

BASF UK Group Pension Scheme

Pension Investment Fund Performance

June 2023 Update

Understanding the performance

- The last few months have been mixed for investment markets.
- Equity market returns have varied by region and sector. For example, US equities have performed better than emerging markets equities over 3 months. Because the Islamic Fund invests heavily in US equities, it has benefited from this. In contrast, the Adventurous Fund has the highest weighting to emerging markets (including China), and this led to its performance suffering more recently.
- Bonds produced negative returns over all periods shown, which affected the Cautious Fund, which has an allocation to bonds, and the Pre-Retirement Annuity Fund, which only invests in bonds. However, this Fund has a specific aim to mirror the price of buying an annuity, and it has achieved this aim (annuities got 'cheaper' over these periods). Worries about higher interest rates and inflation affected bond market returns.
- The Sterling Liquidity (cash) fund produced a small positive return, as the Bank of England's Monetary Policy Committee has increased UK bank base interest rates in recent months. However, with inflation still high, the fund has not kept pace with the cost of living.
- **Remember, past performance is not a guide to the future and markets can be volatile.**

Fund	3 Months	1 Year	2 Years
Adventurous	-1.22%	0.49%	3.15%
Moderate	-0.73%	-1.65%	-0.85%
Cautious	-0.53%	-3.05%	-3.78%
Ethical	3.08%	5.21%	15.49%
Islamic	10.61%	9.60%	19.99%
Pre-Retirement Annuity	-1.85%	-18.57%	-29.78%
Sterling Liquidity	1.05%	2.72%	2.86%

Cumulative performance is measured over the previous 3 months, 1 year and 2 years, net of fees, taken from Scottish Widows

