

# Pension Update - BASF UK Group Pension Scheme – Mar 2020

## Investment Fund Performance

Snapshot to 29 Feb 2020

Fund	3 mths	1 year	2 years
Adventurous	-4.90%	7.07%	8.74%
Moderate	-3.17%	6.09%	7.13%
Cautious	-1.80%	5.25%	6.57%
Ethical	-5.97%	10.04%	14.34%
Islamic	-2.46%	17.32%	26.04%
Pre-Retirement Annuity	4.44%	15.25%	18.89%
Sterling Liquidity (cash)	0.16%	0.69%	1.28%

The above table shows cumulative performance over the previous 3 months, 1 year and 2 years, net of fees, taken from the [Scottish Widows website for BASF](#)

### Information provided by the BASF UK Pension Team

- As you may be aware, over recent periods investment markets experienced heightened uncertainty triggered by the recent increase in reported cases of Coronavirus across the globe. In February, equities (which a number of the Scheme's funds invest in) fell significantly. However, more defensive assets such as bonds (held in the Pre-Retirement Annuity Fund) performed well.
- The Adventurous and Ethical Funds are 2 of the highest risk options in the Scheme, along with the Islamic Fund. As you can see over 3 months, they were among the most severely affected by market falls. The Moderate Fund also contains a relatively high proportion of equities.
- While the Trustee continues to monitor the situation and keeps an eye on markets and Scheme investments, it is important to remember that, particularly for those some way from retirement, a long-term outlook is needed with regards to pension investments.
- Over 1-year and 2-year periods, the Adventurous, Ethical and Islamic funds produced good returns, reflecting their higher risk levels. These funds are fully invested in equities (company shares) – despite the recent volatility over these longer periods returns have remained strong.
- The Sterling Liquidity (cash) fund generated the lowest returns of the funds in light of continuing low interest rates.