

## **YOUR PENSION TRUST BENEFITS ARE SECURE**

In times of market turmoil, it is natural to become concerned about the security of your retirement benefits. The most important point of this message is that your Pension Trust benefits are secure. Even with the dramatic fluctuations in the financial markets, the Pension Trust has assets sufficient to pay benefits well into the future. And it is that future that must be kept in mind.

It is important to remember that the Pension Trust is a long lived retirement plan that has been intentionally structured to take advantage of its ability to manage short term volatility. Our investments are in long term positions that will reflect the current market but that will also weather the financial turbulence we are now experiencing.

The Pension Trust, like other public retirement systems, is uniquely positioned to ride out even extreme market fluctuations. The Trust has weathered numerous downturns in the markets during its 50 year history (The Trust was initially established in 1958). We survived the crash of 1987 (which also impacted credit markets), the S&L crisis, the Enron debacle, the inflation of the 1970's and the bursting of the tech bubble. We survived during those periods and we will certainly survive this period as well. The Trust investment portfolio is professionally managed and well diversified among stocks (approximately 56%) fixed income (approximately 31%), real estate (approximately 10%) and cash.

Long term investing requires patience and –yes– fortitude. Market events such as we have witnessed have occurred in the past and will occur in the future. It is often easy to think that what we are experiencing is unprecedented. While the causes differ from period to period, market declines – even substantial declines – are decidedly not unprecedented. Certainly they are uncomfortable. But keep in mind that fear and panic are transitory. So are exuberance and hubris.

The Board of Trustees, with the advice of its professional investment consultant (Wurts and Associates), considers a wide variety of market scenarios in formulating and establishing the policies that go toward funding the Trust. Diversification and discipline are key to successfully navigating these financial storms. Diversification spreads risk and lowers the overall volatility of the investment portfolio. Discipline is established and maintained by adherence to the Investment Policy established by the Board of Trustees.

Consider that the average member who retires from the Pension Trust has a relationship with the Trust that spans 40 or more years. Maintaining this long term perspective is essential because our commitment to you is long term.