Newsletter

QUARTER ENDING 31ST MARCH 2025

Your 2024 Annual Benefit Statement is Available

Your statement has been uploaded to your secure eMember portal. Log in at optionsmembers.co.uk to download it.

- For statements from 2021 onward, select **'Benefit Statement'** from the menu
- For older statements, go to **'Documents' > 'My Documents'**

Your Annual Benefit Statement provides a yearly summary of your pension savings. Keep it safe for future retirement planning.

You should have received an email notification. If not, please log in to your account and check that your email address is correct.

WORLD MARKET OVERVIEW	DEFAULT FUND PERFORMANCE	SUPPORTING VULNERABLE MEMBERS
A brief overview of world markets and current world events.	The default portfolio fund performance to 31st March 2025.	Find out how the trustees support all members, especially those who may need extra help managing their pensions.
Read more	Read more	Read more

Performance Figures

The performance figures to **31st March 2025** for the Default and Model portfolios are:

Portfolio	1m	3m	6m	1y	3y	5y
Lewis Default Portfolio 1 (for ages up to 60)	**-4.99%**	**-2.23%**	**-0.01%**	**4.39%**	**24.13%**	**82.67%**
DP 1 Benchmark	-6.11%	-3.54%	-0.84%	6.81%	19.06%	77.17%
Lewis Default Portfolio 2 (for ages 60 +)	-3.60%	-1.80%	0.92%	4.60%	21.05%	59.55%
DP 2 Benchmark	-4.01%	-1.65%	0.30%	6.44%	16.79%	56.35%
Lewis Default Portfolio 3 (for ages 62 +)	-1.74%	-0.10%	1.88%	5.10%	17.34%	39.47%
DP 3 Benchmark	-2.11%	-0.36%	1.23%	5.90%	14.87%	37.34%
Lewis Default Portfolio 4 (for ages 64 +)	0.26%	1.22%	2.33%	5.14%	13.46%	16.02%
DP 4 Benchmark	0.17%	1.34%	2.39%	5.32%	12.52%	14.56%
Lewis Cautious Portfolio (for any age)	-2.68%	-0.67%	-0.90%	0.95%	-3.07%	18.59%
Cautious Benchmark	-1.97%	0.81%	-0.11%	2.07%	-2.88%	7.84%
Lewis Moderate Portfolio (for any age)	-3.44%	-0.23%	0.23%	3.62%	11.01%	68.21%
Moderate Benchmark	-4.67%	-1.53%	1.20%	3.66%	12.68%	57.43%
Lewis Speculative Portfolio (for any age)	-3.58%	-0.11%	0.62%	3.96%	17.45%	82.05%
Speculative Benchmark	-5.44%	-2.30%	1.57%	4.09%	17.23%	71.65%
Lewis Responsible Investing Portfolio	-7.40%	-10.40%	-3.90%	-2.10%	14.10%	79.20%
Lewis Sharia Portfolio	-9.20%	-10.00%	-2.50%	3.10%	28.90%	106.30%

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

Written by Kristan Ward

The first quarter of 2025 has been dominated by Trump 2.0. During the early weeks of January, markets experienced the type of rollercoaster movements which many had anticipated, as this was a similar backdrop previously seen in the early months of the first Trump administration.

Initially, markets fell in January, to be almost immediately replaced by recoveries. In his inauguration speech, President Trump then produced a mood of high anticipation for pro-growth policies which triggered a fresh positive move higher for markets in early February. The anticipation was fuelled by promises of tax cuts, deregulation, and infrastructure spending, which investors believed would stimulate economic growth. However, the reality of implementing these policies has proven to be more complex than initially thought, leading to periods of volatility as markets react to new developments and policy announcements.

Since then, markets have now had a rude awakening to the fact that new trade tariffs are being introduced in a far more aggressive manner than markets had anticipated. In January, markets saw the expected path of tariffs being threatened and then subsequently withdrawn almost overnight when the intended target capitulated, be that Canada or Mexico. However, the new threat of wider ranging ‘reciprocal tariffs' announced on 2nd April have gone further than anticipated and are being described by Trump as a method of raising revenue rather than as purely a negotiating tool, leading to concerns that many tariffs could remain in place for some time to come. As a consequence, these more aggressive trade policies have abruptly set the world potentially on a path of slower growth and higher inflation, with global stock markets being hit hard.

The impact of these tariffs is being felt across various sectors, with industries such as manufacturing and agriculture facing increased costs and reduced demand. Companies are now grappling with the challenge of navigating this new trade landscape, seeking ways to mitigate the negative effects while continuing to grow and innovate.

UK

The Chancellor’s Spring Statement on 26th March provided an update on the state of the economy. While not as comprehensive as the full Budget announcement, it offered insights into the government's direction in the coming months. Accompanied by a report from the Office for Budget Responsibility (OBR), the statement highlighted the government's financial forecasts and updates on existing policies. The OBR's forecasts for UK growth were particularly noteworthy. The growth

forecast for this year was slashed in half, with UK GDP expected to grow by just 1% (down from the 2% forecast in October 2024). However, the outlook for the rest of the decade is more optimistic, with average growth projected to hit 1.8% annually.

Inflation is expected to spike in the short term but return to target levels in the longer term. The UK's latest CPI inflation rate for February (published 26th March) increased slightly to 2.8%, with the Bank of England base rate reducing to 4.50%. The potential increase to inflation in the short-term is likely to be as a consequence of the National Insurance increases commencing in April, as many businesses have indicated that they plan to raise prices to offset the higher costs of contributions.

Eurozone

Eurozone shares saw significant gains during Q1, although they retreated later in the quarter due to escalating tariff wars. The German elections in February brought optimism with Friedrich Merz's pro-growth agenda. However, gains were capped as markets pulled back in March amid worries over US tariffs on imports, particularly in the automotive sector.

The European financial sector was the top performer for the quarter, with banks showing robust earnings updates and being relatively insulated from trade tariff concerns.

The European Central Bank cut interest rates in January and March, and annual inflation in the eurozone eased to 2.3% in February from 2.5% in January. The interest rate cuts are part of the ECB's efforts to support economic growth and combat deflationary pressures. Despite the challenges posed by trade tensions, the eurozone economy remains resilient, with strong performance in key sectors and continued support from monetary policy measures.

United States

The main source of global market stress remains the US, particularly its government policies. Investors were caught off guard by the lack of expected tax cuts and deregulation, with the focus being solely on tariffs. This policy uncertainty, combined with trade tensions, high valuations, and concerns over a potential economic slowdown, has shaken investor confidence.

Additionally, developments in AI by Chinese companies like Deepseek have led to revaluations of the technology sector's growth potential. The rapid advancements in AI are reshaping the competitive landscape, with Chinese firms emerging as strong contenders in the global market. This has prompted US companies to reassess their strategies and investments in technology, seeking ways to maintain their competitive edge.

Japan

The Japanese equity market faced selling pressure in Q1, ending the quarter with a negative return. Uncertainty surrounding tariff policies under the Trump administration and concerns about a US recession contributed to this decline. The announcement of 25% tariffs on imported cars towards the end of March further exacerbated fears, impacting exporters and technology-related stocks.

The Japanese government is taking steps to address these challenges, including measures to support affected industries and stimulate economic growth. Despite the current difficulties, there are positive signs that the Japanese economy can recover, supported by strong fundamentals and proactive government policies.

Asia & China

Asia ex Japan equities achieved modest gains in Q1, with China, Singapore, and South Korea being the best-performing markets.

Government stimulus measures in China, including interest rate cuts and support for the troubled property sector, helped stabilise the economy and restore investor confidence. Advances in AI by Chinese companies have also contributed to positive market sentiment.

Elsewhere, Hong Kong shares advanced modestly, while Taiwan experienced sharp declines due to fears over tariffs on semiconductor exports to the US and concerns about a slowdown in AI investments by US technology companies. India's market also weakened amid trade war fears and signs of an economic slowdown. The region's economies are navigating a complex landscape, balancing the challenges posed by trade tensions with opportunities for growth and innovation. Government policies and technological advancements are playing a crucial role in shaping the future of these markets, providing a foundation for continued progress and development.

Summary and Outlook

Despite the current challenges, we maintain a broadly positive outlook for markets in 2025. Once markets can embrace all aspects of Trump's policies, we anticipate a stronger second half of the year. This should lead to more cyclically oriented market areas responding to slowing inflation and reduced interest rates, providing a foundation for a sustainable positive market trend.

In closing, the unexpected moves under Trump 2.0 have surprised even the most seasoned observers. As President, Trump often highlights the strength of the US economy and stock market as indicators of his success. Therefore, it wouldn't be surprising to see the next round of trade negotiations aiming to resolve tariff uncertainties, potentially leading to calmer markets. With the US mid-term elections approaching in 18 months, Trump will likely seek to avoid continued market uncertainty and a poorer US electorate.

The investment committee agrees that the best long-term strategy is to invest predominantly in global stock market equity funds and with this uncertainty, will not be making any underlying changes to our portfolios for the time being.

Supporting Vulnerable Members: How Your Trustees Are Here to Help

At TLWPT, we understand that some of our members may find managing their pensions more challenging due to personal circumstances. As trustees, we are committed to ensuring that every member receives the support they need to make informed financial decisions, particularly those who may be more susceptible to harm.

For further information or to speak with one of our team, call us on 01202 738650

A Compassionate In-House Team

Our dedicated in-house team is always on hand to provide genuine support without judgment. Whether you are facing financial difficulties or simply need extra assistance navigating your pension options, we are here to listen and help. We strive to create a welcoming and supportive environment where you can feel comfortable discussing concerns.

Expert Financial Advice at Your Fingertips

To further assist members in understanding their pensions, we have appointed a scheme financial adviser. Their role is to provide clear and professional guidance, ensuring you have the information needed to make informed decisions about your retirement savings. Whether you prefer online consultations or face-to-face meetings, expert advice is readily available to suit your needs.

Clear and Accessible Communications

We recognise that pensions can be complex, and we are committed to making our communications as easy to understand as possible. Our goal is to provide clear, jargon-free information so that every member, regardless of their circumstances, feels confident in managing their pension.

We Value Your Feedback

To continue improving our services, we encourage members to share their feedback. If you have suggestions or require additional support, please do not hesitate to contact our in-house team. Your insights help us tailor our services to better meet your needs.

You're Not Alone – We're Here to Help

If you require extra support or have concerns about your pension, please contact our team. We are dedicated to ensuring that all members receive the guidance and assistance they need to secure a comfortable retirement.

Understanding the Role of an Independent Financial Adviser

Managing personal finances can be complex, with numerous investment options, retirement plans and financial products to consider. An Independent Financial Adviser (IFA) provides professional guidance tailored to individual financial needs and goals.

What Does an Independent Financial Adviser Do?

Unlike advisers affiliated with specific financial institutions, IFAs offer independent advice with access to a broad range of financial products and providers. Their expertise can support you in:

- **Planning for the Future**
  Creating strategies for wealth growth, retirement savings, and estate management.
- **Making Informed Decisions**
  Keeping up with financial markets and regulatory updates to guide decision-making.
- **Building Investments**
  Developing a diversified portfolio suited to individual risk preferences and financial objectives.
- **Adapting to Life Changes**
  Providing financial insights during key life transitions, such as buying a home or changing careers.
- **Enhancing Tax Efficiency**
  Offering guidance on tax planning to optimise financial opportunities.

Access to Professional Financial Advice

As a scheme member, you can access free pension-related guidance from the Scheme-appointed Independent Financial Adviser, Lewis Investment. As an IFA, they can review your overall financial situation, with any fees disclosed upfront.

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 that 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 contacting 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 9 am to 5 pm. 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 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
https://tlwpt.co.uk

Scan me

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

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

Pensions Regulator website which offers advice on preventing scamming, **for more information visit: The Pension Regulator website.**

We we're here to listen

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