



Silver Thatch Pensions

BUILDING WEALTH ON YOUR TERMS

An educational bulletin for members of the Silver Thatch Pension Plan

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Keep it current

Make sure your beneficiary information is up to date

You already know that your Silver Thatch pension can provide you with a valuable source of income in retirement. But did you know it can also provide your loved ones with valuable financial protection if you die before you stop working? That's because the full value of your pension at the time of your death will be transferred or paid to your spouse or beneficiary (or beneficiaries) in accordance with pension law.

To ensure we can transfer or pay out your death benefits promptly and according to your wishes, you need to keep your spousal and beneficiary information up to date.

Who is my beneficiary?

Under Cayman pension law, your spouse is automatically a beneficiary and entitled to any survivor benefits that may be payable in the event of your death before retirement or after. If you have dependant children, they too may be entitled to a portion of any survivor benefits for their maintenance, benefit and education.

If you don't have a spouse or dependant children, you can name anyone you want as your beneficiary.

If you don't name a beneficiary, your death benefits will be paid to your estate and may be subject to costly legal fees.

To add or change a beneficiary, complete a Beneficiary Request form, available at www.silverthatch.org.ky.

If your marital status has changed, please update your records by sending a copy of your marriage certificate, separation agreement, or a court order dissolving your marriage to Saxon Pension Services.



New Pension Management Portal simplifies service for employers

The Silver Thatch Pension Plan has launched a new online Pension Management Portal (PMP). The new PMP is designed to enhance employer support, elevate member service, and better protect confidential information.

Specifically, the new PMP:

- Automates and simplifies the enrollment process for new members and the termination process for departing members by eliminating the need for signatures on paper forms. The PMP's online forms automate information gathering and permit electronic signatures.
- Gives employers online access to transaction reports, employee listings, and pension performance info. Employers can now receive, review and store pension reports online. More reports are being developed for future release.
- Includes an electronic drop box that employers can use to submit employee contribution forms and reports. The drop box provides a more secure way to transfer confidential information to Silver Thatch than traditional email.

The new PMP service has been in development and testing for more than a year, and reflects input and feedback from a wide range of participating employers.

Employers looking for information on using the PMP, including how to get started, can contact Saxon Pension Services.

Saxon Pension Services

- 345-943-7770
- support@silverthatch.org.ky

Investment Review

For the quarter ended December 31, 2013

The combined value of savings held in the Silver Thatch Pension Plan's four investment portfolios stood at US\$398.0 million as of December 31, 2013.

The table below shows the rates of return as of December 31, 2013, for each of the investment portfolio options offered under the Plan. Also shown (in blue) are the corresponding *benchmarks*. (A *benchmark* is the standard against which a fund's performance is judged).

For the period ended December 31, 2013 ^{1, 2, 3}	Quarter (three months)	Long term strategic asset allocation	
Conservative Portfolio Conservative Portfolio Benchmark	3.01% 1.64%	<ul style="list-style-type: none"> • Cash: 3% • Bonds: 65% 	<ul style="list-style-type: none"> • Equities: 19% • Alternative Investments: 13%
Balanced Portfolio Balanced Portfolio Benchmark	4.86% 3.58%	<ul style="list-style-type: none"> • Cash: 3% • Bonds: 41% 	<ul style="list-style-type: none"> • Equities: 45% • Alternative Investments: 11%
Growth Portfolio Growth Portfolio Benchmark	6.42% 5.42%	<ul style="list-style-type: none"> • Cash: 3% • Bonds: 18% 	<ul style="list-style-type: none"> • Equities: 70% • Alternative Investments: 9%
Aggressive Portfolio Aggressive Portfolio Benchmark	7.57% 6.85%	<ul style="list-style-type: none"> • Cash: 3% • Equities: 90% 	<ul style="list-style-type: none"> • Alternative Investments: 7%

1. Returns are expressed net of all investment management fees.

2. While the income portfolio is made available to members through additional voluntary contributions, sufficient contributions have not accumulated to date in order to implement the portfolio.

3. Each of the portfolios is managed against its own composite benchmark. Within these benchmarks, bonds, U.S. equities and international equities are represented by the following indices, respectively: US\$ 1-month LIBOR, Barclays Capital Eurodollar Index, Barclays Capital US Treasury Bond Index, MSCI All Country World Index and HFRI Fund of Funds Composite Index.

Investment market highlights

In review

- The U.S. economy posted its best quarterly productivity (GDP) since fourth quarter 2011, and both the S&P 500 and the Dow indices climbed to new record highs on the final day of the year. The S&P500 posted its best annual return (34.2%) since 1997. All 10 sectors achieved growth. The portfolio's overweight in U.S. equities was the main contributor to positive performance in fourth quarter.
- Global equity markets grew for the second consecutive quarter and were up 7.4% over third quarter. Europe led international equity markets and rallied for the sixth consecutive quarter after the European Central Bank cut interest rates by 25 basis points in November and economic data continued to improve.
- In emerging market equities, fourth quarter performance was pulled down by losses in Latin American markets and trailed behind markets in developed countries.
- Although fixed income markets were down for the quarter, our active management approach helped to attain overall gains for our portfolios. Six of our nine active fixed income managers had positive performance during the quarter.

Outlook

- We forecast global economic growth to be at 3.7% for 2014. Better than expected economic data and accommodative global monetary policy should continue to support the global equity rally in 2014.
- We remain positive on U.S. equities based on positive economic growth, although there may be speed bumps along the way. We see growth in

consumer spending in 2014, driven by rising incomes, recovery in consumer confidence, improvement in consumer credit, and moderating energy prices. Within fixed income, as economic growth supports the Federal Reserve's "tapering" of bond purchases we believe U.S. Treasury yields will continue an upward trend resulting in weak bond returns in the near term.

- European economic growth data suggests that the region's recovery will at best be subdued. Strong Euro zone growth looks increasingly unlikely. On the other hand, European corporate earnings growth is likely to resume in 2014, providing support for European equities pricing. The outlook for European equities appears favourable, supported by stronger global economic growth, accommodative monetary policy, and our expectation of a decline in the euro.
- In Asia, Japan and China will remain on centre stage. Weakness of the Japanese yen should help Japan's corporate sector and pave the way for increase wages. We continue to favour Japanese equities on a tactical basis. However, as a U.S. dollar investor, hedging of our yen exposure remains an important part of this strategy.
- Over the near to medium term, we think that the prospect of reform could continue to support Chinese equities as more detailed policy releases by China's ministries and agencies appear over the coming months. We think reforms in China will begin to enhance economic growth in 2014, led by private investments in the key sectors of the Chinese economy, and support the growth of Chinese equities.

A more detailed investment market commentary prepared by Deutsche Bank is available on the Silver Thatch website at www.silverthatch.org.ky.

This bulletin provides a summary of certain provisions of your Silver Thatch Pension Plan. Complete descriptions are contained in the official Plan documents and contracts. Every effort has been made to provide an accurate summary. If there are any differences between the information contained in this document and the legal documents, the legal documents will apply. The Board of Trustees reserves the right to change, amend or terminate the Plan subject to regulatory approvals, and may be required to do so in response to regulatory or legislative updates.