

BASF UK Group Pension Scheme

Pension Investment Fund Performance

September 2023 Update

Understanding the performance

- The last few months were generally positive for most investment markets, with all of the funds producing a positive return over the 3 month period.
- Equity market returns have varied by region and sector. For example, US equities and technology companies have performed better than emerging markets equities and certain other sectors. Because the Ethical and Islamic Funds invest heavily in US equities (c60% of the Ethical Fund and c75% of the Islamic Fund is invested in US equities), they have benefited from this. In contrast, the Adventurous Fund has a higher weighting to emerging markets (including China), and this led to its performance being more muted.
- Bonds produced low returns over 3 months, and negative returns over longer periods. This 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 the last few years). Worries about higher interest rates and inflation continue to affect 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. 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	1.79%	0.96%	1.42%
Moderate	1.58%	0.07%	-2.87%
Cautious	1.26%	-0.40%	-5.45%
Ethical	3.51%	7.68%	9.58%
Islamic	4.11%	10.28%	10.17%
Pre-Retirement Annuity	0.04%	-8.64%	-32.95%
Sterling Liquidity	1.19%	3.62%	4.10%

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

