

Pension Update - BASF UK Group Pension Scheme – June 2020

Investment Fund Performance

Snapshot to 31 May 2020

Fund	3 mths	1 year	2 years
Adventurous	-1.77%	2.68%	4.95%
Moderate	-1.99%	1.67%	4.15%
Cautious	-0.89%	2.28%	4.83%
Ethical	4.43%	8.93%	16.09%
Islamic	11.58%	22.82%	34.42%
Pre-Retirement Annuity	1.55%	12.39%	17.99%
Sterling Liquidity (cash)	0.10%	0.61%	1.26%

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

- The 3-month period to 31 May was a volatile one for investments. After a challenging March, some equity (company share) markets bounced back but this varied significantly by region and sector.
- For example, the US market and technology stocks performed exceptionally strongly – this drove the high returns from the Islamic Fund, which is heavily biased to these markets, as well as the Ethical Fund albeit to a lesser extent. Other regions such as emerging markets equities delivered weaker returns. The Adventurous and Moderate Funds have reasonably large allocations to emerging markets which meant that their returns were weaker over recent periods.
- Bonds generally delivered positive returns, as investors sought lower risk assets due to uncertainty over the Covid-19 pandemic. The Pre-Retirement Annuity Fund benefited from this trend.
- The Moderate Fund's return over recent periods has been affected by commercial property holdings within some of the diversified growth funds that it holds, as well as equity performance. Property pricing has been difficult during the Covid-19 pandemic as these markets effectively ceased to trade.
- The Sterling Liquidity (cash) fund generated the lowest returns of the funds in light of continuing low interest rates.