

Civil Partnership Law and its impact on pensions

National Pensions Law is ensuring equal rights for pension plan members and their partners

With the *Civil Partnership Law* recently having come into effect, some updates to the *National Pensions Law* were made as well. If you're in a civil partnership, the *National Pensions Law* now allows for your relationship to be officially recognized. One example of the many small wording changes is around joint and survivor pension benefits. Where it used to say that benefits are "payable to the spouse" it now says, "payable to the spouse or civil partner."

These changes now ensure that civil partnerships, whether same-sex or opposite sex, are recognized in situations such as:

- the payment of pension benefits to survivors;
- payment of benefits when a relationship ends; and
- exemptions from execution, seizure or attachment when a relationship ends.

It's an important amendment to ensure equal rights for pension plan members and their partners in the Cayman Islands.

Learn more: [**National Pensions \(Amendment\) \(No. 2\) Law, 2020**](#)

Pension holiday extended to December 31, 2020

Earlier this year, a pension contribution holiday was introduced as an amendment to the *National Pensions (Amendment) Law 2020* to help provide some financial relief for those impacted by the COVID-19 pandemic.

The amendment allowed for a "pension holiday period" where contributions to the pension plan weren't required, even for those who are self-employed. While originally scheduled to end on September 30, given the continuing pandemic situation, the pension holiday has been extended until December 31, 2020.

Please keep in mind, however, that while taking this pension holiday can be helpful, it can also come with drawbacks. Be sure to read our [**May 2020 newsletter**](#) for details of the pros and cons.

Emergency withdrawal option ended October 31, 2020

Another aspect of the amendment to the National Pensions Bill made in response to the COVID-19 pandemic was an allowance of emergency pension withdrawals.

This allowance began on May 1 and came to an end on October 31, 2020. It applied to pension plan members who were in the Cayman Islands or left between February 1 and October 31, and allowed for an emergency withdrawal of pension funds.

SILVER THATCH PENSIONS ANNUAL GENERAL MEETING

YOU'RE INVITED!

Marriott Grand Ballroom November 19 at 6 p.m.

OR this year, you can attend online. Details to access the live stream of the meeting will be sent out before the event.



INTERESTED IN BECOMING A TRUSTEE?

The Silver Thatch Board is looking for some of our valued members to join!

If you're interested, please send your resume to support@silverthatch.org.ky before November 16, 2020.

Investment highlights - Q3 2020

The following is an edited commentary on the third quarter of 2020 (Q3), as prepared by Deutsche Bank, Silver Thatch Pensions' investment manager. The full, unedited investment commentary is available at silverthatch.org.uk.

Performance Summary

As of September 30, 2020, the combined value of the plan's five investment portfolios was

USD\$519,265,677

The following chart summarizes the performance of the portfolios for three months ended September 30, 2020:



Q3 Market Review

In the third quarter, whilst the number of COVID-19 infections began rising again, bringing a consolidation to riskier assets in September, overall equities continued to rally. Investors stayed focused on the macro recovery since April, progress in COVID-19 vaccine development, a better-than-expected earnings season and accommodative monetary policies, which also supported credit and emerging debt.

Government bonds were broadly muted over the quarter (10y Treasuries +0.7%). On the monetary policy front, the big news over the quarter was the Fed's shift to average inflation targeting, with key implication for rates to likely remain lower for even longer.

In equities, the Asian region returned over 10% and is the joint best-performing equity region year-to-date, up over 5%. European equities broadly lagged the rest of the world, with returns of 2% and -7% for the quarter and YTD, respectively. U.S. equities delivered nearly 9% over the quarter and over 5% this year.

Manager Comments

In the third quarter, in absolute terms, all multi-asset profiles gained between 2% and 7%. Despite September's setback, it was another strong quarter for riskier assets broadly. In relative terms, the portfolios ended 0.4% to 0.8% behind the benchmark due to the defensive stance on equities (in July and August) and alternatives, combined with a slight underperformance of some instruments.

Market Outlook

The current forward-looking economic indicators confirm our expectation that the economy will recover very strongly after the slump in the second quarter of 2020, thanks to the determined monetary and fiscal policy support measures implemented. On the other hand, however, economic indicators that react more slowly and sluggishly, especially the ongoing difficult conditions on the labour markets, show that the momentum of the economic recovery is likely to slow down.

We therefore assume that absolute GDP levels in the industrial countries will not be reached again until mid-2022 at the earliest. Apart from the U.S. presidential election on November 3 and ongoing geopolitical tensions – especially between the U.S. and China, and in Europe with Brexit coming up at the end of the year – the COVID-19 pandemic continues to be the greatest source of uncertainty.

Nevertheless, the road to the complete normalisation of economic conditions seems to be even longer than was assumed until recently. The negative impacts will require structural adjustments, which will certainly offer opportunities in individual segments of the capital markets. However, the potential returns on the broad market are likely to be fairly modest in the coming months.