

## KEY THEMES

- US economic growth dominates, supported by household spending and government fiscal deficits. However, uncertainty on the implementation and extent of tariffs is now undermining consumer confidence.
- The European economy is showing signs of an economic upturn and the prospect of materially increased defence spending from Germany is a transformational development.
- Global corporate earnings growth outlook for 2025 remains robust, somewhat offsetting recent uncertainty around future earnings from dominant US technology stocks.

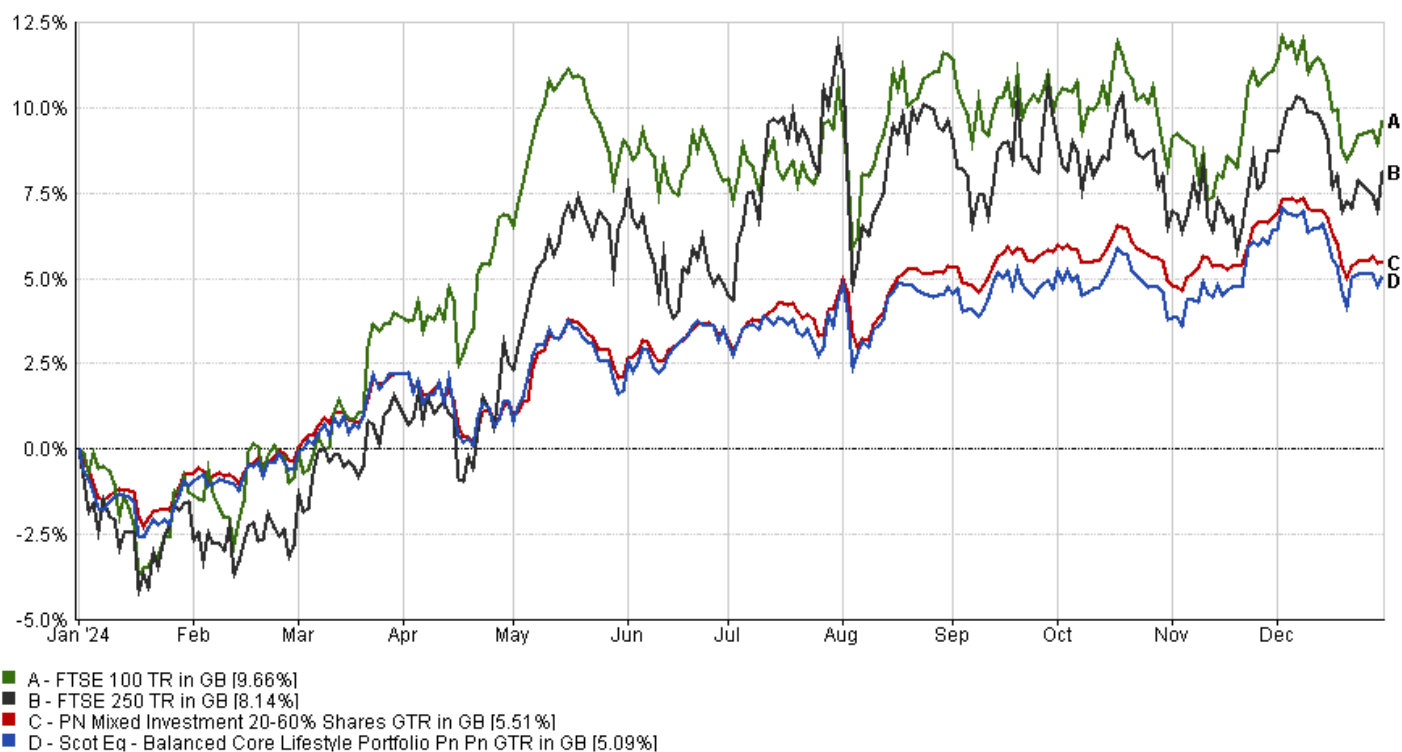
US economic growth is likely to slow because of the inevitable disruption caused by the Trump administration's trade policy. Economic activity remains underpinned by household consumption, strong employment, and robust corporate profits.

Away from the US, the starting point for global growth is relatively low. Yet, there are tentative signs of an upturn in Europe, helped by lower interest rates. Increased German defence spending should also boost economic growth in time. China's economy is strengthening somewhat too, with the authorities increasingly prioritising domestic demand and investment in artificial intelligence (AI).

The key development through March was further escalation in President Trump's tariff threats. Investors had initially assumed 'the best', but the proposed mass implementation across most of the G7 caused growing concern. Prolonged uncertainty over tariffs would inevitably lead to lower US GDP growth.

Last year, the exceptional returns from the US stock market were supported by excitement over AI and the broadening out of earnings beyond the technology sector. That earnings breadth is continuing, but the exuberance over AI has faded with the emergence of lower-cost competitors and concerns over the huge investments made in this area. The implications for the 'Magnificent Seven' stocks are uncertain, but lower-cost AI technologies should encourage earnings breadth, disinflation and productivity enhancements.

Tariffs, weakening economic indicators and reduced enthusiasm for US technology stocks have weighed on equity returns. We remain positive on US equities given the prospects for continued GDP and earnings growth.



01/01/2024 - 31/12/2024 Data from FE fundinfo2025

We favour a modestly overweight position in equities. Although we are still positive on US equities, a greater allocation to non-US stocks is justified by valuations, economic improvement and shifting sentiment. Here, the UK and Japan offer the most attractive valuations. We favour UK gilts and high-yield bonds.

# TECH MAHINDRA PENSION SCHEME DEFAULT PORTFOLIO



## AEGON Balanced Plus Core Portfolio: PN Mixed Investment 20%-60%Shares

This portfolio aims to provide long-term capital growth while keeping risk in a target volatility range of 10.0-14.5% over a market cycle, which the fund manager defines as being three years or more.

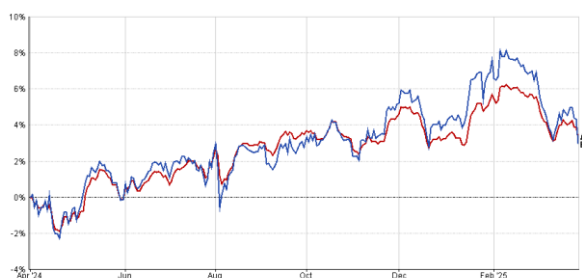


Average risk

The fund invests in mainly riskier assets, including developed and emerging markets equities. It can also invest to a lesser extent in assets traditionally viewed as lower risk, including investment grade corporate bonds, government bonds (gilts) and cash. To be consistent with the target volatility range, the fund would typically be expected to invest between 50-80% in equities.

<https://extranet.secure.aegon.co.uk/static/sxhub/pdf/client-pen-balancedpluscoreportfolio.pdf>

## Rolling 1-year Performance



- A - PN Mixed Investment 20%-60% Shares [3.33%]
- B - Balanced Plus Core Lifestyle Portfolio [2.95%]

## Rolling 5-year performance



- A - Balanced Plus Core Lifestyle Portfolio [36.76%]
- B - PN Mixed Investment 20%-60% Shares [24.44%]

# ALTERNATIVE – ADVENTUROUS PORTFOLIO



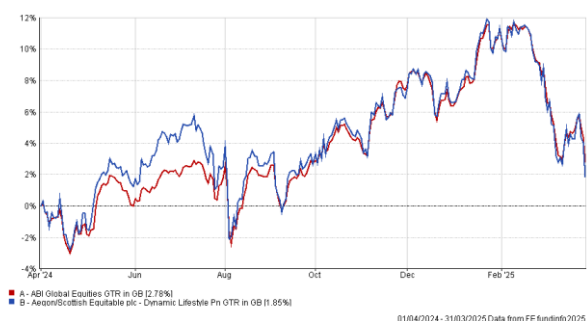
## AEGON Dynamic Lifestyle fund and Benchmark – ABI Global Equities

Funds in this sector are expected to invest almost entirely in equities from both the UK and overseas. It can invest 100% in equities but may hold up to 20% in fixed interest securities (bonds) and cash, although there's no requirement that it does so.



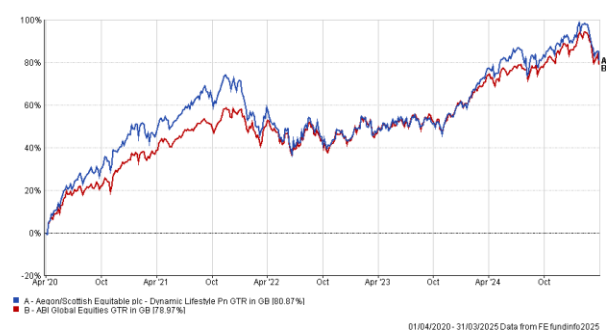
<https://extranet.secure.aegon.co.uk/static/sxhub/pdf/client-pen-dynamiclifestyle.pdf>

### Rolling 1-year Performance



- A - Global Equities [2.78%]
- B - AEGON - Dynamic Lifestyle [11.85%]

### Rolling 5-year performance



- A - Aegon - Dynamic Lifestyle [80.87%]
- B - Global Equities [78.97%]

As part of the Tech Mahindra Pension Scheme you have access to a wide range of investment alternatives from all risk levels and asset types. For more information please refer to your pension portals or visit – <https://digital.feprecisionplus.com/aegonpensionssp>

If you would like to get advice on your pension or any other area of your finances, please contact our pension advice team at Warren House Employee Benefits – [techm@warren-house.co.uk](mailto:techm@warren-house.co.uk)



Buying Investments involves risk.

The value of your Investments and the income from them can go down as well as up and is not guaranteed at any time. You may not get back the full amount you invested. Information on past performance is not a reliable indicator for future performance.

Data provided by FE fundinfo. Care has been taken to ensure that the information is correct but it neither warrants, represents nor guarantees the contents of the information, nor does it accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.

FE fundinfo (UK) Limited Registration number: 2405213. Registered office: 3rd Floor, Hollywood House, Church Street East, Woking, GU21 6HJ. Telephone 01483 783 900. Website: [www.financialexpress.net](http://www.financialexpress.net)

Warren House Employee Benefits Limited is registered in England & Wales No. 15133550.  
Registered Office: Stable Yard, Vicarage Road, Stony Stratford, Milton Keynes. MK11 1BN.