



No cause for concern over 'extraordinary events' in financial markets

Pension fund remains well funded and well managed

Clive Mather, chairman of the trustees of the Shell Contributory Pension Fund (SCPF) has written to all members following the recent extraordinary events in the world's financial markets.

He said: 'The trustee directors would like to take the opportunity to reassure you that the SCPF remains well funded and well managed. The trustee directors are in regular contact with the investment manager (Shell Asset Management Company) to monitor their response to events.'

'Their investment team has been working hard to mitigate the impact of the financial market volatility on the fund, greatly helped by the decision last year to make a substantial shift out of equities. The SCPF is a long-term investor and is backed by a strong sponsor company, whose credit rating has recently improved despite the financial crisis.'

Clive continued: 'Early next year there will be a full valuation of the SCPF's assets and liabilities. The results of that valuation will indicate what action, if any, is required. This will be fully discussed between the trustee and the company, with advice from the scheme actuary.'

The SCPF has benefited from very good asset performance over the last few years, and started the year at a funding level of 135% compared to liabilities (on an ongoing funding basis). Despite the movements in financial markets, SCPF remained in surplus as at the end of the third quarter.

The SCPF has also benefited from a change in investment strategy made in

the second quarter of 2007, where the percentage of the fund invested in equities was reduced from 75% to 50%, whilst the bond allocation increased from 15% to 40%. This has served to reduce the impact of the fall in equity prices on the fund.

Anyone having specific questions should, as always, contact either their pensioner liaison representative (PLR) or the Trustee Services Unit.