

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021**

# CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

JUNE 30, 2021

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## Independent auditor's report

To the Trustees, solely in their capacity as the Trustees of Cayman Islands Chamber of Commerce Pension Plan

### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cayman Islands Chamber of Commerce Pension Plan (the Plan) as at June 30, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### What we have audited

The Plan's financial statements comprise:

- the statement of financial position as at June 30, 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets available to participants for their benefits for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Plan in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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### Other information

Management is responsible for the other information. The other information comprises the Portfolio Investment Mix (Unaudited) (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears



to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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**Other matter**

This report, including the opinion, has been prepared for and only for the Plan in accordance with the terms of our engagement letter and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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*PricewaterhouseCoopers*

November 23, 2021

# Cayman Islands Chamber of Commerce Pension Plan

## STATEMENT OF FINANCIAL POSITION

As at June 30, 2021

(Expressed in Cayman Islands dollars)

	2021	2020
<b>ASSETS</b>		
Financial assets, at fair value through profit or loss (Note 3)	\$ 381,540,240	\$ 341,812,306
Cash	5,424,954	13,423,007
Accrued interest receivable	734,914	703,430
Accrued dividends receivable	181,411	192,887
Other assets	18,151	7,866
<b>Total assets</b>	<b>387,899,670</b>	<b>356,139,496</b>
<b>LIABILITIES</b>		
Benefits payable	2,704,876	23,908,974
Payable for securities purchased	1,359,011	886,549
Account payables (Note 4)	725,766	728,309
Total liabilities (excluding net assets available to participants for their benefits)	4,789,653	25,523,832
<b>NET ASSETS AVAILABLE TO PARTICIPANTS FOR THEIR BENEFITS (NOTE 9 and 14)</b>	<b>\$ 383,110,017</b>	<b>\$ 330,615,664</b>

Approved for issuance on behalf of the Trustees of Cayman Islands Chamber of Commerce Pension Plan by:

Giosino Colaiacovo

Trustee

Bradley Kruger

Trustee

November 23, 2021

Date

The accompanying notes are an integral part of these financial statements

## Cayman Islands Chamber of Commerce Pension Plan

### STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2021

(Expressed in Cayman Islands dollars)

	2021	2020
<b>Revenue</b>		
Interest from financial assets at fair value through profit or loss	\$ 2,723,501	\$ 4,145,036
Dividend income	4,724,768	6,686,972
Other income	862	14,001
Net realised gain on financial assets at fair value through profit or loss	13,788,445	9,635,133
Net realised gain on foreign currency transactions	24,906	20,411
Net change in unrealised gain on financial assets at fair value through profit or loss	59,799,757	1,378,602
Net change in unrealised loss on other assets and liabilities denominated in foreign currencies	(5,788)	(3,440)
Total revenue	81,056,451	21,876,715
<b>Expenses</b>		
Administration and custody fees (Note 6)	1,873,637	1,922,230
Investment management fees (Note 7)	341,172	438,317
Salary and benefits	204,253	172,682
Consultancy fees (Note 8)	76,450	91,885
Other expenses	303,566	346,039
Trustees liability insurance expense	10,561	7,702
Total operating expenses	2,809,639	2,978,855
Operating profit	78,246,812	18,897,860
Withholding tax on dividends	(1,120,241)	(1,571,137)
<b>Net increase in net assets from operations available to participants for their benefits</b>	<b>\$ 77,126,571</b>	<b>\$ 17,326,723</b>

The accompanying notes are an integral part of these financial statements

## Cayman Islands Chamber of Commerce Pension Plan

### STATEMENT OF CHANGES IN NET ASSETS AVAILABLE TO PARTICIPANTS FOR THEIR BENEFITS

For the year ended June 30, 2021

(Expressed in Cayman Islands dollars)

	2021	2020
Net increase in net assets from operations available to participants for their benefits	\$ 77,126,571	\$ 17,326,723
<b>Contributions and transfers in</b>		
Employer and self-employed participants - required contributions	1,268,817	14,296,555
Employee required contributions and additional voluntary contributions	13,803,964	16,443,287
Transfers in from other pension plans	2,826,160	1,537,169
Total contributions and transfers in	17,898,941	32,277,011
<b>Benefit payments and transfers out</b>		
Benefits paid to participants (Note 5)	(39,763,958)	(129,566,342)
Amounts transferred out	(2,767,201)	(2,253,296)
Total benefit payments and transfers out	(42,531,159)	(131,819,638)
<b>Net increase/(decrease) in net assets available to participants for their benefits</b>	52,494,353	(82,215,904)
Net assets available to participants for their benefits at beginning of year	330,615,664	412,831,568
<b>Net assets available to participants for their benefits at end of year</b>	<b>\$ 383,110,017</b>	<b>\$ 330,615,664</b>

The accompanying notes are an integral part of these financial statements

# Cayman Islands Chamber of Commerce Pension Plan

## STATEMENT OF CASH FLOWS

For the year ended June 30, 2021

(Expressed in Cayman Islands dollars)

	2021	2020
<b>Cash flows from operating activities</b>		
Interest received	\$ 2,692,017	\$ 4,447,878
Dividends received	4,736,244	6,810,140
Other income received	862	14,001
Administration and custody fees paid (Note 6)	(1,882,844)	(2,107,629)
Investment management fees paid	(292,992)	(492,214)
Other expenses paid	(326,362)	(563,795)
Consultancy fees paid	(105,466)	(62,225)
Salary and benefits paid	(204,253)	(172,682)
Withholding taxes paid	(1,120,241)	(1,571,137)
Trustee liability insurance	(10,561)	(7,702)
<b>Net cash provided by operating activities</b>	<b>3,486,404</b>	<b>6,294,635</b>
<b>Cash flows from investing activities</b>		
Purchase of investments	(77,997,957)	(94,770,598)
Proceeds from sale and maturity of investments	112,330,698	172,320,115
Net realized gain on foreign currency transactions	24,906	20,411
<b>Net cash provided by investing activities</b>	<b>34,357,647</b>	<b>77,569,928</b>
<b>Cash flows from financing activities</b>		
Contributions and amounts transferred in from employers and self-employed participants	2,735,227	15,033,708
Contributions and amounts transferred in from employees and voluntary participants	15,163,714	17,243,303
Benefit payments and transfers paid out	(63,735,257)	(112,928,396)
<b>Net cash used in financing activities</b>	<b>(45,836,316)</b>	<b>(80,651,385)</b>
<b>Net (decrease)/increase in cash</b>	<b>(7,992,265)</b>	<b>3,213,178</b>
Unrealised foreign currency loss on other assets and liabilities	(5,788)	(3,440)
Cash at beginning of year	13,423,007	10,213,269
<b>Cash at end of year</b>	<b>\$ 5,424,954</b>	<b>\$ 13,423,007</b>

The accompanying notes are an integral part of these financial statements

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

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### 1. Introduction and background information

The Cayman Islands Chamber of Commerce Pension Plan (the "Plan") was established under the laws of the Cayman Islands by a Declaration of Trust (the "Trust Deed") on May 12, 1992 as amended by Deeds of Amendment dated October 21, 1999, February 6, 2015, February 15, 2019 and June 1, 2020 (which is effective as of May 14, 2020) as a membership controlled, private sector operated Trust Fund to enable Caymanians and other residents to participate in a properly structured and efficiently managed retirement plan.

The Plan's registration number is OSP4/03/0031. The Plan's reporting currency is the Cayman Islands dollar ("KYD"). As at June 30, 2021, the Plan has two employees (2020: two employees). The registered office of the Plan is P.O. Box 1000, Grand Cayman, KY1-1102.

The following description of the Plan provides only general information. Participants should refer to the Trust Deed and related Deeds of Amendment for a more complete description of the Plan's provisions.

#### General

The Plan is a defined contribution pension plan and is available to Caymanians and residents who either work for an employer that elects to participate in the Plan or are self-employed. At June 30, 2021, there were approximately 16,187 participants in the Plan (2020: 16,875). The Plan is subject to the provisions of the National Pensions Act of the Cayman Islands, which became effective on June 1, 1998 (the "Pensions Act"), as revised in 2012 and 2016, as well as the National Pensions (Amendment) Act, 2020, which became effective on April 28, 2020 and was set to expire on October 31, 2020, but was extended to December 31, 2020 and then June 30, 2021 and then December 31, 2021. Upon the expiration of this Act, the National Pension Act as amended in 2016 shall have effect as though it had not been further amended. The financial statements have been updated with the impact of the new law. The Plan is divided into units applicable to each Lifecycle Fund.

Effective November 1, 2006, the Plan launched its Lifecycle Funds. The Lifecycle Funds available under the Plan contain a mix of investments linked to a specific target retirement year and each target retirement year corresponds to a specific investment time horizon. The risk profile of each Lifecycle Fund reflects the Lifecycle Fund's expected time horizon and the participants' expected retirement dates, according to the National Pensions Act. Lifecycle Funds reflect the participants' changing needs throughout the participants' working life by automatically adjusting the combination of assets invested based on age to reflect evolving investment needs and goals. The assets attributable to any one Lifecycle Fund are subject to the general creditors of the Plan, or another Lifecycle Fund. The Lifecycle Funds available to members at June 30, 2021 and 2020 are as follows:

- Chamber 2060
- Chamber 2050
- Chamber 2040
- Chamber 2030
- Chamber Income Growth
- Chamber Income Conservative\*

The target investment mix of each of the Lifecycle Funds at June 30, 2021 is as follows:

Chamber 2060 - 94.3% equity investments, 5.7% fixed income investments  
Chamber 2050 - 88.8% equity investments, 11.2% fixed income investments  
Chamber 2040 - 74.5% equity investments, 25.5% fixed income investments  
Chamber 2030 - 54.0% equity investments, 46.0% fixed income investments  
Chamber Income Growth - 35.0% equity investments, 65.0% fixed income investments  
Chamber Income Conservative\* - 25.0% equity investments, 75.0% fixed income investments

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

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### 1. Introduction and background information (continued)

The target investment mix of each of the Lifecycle Funds at June 30, 2020 is as follows:

Chamber 2060 - 94.4% equity investments, 5.6% fixed income investments  
Chamber 2050 - 89.7% equity investments, 10.3% fixed income investments  
Chamber 2040 - 76.4% equity investments, 23.6% fixed income investments  
Chamber 2030 - 56.2% equity investments, 43.8% fixed income investments  
Chamber Income Growth - 35.0% equity investments, 65.0% fixed income investments  
Chamber Income Conservative\* - 25.0% equity investments, 75.0% fixed income investments

\*Contributions into this Lifecycle Fund are made at the election of the member, and are not based on retirement age.

#### Contributions and transfers in

If an employer is a contributor, then the normal contribution rate is 10% of the employee's earnings (up to the maximum pensionable earnings), typically, being borne equally by the employee and employer, but not to be greater than 5% by the employee. Contributions in excess of 10% or in excess of \$8,700 per year based on maximum yearly pension earnings of \$87,000 are considered voluntary. The normal contribution rate for self-employed participants is 10% of the participant's earnings, up to the maximum pension earnings of \$87,000.

As a result of the Covid-19 pandemic, during April 2020 the National Pensions (Amendment) Act, 2020 was passed in the Legislative Assembly. This amendment include the provisions for a "Pension Contribution Holiday", effective retrospectively from April 1, 2020. This had the effect of suspending the mandatory Pension contributions by both employer, and employee of all non-governmental organisations from April 1, 2020 through to September 30, 2020 (later extended to December 31, 2020, then June 31, 2021, and again to December 31, 2021), or later date if approved by Cabinet. Any contributions made during this period are treated as voluntary contributions, and receive all the benefits as other Additional Voluntary Contributions ("AVCs").

#### Participant Accounts

Each participant's account is credited with the contributions received in respect of that participant which are applied to the purchase of units in the Plan. These units are calculated by dividing each participant's contributions by the unit value of the participant's Lifecycle Fund. The unit value is formally calculated by the administrator of the Plan (see Note 6) as of the last business day of each month (the "valuation date"). The value of any benefits paid to a participant or his/her beneficiaries is deducted from the participant's account.

#### Payment of benefits and transfers out

On retirement, the units allocated to each participant can be released by the Trustees and the participant's account applied in the purchase of a fully paid up life annuity and/or other prescribed retirement savings arrangement(s). In certain circumstances the participant may receive the value of his/her units as a lump sum payment. The above outcomes must be approved by the Director of Labor and Pensions.

Participants whose membership is transferred to another pension plan may elect to transfer the balance of their account to that pension plan.

Those members that cease Cayman Islands residency may elect, after the expiry of a two-year waiting period from termination of their employment, to have the units transferred to a pension plan, pension entitlement savings arrangement or life annuity that is outside the Cayman Islands.

The Cayman Islands National Pensions Act was amended November 8, 2011 to allow qualified pension members to withdraw up to \$35,000 from their pension plan to purchase a home, construct a home, pay off an existing mortgage or purchase a parcel of residential land. During the year, approximately \$903,917 (2020: \$957,371) was withdrawn in relation to this amendment (Note 5).

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

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### 1. Introduction and background information (continued)

#### Payment of benefits and transfers out (continued)

The National Pensions Act was amended 31 March 2017 to allow member access to their Additional Voluntary Contributions (prior to normal age of pension entitlement) for medical, temporary unemployment, housing and educational purposes.

As a result of the Covid-19 pandemic, during April 2020 the National Pensions (Amendment) Act, 2020 was passed in the Legislative Assembly. This amendment included the provisions for "Emergency Withdrawals", and was effective from May 1, 2020 up to October 31, 2020. This provision allowed certain eligible Plan Members to make a one-time single lump sum withdrawal from their pension account. Members with a balance below KYD 10,000 were permitted to fully withdraw their balance. Members with a higher balance were permitted to withdraw an amount of KYD 10,000 and up to a further 25% of their balance over this KYD 10,000.

#### Investment policy

The Trustees have entered into an agreement with the investment managers (see Note 7), which give the managers full discretion in selecting investments for the Plan in accordance with the Regulations of the National Pensions Act.

The Plan may invest in such shares, securities, or other investments wherever situated as permitted by the Pensions Act. The investment objective of the Plan is to achieve maximum return for minimum risk and to that end investments are diversified as far as is reasonably practical to ensure that risk is not unduly concentrated in any one type of investment, area or currency, other than investment in United States dollar denominated securities. The Plan is invested primarily for long term growth and the United States dollar is the primary currency of investment, although up to 30% of the Plan's assets may be invested in securities denominated in other currencies.

### 2. Significant accounting policies

The financial statements of the Plan have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related results. It also requires the Trustees to exercise judgment in the process of applying the Plan's accounting policies.

All references to net assets throughout this document refer to net assets attributable to participants for their benefits unless otherwise stated. Net assets per unit information as disclosed in Note 14 has been determined as total assets less liabilities divided by the number of outstanding units for each Lifecycle Fund.

#### Standards and amendments to existing standards effective for the June 30, 2021 year end

There are no other standards, amendments to standards or interpretations that are effective for annual periods ending on June 30, 2021 that have a material effect on the financial statements of the Plan.

#### New standards, amendments and interpretations effective after July 1, 2021 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after June 30, 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Plan.

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

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### 2. Significant accounting policies (continued)

The significant accounting policies of the Plan are as follows:

**Financial assets, at fair value through profit or loss:** The Plan classifies its investments based on both the Plan's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Plan is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Plan has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Plan's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Plan's business model's objective. Consequently, all investments are measured at fair value through profit or loss. Financial assets and financial liabilities at fair value through profit or loss are initially recognized at fair value, which is considered the cost basis of the security. Securities that are traded on recognised securities exchanges are valued by reference to quotations provided by the market on which the securities are traded on the last day of trading in the period.

Securities that are not traded on recognised securities exchanges are valued by reference to price quotations furnished by investment services firms (such as brokers, dealers, or other entities). Investments in open-ended funds are valued based on the share price as determined by the administrators of those entities in accordance with industry practice.

Investments are accounted for on the trade date basis (the date the order is executed). Realised and unrealised gains and losses are calculated on an average cost basis and are recognised in the statement of comprehensive income in the period in which they arise. Transaction costs are expensed as incurred and included as a component of realised and unrealised gains and losses in the statement of comprehensive income.

Financial assets and financial liabilities at fair value through profit or loss are those that are managed and their performance evaluated on a fair value basis in accordance with the Plan's documented investment strategy. The Plan's policy is for the Trustees to evaluate the information about these financial assets and liabilities on a fair value basis, together with other related financial information, for the purposes of making investment management decisions.

IFRS 13 requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement. The fair value hierarchy has the following levels:

Level 1: Quoted priced (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

**Interest income:** Interest income is accounted for using the effective interest method.

**Dividend income:** Dividend income is recognised at the time the income becomes receivable (the "ex-dividend" date).

**Contributions and transfers in:** Contributions and transfers in are accounted for as the cash is received by the administrator. These are treated as contributions received in advance until the next NAV date when the contribution becomes effective, and the amount is allocated to the respective Lifecycle Fund.

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

### 2. Significant accounting policies (continued)

**Benefit payments and transfers out:** Benefit payments and transfers out are accounted for on the accrual basis.

**Expenses:** Expenses are accounted for on the accrual basis.

**Foreign currencies:** Transactions in foreign currencies are translated at the rate of exchange prevailing at the date of the transaction. Assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at the valuation date. The Plan does not isolate the effect of changes in foreign exchange rates from fluctuations arising from changes in the market prices of investments held at year end.

Similarly, the Plan does not isolate the effect of changes in foreign exchange rates from fluctuations arising from changes in the market prices of investments sold during the year. Accordingly, realised and unrealised foreign currency gains (losses) on investments are included in the reported net realised and unrealised gains (losses) on investments in the statement of comprehensive income.

**Functional and presentation currency:** Items included in the Plan's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Cayman Islands dollar ("KYD"), which is pegged to the United States dollar ("USD") at the rate of KYD. \$0.8333 = U.S. \$1.00. In addition, the Plan has adopted the Cayman Islands dollar as its presentation currency.

**Cash:** For the purposes of the statement of cash flows, cash consists of bank balances on demand.

### 3. Financial assets at fair value through profit or loss

At June 30, 2021 and 2020, the Plan's portfolio of investments comprised the following:

	2021	2021	2020	2020
	Fair value	Cost	Fair value	Cost
Equities	\$ 259,340,513	\$ 175,161,837	\$ 233,121,661	\$ 212,103,876
Fixed income	122,199,727	118,341,770	108,690,645	101,471,554
<b>Total</b>	<b>\$ 381,540,240</b>	<b>\$ 293,503,607</b>	<b>\$ 341,812,306</b>	<b>\$ 313,575,430</b>

## Cayman Islands Chamber of Commerce Pension Plan

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

#### 3. Financial assets at fair value through profit or loss (continued)

At June 30, 2021 and 2020, the Plan held the following equity investments (investments where fair value exceeds 1% of the Plan's net assets are presented individually):

	Fair value 2021	Fair value 2020	% of net assets 2021	% of net assets 2020
<b>Australian Dollar</b>				
Basic materials	\$ 974,012	\$ 867,268	0.25%	0.26%
Communications	90,834	92,002	0.02%	0.03%
Consumer goods	1,489,962	1,477,860	0.39%	0.45%
Diversified	13,994	7,460	0.00%	0.00%
Energy	199,906	216,587	0.05%	0.07%
Financial	2,357,900	1,963,366	0.62%	0.59%
Industrial	161,796	172,372	0.04%	0.05%
Technology	106,962	36,133	0.03%	0.01%
Utilities	57,330	91,828	0.01%	0.03%
<b>British Pound</b>				
Basic Materials	1,318,698	1,030,190	0.34%	0.31%
Communications	524,014	496,893	0.14%	0.15%
Consumer goods	5,047,910	4,908,979	1.32%	1.48%
Energy	1,121,882	1,156,438	0.29%	0.35%
Financial	2,151,393	1,979,476	0.56%	0.60%
Industrial	329,001	294,799	0.09%	0.09%
Technology	71,188	67,659	0.02%	0.02%
Utilities	377,185	420,467	0.10%	0.13%
<b>Canadian Dollar</b>				
Basic Materials	970,361	1,016,135	0.25%	0.31%
Communications	1,025,213	837,050	0.27%	0.25%
Consumer goods	842,861	694,595	0.22%	0.21%
Energy	1,223,395	1,032,489	0.32%	0.31%
Financial	3,210,241	2,565,969	0.84%	0.78%
Industrial	711,790	633,687	0.19%	0.19%
Technology	342,986	290,655	0.09%	0.09%
Utilities	308,959	252,403	0.08%	0.08%
<b>Danish Krone</b>				
Basic Materials	109,872	129,320	0.03%	0.04%
Consumer goods	1,121,184	1,068,441	0.29%	0.32%
Energy	168,861	112,840	0.04%	0.03%
Financial	79,375	70,622	0.02%	0.02%

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

### 3. Financial assets at fair value through profit or loss (continued)

	Fair value 2021	Fair value 2020	% of net assets 2021	% of net assets 2020
<b>Danish Krone (continued)</b>				
Industrial	\$ 360,674	\$ 204,642	0.09%	0.06%
Utilities	119,626	121,627	0.03%	0.04%
<b>Euro</b>				
Basic Materials	1,655,809	1,494,926	0.43%	0.45%
Communications	1,463,386	1,631,444	0.38%	0.49%
Consumer goods	8,857,176	8,148,035	2.31%	2.46%
Energy	950,105	931,750	0.25%	0.28%
Financial	4,054,318	3,707,640	1.06%	1.12%
Industrial	3,793,359	3,262,785	0.99%	0.99%
Technology	2,895,459	2,462,195	0.76%	0.74%
Utilities	1,546,431	1,709,855	0.40%	0.52%
<b>Hong Kong Dollar</b>				
Communications	24,979	45,008	0.01%	0.01%
Consumer goods	226,004	235,884	0.06%	0.07%
Diversified	111,517	111,848	0.03%	0.03%
Financial	1,608,861	1,527,489	0.42%	0.46%
Industrial	192,839	141,592	0.05%	0.04%
Technology	-	19,243	0.00%	0.01%
Utilities	218,689	239,904	0.06%	0.07%
<b>Israeli New Shekel</b>				
Basic Materials	14,491	11,619	0.00%	0.00%
Communications	74,692	64,379	0.02%	0.02%
Financial	148,677	123,131	0.04%	0.04%
Industrial	15,641	21,436	0.00%	0.01%
<b>Japanese Yen</b>				
Basic Materials	848,548	844,230	0.22%	0.26%
Communications	1,419,749	1,638,174	0.37%	0.50%
Consumer goods	7,572,662	8,203,956	1.98%	2.48%
Energy	113,300	120,464	0.03%	0.04%
Financial	2,124,533	2,245,023	0.55%	0.68%
Industrial	3,845,626	3,949,111	1.00%	1.19%
Technology	1,457,766	1,224,176	0.38%	0.37%
Utilities	181,482	303,173	0.05%	0.09%

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

### 3. Financial assets at fair value through profit or loss (continued)

	Fair value 2021	Fair value 2020	% of net assets 2021	% of net assets 2020
<b>New Zealand Dollar</b>				
Communications	\$ 30,292	\$ 29,580	0.01%	0.01%
Consumer goods	91,722	149,135	0.02%	0.05%
Industrial	28,522	28,707	0.01%	0.01%
Utilities	31,705	33,175	0.01%	0.01%
<b>Norwegian Krone</b>				
Basic Materials	86,645	54,021	0.02%	0.02%
Communications	112,019	70,660	0.03%	0.02%
Consumer goods	90,797	86,830	0.02%	0.03%
Energy	90,695	79,192	0.02%	0.02%
Financial	104,847	88,922	0.03%	0.03%
<b>Singapore Dollar</b>				
Communications	54,325	80,317	0.01%	0.02%
Consumer goods	66,536	89,966	0.02%	0.03%
Financial	607,976	560,376	0.16%	0.17%
Industrial	69,039	83,918	0.02%	0.03%
<b>Swedish Krona</b>				
Basic Materials	89,809	74,766	0.02%	0.02%
Communications	241,058	239,402	0.06%	0.07%
Consumer goods	601,787	483,748	0.16%	0.15%
Energy	36,651	24,939	0.01%	0.01%
Financial	779,467	581,293	0.20%	0.18%
Industrial	1,021,940	823,152	0.27%	0.25%
Technology	67,402	-	0.02%	0.00%
<b>Swiss Franc</b>				
Basic Materials	258,911	249,560	0.07%	0.08%
Communications	59,958	75,469	0.02%	0.02%
Consumer goods	4,927,116	5,274,076	1.29%	1.60%
Financial	1,141,759	1,131,028	0.30%	0.34%
Industrial	898,504	749,454	0.23%	0.23%
Technology	140,479	119,998	0.04%	0.04%

## Cayman Islands Chamber of Commerce Pension Plan

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

#### 3. Financial assets at fair value through profit or loss (continued)

	Fair value 2021	Fair value 2020	% of net assets 2021	% of net assets 2020
<b>United States Dollar</b>				
Basic Materials	\$ 3,583,474	\$ 3,071,639	0.94%	0.93%
Communications	23,273,279	19,210,476	6.08%	5.80%
Consumer goods				
Amazon.com Inc*	6,596,507	6,503,918	1.72%	1.97%
Others	50,964,651	46,356,390	13.30%	14.02%
Diversified	69,247	52,175	0.02%	0.02%
Energy	4,800,425	3,998,423	1.25%	1.21%
Financial	25,972,369	22,006,690	6.78%	6.65%
Industrial	14,438,770	11,986,172	3.77%	3.63%
Technology				
Apple Inc**	10,301,561	8,892,000	2.69%	2.69%
Microsoft Corp***	8,696,342	8,191,956	2.27%	2.48%
Others	22,321,725	18,332,059	5.83%	5.54%
Utilities	4,186,738	4,529,357	1.09%	1.36%
	<b>\$ 259,340,513</b>	<b>\$ 233,121,661</b>	<b>67.69%</b>	<b>70.51%</b>

\* the Fund held 2,301 shares of Amazon.com Inc at June 30, 2021 and 2,829 shares at June 30, 2020

\*\* the Fund held 90,259 shares of Apple Inc at June 30, 2021 and 29,250 shares at June 30, 2020

\*\*\* the Fund held 38,552 shares of Microsoft Corp at June 30, 2021 and 38,404 shares at June 30, 2020

## Cayman Islands Chamber of Commerce Pension Plan

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

#### 3. Financial assets at fair value through profit or loss (continued)

At June 30, 2021, the Plan held the following fixed income investments (investments where fair value exceeds 1% of the Plan's net assets are presented individually):

Nominal Amount	US Dollar Denominated bonds	Fair Value	% of net assets
12,957,000	US TREASURY N/B 0.375% 01/31/26	\$ 10,579,862	2.76%
	US Corporate Debt	65,474,517	17.09%
	US Treasury Bills	33,530,021	8.75%
	US Municipal Bonds	5,309,951	1.39%
	Other	7,305,376	1.91%
	<b>Total Bonds (cost \$118,341,770)</b>	<b>\$ 122,199,727</b>	<b>31.90%</b>

At June 30, 2020, the Plan held the following fixed income investments (investments where fair value exceeds 1% of the Plan's net assets are presented individually):

Nominal Amount	US Dollar Denominated bonds	Fair Value	% of net assets
6,561,000	US TREASURY N/B 0.375% 04/30/25	\$ 5,493,132	1.66%
	US Corporate Debt	68,036,005	20.58%
	US Treasury Bills	23,424,923	7.09%
	US Municipal Bonds	3,428,054	1.04%
	Other	8,308,531	2.50%
	<b>Total Bonds (cost \$101,471,554)</b>	<b>\$ 108,690,645</b>	<b>32.87%</b>

## Cayman Islands Chamber of Commerce Pension Plan

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

#### 3. Financial assets at fair value through profit or loss (continued)

At June 30, 2021, the Plan's investments have been classified as follows:

	Level 1	Level 2	Level 3	Total
Equities	\$ 259,340,513	\$ -	\$ -	\$259,340,513
Fixed income*	-	122,199,727	-	122,199,727
<b>Financial assets at fair value through profit or loss</b>	<b>\$ 259,340,513</b>	<b>\$ 122,199,727</b>	<b>\$ -</b>	<b>\$381,540,240</b>

At June 30, 2020, the Plan's investments have been classified as follows:

	Level 1	Level 2	Level 3	Total
Equities	\$ 233,121,661	\$ -	\$ -	\$ 233,121,661
Fixed income*	-	108,690,645	-	108,690,645
<b>Financial assets at fair value through profit or loss</b>	<b>\$ 233,131,661</b>	<b>\$ 108,690,645</b>	<b>\$ -</b>	<b>\$ 341,812,306</b>

\*Included in Fixed Income is \$14,506,229 (2020: \$13,892,488) of US Securities and Exchange Commission Rule 144A restricted securities.

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and certain non-US sovereign obligations. The Plan does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include investment-grade corporate bonds and certain non-US sovereign obligations, US government treasury bills, listed equities, and open ended mutual funds. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. At June 30, 2021 and 2020 the Plan did not hold any investments classified in level 3.

Transfers between levels of the fair value hierarchy, for the purposes of preparing the tables above and below are deemed to have occurred at the date of the event or change in circumstances that caused the transfer. There were no transfers between levels 1 and 2 during the year ended June 30, 2021 and 2020. No securities were categorized in level 3 during the year.

All other assets and liabilities carried at amortised cost reasonably approximate fair value.

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

### 4. Accounts payable

	2021	2020
Administration and custody fees	\$ 436,118	\$ 445,325
Investment management fees	185,045	136,865
Other expenses	83,334	95,834
Consultancy fees	21,269	50,285
<b>Total accounts payable</b>	<b>\$ 725,766</b>	<b>\$ 728,309</b>

### 5. Benefit payments

	2021	2020
Termination of residence	\$ 794,455	\$ 9,751,919
Retirement	5,746,506	6,161,304
Housing	903,917	957,371
Death and medical	103,166	628,418
Additional Voluntary Contributions	412,325	233,701
Government approved emergency withdrawal program*	31,803,589	111,833,629
<b>Total benefit payments</b>	<b>\$ 39,763,958</b>	<b>\$ 129,566,342</b>

\*From April 2020, due to the impact of COVID-19, Cayman Islands Government had approved the emergency withdrawal program to enable specified members of a pension plan to withdraw a single lump sum amount from their account in the pension plan. There was a 7 month period which operated retroactively from April 1, 2020 and eligible persons were permitted to withdraw up to 100% of the value of their pensions which would be capped at CI\$10,000. However, those persons with a pension value over CI\$10,000 were able to withdraw an additional 25% of their remaining pension pot.

### 6. Administration and custody fees

MUFG Fund Services (Cayman) Limited ("MUFG") previously named Butterfield Fulcrum Group is engaged to provide member administration services to the Plan.

MUFG charges an all inclusive fee based on the following rates for the year ended June 30, 2021 and 2020, subject to a minimum monthly fee of CI\$80,000 and annual financial statement preparation fee of CI\$12,500:

- i) 0.60% per annum on the first CI\$200,000,000
- ii) 0.35% per annum between CI\$200,000,000 and CI\$300,000,000
- iii) 0.25% per annum between CI\$300,000,000 and CI\$400,000,000
- iv) 0.15% per annum over CI\$400,000,000.

For its service during the year ended June 30, 2021 MUFG earned fees under this agreement amounting to \$1,693,401 (2020: \$1,832,376).

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

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### 6. Administration and custody fees (continued)

In addition to the above NAV based fees, MUFG charged a \$50 processing fee per emergency withdrawal. This amount was borne directly by the member who redeemed. The amount paid out to a member making an emergency withdrawal was reduced by this \$50 charge. For the year ended June 30, 2021, an amount of \$131,900 (2020: \$495,700), based on 2,638 (2020: 9,914) emergency withdrawals was incurred and is included in Benefits Paid to Participants.

State Street Bank and Trust Company ("State Street") provides custodial services to the Plan. For its services State Street earned fees amounting to \$180,236 (2020: \$89,854).

### 7. Investment management fees

The Plan has an Investment Management Agreement with Blackrock Financial Management Inc ("Blackrock") where by Blackrock manages the entire equity portfolio. The management fee is calculated and billed quarterly in arrears (for calendar quarters ending March 31, June 30, September 30 and December 31). The management fee is charged at 0.04% of net assets invested in the equity portfolio at each quarter end, averaged for the actual number of days in each respective quarter and subject to a minimum quarterly fee of US\$37,500, prorated for partial periods. For its services during the year ended June 30, 2021, Blackrock earned fees under this agreement amounting to \$125,000 (2020: \$125,876).

In addition, the Plan has an Investment Management Agreement with Income Research & Management ("IRM"), whereby IRM manages the entire fixed income portfolio of the Plan. The agreement provides for a fee calculated quarterly in arrears based on the average month-end net value of fixed income in the investment account during the quarter.

From February 19, 2016 until April 1, 2020, the management fee was calculated at the following rates:

- i) 0.27% per annum on the first US\$50,000,000;
- ii) 0.23% per annum on amounts over US\$50,000,000.

Effective April 1, 2020, the management fee is paid quarterly in arrears based on the average of the fixed income asset value as of the last day of each month of each calendar quarter equal to one-fourth of the following rates:

- i) 0.25% per annum on the first US\$50,000,000;
- ii) 0.20% per annum on amounts from US\$50,000,001 to US\$100,000,000
- iii) 0.15% per annum on amounts from US\$100,000,001 to US\$150,000,000
- iv) 0.125% per annum on amounts over US\$150,000,001

For its services during the year ended June 30, 2021, IRM earned fees under this agreement amounting to \$216,172 (2020: \$234,053).

The Plan had an Investment Management Agreement with EFG Bank, Cayman Branch ("EFG"), whereby EFG managed a portion of the fixed income portfolio of the Plan. The agreement provided for a fee calculated quarterly in arrears based on the average month-end net value of fixed income in the investment account. The fee was calculated at 0.25% per annum on the balance managed.

For its services during the year ended June 30, 2020, EFG earned fees under this agreement amounting to \$78,388.

Effective April 1, 2020 the Trustees decided to terminate the Plan's relationship with EFG. Funds were no longer directed to EFG and arrangements were made to transfer all cash and securities held with EFG to IRM thereafter.

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

### 8. Consultancy fees

The Trustees of the Plan entered into an agreement with Mercer Investment Consulting, Inc. ("Mercer") under which Mercer was engaged to perform a review of the Plan's investment arrangements as well as to provide ongoing quarterly investment performance evaluation services.

For its services during the year ended June 30, 2021, Mercer earned fees under this agreement amounting to \$76,450 (2020: \$91,885).

### 9. Unit transactions

Units of the Plan are issued or redeemed on the first business day of each month at a price based on the underlying net asset value of the relevant Lifecycle Fund at the opening of business on that date. Such units are classified as financial liabilities and are carried at amortised cost, which corresponds to the withdrawal amount that would be payable at the statement of financial position date if the plan member were to redeem.

Transactions in units for the year ended June 30, 2021 and 2020 are summarized as follows:

	Chamber 2060	Chamber 2050	Chamber 2040	Chamber 2030	Chamber income conservative	Chamber income growth	Total plan
Outstanding units, at June 30, 2019	3,564,504	32,482,195	51,739,211	48,123,618	161,986	16,515,869	152,587,383
Issued during the period (contributions and transfers from other plans)	2,709,574	3,714,645	3,334,755	2,427,982	5,662	790,763	12,983,381
Net transfers	6,528,726	(3,346,033)	18,766	7,165	8,087	(2,382)	3,214,329
Redeemed during the period (benefit payments and transfers to other plans)	(6,314,382)	(11,973,560)	(16,230,035)	(12,383,336)	(37,083)	(3,285,319)	(50,223,715)
Outstanding units, at June 30, 2020	6,488,422	20,877,247	38,862,697	38,175,429	138,652	14,018,931	118,561,378
Issued during the period (contributions and transfers from other plans)	1,280,972	1,642,483	1,614,871	1,217,904	1,422	368,306	6,125,958
Net transfers	4,752	4,794	(27,631)	4	-	20,949	2,868
Redeemed during the period (benefit payments and transfers to other plans)	(1,764,105)	(2,790,685)	(3,741,228)	(4,265,720)	(16,094)	(2,204,588)	(14,782,420)
Outstanding units, at June 30, 2021	6,010,041	19,733,839	36,708,709	35,127,617	123,980	12,203,598	109,907,784

The Plan's capital is primarily represented by these units. In accordance with the objectives outlined in Note 1 and the risk management policies in Note 11, the Plan endeavors to invest the contributions received from participants into appropriate investments while maintaining sufficient liquidity to meet withdrawals.

The net asset values per unit of each of the Lifecycle Funds, at June 30, 2021 and 2020 are disclosed in Note 14.

### 10. Plan termination

The Trustees may at any time, with the sanction of an Extraordinary Resolution of the Members in a general meeting and in accordance with the provisions of the National Pensions Act, determine that the Plan shall forthwith terminate, and upon termination either:

- apply all sums credited to a participant's account to the purchase of a fully paid up life annuity, commencing at the normal retirement date, or other prescribed savings arrangement; or
- transfer all sums credited to a participant's account to another pension plan approved by the Trustees for the benefit of the participant.

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

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### 11. Financial instruments and associated risks

The Plan's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Plan's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Plan's financial performance.

#### Price risk:

All securities investments present a risk of loss of capital. The investment managers (Note 7) moderate this risk through a careful selection of securities and other financial instruments within specified limits. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Plan's overall market positions are monitored on a daily basis by the investment managers. The Plan's equity and trading derivative financial instruments are susceptible to market price risk arising from uncertainties about future prices of the instruments.

Beginning in January 2020, global financial markets have experienced and continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 have and may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may negatively impact the Plan's performance.

The Plan's market price risk is managed through diversification of the investment portfolio ratios by exposures. The overall market exposures as at June 30, 2021 and 2020 are presented in Note 3.

At June 30, 2021 and 2020, the Plan's market risk is affected by three main components: changes in actual market prices, interest rate and foreign currency movements.

#### ***Equity portfolio managed by Blackrock (Note 7)***

At June 30, 2021, if equity prices had increased/decreased by 10% with all other variables held constant, this would have increased/decreased net assets attributable to participants by approximately \$25,934,051 (2020: 23,312,166). The Plan's equity portfolio is benchmarked against the MSCI World Index.

The sensitivity analysis presented above is based upon the portfolio composition as at June 30, 2021 and 2020 and the performance of the securities in the portfolio relative to a benchmark index. The composition of the Plan's investment portfolio and the correlation thereof to the respective index is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 and 2020 is not necessarily indicative of the effect on the Plan's net assets of future movements in the level of the index. The majority of the investments are denominated in USD.

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

### 11. Financial instruments and associated risks (continued)

#### Currency risk:

At June 30, 2021 and 2020 the Plan held the following equity securities denominated in currencies other than USD.

(expressed in KYD)	2021	2020
AUSTRALIAN DOLLAR	\$5,452,696	\$4,924,876
BRITISH POUND	10,941,271	10,354,901
CANADIAN DOLLAR	8,635,806	7,322,983
DANISH KRONE	1,959,592	1,707,492
EURO	25,216,043	23,348,630
HONG KONG DOLLAR	2,382,889	2,320,968
ISRAELI NEW SHEKEL	253,501	220,565
JAPANESE YEN	17,563,666	18,528,307
NEW ZEALAND DOLLAR	182,241	240,597
NORWEGIAN KRONE	485,003	379,625
SINGAPORE DOLLAR	797,876	814,577
SWEDISH KRONA	2,838,114	2,227,300
SWISS FRANC	7,426,727	7,599,585
	\$84,135,425	\$79,990,406

The Cayman Islands dollar is pegged to the US dollar (Note 2) therefore the Plan is only affected by changes in movements in the exchange rates of other foreign currencies. The table below shows the approximate effect on profit, at June 30, 2021 and 2020, had the exchange rate between the Cayman Islands dollar and the respective foreign currencies, other than the US dollar, in which the equity securities were denominated, increased or decreased by 5% with all other variables held constant. All fixed income securities are denominated in USD (Note 3).

The analysis below is performed for what the Trustees believe to be reasonably possible movements in foreign currency exchange rates with all other variables held constant, showing the impact on net increase in net assets from operations available to participants (due to changes in fair value of currency sensitive non-monetary assets. In performing the analysis below, it is assumed that the change in the relevant risk variable had occurred at the statement of financial position date and had been applied to the risk exposures in existence at that date.

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

### 11. Financial instruments and associated risks (continued)

Currency risk: (continued)

(expressed in KYD)	2021 Effect on profit - 5% increase/decrease	2020 Effect on profit - 5% increase/decrease
AUSTRALIAN DOLLAR	\$272,635	\$ 246,244
BRITISH POUND	547,064	517,745
CANADIAN DOLLAR	431,790	366,149
DANISH KRONE	97,980	85,375
EURO	1,260,802	1,167,432
HONG KONG DOLLAR	119,144	116,048
ISRAELI NEW SHEKEL	12,675	11,028
JAPANESE YEN	878,183	926,415
NEW ZEALAND DOLLAR	9,112	12,030
NORWEGIAN KRONE	24,250	18,981
SINGAPORE DOLLAR	39,894	40,729
SWEDISH KRONA	141,906	111,365
SWISS FRANC	371,336	379,979
	\$4,206,771	\$3,999,520

The Plan also holds monetary assets and liabilities denominated in currencies other than KYD, its functional currency and USD to which KYD is pegged. It is therefore exposed to currency risk, as the value of the monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

At June 30, 2021, the Plan held approximately \$360,984 (2020: \$168,144) of cash denominated in foreign currencies, other than USD and KYD. Had exchange rates between KYD and the respective foreign currencies, other than USD in which the foreign cash was denominated increased/decreased by 5% with all other variables held constant, the effect would be an increase/decrease on profit of approximately \$18,049 (2020 : \$8,407).

Interest rate risk:

In accordance with the Plan's policy, the investment managers monitor the Plan's fixed income position on a regular basis. The Plan's fixed rate and zero coupon bond holdings are subject to market risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash are invested at short-term market interest rates.

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

### 11. Financial instruments and associated risks (continued)

#### Interest rate risk: (continued)

The table below summarises the Plan's exposure to interest rate risks. It includes the Plan's assets at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

June 30, 2021	Up to 1 year	2-5 years	Above 5 years	Total
Cash	\$ 5,424,954	\$ -	\$ -	\$ 5,424,954
Financial assets at fair value through profit or loss	3,837,461	56,365,198	61,997,068	122,199,727
<b>Total Assets</b>	<b>\$ 9,262,415</b>	<b>\$ 56,365,198</b>	<b>\$ 61,997,068</b>	<b>\$ 127,624,681</b>

  

June 30, 2020	Up to 1 year	2-5 years	Above 5 years	Total
Cash	\$ 13,423,007	\$ -	\$ -	\$ 13,423,007
Financial assets at fair value through profit or loss	5,797,482	46,301,612	56,591,551	108,690,645
<b>Total Assets</b>	<b>\$ 19,220,489</b>	<b>\$ 46,301,612</b>	<b>\$ 56,591,551</b>	<b>\$ 122,113,652</b>

At June 30, 2021, should interest rates, for the debt securities held by the Plan, have decreased/increased by 100 basis points (2020: 100 basis points) with all other variables remaining constant and ignoring the effects of any management fees, the increase/decrease in net assets attributable to participants for the year would amount to approximately \$8,698,129 (2020: \$5,489,309), arising substantially from the increase/decrease in market values of debt securities.

In accordance with the Plan's policy, the investment managers monitor the Plan's overall interest sensitivity on a daily basis.

#### Credit risk:

The Plan takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Plan's main credit risk is comprised of a) its cash balances; and b) its debt securities. The aggregate extent of the Plan's exposure to credit risk in respect of these financial assets approximates their carrying value as recorded in the Plan's statement of financial position. The Plan measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Plan. The fair value of substantially all cash and debt securities are with the Plan's custodian State Street.

Although the Trustees monitor State Street and believe that it is an appropriate custodian, there is no guarantee that State Street will not become insolvent. There is no certainty that in the event of a failure of State Street that has custody of Plan's assets, the Plan would not incur losses due to its assets being unavailable for a period of time or that there is ultimately a less than full recovery of its assets, or both. Because substantially all of the Plan's assets are held with State Street, such losses could be significant and could materially impair the ability of the Plan to achieve its investment objective. The Trustees manage the credit risk with State Street by regularly monitoring its credit worthiness. State Street has a Standard & Poor's rating of A (2020: A).

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

### 11. Financial instruments and associated risks (continued)

#### Credit risk: (continued)

The Plan's debt securities portfolio by rating, as provided by Standard & Poor's and Moody's (with the highest rating of the two) is as follows:

Rating	2021	2020
AAA/Aaa	\$ 51,668,343	\$ 37,173,567
AA+/Aa1	1,908,629	2,881,870
AA/Aa2	6,195,487	4,880,345
AA-/Aa3	2,760,758	3,677,486
A+/A1	8,721,724	6,083,958
A/A2	9,897,688	10,218,334
A-/A3	11,364,825	13,297,304
BBB+/Baa1	13,191,801	15,980,461
BBB/Baa2	13,698,073	12,666,057
BBB-/Baa3	2,792,399	1,831,263
	\$ 122,199,727	\$ 108,690,645

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The National Pensions (Pension Fund Investments) Regulations (1998 Revision) requires the Plan to hold fixed income securities that are rated at least investment grade. As at June 30, 2021 and 2020, the Plan did not hold any fixed income securities below investment grade. During year ended June 30, 2021 and 2020, no investment was downgraded from investment grade.

#### Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting financial obligations. The Trustees believe that the Plan has sufficient resources to meet the present and foreseeable needs of its business operations. The Trustees' guiding policies require monthly or quarterly payments for an 'emergency' reserve. The Plan invests the majority of its assets in investments that can be readily disposed of.

At June 30, 2021 and 2020, all of the Plan's liabilities (excluding net assets attributable to participants for their benefits) have a maturity of 3 months or less.

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

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### 12. Financial highlights

The increase/(decrease) in net asset value per unit, of each of the Lifecycle Funds, for the years ended June 30, 2021 and 2020, calculated for each Lifecycle Fund based on the Modified Dietz method of performance measurement and is shown as follows:

2060	36.88% (2020: 3.62%)
2050	34.54% (2020: 3.30%)
2040	28.40% (2020: 4.35%)
2030	19.91% (2020: 5.19%)
Chamber Income Conservative:	8.53% (2020: 7.17%)
Chamber Income Growth:	12.14% (2020: 6.79%)

### 13. Taxation

The Plan is not subject to any income, withholding or capital gains taxes in the Cayman Islands. Generally the Plan conducts its affairs so as not to be liable to taxation in any other jurisdiction; however, the Plan does invest in securities whose income is subject to non-refundable foreign withholding taxes, which are expensed in the statement of comprehensive income.

The Plan invests in securities issued by entities which are virtually all domiciled in countries other than the Cayman Islands. Many of these foreign countries have tax laws which indicate that capital gains taxes may be applicable to non-residents, such as the Plan. Typically, these capital gains taxes are required to be determined on a self-assessment basis and, therefore, such taxes may not be deducted by the Plan's brokers on a "withholding" basis. At June 30, 2021 and 2020, the Plan has measured its tax liabilities with respect to foreign capital gains taxes at nil. However, there is a risk that foreign tax authorities will begin seeking to collect taxes on capital gains earned by the Plan, without giving any prior warning and possibly, on a retrospective basis. Any retrospective enforcement may result in a potential loss to the Plan.

## Cayman Islands Chamber of Commerce Pension Plan

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

#### 14. Financial information on a Lifecycle Fund basis

The movement in the net assets for the year ended June 30, 2021 and for each Lifecycle Fund is as follows:

	Chamber 2060	Chamber 2050	Chamber 2040	Chamber 2030	Chamber Income conservative	Chamber Income growth	For the year ended June 30, 2021 Total Plan
Opening net assets available to Participants for their benefits	\$ 9,246,955	\$ 58,919,027	\$ 111,744,628	\$ 108,409,173	\$ 414,201	\$ 41,881,680	\$ 330,615,664
Total contributions*	2,184,744	5,429,200	5,243,431	3,805,819	4,455	1,231,292	17,898,941
Total withdrawals*	(2,710,599)	(8,464,905)	(11,518,392)	(12,888,210)	(50,639)	(6,898,414)	(42,531,159)
Net increase/(decrease) in net assets from operations	3,001,384	19,044,850	30,049,770	20,295,599	34,063	4,700,905	77,126,571
<b>Closing net assets available to Participants for their benefits</b>	<b>\$11,722,484</b>	<b>\$ 74,928,172</b>	<b>\$ 135,519,437</b>	<b>\$ 119,622,381</b>	<b>\$ 402,080</b>	<b>\$ 40,915,463</b>	<b>\$ 383,110,017</b>
No. of units (Note 9)	6,010,041	19,733,839	36,708,709	35,127,617	123,980	12,203,598	109,907,784
Net asset value per unit - June 30, 2021	\$ 1.95	\$ 3.80	\$ 3.69	\$ 3.41	\$ 3.24	\$ 3.35	
Expense ratio 2021**	0.76%	0.76%	0.79%	0.82%	0.86%	0.85%	0.80%

The movement in the net assets for the year ended June 30, 2020 and for each Lifecycle Fund is as follows:

	Chamber 2060	Chamber 2050	Chamber 2040	Chamber 2030	Chamber income conservative	Chamber Income growth	For the year ended June 30, 2020 Total Plan
Opening net assets available to Participants for their benefits	\$ 4,916,912	\$ 88,571,973	\$ 142,805,675	\$ 129,822,577	\$ 452,017	\$ 46,262,414	\$ 412,831,568
Total contributions*	13,529,472	357,386	9,395,608	6,698,070	39,348	2,257,127	32,277,011
Total withdrawals*	(8,796,370)	(33,097,061)	(45,750,327)	(34,488,555)	(107,283)	(9,580,042)	(131,819,638)
Net increase/(decrease) in net assets from operations	(403,059)	3,086,729	5,293,672	6,377,081	30,119	2,942,181	17,326,723
<b>Closing net assets available to Participants for their benefits</b>	<b>\$ 9,246,955</b>	<b>\$ 58,919,027</b>	<b>\$ 111,744,628</b>	<b>\$ 108,409,173</b>	<b>\$ 414,201</b>	<b>\$ 41,881,680</b>	<b>\$ 330,615,664</b>
No. of units (Note 9)	6,488,422	20,877,247	38,862,697	38,175,429	138,652	14,018,931	118,561,378
Net asset value per unit - June 30, 2020	\$ 1.43	\$ 2.82	\$ 2.88	\$ 2.84	\$ 2.99	\$ 2.99	
Expense ratio 2020**	0.70%	0.66%	0.69%	0.73%	0.79%	0.77%	0.72%

# Cayman Islands Chamber of Commerce Pension Plan

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(Expressed in Cayman Islands dollars)

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### 14. Financial information on a Lifecycle Fund basis (continued)

\*Total contributions and total withdrawals include net transfers

\*\*Expense ratio is calculated as expenses for the year divided by the average monthly net assets available to Participants for their benefits by Lifecycle Fund. General expenses are allocated to each Lifecycle Fund based upon its proportionate share of total net assets. Certain investment related expenses are proportionately allocated to each Lifecycle Fund based upon its monthly investment mix

### 15. Plan Registration Fees

For the financial year ended June 30, 2021, plan registration fees of \$338,000 (2020: \$401,660) were recorded as a deduction against individual member holdings, and then paid over by the Plan. This amount is included in the *Benefits Paid to Participants* balance.

### 16. Subsequent Events

The board of trustees have reviewed the subsequent events from July 1, 2021 through to November 23, 2021, being the date that the financial statements were available to be issued.

Subsequent to year end, the Plan has processed withdrawal requests amounting to \$2,670,763. There were no further Emergency withdrawals processed, after the expiry of the law during the year. There has been \$5,980,073 of additional contributions processed.

During October 2021, the board of trustees resolved to change the Plan's administrator from MUFG Fund Services (Cayman) Ltd. to Saxon Administration Ltd. (in conjunction with the Intertrust Group), with effect from 1 March 2022.

There were no other subsequent events requiring additional disclosures identified.

## Cayman Islands Chamber of Commerce Pension Plan

### PORTFOLIO INVESTMENT MIX (UNAUDITED)

For year ended June 30, 2021

(Expressed in Cayman Islands dollars)

For the year ended June 30, 2021

	Market Value							Cost			
	Cash	% of Total	Equity	% of Total	Fixed Income	% of Total	Total	Cash	Equity	Fixed Income	Total
Chamber 2060	\$ 127,572	1.09%	\$ 10,970,014	93.47%	\$ 639,044	5.44%	\$ 11,736,630	\$ 127,572	\$ 7,409,285	\$ 618,868	\$ 8,155,725
Chamber 2050	871,368	1.15%	66,756,753	88.14%	8,114,165	10.71%	75,742,286	871,368	45,088,349	7,857,993	53,817,710
Chamber 2040	1,803,856	1.32%	101,692,302	74.21%	33,541,792	24.48%	137,037,950	1,803,856	68,684,256	32,482,847	102,970,959
Chamber 2030	1,878,627	1.56%	65,268,237	54.07%	53,573,452	44.38%	120,720,316	1,878,627	44,082,986	51,882,090	97,843,703
Chamber income conservative	7,637	1.90%	101,379	25.22%	292,997	72.88%	402,013	7,637	68,473	283,747	359,857
Chamber Income growth	735,894	1.78%	14,551,828	35.21%	26,038,277	63.01%	41,325,999	735,894	9,828,488	25,216,225	35,780,607
<b>Total</b>	<b>\$ 5,424,954</b>		<b>\$ 259,340,513</b>		<b>\$ 122,199,727</b>		<b>\$ 386,965,194</b>	<b>\$ 5,424,954</b>	<b>\$ 175,161,837</b>	<b>\$ 118,341,770</b>	<b>\$ 298,928,561</b>
Percentage of total	1.40%		67.02%		31.58%		100.00%	1.81%	58.60%	39.59%	100.00%

For the year ended June 30, 2020

	Market Value							Cost			
	Cash	% of Total	Equity	% of Total	Fixed Income	% of Total	Total	Cash	Equity	Fixed Income	Total
Chamber 2060	\$ 381,907	3.45%	\$ 10,121,498	91.31%	\$ 581,075	5.24%	\$ 11,084,480	\$ 381,907	\$ 9,208,965	\$ 542,480	\$ 10,133,352
Chamber 2050	2,249,736	3.50%	55,759,014	86.83%	6,204,943	9.66%	64,213,693	2,249,736	50,731,897	5,792,819	58,774,452
Chamber 2040	4,395,966	3.67%	88,832,042	74.13%	26,607,860	22.20%	119,835,868	4,395,966	80,823,130	24,840,602	110,059,698
Chamber 2030	4,529,572	3.92%	63,218,847	54.71%	47,797,217	41.37%	115,545,636	4,529,572	57,519,167	44,622,590	106,671,329
Chamber income conservative	18,210	4.31%	103,400	24.48%	300,701	71.20%	422,311	18,210	94,077	280,728	393,015
Chamber Income growth	1,847,616	4.19%	15,086,860	34.18%	27,198,849	61.63%	44,133,325	1,847,616	13,726,640	25,392,335	40,966,591
<b>Total</b>	<b>\$13,423,007</b>		<b>\$233,121,661</b>		<b>\$ 108,690,645</b>		<b>\$ 355,235,313</b>	<b>\$ 13,423,007</b>	<b>\$ 212,103,876</b>	<b>\$ 101,471,554</b>	<b>\$ 326,998,437</b>
Percentage of total	3.78%		65.62%		30.60%		100.00%	4.11%	64.86%	31.03%	100.00%