

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

## Investment Fund Performance

### Snapshot to 31 Aug 2020

Fund	3 mths	1 year	2 years
Adventurous	5.70%	2.18%	8.73%
Moderate	5.20%	1.72%	7.76%
Cautious	3.56%	1.54%	7.29%
Ethical	5.49%	6.36%	14.53%
Islamic	10.79%	24.38%	37.68%
Pre-Retirement Annuity	-0.81%	3.06%	18.23%
Sterling Liquidity (cash)	0.04%	0.47%	1.18%

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 August was generally positive for investments. After a challenging start to the year driven by the Covid-19 crisis, many markets bounced back but this varied significantly by region and sector.
- For example, American technology stocks continued to generate strong returns as these stocks have been resilient to the challenges posed by lockdowns and social distancing. This drove high returns from the Islamic Fund, which is biased to these markets (c.25% of this Fund is held in just 5 US technology stocks). This is a higher risk fund relative to the Scheme's other options and has a concentration of assets in the US market, and in technology stocks as noted.
- 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, but still positive, over recent periods.
- Bonds delivered slightly negative returns over 3 months, as investors reallocated money out of defensive assets into bond investments. This affected returns from the Pre-Retirement Annuity Fund over 3 months.
- The Sterling Liquidity (cash) fund generated the lowest returns of the funds in light of continuing low interest rates.