

Pension Update - BASF UK Group Pension Scheme – Dec 2019

Investment Fund Performance

Snapshot to 30 Nov 2019

Fund	3 mths	1 year	2 years
Adventurous	0.84%	9.79%	13.04%
Moderate	0.38%	8.53%	9.51%
Cautious	-0.33%	6.66%	7.45%
Ethical	0.57%	11.59%	19.06%
Islamic	-0.21%	13.36%	25.81%
Pre-Retirement Annuity	-1.60%	14.31%	12.38%
Sterling Liquidity (cash)	0.16%	0.71%	1.20%

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

Information provided by the BASF UK Pension Team

- The 3-month period to 30 November was a mixed one for investments. Equities (company shares) produced different returns across different countries. Bond investments generally delivered negative returns, which was partly a swing back after producing very large returns earlier in the year. As with all investments, bond assets can be volatile – this year in particular they have both risen and then fallen quite sharply.
- Over 3 months, the Pre-Retirement Annuity Fund generated a negative return. This fund invests in bonds issued by companies and by the UK Government, and has a specific goal to mirror changes in the cost of buying a guaranteed income (annuity). When the fund's returns are negative, typically it means that the cost of buying an annuity is also going down. However, looking at the performance of the fund over 1 year, it has generated strong growth – over this particular period, that has also meant that the cost of buying an annuity went up.
- 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).
- The Sterling Liquidity (cash) fund generated the lowest returns of the funds in light of continuing low interest rates.