

STATEMENT ON ICELANDIC BANKS AND THE SECURITY OF THE FUND



The Wiltshire Pension Fund did not have any money invested in Icelandic Banks and so there will no losses to the Fund as a result of their collapse. However, the Fund is likely to have suffered a small loss following the recent collapse of Lehman Brothers.

Along with all others, the Wiltshire Pension Fund is clearly sustaining investment losses as market values collapse in these extraordinary times. However, members of the Wiltshire Fund, and indeed anyone in the Local Government Pension Scheme, should be reassured that, as it is backed by statute, there is no risk to their personal pension.

Local government pension fund investment and funding strategies are based on very long term time horizons, typically 20 years or more. To the extent that the markets do not recover or only do so very slowly, any long term shortfall on the overall Fund will be made up by employers through increased contributions in years to come.

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