

TLWPT Newsletter

QUARTER ENDING 31ST MARCH 2024



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 March 2024.

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IT'S GOOD TO TALK!

Why starting to save for retirement early is a good idea.

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ESG FACTORS IN INVESTMENT SELECTION

Why the Trustees consider ESG when choosing investments.

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Your 2023 Annual Benefit Statement is now available

You should have received an email from our administrator, Options, to advise that your personal statement has been uploaded to your secure eMember portal. You can download copies by logging in to your eMember 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'.

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.

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

If you **did not receive an email notification** from Options please check your eMember portal as your email address may be incorrect.



More than one account?

Some members may have more than one member ID. This could be a result of changes in employment, pay-roll or various periods of employment with the same employer.

We would encourage you to check that both IDs are visible on your eMember portal, if not, it is possible you have two separate portal accounts. In either case, please ensure your personal information and nominations have been added to both accounts or IDs.

If you do not have access to the portal, would like further information or wish to consolidate your accounts, please do not hesitate to contact the Workplace Pension Team. Their contact details are:

mypension@TLWPT.co.uk - tel: 01202 738650

A screenshot of the eMember portal login page. The page has a light blue background. At the top, it says 'Welcome to your eMember portal'. Below this, there is a paragraph of text: 'If you haven't used this site before, please use the details provided to you on your welcome communication. You will then need to register and confirm your details. If you are yet to receive your welcome communication please be patient, it will be with you shortly.' In the center, there is a large white rounded rectangle containing two smartphone icons with a plus sign between them, representing multiple accounts. To the left of this rectangle are two input fields labeled 'Username' and 'Password'. To the right are two more input fields. At the bottom left of the white rectangle, there is a link that says 'Forgotten your login details?'. At the bottom right, there is a blue button with the word 'Login' in white.

Performance Figures

The performance figures to **31st March 2024** for the Default and Model portfolios are:

Portfolio	1m	3m	6m	1y	3y	5y
Lewis Default Portfolio 1 (for ages up to 60)	2.94%	5.55%	11.17%	15.22%	35.51%	54.72%
DP 1 Benchmark	3.35%	7.68%	13.51%	16.35%	29.76%	50.33%
Lewis Default Portfolio 2 (for ages 60 +)	2.25%	4.52%	8.75%	13.02%	28.57%	35.21%
DP 2 Benchmark	2.47%	5.42%	9.68%	12.11%	22.43%	35.22%
Lewis Default Portfolio 3 (for ages 62 +)	1.52%	3.24%	6.06%	9.62%	18.89%	23.55%
DP 3 Benchmark	1.59%	3.60%	6.57%	8.91%	15.73%	23.08%
Lewis Default Portfolio 4 (for ages 64 +)	0.55%	1.38%	2.74%	5.20%	8.50%	9.13%
DP 4 Benchmark	0.56%	1.34%	2.71%	4.84%	7.71%	7.94%
Lewis Cautious Portfolio (for any age)	2.86%	1.27%	7.85%	4.52%	0.08%	12.46%
Cautious Benchmark	2.28%	1.087%	7.42%	4.96%	4.93%	8.89%
Lewis Moderate Portfolio (for any age)	4.26%	4.79%	10.32%	11.40%	18.65%	44.27%
Moderate Benchmark	3.00%	5.84%	11.51%	12.84%	23.09%	40.65%
Lewis Speculative Portfolio (for any age)	4.41%	5.90%	10.96%	13.63%	24.66%	55.69%
Speculative Benchmark	3.18%	7.20%	12.89%	15.42%	27.90%	49.67%
Lewis Responsible Investing Portfolio	2.50%	6.60%	14.60%	22.30%	40.40%	49.30%
Lewis Sharia Portfolio	2.50%	12.20%	19.30%	31.80%	49.10%	111.90%

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



As the first quarter of 2024 ends, global equity markets have continued to rise providing excellent returns for our investment portfolios.

As inflation continues to fall, the focus has shifted to when interest rates will be cut. However, this is not a straightforward decision for central banks. Delaying rate cuts and easing too slowly may lead to a recession or weak economic growth, while easing too quickly could result in an inflation rebound, similar to what occurred in the US in the 1970s. An inflation rebound would negatively impact equity and bond markets.

In 2024, it is estimated that over 2 billion voters, representing 1/4 of the global population, across 50 countries will participate in political elections. This will provide plenty of news in the coming months. The strong start to the year by global stock markets, combined with what is likely to be peak interest rates and positive earnings guidance, could bode well for the rest of the year. However, any escalation in geopolitical events could harm investment returns.

UK

The UK continues to face challenges, with stagnant GDP growth and a slower decline in inflation compared to other developed economies.

The first interest rate cut is now expected to occur in Q3, with many borrowers still benefiting from super cheap fixed rate mortgage deals.

Despite the FTSE100 index posting positive returns and trading near its all-time high, it has lagged behind other major markets due to its lower proportion of technology-related companies, which have recently performed well.

The UK's latest CPI inflation rate for February (published 20th March) continued its downward trend to 3.4%. Inflation could remain high if the shipping routes through the Red Sea continue to be disrupted by the Houthi rebels, resulting in freight being diverted to longer, safer routes and increased costs.

Eurozone

Eurozone economic activity indicators are exceeding expectations, while core inflation is moving towards the European Central Bank's (ECB) 2% target. The growth tailwinds are due to falling energy prices, real wage gains for households, and a rebound in global manufacturing activity. The recovery in bank lending suggests that the positive economic momentum can be sustained over the next quarter. The ECB has hinted that it could begin cutting rates in June.

United States

The US economy has seen a surprising recovery in labour supply, bringing it back into better balance. While the Fed is not in a hurry to cut interest rates, its progress on inflation should warrant gradual rate cuts starting around mid-year. It is more likely than not that the US will avoid a recession in 2024, but uncertainty remains high given that the economy is running at full capacity, household savings are diminishing, and the labour market is slowing down. However, corporate earnings remain strong, and parts of the US market have benefited from the strong performance of AI and tech stocks.

The presidential election in November has been confirmed as Trump v Biden round 2, which will likely add an extra layer of volatility as the event approaches. Current estimates suggest a very close race, with Trump as the slight favourite.

During the February earnings season, 5 of the "magnificent seven" stocks reported results that met or exceeded expectations, further boosting US equity markets. The US weighting within an International tracker fund is approximately 68%, so strong US market performance also benefits the international funds held within our portfolios.

Japan

In March, the Bank of Japan (BoJ) implemented its first interest rate hike in 17 years, ending its negative interest rate and yield curve control policies.

Growth is expected to continue for the rest of the year. Wage growth and inflation expectations have moved towards levels consistent with the BoJ's inflation target. This should allow the BoJ to slowly normalise policy through 2024, with market expectations for interest rates to rise by 0.4% this year.

China

China has set a 2024 GDP growth target of approximately 5%. Unlike last year, the economy will not benefit from the post-

pandemic reopening, making the 5% growth target difficult to achieve. The property market issues are far from being resolved, but the government maintains its 5% GDP growth target for 2024, suggesting that more meaningful policy intervention is forthcoming.

Summary

As we enter Q2, investors who were previously fearful of a recession in 2023 are now being drawn into the market, and positive momentum has the potential to push equity markets even higher. The main caveat for 2024 is the geopolitical risk to markets. Apart from the ongoing war in Ukraine, the conflict in the Middle East has the potential to escalate, and tensions between China and Taiwan continue. If any of these situations worsen, it is highly likely that markets will fall. Geopolitical events aside, with the number of elections taking place in 2024, we anticipate an increase in volatility during the year. However, barring any unexpected shocks, we expect continued positive equity returns.



Have you ever wondered how the trustees consider ESG factors while selecting investments?

You might be familiar with "ESG" in relation to climate change. It refers to Environmental, Social, and Governance criteria, which are used to evaluate the sustainability and ethical implications of an investment or business decision.

Here's a brief overview of each component:

Environmental (E): This aspect focuses on a company's impact on the environment, including the carbon footprint, energy efficiency, waste management, etc. As concerns grow about businesses' roles in climate change, scrutiny of their environmental practices increases.

Social (S): This component of ESG looks at how a company handles relationships with employees, customers, suppliers, and communities. Key factors include employment practices, employee relations, product safety, customer satisfaction, diversity and inclusion and community engagement. Companies are assessed on their efforts to address social issues and contribute positively to society.

Governance (G): This encompasses the systems and processes guiding a company's direction and control. Good governance ensures transparency, accountability, and ethical conduct. These practices are often used to determine the likelihood of sustainable and responsible business conduct.

Why ESG considerations are important?

Risk Management: Companies that effectively manage ESG factors are often better positioned to identify and mitigate various risks, including regulatory, reputational, and operational risks.

Long-Term Performance: Incorporating ESG considerations can contribute to long-term financial performance. Companies that are socially and environmentally responsible may be more resilient and better positioned for sustainable growth.

Stakeholder Relations: Addressing ESG concerns helps build positive relationships with stakeholders, including investors, customers, employees, and communities. It can enhance a company's reputation and brand value.

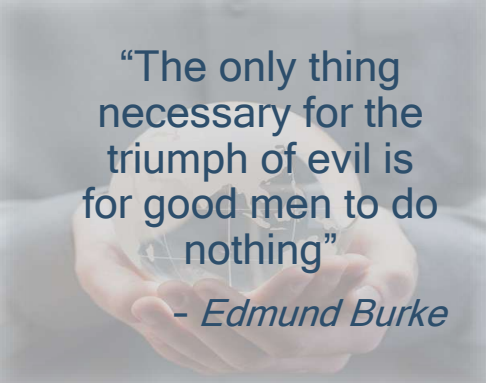
Regulatory Compliance: As awareness of environmental and social issues grows, regulatory and disclosure requirements relating to ESG issues are being implemented worldwide. Companies that proactively address these considerations are better prepared for evolving regulatory landscapes and reduce the risk of regulatory penalties.

Investor Demand: Many investors and trustees consider ESG factors when making investment decisions. There is a growing demand for investments that align with ethical and sustainable principles.

Why does this concern you?

For some time TLWPT Trustees have been incorporating ESG factors into their investment decisions, with support from Lewis Capital Management Limited ('LCM'). LCM not only monitor fund performance but also the voting behaviour of the Investment Manager, Legal & General Investment Management ('LGIM'). LGIM selects the underlying companies in which they invest so scrutiny of their decision-making is important.

After all, your pension contributions are invested in these funds! Investing in ethical or ESG funds offers the opportunity to make a positive impact, contributing to positive social and environmental outcomes, while achieving financial returns.



"The only thing necessary for the triumph of evil is for good men to do nothing"
- Edmund Burke

IT'S GOOD TO TALK

While we might openly discuss topics like the environment, health, or emotions, money conversations can often feel uncomfortable. Addressing our finances may bring up various feelings, leading us to hesitate. However, as part of TLPWT, it's essential to remember that we're here to support you. We encourage you to connect with one of the Scheme's advisors, especially during their visits to your workplace.

You shouldn't feel embarrassed about seeking their guidance or asking questions; it's what they're there for. Your discussions with them will remain confidential. They're more than willing to assist you in navigating your options and illustrating the advantages of starting to save for retirement now, even if retirement seems a long way off.

You've already made a start!

The monthly contributions you and your employer make to your pension are already giving you a head start. The earlier you start saving, the longer your money has to grow through the power of compound interest.

Compound interest works like a charm for your money, acting as a growth booster. Its concept is that you earn interest not only on your initial investment but also on the interest that accrues over time. This accelerates the growth of your savings. The longer you let your money compound, the more it grows without you having to do anything extra. So, in short, compound interest helps your money grow over time, which can turn even small contributions into substantial savings over time.

Less pressure on your budget: Starting early allows you to save a little each month to reach your retirement goals. Waiting until later means you may have to save larger amounts each month to catch up.

Building good habits: Starting early establishes a habit of saving that can last a lifetime. It becomes a natural part of your financial routine, making it easier to maintain healthy financial habits as you move through different stages of life.

Peace of mind: Knowing you're building a solid financial foundation for your retirement early on can provide peace of mind. It gives you confidence that you're taking proactive steps to secure your future financial well-being.

Overall, starting to save for retirement early sets you up for a more comfortable and secure financial future.

Why not find out when a scheme adviser will visit your employer's site or contact the Workplace Pension Team who can make an appointment for you.

Email to mypension@TLWPT.co.uk or call on 01202 738650

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