

TLWPT Newsletter

QUARTER ENDING 31ST DECEMBER 2023



DREAMS DON'T WORK UNLESS YOU TAKE ACTION

~ ROY T BENNETT



WORLD MARKET OVERVIEW

A brief overview of world markets and current world events.

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DEFAULT FUND PERFORMANCE

The default portfolio fund performance to 31st December 2023.

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ANNUAL HOUSEKEEPING

Four quick checks we recommend you carry out every year.

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MORE THAN ONE PENSION?

Some considerations should you wish to consolidate your pensions.

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2023 Annual Benefit Statements

The Annual Benefit Statement (ABS) is a yearly summary of your pension savings which follows a prescribed format. It has been designed to make it easier to understand, but we still welcome any questions you may have.

Your personal statement will be uploaded to your secure member portal within 12 months after our scheme year end of 31st March each year. Your 2023 Statement has **not** been issued yet but you will receive an email to let you know when it is available. Please check your contact information on the portal is up to date to ensure you receive this message.

You can download copies of your Annual Benefit Statements online:

Log into your member portal account at **optionsmembers.co.uk**.

For statements from 2021, choose 'Benefit Statement' from the Menu and look for the latest Annual Benefit Statement from the list. Here you have the option to download the document. For older statements select 'Documents', and then 'My Documents'.

Keep your Annual Benefit Statement safe, it may help you when you're making important decisions about your retirement.



When will you get your state pension

The State Pension age is currently 66 years old for both men and women but will start gradually increasing again from 6th May 2026.

Since 2014, the government has been legally required to review the State Pension age at least every 6 years. On 30 March 2023, it announced the outcome of the second review, resulting in the rise of the State Pension age from 66 to 67 planned to take place between 2026 and 2028. The government plans a further review within two years of the next Parliament.

You should also note that the Government has confirmed that the earliest age that pension scheme members can take their benefits, the Normal Minimum Pension Age (NMPA), will increase from 55 to 57 from 6 April 2028.



CHECK YOUR STATE PENSION AGE

Use the government's State Pension Calculator to find out your State Pension Age.

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

Performance Figures

The performance figures to **31st December 2023** for the Default and Model portfolios are:

| Portfolio | 1m | 3m | 6m | 1y | 3y | 5y |
|---|--------------|--------------|--------------|---------------|---------------|---------------|
| Lewis Default Portfolio 1 | 5.06% | 5.25% | 6.26% | 11.43% | 28.29% | 56.62% |
| DP 1 Benchmark | 4.05% | 5.34% | 5.15% | 13.12% | 25.14% | 56.75% |
| Lewis Default Portfolio 2 | 3.66% | 3.96% | 5.37% | 9.91% | 23.38% | 37.00% |
| DP 2 Benchmark | 2.98% | 3.94% | 4.14% | 10.08% | 19.12% | 39.27% |
| Lewis Default Portfolio 3 | 2.18% | 2.66% | 4.10% | 7.70% | 15.46% | 24.10% |
| DP 3 Benchmark | 1.90% | 2.78% | 3.42% | 7.61% | 13.30% | 24.86% |
| Lewis Default Portfolio 4 | 0.63% | 1.36% | 2.77% | 4.74% | 7.08% | 8.45% |
| DP 4 Benchmark | 0.64% | 1.35% | 2.48% | 4.53% | 6.44% | 7.03% |
| Lewis Cautious Portfolio (for any age) | 4.44% | 6.56% | 5.80% | 5.58% | -3.22% | 16.19% |
| Cautious Benchmark | 4.53% | 6.32% | 6.37% | 6.33% | -7.85% | 7.03% |
| Lewis Moderate Portfolio | 4.14% | 5.26% | 6.25% | 8.64% | 15.53% | 49.01% |
| Moderate Benchmark | 4.06% | 5.35% | 5.36% | 10.06% | 15.64% | 44.11% |
| Lewis Speculative Portfolio | 4.09% | 4.74% | 5.99% | 10.05% | 22.68% | 58.80% |
| Speculative Benchmark | 3.97% | 5.27% | 5.35% | 11.49% | 21.92% | 55.10% |
| Lewis Responsible Investing Portfolio | 4.10% | 7.50% | 7.60% | 20.90% | 29.60% | 59.10% |
| Lewis Sharia Portfolio | 3.70% | 6.40% | 7.70% | 26.50% | 34.10% | 109.90% |

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



In what was initially expected to be a relatively modest return on investment, global equity markets exceeded expectations in 2023, in part thanks to the mega-cap technology stocks known as the Magnificent Seven! Our risk portfolios, comprising Default 1, Moderate and Speculative, all delivered pleasing 12 month returns. This success was achieved despite facing the largest increase in global interest rates in decades, major conflicts, an energy crisis, a regional banking crisis, and a recession affecting parts of the eurozone.

Inflation rates have certainly seen a welcome reduction and we now wait to see how quickly they return to central bank targets, although this will likely be in the second half of 2024. As inflation subsides, we expect interest rates will also soften. Presently, the UK base rate stands at 5.25%, with a recent report showing the average rate over the last century of 8.3%, peaking at 17% in the 1970's. Current rates remain below this historical average, with numerous borrowers yet to transition from their super low fixed rate deals.

The UK's latest CPI inflation rate for November (published 20th December) continued its downward trend to finish the year at 3.9%. Although the decline has been less rapid than in other regions, this may result in the Bank of England adopting a more measured approach to easing interest rates than other central banks.

The UK economy faces challenges, evident in weak economic data, with a slowing number of job vacancies and rising unemployment. The early part of 2024 is expected to be tough for UK companies. A general election in 2024

seems inevitable, and current opinion polls give a strong lead for the opposition Labour Party. Consequently, we anticipate a number of tax cuts in 2024 as a strategic move to bolster the poll ratings of the Conservative Party.

In Europe, we anticipate another year of below trend growth following the slowdown of the Chinese economy and sluggish global trade. However, the positive aspect lies in the substantial decrease in inflation. As global inventory levels are replenished, Europe's bias to manufacturing and exports is poised to benefit. Despite Russia's cut in natural gas supply, Europe has benefitted from another (so far) relatively warm winter. There is a noticeable shift in demand patterns towards renewables, coupled with a concerted effort to secure alternative energy supplies. While storage levels are high, a prolonged cold snap could test resilience.

In the US, despite Bloomberg's 2022 predicted of a 100% probability of a recession in 2023, the economy has proven to be resilient, with household finances in good shape. Some of the best performing investments in 2023 came from the US, with our exposure in the Default portfolios increasing by 22% in the 12 month reporting period to 31st December 2023.

Whilst recession risks linger in the US, market sentiment has, in contrast, factored in a more favourable soft-landing scenario.

Asian markets faced challenges in 2023, emerging as one of the less robust regions, particularly exacerbated by the economic slowdown in China. Fiscal policy by the Chinese government will be the defining driver for 2024 along with their struggling property sector. The potential revival of Chinese equities, seen as relatively inexpensive, could materialize if the government introduces supportive measures, offering a substantial uplift to the overall economy. Our preference remains with a broad Asian market exposure, with limited direct investment in China.

Despite the US continuing to be a significant market for Asian exports, there has been a noticeable shift towards increased intra-regional trade. This shift is propelled by burgeoning internal demand and growth within Asia itself, especially in high-end manufacturing, which has become more competitive and industry leading.

Japanese equities have traded well over the past 12 months and a key part of that success was from the Tokyo Stock Exchange's company governance reforms, which they say "have been a game changer for the Japanese equities market." The stock exchange incentivized listed companies to boost valuations and earnings, with companies potentially being delisted if they are unable to

demonstrate they're using their capital efficiently.

Predicting the investment outlook is inherently challenging, yet we anticipate 2024 to yield positive returns overall. Several influential factors will shape these returns. On the political front, the US presidential election and an anticipated general election in the UK (we must have one by 28th January 2025) are noteworthy. Geopolitical events, such as the conflicts in Ukraine and Gaza, could exert a negative impact if they escalate across borders, posing additional challenges to commodity prices, inflation and global trade in goods and services.

On the economic front, the interest rate shock over the past 18 months will negatively impact economic activity although central banks are likely to tread cautiously to avoid stifling growth excessively. Overall, whilst there will be challenges ahead, recession fears, political uncertainty and everything else, we maintain the belief that 2024 will ultimately deliver positive returns for equity backed investments.



More than one pension?



Auto enrolment has now been with us for over 10 years.

The chances are that at some point during this time you may have changed your job and started work for a new employer. You may have even done this more than once, or maybe have workplace pension arrangements set up prior to 2012. This will probably mean you have multiple small pension schemes.

You may be happy looking after separate arrangements and putting together all the information from various sources to find your overall total pension pot.

However, it is possible to consolidate these pension pots. Some reasons you may consider this are:

- **Simplicity and Convenience:** Having one single account makes it easier to keep track.
- **Reduced Admin:** One pension pot reduces paperwork and the hassle of managing multiple accounts.
- **Costs Savings:** Depending on the charging structure of each of your pots you could potentially benefit from economies of scale by combining.
- **Easier Retirement Planning:** Consolidation gives you a clearer picture of your retirement savings, making planning easier and allowing you to see if you will have enough.
- **Easier Nomination:** One pension pot makes it simpler to organise and update beneficiaries, ensuring your wishes are met and making it easier for your loved ones.

Before deciding to consolidate pension pots, it's essential to carefully consider the terms, fees, and features of the existing pension accounts and the potential benefits of consolidation. Seeking advice from a financial advisor can help you make an informed decision based on your specific circumstances and financial goals.

We encourage you to discuss your situation with the Scheme Appointed Financial Adviser, Lewis Investment, who will be happy to provide support and guidance.

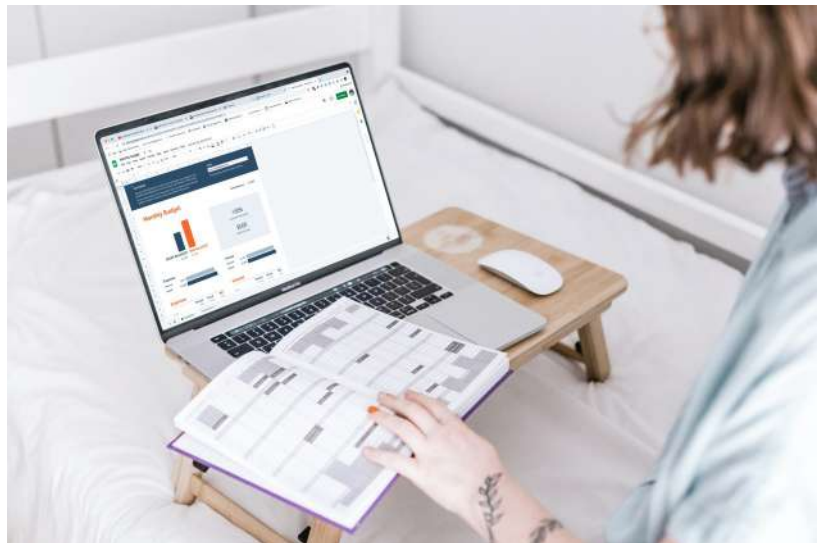
You can either see a scheme adviser during the annual site visit at your place of work or you can contact our workplace team on 01202 738650 who will be able to arrange for an adviser to get in touch.

Annual Housekeeping

We recommend our members carry out the following four quick checks to protect their benefits at least annually, and whenever their circumstances change. This is particularly important this year with the pending introduction of pension dashboards to ensure everything matches correctly.

Check Your Portal Access

Login to the Member Portal and check you can access your transaction history and documents. You can find the login page via the Scheme website which also contains information on how to reset your password.



Update Your Details

Many communications about your account are provided via the Portal so, to ensure you don't miss any important messages you need to check your personal details are correct; your home address, telephone number and email are essential. Log in to the Portal and go to the 'My Information' page. From here you can edit your email and phone number but, should you need to update your address you will need to advise your employer so they can update the Company Pension Schedule or complete and return the change of details form on the Members FAQ section of the Scheme Website.

Stay Secure Online

Keep your account secure by using a strong password that you don't use with any other online accounts. Never share your password with anyone and if you think it has been compromised change it via the portal immediately. If you want to change your password you can do this on 'Preferences' page of the portal. We recommend using a mix of letters, numbers and symbols. Please note we will never ask you for your password either on the phone or by email.

Passing on your Pension

Should the worst happen, it's good to know your savings pot will pass to your loved ones. You can tell us what you would like to happen to your pension if you were to die by logging into the Member Portal, selecting 'My Information' and completing a nomination form via the 'Nominations' page. This means we can pay a lump sum according to your wishes, subject to the usual checks.

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.



e-Member Portal

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

Should you need any help accessing your e-Member Portal contact employee support on

+44 (0) 0330 912 8571 or

via email

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

or **01202 738650**

Frequently Asked Questions

Why not visit our dedicated webpage with the most commonly raised questions about the scheme.

We hope this will help you find answers to your questions quickly and easily, without needing to contact us.

Our team are of course still here to help and assist you with your queries, however, our office is only staffed Monday to Friday from 9am to 5pm. We appreciate that from time to time you may have a query outside these hours and while you are welcome to drop us an email with any questions you may have, we would encourage you to browse the FAQ's page as you may get an answer straight away.

You can scan the QR code to visit our website for both the Members and Employers FAQ Pages.

Other ways to contact us:

Email us at: mypension@TLWPT.co.uk

Or call on: **01202 738650**



 Scan me

<https://lewismastertrust.co.uk>

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#>

Pension Wise

Before pension benefits can be accessed members will be offered an appointment with **Pension Wise**, if this is not taken up we will need to obtain an "opt-out" confirmation; without this we will be unable to proceed. This change was introduced by The Pensions Regulator to ensure pension savers know enough to make informed decisions about their pension pot.

<https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise>

Stay alert to pension scams!

The Financial Conduct Authority (FCA) has raised concerns that the cost of living crisis could make you more vulnerable to scams.



Beware of:

- Pressure when making a decision, particularly a time limit on a 'great' deal
- Unexpected contact, calls or emails offering a 'free pension review'
- Unsolicited calls from IFAs who try to start a discussion about a transfer
- Promises of 'investment deals' and 'early access' to your pension before age 55



Our pledge to
combat pension scams

Pensions Regulator website which offers advice on preventing scamming, **for more information visit:** [The Pension Regulator website](#)

We encourage members to 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](#)

Let us know

If you have any questions concerning this newsletter, or any other matter, or would like to share your views, or have any suggestions, please do not hesitate to contact the [Workplace Pension Team](#).

Regards

Trustees of The Lewis Workplace Pension Trust