central-bank tightening are now better understood by markets and whilst we expect further bad news, at least a lot of that has been accounted in price reductions. The lesson from previous market corrections, such as in March 2020 at the beginning of the Covid outbreak, was that in periods of panic, can provide the best opportunities for longer-term investing which is especially prevalent for our workplace pension members.

And finally, we have previously mentioned our desire to gradually increase our investment exposure to Environmental, Social and

Governance investments. The Task Force on Climate-related Financial Disclosures (TCFD) began as a voluntary set of global recommendations but is now being incorporated by many countries into regulation, included the UK. In part, this is to address global climate change. As a result, new regulations are beginning to be introduced into workplace pensions, such as TLWPT. We have already started the process and are pleased to announce further changes to our Default portfolios from 1st July 2022. All new contributions and transfers being invested into Default, will be invested 100% into our responsible investing/ESG funds. Because this type of investment is still relatively new, will we look to gradually move the existing capital over in due course. In addition, we are also planning a few changes to regular contributions and transfers going into our model portfolios, with the aim to implement these changes in the next few months.

There are further regulatory changes being introduced making disclosures by corporations on climate more consistent and therefore more comparable. This in turn will provide a better understanding for investors, allowing markets to better channel investment into sustainable solutions.

This will be a gradual and continuous process, as our expectation is that all investments will incorporate ESG considerations in the future.

## The retirement journey is changing?

We are now required to offer to book a [Pension Wise](#) appointment for any member wishing to access their pension benefits; if the member chooses not to take up this appointment we will need to obtain an "opt-out" confirmation.

We are no longer allowed to proceed without this .

This change is intended to ensure pension savers know enough to make informed decisions about their pension pot.

TLWPT Trustees believe that regulated investment advice is at the heart of good pension planning. We encourage you to make use of the Scheme Review Visits at your workplace, the Scheme advisers are available to answer any questions you may have.



# SIMPLER ANNUAL BENEFITS STATEMENTS COMING 2022

New regulations have been introduced to ensure that from October 2022 auto-enrolled annual pension benefit statements are simpler and easier to understand; providers will have to provide consistent information across all schemes. These future statements will be presented in five pre-defined parts or sections on one A4 double-sided page.

The information presented is intended to provide:

- how much money you have in your pension plan and what has been saved in the statement year;
- how much money you could have when you retire; and
- what you could do to give yourself more money at retirement.

The **first** section includes:

- details of your employer;
- the Scheme provider; and
- Information identifying you.

The **second** section provides:

- the contributions credited to your plan;
- the total amount of money saved by you to date;
- any monies transferred into the pension scheme from other pension schemes.
- If your scheme is in receipt of tax relief this may be shown in this section too.

This part also signposts where to obtain an explanation of the costs and charges applying, if they are not already shown, and where to get information about the pooled funds in which your contributions are invested.

Part **three** provides a jargon-free illustration of how much your pension plan could be worth at the agreed retirement date and what this may mean for your estimated retirement income.

Part **four** encourages you to think about your retirement income and retirement lifestyle as a whole, including any expectations of income from a State Pension or other sources, and what you could do to give yourself more money

## e-Member Portal

Provides details of your funds, transactions and other useful information including your annual benefit statement.

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

If you need any help contact employee support on

**+44 (0) 0330 912 8571** or

via email [lewis@optionspensions.co.uk](mailto:lewis@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.

Also remember we welcome your feedback if you have difficulty finding any information, please let us know at

[mypension@TLWPT.co.uk](mailto:mypension@TLWPT.co.uk)

or **01202 738650**

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## GOOD NEWS

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*TLWPT have already adopted this new format - check out your statement on the client portal*

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The final part provides details of how to contact the pension scheme provider for further information regarding your pension plan, or if you need to update your details.

By October 2022 we promise to make the information you need to help you understand your annual pension benefits statement available on the Scheme website [www.TLWPT.co.uk](http://www.TLWPT.co.uk).

Some people may feel that the whole pension world is a little daunting. Never be embarrassed to ask questions as we want to help you understand. We are more than happy to answer all your questions and remember if you would like a meeting with one of our advisers, it's free to see them.

You can find your annual benefit statements on your pension portal. Please take time to log in and have a look. If you have not accessed your pension portal before or are having difficulty remembering your passwords as sometimes, we all do, please get in touch so we can help.

Also remember we welcome your feedback if you have difficulty finding any information, please let us know at [mypension@TLWPT.co.uk](mailto:mypension@TLWPT.co.uk) or 01202 738650.

## How can I increase my pension fund?

As you know, both employers and employees contribute at least 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](mailto:mypension@TLWPT.co.uk)

Explore the [Scheme website](#) to find more information about the Scheme Structure, the Trustees or visit the [Members Section](#) to find the answers to many [frequently asked questions](#).

## Security of members' investments

The security of members' investments is of paramount importance to the Trustees. The Scheme invests either directly or via an investment platform in funds where the manager is authorised and regulated in the UK. Where investments are held directly with the manager, they are subject to protection by custodian or depository arrangements and ultimately covered by the Financial Services Compensation Scheme (FSCS).

- Chair Statement 2021 - Andy Cheseldine , Trustee Chair

### 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

## 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.moneyhelper.org.uk/en/everyday-money/budgeting/budget-planner?source=mas#>

## Let us know

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