

Shetland Charitable Trust

Press release: for immediate use

Trust investments hit by stock market volatility

Volatile world stock markets mean the value of Shetland Charitable Trust's investments has decreased by more than £13 million in the first six months of the year.

When the trust's disbursements and other fixed costs are factored in, its reserves were depleted by more than £16 million from around £240 million to £224 million.

Trustees were informed of the position at today's meeting of the trust in the latest management accounts.

Chair of Shetland Charitable Trust's investment committee Drew Ratter said: "Over the years we have had spells where through our fund managers we have made very good returns on our investments and spells where we have lost money.

"That is the nature of the stock market investments that account for the lion's share of our portfolio of investments.

"It is also why we are taking a more prudent approach towards our spending to ensure that the trust is sustainable for generations to come."

He added: "We take a long-term view of these investments. Last year we made good returns and ultimately we would anticipate a recovery in world financial markets."

Ends

BACKGROUND INFORMATION:

Shetland Charitable Trust is one of the largest such trusts in Scotland. The value of its investments is currently around £215m, with some £192m invested in the world's markets and £23m in the local economy. Funded originally by Shetland Islands Council's "disturbance payments" from the oil industry between 1976 and 2000, it now relies entirely on its investment income. The trust formerly comprised all councillors plus two independents. This changed in 2012 and it is now a completely separate organisation from the council, with a built-in majority of independent trustees.

Shetland Charitable Trust owns three companies: Shetland Leasing and Property Developments Ltd (SLAP); Shetland Heat Energy and Power Ltd (SHEAP); and SCT Renewables Ltd.

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