



# Newsletter

The Official Newsletter of the Cayman Islands Public Service Pensions Board



Fall 2008

news

## Message from the Managing Director

Dear Plan Members,

**O**n behalf of the Public Service Pensions Board, it is my privilege to report on Public Service Pensions Plan operations through our new *Public Service Pensions Board Newsletter*. The newsletter was created as just one expression of our commitment to communicate with Plan members, the legal owners of the plan.

I am pleased to report that the Plan remains strong and healthy, even though it has faced the same challenges that have beset most pension plans and investment portfolios over the past years. In brief, assets of \$273 million support the payment of promised benefits to you in future years. This is in spite of a deteriorating economic outlook for investment returns and considerable turmoil in international capital markets since October 2007. Fortunately, because of strategic defensive positioning, your pension plans are better insulated than many others from this economic storm. They have not been immune, however, to disruption from the collapse of subprime mortgage assets, even though the fund has no direct exposure to those asset classes. Further, rising energy prices and inflation and depreciating U.S. currency have created significant challenges. Such rough seas rock all boats, no matter how well-equipped they may be. As a result, recent investment returns have been less than we would have hoped, especially when compared to the excellent returns we have experienced in previous years.

To document the Plan's returns, a full actuarial valuation has traditionally been conducted every third year. In keeping with that tradition, a valuation based on records as of 1 January 2008 is underway as this newsletter is being prepared. The results, which will reflect the future operations of the pension plans under certain assumptions, will be available in a few months. They will be reviewed

carefully to ensure that any necessary steps will be taken to keep your pension plans robust, resilient and growing.

As Managing Director, it is my job to guide the valuation process and ensure that plan members can always count on the Public Service Pension Board. To accomplish this, my office provides oversight of each of the departmental directors, while also supporting the Board in whatever ways it needs to ensure its mission strategies, goals and objectives are achieved. My office also is responsible for managing fund contributions, investments, accounting and benefits administration in accordance with the law; ensuring compliance with all financial, legal and statutory requirements; minimizing fiduciary risk by evaluating and responding to new and existing legislation; communicating with the Board of Trustees, Cabinet, Legislative Assembly, Public Accounts Committee, the media and other public and private sector organizations; and participating in various committees as required.

It would be impossible for me to fulfill my obligations if it weren't for the commitment and expertise of the Board of Directors and staff, whose efforts are more critical than ever because of the current challenging economic conditions. I would like to publicly express my gratitude for their ongoing diligence and for their work to develop new state-of-the-art governance procedures, which will soon be implemented.

I hope you find this first issue of the *Public Service Pensions Board Newsletter* useful and I welcome your suggestions for improvement. Our next issue will focus on special investment and funding issues, which I believe you will find of interest.

Faithfully,  
Jewel Evans Lindsey  
Managing Director

## How Your Rate of Return is Calculated

**T**he defined contribution part of the plan was implemented in 2000. To mitigate the ups and downs of investment returns, it was decided that member account balances would be credited with an interest rate known as the Credited Rate of Return (CRR), which reflects investment returns over a three-year period. Thus, investment returns credited to member account balances at the end of 2007 reflected the average of actual annual fund returns, net expenses, for the period from 2005 to 2007.

The graph shows the CRR for each year from 2000 to 2007. ✨

Rate of Return	
2000	5.16%
2001	1.86%
2002	-4.41%
2003	-1.20%
2004	2.32%
2005	6.77%
2006	8.29%
2007	8.29%



# Meet the Public Service Pensions Board Trustees

The Public Service Pension Board (PSPB) Trustees have been chosen to represent the interests of Plan members, and to secure the present and future financial well-being of the Plan. To achieve this, the Trustees have adopted a best-practices approach to Plan governance. In simple terms, this means they adhere to established high standards and have a clear allocation of responsibilities so they can perform the following duties effectively:

- Comply with Plan design, funding and investment beliefs and principles
- Develop and document all key beliefs, guiding principles and related policies
- Conduct proper reporting oversight and performance evaluation
- Review peer pension practices
- Obtain advice from experts or delegate tasks, as needed

We are pleased to introduce you to the Plan Trustees:

**Mr. Kenneth Jefferson, JP**  
*Financial Secretary*



Before beginning his career in civil service, Mr. Jefferson worked in public accounting in the Cayman Islands and London offices of both Price Waterhouse (now PricewaterhouseCoopers) and Ernst & Young. Mr. Jefferson brought his considerable accounting experience to the PSPB when he was hired in 1994 as an Audit Manager. He then assumed the position of Assistant Financial Secretary in 2000 and was given responsibility for the budgetary and audit aspects of the Portfolio. In 2004 he was promoted in rapid succession, first to Deputy Financial Secretary and then to Financial Secretary.

In addition to his responsibilities with the PSPB, Mr. Jefferson also serves as the Third Official Member of the Cayman

Islands Legislative Assembly. In this capacity he has responsibility for all aspects of the government's regulatory, fiscal and budget management operations.

**Mrs. Sonia McLaughlin**  
*Deputy Chairman and  
Deputy Financial Secretary*



Ms. McLaughlin began working for the Cayman Islands Government as an Assistant Clerical Officer in the Audit Department in 1971, and has received many promotions since then. In 2004 she was promoted to Deputy Financial Secretary and Chief Officer in the Portfolio of Finance and Economics, which is responsible for General Registry, Secretariat, Customs and Treasury; the Economics and Statistics Office; and the Internal, Budget and Management, Risk Management, Revenue and Public Relations units.

Ms. McLaughlin holds a national vocational qualification in Accounting from the Association of Accounting Technicians and is a Member of the Association of Accounting Technicians in the United Kingdom. Additionally, she has earned a certificate in advanced computer applications in Finance from the Institute for Financial Management and Research in Madras, India. She is also a Justice of the Peace and is currently studying for her Masters in Business Administration.

**Mr. Donovan Ebanks, MBE**  
*Deputy Chief Secretary*



Mr. Ebanks began his life in Cayman Islands public service in 1975, when he worked for nine months with the Public Works Department (PWD).

He then left the PWD to study at the University of Dundee in Scotland, where he gained an MSc degree in civil engineering. He rejoined the PWD in October 1979 and was eventually appointed Chief Engineer. In 1994 he was appointed Deputy Chief Secretary in the Portfolio of Internal and External Affairs. Agencies falling under this portfolio include the Cadet Corp, the Civil Aviation Authority of the Cayman Islands, Fire Services, Immigration, the Legislative Department, the National Archive, Prisons, Royal Cayman Islands Police and 9-1-1.

Mr. Ebanks is the current Chairman of the National Hazard Management Council and also was a long-time member of the National Hurricane Committee (NHC). He was the NHC's Chairman when the committee was retired at the end of 2007.

**Mr. Kirkland H. Nixon, MBE, QFSM, JP**  
*Pensioners Representative*



Mr. Nixon began his distinguished career in public service by working as a firefighter for the Fire Department in 1966. He was then promoted to Chief Fire Officer in 1972 and held that position until he retired from public service in 2005.

Mr. Nixon has served on the PSPB since its inception and has also served as Chairman of the National Pension Board. At present he is also the Chairman of the Tourism Attraction Board and the Deputy Chairman of the Civil Aviation Authority.

**Mr. James Truman Watler, MEd**  
*President CICSA*



Mr. Watler began his public service career in 1976 as a teacher for the Cayman Islands

Department of Education Services (DOES). In 1983 he became Principal of North Side Primary School and in 1995 he became the DOES Assistant Education Officer Curriculum Development. In 1998 he was promoted to Education Officer Curriculum Development and in 2007 he became Education Officer/Schools Liaison Officer.

Throughout his career, Mr. Watler has honed his skills by pursuing additional education. He obtained an Advanced Diploma in Education at the University of Leeds, and a Masters of Education degree from the University of Bristol, qualifying him as a counselor and therapist. He also completed a certificate program in the publication of textbooks and other learning materials at the University of London.

**Mr. Wayne Bardswell**  
*Legal Advisor*



After qualifying as an attorney-at-law in 1998, Mr. Bardswell practiced in the chambers of Bardswell, Benjamin & Dodson for a number of years. He was then appointed to the post of Crown Counsel within the Legal Department of the Government of St. Kitts-Nevis and also held the positions of Senior Crown Counsel and Acting Solicitor General within that department. In 2005 Mr. Bardswell joined the legal department of the Cayman Islands Government as Crown Counsel and was thereafter appointed by the Attorney General as Legal Advisor to the Public Service Pensions Board.

Prior to working for the Cayman Islands Government, Mr. Bardswell also served as a Caribbean law educator at the Guyana Campus of the International University and the Fitzroy Bryant College of St. Kitts-Nevis. He delivered lectures in contract, tort, constitutional law, legal systems, legal research and writing, international law, company law, agency, property law and criminal law. He also served as a Head Law Examiner for the Caribbean Examination

Council Jamaica Centre and was responsible for supervising various aspects of the marking exercise for law scripts at the Caribbean Advanced Proficiency Examination.

**Mr. Leonard Ebanks, JP**  
*Private Sector Representative*



Mr. Leonard Ebanks began his career in banking at the Royal Bank of Canada in 1967 and has served as President and Chief Executive Officer of the British American Bank since 1980. He has the distinction of being the first Caymanian-appointed manager of a branch of a major international bank.

In addition to being the Private Sector Representative and Chairman of the Investment Committee for the PSPB, Mr. Ebanks has served on numerous government committees, including the Tourism Advisory Council, the Stamp Duty Review Committee, the Central Planning Authority and many others. Additionally, he served as a Constitutional Review Commissioner and is currently Chairman of both The National Housing Development Trust and Cayman Airways Ltd. He is also a Justice of the Peace who sits regularly on the Juvenile Court Bench.

**Mr. Eric J. Crutchley**  
*Private Sector Representative*



Mr. Eric J. Crutchley began his career as a banker with the overseas/international banking division of Barclays Bank in 1961. His first post was in Antigua and he spent the next 16 years in the Caribbean, including Cayman Brac. After the bank was nationalized in Jamaica in 1977, he was named Head Office Advances Manager

and posted to New Hebrides. In 1982 he was on the move again to Zambia, Southern Africa, and in 1985 he returned to Grand Cayman as Country Manager. He remained there until 1992 when he was transferred as Managing Director Barclays Bank of Sierra Leone, West Africa. He retired from Barclays Bank in 1994, and returned to the Cayman Islands for a third time to assume the position of President and Chief Executive of the Cayman National Corporation Group, from which he retired in 2004.

Mr. Crutchley is a Director of NCVO, The Pines (NCVO) Retirement Home, Cayman Islands Financial Services Association and is also Chairman of Special Olympics Cayman Islands.

**Mrs. Jewel Evans Lindsey**  
*Trustee and Managing Director*



Mrs. Evans Lindsey began her strong commitment to the public sector 23 years ago. She was first appointed as Assistant Manager of the Cayman Islands Currency Board (now the Monetary Authority) in 1985 and in 1986 she was given the position of Currency Board Manager. In 1992 Mrs. Evan Lindsey was appointed by the Government in Council as Chief Administrative Officer for the PSPB. In 1993 she was promoted to Senior Assistant Secretary within the Portfolio of Finance and Development, while still holding the post of PSPB Chief Administrative Officer. In 1999 she was appointed PSPB Director and in 2004 she assumed the posts of Managing Director and member of the Board of Directors, which are positions she still holds today.

Mrs. Evans Lindsey also served two terms as a member of the Cayman Islands Civil Service Association Management Council and was the First Chairman of the Government Guaranteed Mortgage Scheme to determine a strong course of action for low income families to obtain affordable housing. ✨



## Pensioner Profile

Ms. Anita Ebanks  
Founding Director,  
Cayman Islands National Museum

When Ms. Anita Ebanks began teaching at what was then the Cayman Island's only public high school, she probably had no idea how much of a pioneer she was to become. Three decades later, a monument to her efforts stands on Grand Cayman for all to enjoy: the Cayman Islands National Museum.

A researcher at heart, Ms. Ebanks taught high school for three years and then pursued library studies both through additional schooling and in her position as Assistant Librarian at the John Gray High School Learning Center. In that capacity she helped bring the joy of reading to many Cayman Islands elementary school children by setting up library resource centers in schools. While doing so, Ms. Ebanks made sure to showcase Caribbean books so the children could learn about their heritage.

When searching to find Caymanian-related material for the resource centers, a seed was planted: why not create a national museum

and archives? So she took it upon herself to develop a proposal to the Ministry of Tourism, which was in charge of cultural affairs at the time. In 1984 her proposal was accepted and she was named Museum Officer. The government had already purchased over a thousand artifacts from Mr. Ira Thompson's private collection of Cayman-related material, so that became the nucleus of the museum's collection.

It took six long years of planning and

“ If there were ever any doubts about the need for a national museum, they were quelled when Ms. Ebanks saw the tears in the eyes of older Caymanians who attended its opening. ”

development for the museum, which occupies the nineteenth-century Old Courts Building, to open its doors. The building not only had to be rehabilitated, but it also took time to implement Ms. Ebanks' vision of incorporating modern features usually found in much larger museums. These more contemporary components — a gift shop and café — not only enhance the visitors' experience of the museum, but they also



bring in revenue to supplement governmental funding.

If there were ever any doubts about the need for a national museum, they were quelled when everyone saw the tears in the eyes of older Caymanians who attended its opening and realized their experience would be documented for future generations. The deep satisfaction Ms. Ebanks received from being instrumental in preserving Caymanian history and heritage is only one of many reasons she says she will miss working at the museum. But she's also looking toward the future. After some well-deserved rest, she plans to begin a second career that will return her to her research roots. ✨



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