Newsletter

QUARTER ENDING 30TH JUNE 2025

Make this summer count – save now for the freedom you'll enjoy later

Welcome to Your Pension Update!

We're pleased to welcome you to this edition of your pension scheme newsletter. Here, you will find important updates, useful guidance and key information to support you in planning and managing your retirement, with confidence.

WORLD MARKET OVERVIEW	DEFAULT FUND PERFORMANCE	IMPORTANT UPDATE: A NEW ADMINISTRATOR
A brief overview of world markets and current world events.	The default portfolio fund performance to 30th June 2025.	We're updating who administers your pension scheme to help improve service and efficiency.
Read more	Read more	Read more

Performance Figures

The performance figures to **30th June 2025** for the Default and Model portfolios are:

Portfolio	1m	3m	6m	1y	3y	5y
Lewis Default Portfolio 1 (for ages up to 60)	**2.02%**	**4.35%**	**4.12%**	**7.35%**	**44.50%**	**68.16%**
DP 1 Benchmark	1.33%	4.43%	0.62%	3.32%	34.14%	58.17%
Lewis Default Portfolio 2 (for ages 60 +)	1.55%	3.46%	3.08%	6.56%	35.72%	50.96%
DP 2 Benchmark	0.92%	3.25%	1.44%	3.91%	27.14%	43.95%
Lewis Default Portfolio 3 (for ages 62 +)	0.96%	2.38%	3.14%	5.98%	25.89%	35.08%
DP 3 Benchmark	0.66%	2.31%	1.86%	4.35%	21.15%	30.84%
Lewis Default Portfolio 4 (for ages 64 +)	0.41%	1.21%	2.54%	5.05%	14.85%	16.69%
DP 4 Benchmark	0.31%	1.13%	2.49%	4.92%	13.82%	15.18%
Lewis Cautious Portfolio (for any age)	1.74%	2.64%	2.73%	3.71%	10.14%	12.67%
Cautious Benchmark	-0.24%	0.98%	1.91%	2.58%	1.90%	2.11%
Lewis Moderate Portfolio (for any age)	2.16%	3.71%	5.31%	6.50%	29.52%	52.04%
Moderate Benchmark	1.22%	3.00%	1.29%	4.80%	24.92%	42.15%
Lewis Speculative Portfolio (for any age)	1.89%	3.92%	5.86%	7.49%	36.19%	63.85%
Speculative Benchmark	1.66%	3.51%	1.04%	5.56%	31.85%	53.42%
Lewis Responsible Investing Portfolio	1.10%	5.70%	-2.80%	3.40%	40.10%	67.60%
Lewis Sharia Portfolio	3.30%	5.50%	-5.80%	0.80%	52.30%	79.10%

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

World Market Overview – Q2 2025

The second quarter of 2025 saw global markets buffeted by rapid shifts in news and policy. In April, the announcement of sweeping US import tariffs rattled investors and led to a sharp stock market selloff. Sentiment improved later in the quarter as some tariff hikes were postponed pending negotiation. That relief was short-lived, however, when hostilities flared between Israel and Iran, culminating in US led strikes on Iranian nuclear sites. Despite the gravity of these events, markets reacted in a measured way. Oil and gold prices spiked initially but quickly eased as fears of a wider regional conflict subsided. Crucially, the war did not significantly disrupt global oil supply, with the Strait of Hormuz remaining open and Saudi Arabia increased output via alternative routes, limiting the inflationary fallout.

Meanwhile, global monetary conditions have become more supportive, with easing inflation allowing many central banks to consider or cut interest rates. By late June, investor focus had returned more towards fundamentals and a tentative US-China trade truce, coupled with the prospect of lower interest rates, helped global stocks rebound to all-time highs towards the end of Q2. Caution still prevails, with policy uncertainty and geopolitical risks remaining elevated.

UK

In the UK, economic updates during Q2 reflected a challenging near-term outlook but a better longer-term trajectory. Inflation remains an issue, having peaked above 11% in 2022, with the current CPI rate being 3.4%. Following the recent increase in National Insurance and Corporation Tax, the Bank of England anticipates inflation to hover in the mid 3% range for the remainder of 2025, although encouragingly, price growth is still forecast to gradually ease back towards the 2% target over the medium term. Barring new inflation surprises, markets anticipate two or three additional BoE rate cuts by year-end.

Although the UK economy entered 2025 with solid momentum, moderation is expected in the coming months with higher corporate taxes (the main rate of corporation tax rose to 25%) and international tariff frictions weighing on business sentiment. The global backdrop, especially slower growth with key trading partners, is another headwind for UK export sectors. Domestically, consumer spending has held up reasonably well so far, but real incomes are being squeezed, and corporates are yet to feel the real effect of tax increases.

We anticipate a slight softening in GDP growth and a weakening employment picture for the remainder of 2025.

Eurozone

Eurozone economies and markets navigated Q2 with cautious resilience. Early in the quarter, the escalation of US trade tariffs cast a shadow over Europe's exporters, for example, Germany's crucial auto sector, faced uncertainty over both US tariffs and weaker Chinese demand. However, by June, sentiment had improved as transatlantic trade talks resumed, and a trade war was avoided.

European equities rebounded alongside global markets and on the economic front, has thus far managed to avoid recession, though growth is modest. Consensus forecasts for 2025 GDP growth have been marked down, although lower energy prices compared to last year have helped.

Inflation in Europe has receded sharply, with the headline rate being 2.0% as of June, effectively back to the European Central Bank's target and down from over 5% a year ago. This rapid normalisation of inflation allowed the ECB to continue unwinding its post-pandemic tightening, by cutting interest rates to 2%.

Modest growth is expected to continue, underpinned by recovering bank lending, easing energy costs, Germany's fiscal stimulus, rising defence spending, and ongoing monetary easing, although significant structural issues persist and the region's heavy export dependency makes it vulnerable to trade disruptions.

United States

The US remains a central driver of global market sentiment with US equity markets being volatile in Q2 but resilient; after selling off in April on trade war fears, they rallied in late June as trade tensions eased, and tech stocks outperformed. The S&P 500 and Dow Jones both posted modest gains for Q2, while the tech-heavy Nasdaq outpaced them, driven by optimism in the AI and semiconductor industries. That said, investor confidence has been tested by an unorthodox mix of policies from Washington. The new administration's approach has been heavier on protectionism than many expected and lighter on stimulus. Notably, President Trump's much discussed tax cut plans and deregulation agenda have yet to materialise, whereas tariff increases arrived swiftly. This policy uncertainty, coming on top of high starting equity valuations and late-cycle economic concerns, left markets skittish through much of the quarter.

Trade developments were the dominant story of Q2, with many countries retaliating, and by May, signs of strain were evident in US economic data. On a brighter note, US-China negotiations made progress, with the two sides reaching a partial trade deal that averted further escalation.

Amid these developments, the Federal Reserve maintained a steady hand. The Fed held its policy rate unchanged at 4.25%–4.50% throughout Q2, marking four consecutive meetings with no rate change. Having delivered rate cuts in late 2024 to counter slowing inflation, the Fed is now in "wait-and-see" mode due to the uncertain economic outlook under the new trade regime.

US economic growth is slowing from 2024's pace, but remains in positive territory, with the World Bank now projecting around 1.4% GDP growth in 2025. This downgrade reflects expectations of weaker business investment, due to uncertainty and higher import costs, and softer exports.

Japan

Japan's economy in Q2 was mixed. On the external side, Japan has been significantly impacted by the US led trade war with industrial goods directly hitting Japan's large automobile and machinery exporters. Exports to the US and China have slowed markedly, weighing on factory output and corporate earnings in trade-sensitive sectors.

On the other hand, Japan's domestic conditions have shown gradual improvement. Consumer spending has been reasonably firm, supported by a tight labour market (the unemployment rate is around 2.5%) and growing wages.

The Japanese government has rolled out measures to cushion the trade shock, including targeted support for exporters and SMEs and increased defence and infrastructure spending as part of its budget. These steps, along with Japan's strong corporate balance sheets, suggest the economy can weather the storm.

A major development for Japan has been the return of inflation to near-target levels. After decades of deflation and minimal inflation, Japan's consumer prices have been rising modestly. Currently, core CPI (which excludes fresh food) is running at just above 2%. In January 2025, the BOJ took the historic step of raising its short-term policy interest rate to 0.5% (from effectively zero), ending a decade of zero/negative rates.

It is noteworthy that Japanese corporate profits (outside of export sectors) have been improving, and many firms are cash rich. There is also an ongoing positive story of corporate reform in Japan; higher dividends, share buybacks, and better governance have been trends, making Japanese equities potentially attractive on a fundamental basis.

Asia & China

China and broader Asia had a mixed second quarter, balancing internal recovery efforts with external trade pressures. In China, economic data sent mixed signals. On the positive side, consumer spending is rebounding. In May, China's retail sales jumped 6.4% year-on-year, the fastest growth since 2023, indicating pent-up demand and the impact of government incentives. Notably, retail sales of household appliances surged over 50% as authorities offered subsidies for replacing old appliances, bolstering consumer durables spending.

On the other hand, China's industrial and investment activity decelerated, highlighting the drag from trade tensions. The property downturn remains a significant headwind for China's domestic demand, affecting industries from construction materials to banking.

The trade war impact on China was clearly visible by Q2. Chinese exports, which had been growing earlier in the year, abruptly slowed as US tariffs took hold, with exports to the United States in May plunging 34.5% compared to a year prior. Interestingly, China's exports to other regions remained robust, for example, exports to the European Union were up about 12% and to Southeast Asia up nearly 15%.
Across the wider Asia (ex-China/Japan) region, performance in Q2 was varied, often correlating with exposure to global trade trends. Export-oriented economies like South Korea and Taiwan faced headwinds but by contrast, Southeast Asian economies held up relatively well. Countries such as Vietnam, Thailand, and Indonesia benefited from a combination of resilient domestic demand and some rerouting of trade flows. India, Asia's second-largest economy, continued to grow at a solid pace in Q2, though growth has moderated slightly from 2024's rapid rate.

Summary and Outlook

As we conclude the first half of 2025, we can observe that global markets have shown notable resilience in the face of significant challenges. A combination of factors has underpinned a broadly positive market trajectory. To put the year in context, global economic growth is soft by historical standards (2025 is on track to be one of the slowest growth years outside of an outright recession

since 2008). Yet importantly, forecasts still *stop short of predicting recession*, and policymakers worldwide are demonstrating a willingness to act to support growth.

Overall, our market sentiment for the remainder of 2025 is one of cautious optimism. We expect the combination of declining inflation and more accommodative central banks to foster a supportive environment for investors. Many central banks have already cut rates or stopped hiking, and further easing in the second half could provide additional tailwinds for both equity and fixed income markets.

We are mindful, though, of the outstanding uncertainties – trades negotiations remain on-going and are yet to be agreed. And Geopolitical hotspots like the Middle East and Eastern Europe remain potential flashpoints that could unsettle markets again. Furthermore, currency and commodity markets may experience swings as global growth transitions, for example to a weaker US dollar.

From our pension fund investment perspective, the developments this year reaffirm the importance of our long-term, diversified strategy. The dramatic rebound in equities during Q2, following the bout of volatility in April, highlights how timing the market around political events is extraordinarily difficult.

Our Investment Committee regularly discuss these dynamics at length, and our conclusion is to stay the course and maintain our strategic allocations, with a predominant weighting to global equities. In fact, the Committee agrees that the best long-term approach is to remain invested in global equity markets, and given the recent uncertainties, we will not be making any tactical changes to the portfolios at this time and our view is that the portfolio is well-constructed to participate in market upside as conditions improve. Looking ahead to the second half of 2025, we anticipate moderate growth with gradually improving conditions, providing trade tariffs and geopolitical events do not escalate further.

Important Update: A New Administrator for Your Pension Scheme

We wanted to let you know that the pension scheme has recently appointed a new third-party administrator to help manage your pension. This change is part of our ongoing commitment to improving the service you receive and ensuring your pension is in safe hands.

What does this mean for you?

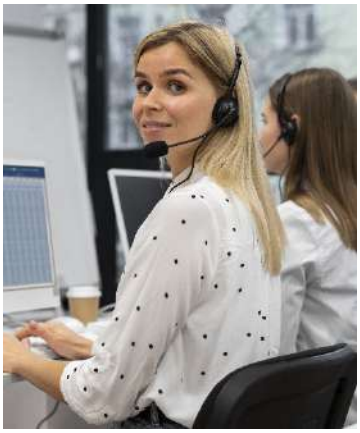
If you're still working for the employer who enrolled you in the scheme:

Your employer is fully aware of the change and is working closely with us and the new administrator to make sure everything runs smoothly. If you've had direct contact with the previous administrator, please update your records and reach out to the new team going forward. You'll find their contact details at the end of this article.

If you're a deferred member (no longer employed by the scheme's employer):

We'll be uploading information about the new administrator to both the scheme's website and your personal client portal. Please make sure you log in and review the latest updates.

It's really important that your contact details in the portal are complete and up to date, especially your current email address. Adding your mobile number and a secondary email address helps us stay in touch with you, especially if your circumstances change.



We're here to help

The new administrator, together with the Lewis in-house pensions team, are here to support you every step of the way. Whether you have a simple question or need help understanding your options, you can count on us.

Thinking about consolidating your pensions?

If you have other pensions from previous employers or personal pension plans and are thinking about transferring them into your TLWPT scheme, we'd be happy to help. Bringing your pensions together can make it easier to manage your savings and give you a clearer picture of your retirement planning. Our appointed financial adviser team is here to support you through the process and explain any benefits or considerations based on your individual circumstances. Please don't hesitate to get in touch if you'd like to explore this option.

Do keep in mind that, during the changeover to the new administrator, there will be a short blackout period when no transactions can take place. However, we'll be ready to get everything in place so your transfer can go ahead smoothly once the blackout ends.

Thinking about taking your benefits or transferring to another provider?

If you're considering accessing your pension benefits or transferring them elsewhere, please get in touch as soon as possible.

During the changeover to the new administrator, there will be a short blackout period. This means that no transactions, like payments or transfers, can take place for a limited time while we finalise the handover. Getting in touch early will help us support you through this process and avoid delays.

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If you have any questions or need help updating your details, don't hesitate to contact the new team. We're here to make this transition as smooth as possible for you

UPDATE YOUR CONTACTS

CHECK YOUR PORTAL

CONTACT THE TEAM

Speak with one of our team, call us on 01202 738650 or email mypension@TLWPT.co.uk

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'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