

**CAYMAN ISLANDS CHAMBER OF
COMMERCE PENSION PLAN**

FINANCIAL STATEMENTS

JUNE 30, 2011

**CAYMAN ISLANDS CHAMBER OF
COMMERCE PENSION PLAN**

FINANCIAL STATEMENTS

JUNE 30, 2011

CONTENTS

	Page(s)
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Comprehensive Income	3
Statement of Changes in Net Assets Available to Participants for Benefits	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 27



INDEPENDENT AUDITOR'S REPORT

To the Trustees and the Unitholders of the
Cayman Islands Chamber of Commerce Pension Plan

We have audited the accompanying financial statements of the Cayman Islands Chamber of Commerce Pension Plan (the "Plan"), which comprise the statement of financial position as at June 30, 2011 and the statements of comprehensive income, changes in net assets available to participants for benefits and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustee's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Plan as at June 30, 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

A handwritten signature in dark ink, appearing to read 'PricewaterhouseCoopers', is written over a light blue horizontal line.

November 15, 2011

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

STATEMENT OF FINANCIAL POSITION

(Expressed in Cayman Islands dollars)

	As at <u>June 30,</u>	
	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and cash equivalents	\$ 20,137,623	\$ 3,574,516
Receivable for securities sold	1,231,246	1,262,679
Accrued interest receivable	682,118	731,135
Accrued dividends receivable	123,223	189,542
Financial assets, at fair value through profit or loss (Note 3)	204,632,045	181,850,090
Unrealised gain on forward currency contracts (Note 3)	-	519,931
Prepaid fees and other receivables	3,129	45,103
	<hr/>	<hr/>
Total assets	226,809,384	188,172,996
 LIABILITIES		
Payable for securities purchased	901,699	1,551,092
Unrealised loss on forward currency contracts (Note 3)	-	741,002
Benefits payable	2,842,335	1,020,621
Accounts payable (Note 4)	715,850	603,795
	<hr/>	<hr/>
Total liabilities (excluding net assets available to participants for benefits)	4,459,884	3,916,510
 NET ASSETS AVAILABLE TO PARTICIPANTS FOR BENEFITS (NOTES 9 AND 14)		
	\$ <u>222,349,500</u>	\$ <u>184,256,486</u>

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

Peter Huber
.....
Trustee

Nic Corsetti
.....
Trustee

November 15, 2011
.....
Date

The accompanying notes are an integral part of these financial statements.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

STATEMENT OF COMPREHENSIVE INCOME

(Expressed in Cayman Islands dollars)

	For the year ended <u>June 30,</u>	
	<u>2011</u>	<u>2010</u>
Revenue		
Interest income - bonds	\$ 1,732,691	\$ 2,106,796
Dividend income net of withholding taxes	1,639,170	1,813,305
Net realised gain/(loss) on financial assets at fair value through profit or loss	16,101,554	3,040,825
Net realised gain/(loss) on futures, forward currency contracts, and foreign currency transactions	253,077	1,591,936
Net change in unrealised gain/(loss) on financial assets at fair value through profit or loss	17,530,422	5,276,057
Net change in unrealised loss on forward currency contracts and other assets and liabilities denominated in foreign currencies	<u>228,756</u>	<u>(234,198)</u>
Total revenue	<u>37,485,670</u>	<u>13,594,721</u>
Expenses		
Administration and custody fees (Note 6)	1,286,858	1,271,418
Investment management fees (Note 7)	1,080,761	1,034,575
Consultancy fees (Note 8)	92,591	108,123
Salary and benefits (Note 1)	192,023	112,412
Plan Registration Fees (Note 15)	304,517	2,500
Trustees liability insurance expense	12,512	12,512
Other expenses	160,138	81,149
Printing and advertising costs	<u>64,760</u>	<u>100,554</u>
Total operating expenses	<u>3,194,160</u>	<u>2,723,243</u>
Operating profit	<u>34,291,510</u>	<u>10,871,478</u>
Net increase in net assets from operations available to participants for benefits	\$ <u>34,291,510</u>	\$ <u>10,871,478</u>

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 BENEFITS

(Expressed in Cayman Islands dollars)

	For the year ended <u>June 30,</u>	
	<u>2011</u>	<u>2010</u>
Net increase in net assets from operations available to participants for benefits	\$ 34,291,510	\$ 10,871,478
Contributions and transfers in		
Employers and self employed participants – contributions	11,124,782	13,762,576
Employers and self employed participants - transfers in	460,300	987,814
Employees and voluntary participants – contributions	11,058,191	13,448,620
Employees and voluntary participants - transfers in	<u>433,460</u>	<u>907,917</u>
Total contributions and transfers in	<u>23,076,733</u>	<u>29,106,927</u>
	<u>57,368,243</u>	<u>39,978,405</u>
Benefit payments and transfers out		
Benefits paid to participants (Note 5)	(12,878,340)	(9,468,617)
Amounts transferred out	<u>(6,396,889)</u>	<u>(2,460,819)</u>
Total benefit payments and transfers out	<u>(19,275,229)</u>	<u>(11,929,436)</u>
Net increase in net assets available to participants for benefits	38,093,014	28,048,969
Net assets available to participants for benefits at beginning of year	<u>184,256,486</u>	<u>156,207,517</u>
Net assets available to participants for benefits at end of year	<u>\$ 222,349,500</u>	<u>\$ 184,256,486</u>

The accompanying notes are an integral part of these financial statements.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

STATEMENT OF CASH FLOWS

(Expressed in Cayman Islands dollars)

	For the year ended <u>June 30,</u>	
	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Interest received	\$ 2,480,942	\$ 2,403,920
Dividends received	1,705,489	1,774,802
Administration and custody fees paid	(1,270,982)	(1,172,073)
Investment management fees paid	(1,063,513)	(986,936)
Printing and advertising costs paid	(57,768)	(92,843)
Trustee liability insurance	(12,512)	(12,512)
Other expenses paid	(65,180)	(124,757)
Consultancy fees paid	(92,591)	(89,373)
Plan Registration fees paid	(304,517)	-
Salary and benefits paid	(173,067)	(112,412)
	<u>1,146,301</u>	<u>1,587,816</u>
Net cash provided by operating activities		
	<u>1,146,301</u>	<u>1,587,816</u>
Cash flows from investing activities		
Purchase of investments	(375,613,145)	(278,230,900)
Proceeds from sale and maturity of investments	385,145,972	258,605,923
Net realised gain/(loss) on forward currency contracts, futures contracts and foreign currency transactions	253,077	1,591,936
	<u>9,785,904</u>	<u>(18,033,041)</u>
Net cash provided by/(used) in investing activities		
	<u>9,785,904</u>	<u>(18,033,041)</u>
Cash flows from financing activities		
Contributions and amounts transferred in from employers and self employed participants	11,585,082	14,750,390
Contributions and amounts transferred in from employees and voluntary participants	11,491,651	14,356,537
Benefit payments and transfers paid out	(17,453,515)	(11,741,480)
	<u>5,623,218</u>	<u>17,365,447</u>
Net cash provided by financing activities		
	<u>5,623,218</u>	<u>17,365,447</u>
Net increase in cash and cash equivalents	16,555,423	920,222
Unrealised foreign currency gain/(loss) on other assets and liabilities denominated in foreign currency	7,684	(2,296)
Cash and cash equivalents at beginning of year	<u>3,574,516</u>	<u>2,656,590</u>
Cash and cash equivalents at end of year	<u>\$ 20,137,623</u>	<u>\$ 3,574,516</u>

The accompanying notes are an integral part of these financial statements.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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 a Deed of Amendment dated October 21, 1999 as a membership controlled, private sector operated Trust Fund to enable all 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. The Plan has one employee, a customer relationship manager, appointed on April 13, 2006, and 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 for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution pension plan and is available to all Caymanians and residents who either work for an employer that elects to participate in the Plan or are self-employed. At June 30, 2011, there were approximately 19,148 participants in the Plan (2010: 18,451). The Plan is subject to the provisions of the National Pensions Law of the Cayman Islands, which became effective on June 1, 1998 (the "Pensions Law"). The Plan is divided into units in accordance with the Trust Deed.

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. 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 Lifecycle Funds available to members at June 30, 2011 are as follows:

- Chamber 2045
- Chamber 2035
- Chamber 2025
- Chamber 2015
- Chamber Income

The target investment mix of each of the Lifecycle Funds at June 30, 2011 is as follows:

Chamber 2045 – 83% equity investments, 17% fixed income investments
Chamber 2035 – 72% equity investments, 28% fixed income investments
Chamber 2025 – 60% equity investments, 40% fixed income investments
Chamber 2015 – 58% equity investments, 42% fixed income investments
Chamber Income – 25% equity investments, 75% fixed income investments

The target investment mix of each of the Lifecycle Funds at June 30, 2010 was as follows:

Chamber 2045 – 90% equity investments, 10% fixed income investments
Chamber 2035 – 80% equity investments, 20% fixed income investments
Chamber 2025 – 70% equity investments, 30% fixed income investments
Chamber 2015 – 55% equity investments, 45% fixed income investments
Chamber Income – 25% equity investments, 75% fixed income investments

The fixed income investments defined in the above target investment mix includes a proportion of cash and cash equivalents.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

1. Introduction and background information (continued)

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. Contributions in excess of 10% are considered voluntary. The normal contribution rate for self-employed participants is 10% of the participant's earnings.

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. The unit value is formally calculated by the administrator of the Plan on 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 realised by the Trustees and the participant's account applied in the purchase of a fully paid up life annuity and/or other prescribed savings arrangement(s). In certain circumstances the participant may receive the value of his/her units as a lump sum payment.

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 allocated to their account realised by the Trustee and to withdraw the cash.

Investment policy

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

The Plan may invest in such shares, securities, or other investments wherever situated as permitted by the Pensions Law. 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 financial 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.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

2. Significant accounting policies (continued)

All references to net assets throughout this document refer to net assets attributable to participants for 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.

The Plan has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

IFRS 9 Financial Instruments (1)
IAS 24 Related Party Disclosures (2)
IFRS 7 Financial Statements – Disclosures (3)

- (1) Effective for annual periods beginning on or after 1 January 2013
- (2) Effective for annual periods beginning on or after 1 January 2011
- (3) Effective for annual periods beginning on or after July 1, 2011

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the Board's work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the Board will address classification and measurement of financial liabilities, hedge accounting and derecognition. The adoption of IFRS 9 is not expected to have a material effect on the classification and measurement of the Fund's financial assets.

IAS 24 Related Party Disclosures (Amendment)

The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduced a partial exemption of disclosure requirements for government related entities. The Plan does not expect any impact on its financial position or performance. Early adoption is permitted for either the partial exemption for government-related entities or for the entire standard.

IFRS 7 Amendments: Disclosures – Transfers of Financial Assets.

The amendments will help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position and will promote transparency in the reporting of transfer transactions, particularly those that involve the securitization of financial assets. An entity shall provide the required disclosures for all transferred financial assets that are not derecognized and for any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. Entities are required to apply the amendments for annual periods beginning on or after July 1, 2011. The impact of the disclosures on the Plan's financial statements when it is adopted in 2012 will depend on the Plan's facts and circumstances at the reporting date during the year of adoption.

Apart from the above, the IASB has issued Improvements to IFRS 2009 which sets out amendments to a number of IFRS primarily with a view to removing inconsistencies and clarifying wording. The Plan is in the process of making an assessment of the impact of these new and revised IFRS upon initial application. So far, the Plan considers that these new and revised IFRS are unlikely to have a significant impact on the Plan's results of operations and financial position.

The significant accounting policies of the Plan are as follows:

Financial assets, at fair value through profit or loss: The Plan's investments are considered trading securities and consequently its investment securities have been classified as financial assets or liabilities 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.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

2. Significant accounting policies (continued)

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 short-term money market funds and other 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.

The Plan adopted the amendment to IFRS 7, effective July 1, 2009. This 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 are not based on observable market data (unobservable inputs).

The level in 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.

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.

Forward and futures contracts: Forward and futures contracts are recorded as open contractual commitments. These contracts are marked to market. Positions in forward contracts are valued based upon forward rates available from reputable, established sources. The value of each futures position is determined on the basis of the settlement price of the relevant futures contract as published by the exchange on which such contract is traded. The resulting unrealised gains or losses are reflected in the statement of comprehensive income.

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.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

2. Significant accounting policies (continued)

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, which is pegged to the United States dollar at the rate of C.I. \$0.8333 = U.S. \$1.00. In addition, the Plan has adopted the Cayman Islands dollar as its presentation currency.

Cash and cash equivalents: For the purposes of the statement of cash flows, cash and cash equivalents consist of bank balances on demand and at short notice with original maturities of three months or less.

3. Financial assets at fair value through profit or loss

At June 30, 2011 and 2010, the Plan's portfolio of investments comprised the following:

	<u>2011</u>	<u>2010</u>
Equities	\$ 93,752,965	\$ 105,970,509
Fixed Income	74,237,982	65,200,815
Vanguard Investment Series plc – Global Stock Index Fund ⁽¹⁾	36,641,098	-
Money Market Fund ⁽²⁾	-	10,678,766
	<hr/>	<hr/>
Total fair value	\$ 204,632,045	\$ 181,850,090
	<hr/>	<hr/>
Total cost	\$ 190,580,756	\$ 185,329,223
	<hr/>	<hr/>

⁽¹⁾ At June 30, 2011, the Plan invested in a daily traded open ended fund, Vanguard Investment Series plc – Global Stock Index Fund, that seeks to provide long term growth of capital by tracking the performance of the MSCI World Index which measures the investment return of stocks of companies located in developed markets around the world. The fund is incorporated in Ireland.

⁽²⁾ The money market fund represents a holding in the J.P. Morgan U.S. Government money market fund, an open-ended fund incorporated in the United States of America, which invests in high quality, short-term securities that are issued or guaranteed by the U.S. government, its agencies or instrumentalities.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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

At June 30, 2011 and 2010, the Plan held the following equity investments (investments where either cost or value exceeds 1% of the Plan's net assets are presented individually):

<u>Shares</u>	<u>Fair Value</u> <u>2011</u>	<u>Fair Value</u> <u>2010</u>	<u>% of</u> <u>net</u> <u>assets</u> <u>2011</u>	<u>% of</u> <u>net</u> <u>assets</u> <u>2010</u>
Australian Dollar				
- Finance	\$ -	\$ 331,559	0.00%	0.18%
- Materials	-	81,593	0.00%	0.04%
- Services	-	98,199	0.00%	0.05%
- Miscellaneous	-	499,816	0.00%	0.27%
- Gold mines	416,332	255,387	0.19%	0.14%
Brazilian Real				
- Finance	-	406,939	0.00%	0.22%
- Materials	-	213,526	0.00%	0.12%
- Miscellaneous	-	214,894	0.00%	0.12%
British Pound				
- Finance	445,855	2,392,741	0.20%	1.30%
- Materials	1,095,922	2,841,529	0.49%	1.54%
- Miscellaneous	3,045,393	3,115,277	1.37%	1.69%
- Capital equipment	1,899,211	1,948,356	0.85%	1.06%
- Consumer goods	-	1,068,273	0.00%	0.58%
- Services	1,343,791	814,366	0.60%	0.44%
Canadian Dollar				
- Finance	584,452	621,469	0.26%	0.34%
- Services	705,634	-	0.32%	0.00%
- Materials	-	308,476	0.00%	0.17%
- Gold mines	-	499,724	0.00%	0.27%
- Miscellaneous	-	593,062	0.00%	0.32%
- Energy	-	346,997	0.00%	0.19%
Euro				
- Finance	474,098	1,690,949	0.21%	0.92%
- Materials	656,449	1,193,440	0.30%	0.65%
- Miscellaneous	1,643,886	3,334,068	0.74%	1.81%
- Capital equipment	2,758,975	2,283,435	1.24%	1.24%
- Consumer goods	-	-	-	-
53,425 Anheuser-Busch	2,581,941	304,316	1.16%	0.17%
Other	3,045,054	1,219,612	1.37%	0.66%
- Energy	460,704	1,498,468	0.21%	0.81%
- Services	-	1,360,411	0.00%	0.74%
Danish Kroner				
- Consumer goods	-	247,922	0.00%	0.13%
- Finance	-	275,117	0.00%	0.15%

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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

<u>Shares</u>	<u>Fair Value</u> <u>2011</u>	<u>Fair Value</u> <u>2010</u>	<u>% of</u> <u>net</u> <u>assets</u> <u>2011</u>	<u>% of</u> <u>net</u> <u>assets</u> <u>2010</u>
Hong Kong Dollar				
- Miscellaneous	1,469,967	1,421,609	0.66%	0.77%
- Consumer goods	-	757,499	0.00%	0.41%
- Gold mines	-	111,046	0.00%	0.06%
- Services	-	391,457	0.00%	0.21%
Indonesia Rupiah				
- Consumer goods	487,868	743,726	0.22%	0.40%
- Finance	-	507,170	0.00%	0.28%
Japanese Yen				
- Finance	-	694,843	0.00%	0.38%
- Materials	-	180,058	0.00%	0.10%
- Miscellaneous	-	1,266,518	0.00%	0.69%
- Capital equipment	1,007,596	1,898,103	0.45%	1.03%
- Consumer goods	615,713	2,813,052	0.28%	1.53%
- Energy	-	559,236	0.00%	0.30%
- Services	-	702,801	0.00%	0.38%
New Taiwan Dollar				
- Capital equipment	-	438,808	0.00%	0.24%
Norwegian Kroner				
- Miscellaneous	-	213,169	0.00%	0.12%
- Energy	1,348,291	-	0.61%	0.00%
Singapore Dollar				
- Finance	1,215,705	292,780	0.55%	0.16%
- Miscellaneous	-	123,040	0.00%	0.07%
South African Rand				
- Finance	-	180,337	0.00%	0.10%
South Korean Won				
- Materials	398,090	-	0.18%	0.00%
- Capital equipment	374,111	659,362	0.17%	0.36%
- Consumer goods	-	137,961	0.00%	0.07%
- Miscellaneous	557,552	484,365	0.25%	0.26%
Swedish Kroner				
- Finance	582,245	-	0.26%	0.00%
- Miscellaneous	576,055	-	0.26%	0.00%
- Capital equipment	629,757	196,761	0.28%	0.11%
- Services	-	211,744	0.00%	0.11%
Swiss Franc				
- Finance	-	441,026	0.00%	0.24%
- Miscellaneous	-	445,021	0.00%	0.24%
- Capital equipment	-	260,064	0.00%	0.14%
- Consumer goods	1,253,504	1,964,145	0.56%	1.07%
- Services	-	362,059	0.00%	0.20%

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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

Shares	Fair Value 2011	Fair Value 2010	% of net assets 2011	% of net assets 2010
Thailand Baht				
- Finance	553,043	-	0.25%	0.00%
Turkish Lira				
- Finance	-	353,618	0.00%	0.19%
United States Dollar				
- Finance	3,837,587	5,397,140	1.73%	2.93%
- Materials	1,749,758	1,483,050	0.79%	0.80%
- Miscellaneous	10,130,376	3,773,291	4.56%	2.05%
- Capital equipment				
9,562 Apple Inc.	2,733,193	2,004,275	1.23%	1.09%
101,877 Oracle Corp.	2,793,977	360,528	1.26%	0.16%
Other	14,198,799	12,022,312	6.38%	6.56%
- Consumer goods				
53,443 Unitedhealth Group inc.	2,297,158	-	1.03%	-
Other	10,360,006	18,489,562	4.66%	10.03%
- Energy	3,788,351	3,349,435	1.70%	1.82%
- Services	8,970,379	7,377,400	4.03%	4.00%
- Gold mines	666,187	527,243	0.30%	0.29%
- Technology	-	1,881,155	0.00%	1.02%
Warrants	-	433,819	0.00%	0.24%
Total Equities (cost \$82,611,076)				
(2010: cost \$110,357,013)	\$93,752,965	\$105,970,509	42.16%	57.51%

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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

At June 30, 2011, the Plan held the following fixed income investments (investments where either cost or value exceeds 1% of the Plan's net assets are presented individually):

<u>Nominal Amount</u>	<u>U.S. Dollar Denominated Bonds</u>	<u>Fair Value</u>	<u>% of net assets</u>
3,000,000	Barclays Bank PLC 2.5% CVD BDS 21/15/2015	\$2,500,375	1.12%
4,000,000	Berkshire Hathaway Inc. 3.2% BDS 11/FEB/2015	3,474,167	1.56%
2,000,000	BP Capital Markets 2.75% NTS 27/FEB/2012	1,688,833	0.76%
1,000,000	BP Capital Markets 5.25% GTD SNR NTS 07/NOV/2013	902,750	0.41%
3,000,000	Denmark (Kingdom of) 2.75% BDS 15/NOV/2011	2,522,750	1.13%
3,000,000	Eksporthfinans ASA 2.375% NTS 25/MAY/2016	2,509,125	1.13%
1,000,000	General Elec Cap Corp 2.80% 08/JAN/2013	854,492	0.79%
3,000,000	General Electric Capital Corp 5.25% MTN 10/19/2012	1,757,050	0.99%
3,000,000	Novartis Capital Corp 2.9% BDS 24/APR/2015	2,600,825	1.17%
5,000,000	Oesterreichische Kontrollbank AG 3.125% BDS 14/OCT/2011	4,199,583	1.89%
4,000,000	Procter and Gamble Co. 1.375% BDS 01/AUG/2012	3,359,000	1.51%
3,000,000	Royal Bank of Canada 3.125% BDS 14/APR/2015	2,598,900	1.17%
3,000,000	Royal Bank of Scotland Group PLC 1.45% BDS 20/OCT/2011	2,508,175	1.13%
2,500,000	Shell International Finance BV 4% UNS LN STK 21/MAR/2014	2,242,917	1.01%
3,000,000	Statoil ASA 3.875% NTS 15/APR/2014	2,678,400	1.20%
5,000,000	Wells Fargo & Co. 5.25% SNR NTS 23/OCT/2012	4,396,208	1.98%
	Other	33,444,432	15.04%
	Total Bonds (cost \$73,096,755)	\$74,237,982	33.39%

At June 30, 2010, the Plan held the following fixed income investments (investments where either cost or value exceeds 1% of the Plan's net assets are presented individually):

<u>Nominal Amount</u>	<u>U.S. Dollar Denominated Bonds</u>	<u>Fair Value</u>	<u>% of net assets</u>
4,500,000	Bank of America Corp. 4.25% 01/OCT/2010	\$ 3,774,600	2.05%
4,000,000	Berkshire Hathaway Inc. 3.2% BDS 11/FEB/2015	3,432,700	1.86%
2,000,000	BP Capital Markets 2.75% NTS 27/FEB/2012	1,533,333	0.83%
1,000,000	BP Capital Markets 5.25% GTD SNR NTS 07/NOV/2013	769,917	0.42%
2,000,000	CME Group Inc. 5.75% BDS 15/FEB/2014	1,853,817	1.01%
2,500,000	Commonwealth Bank of Australia 2.4% MTN 12/JAN/2012	2,123,438	1.15%
3,000,000	Denmark (Kingdom of) 2.75% BDS 15/NOV/2011	2,559,875	1.39%
5,000,000	Eurohypo AG 4.625% MTN 30/SEP/2010	4,198,542	2.28%
1,000,000	General Electric Capital Corp 2.80% 08/JAN/2013	842,583	0.46%
2,000,000	General Electric Capital Corp 5.25% MTN 19/OCT/2012	1,781,483	0.97%
2,500,000	General Dynamics Corp. 4.5% 15/AUG/2010	2,091,979	1.14%
2,500,000	Goldman Sachs Group Inc. 5.45% NTS 01/NOV/2012	2,194,667	1.19%

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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

Nominal		% of	
<u>Amount</u>	<u>U.S. Dollar Denominated Bonds</u>	<u>Fair Value</u>	<u>net assets</u>
2,500,000	Kommunal Banken 3.375% BDS 15/NOV/2011	2,148,229	1.17%
5,000,000	Kommuninvest I Sverige AB 5.375% EMTN 15/JUN/2011	4,347,292	2.36%
5,000,000	Oesterreichische Kontrollbank AG 3.125% BDS 14/OCT/2011	4,278,333	2.32%
4,000,000	Procter and Gamble Co. 1.375% BDS 01/AUG/2012	3,366,567	1.83%
3,000,000	Royal Bank of Scotland Group PLC 1.45% BDS 20/OCT/2011	2,504,725	1.36%
2,500,000	Shell International Finance BV 4% UNS LN STK 21/MAR/2014	2,203,521	1.20%
2,200,000	Wal-mart Stores Inc. 4.55% NTS 01/MAY/2013	1,994,080	1.08%
5,000,000	Wells Fargo & Co. 5.25% SNR NTS 23/OCT/2012	4,459,000	2.42%
	Other	12,742,134	6.92%
Total Bonds (cost \$64,293,444)		\$65,200,815	35.39%

Open Forward Currency Contracts

At June 30, 2011 there were no open forward currency contracts.

The following forward currency contracts were open at June 30, 2010:

						<u>Unrealised gains</u>	
Sell	AUD	450,325	-	Buy	USD	389,106	\$ 7,362
Sell	CAD	2,412,000	-	Buy	USD	2,365,416	80,217
Sell	EUR	7,604,000	-	Buy	USD	9,511,101	162,550
Sell	GBP	1,523,000	-	Buy	USD	2,348,999	58,699
Sell	USD	696,844	-	Buy	SEK	5,424,000	113
Buy	JPY	375,814,550	-	Sell	USD	4,098,221	126,447
Buy	CHF	354,000	-	Sell	USD	305,278	19,288
Buy	EUR	3,430,000	-	Sell	USD	4,123,958	65,255
Total unrealised gains						\$ 519,931	

Open Forward Currency Contracts

						<u>Unrealised loss</u>	
Sell	AUD	1,027,000	-	Buy	USD	800,014	\$ (18,974)
Sell	CHF	2,136,000	-	Buy	USD	1,920,432	(51,536)
Sell	GBP	1,595,000	-	Buy	USD	2,338,641	(39,699)
Sell	JPY	173,738,000	-	Buy	USD	1,903,290	(51,272)
Sell	NOK	16,993,000	-	Buy	USD	2,570,075	(30,679)
Sell	NZD	1,891,000	-	Buy	USD	1,260,730	(29,547)
Sell	SEK	15,588,000	-	Buy	USD	1,948,135	(45,759)
Sell	USD	4,119,017	-	Buy	GBP	2,751,000	(2,705)
Buy	NZD	5,229,000	-	Sell	USD	3,700,258	(96,700)
Buy	AUD	2,714,000	-	Sell	USD	2,418,717	(115,571)
Buy	NOK	44,593,344	-	Sell	USD	7,079,538	(198,741)
Buy	SEK	22,633,000	-	Sell	USD	2,980,105	(59,819)
Total unrealised losses						\$ (741,002)	

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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

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

2011	Level 1	Level 2	Level 3	Total
Equities and warrants	\$93,752,965	\$ -	\$ -	\$93,752,965
Fixed Income	-	74,237,982	-	74,237,982
Vanguard - Global Stock Index Fund	-	36,641,098	-	36,641,098
Financial assets at fair value through profit or loss	\$93,752,965	\$110,879,080	\$ -	\$204,632,045

2010	Level 1	Level 2	Level 3	Total
Equities and warrants	\$105,970,509	\$ -	\$ -	\$105,970,509
Fixed Income	-	65,200,815	-	65,200,815
Money market fund	10,678,766	-	-	10,678,766
Financial assets at fair value through profit or loss	\$116,649,275	\$ 65,200,815	\$ -	\$181,850,090

Derivative Financial Instruments - Net unrealised loss	\$ -	\$ (221,071)	\$ -	\$ (221,071)
--	------	--------------	------	--------------

There were no significant transfers between levels 1 and 2 during the years ended June 30, 2011 and 2010.

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, exchange traded derivatives, US government treasury bills 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, listed equities, over-the-counter derivatives, 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. Level 3 instruments include private equity and corporate debt securities. As observable prices are not available for these securities, the Fund has used valuation techniques to derive the fair value. At June 30, 2011 and 2010 the Plan did not hold any investments classified in level 3.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

4. Accounts payable

	<u>2011</u>	<u>2010</u>
Administration and custody fees	\$ 358,686	\$ 342,810
Other expenses	79,444	26,460
Investment management fees	251,772	234,525
Printing and advertising	6,992	-
Salary and benefits	<u>18,956</u>	<u>-</u>
Total accounts payable	<u>\$ 715,850</u>	<u>\$ 603,795</u>

5. Benefit payments

Benefits paid to participants leaving the Plan can be analysed as follows:

	<u>2011</u>	<u>2010</u>
Termination of residence	\$ 5,302,973	\$ 3,157,531
Retirement	6,978,461	5,854,741
Death and medical	<u>596,906</u>	<u>456,345</u>
Total benefit payments	<u>\$12,878,340</u>	<u>\$ 9,468,617</u>

6. Administration and custody fees

Effective March 1, 2006, the Plan entered into an Amended and Restated Administrative Services Agreement, whereby Butterfield Fulcrum (formerly Butterfield Fund Services (Cayman) Limited) (“Butterfield”) provides transfer agent services to the Plan.

The Amended and Restated Administrative Services Agreement provides for an all-inclusive fee, calculated on a monthly basis of the month-end net assets available to participants of the Plan at the following rates:

- i) 0.75% per annum on the first CI\$50,000,000
- ii) 0.60% per annum between CI\$50,000,000 and CI\$100,000,000
- iii) 0.50% per annum between CI\$100,000,000 and CI\$150,000,000
- iv) 0.45% per annum over CI\$150,000,000.

For its service during the year ended June 30, 2011, Butterfield earned fees under this agreement amounting to \$1,098,850 (2010: \$1,039,178).

Effective March 1, 2006, the Plan entered into a Global Custody Agreement with JP Morgan Chase Bank, N.A (“JP Morgan”), whereby JP Morgan provides administrative and custodial services to the Plan. For these services, JP Morgan receives a fee calculated at standard rates based on the volume of transactions and the market value of the portfolio. For its services during the year ended June 30, 2011, JP Morgan earned fees under this agreement amounting to \$188,008 (2010: \$232,240). Effective July 1, 2011 the administration agreement with JP Morgan was terminated (Note 16).

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

7. Investment management fees

Investment management fees

Effective February 28, 2006, the Plan entered into a Discretionary Investment Agreement whereby Butterfield Bank (Cayman) Ltd. (“Butterfield Bank”), manages the fixed income portfolio of the Plan. The amended Discretionary Investment Agreement with Butterfield Bank provides for a wrap up fee of 0.35% per annum, calculated on the total market value of the fixed income portfolio of the Plan, and paid on a quarterly basis. For its services during the year ended June 30, 2011, Butterfield Bank earned fees under this agreement amounting to \$271,970 (2009: \$296,974).

Effective March 1, 2006, the Plan entered into a Discretionary Investment Agreement with Alliance Bernstein L.P (“Alliance Bernstein”), whereby Alliance Bernstein manages a portion of the cash and cash equivalents and equity portfolio of the Plan. The agreement provides for a fee calculated quarterly in arrears based on the net value of the investment account on the last business day of the quarter at the following annual rates:

- i) 0.60% per annum on the first US\$100,000,000;
- ii) 0.45% per annum on the next US\$175,000,000; and
- iii) 0.40% per annum on the balance.

For its services during the year ended June 30, 2011, Alliance Bernstein earned fees under this agreement amounting to \$ 266,076 (2010: \$471,563). The agreement with Alliance Bernstein was terminated effective May 3, 2011.

Effective October 30, 2008, the Plan entered into an Investment Agreement with McKinley Capital Management, Inc. (“McKinley”), whereby McKinley manages a portion of the equity portfolio of the Plan. The agreement provides for a fee calculated quarterly in arrears based on the average month-end net value of the investment account during the quarter at the following annual rates:

- i) 0.75% per annum on the first US\$10,000,000;
- ii) 0.65% per annum on the next US\$15,000,000;
- iii) 0.60% per annum on the next US\$25,000,000;
- iv) 0.50% per annum on the next US\$100,000,000;
- v) 0.48% per annum on the next US\$50,000,000 up to US\$200,000,000.

A separate sliding scale with rates of 0.50% to 0.225% is employed for net asset values between US\$200 million and US\$900 million. For net assets in excess of US\$900 million, a sliding scale with rates of 0.35% and 0.32% is employed.

For its services during the year ended June 30, 2011, McKinley earned fees under this agreement amounting to \$288,161 (2010:\$ 266,038).

Effective September 24, 2010 the Plan entered into an Investment Agreement with Epoch Investment Partners (“Epoch”), whereby Epoch manages a portion of the equity portfolio of the Plan. The agreement provides for a fee calculated quarterly in arrears based on the preceding quarter end net value of the investment account at the following annual rates:

- i) 0.85% per annum on the first US\$50,000,000;
- ii) 0.75% per annum on the next US\$50,000,000;

For its services during the year ended June 30, 2011, Epoch earned fees under this agreement amounting to \$254,554.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

7. Investment management fees (continued)

The Vanguard Investment Series plc – Global Stock Index Fund (“Vanguard”) charges a fixed annual management fee of 0.29% of the net asset value of the institutional shares held by the Plan. The net asset value of Vanguard includes and is reported net of such fees. Vanguard’s expenses will not exceed, on an annual basis, 1% of the average net asset value of the institutional shares held by the Plan.

8. Consultancy fees

Effective December 15, 2004, 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.

Effective April 12, 2006, the Plan entered into an agreement with Mercer to provide certain marketing and communication services to the Plan.

Effective March 5, 2009, the Plan entered into an agreement with Mercer that updated the scope of services surrounding its ongoing quarterly investment performance evaluation services.

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, subject to the provisions of the Trust Deed.

Transactions in units June 30, 2009 to June 30, 2011 are summarized as follows:

	Chamber 2045	Chamber 2035	Chamber 2025	Chamber 2015	Chamber Income
Outstanding units, at June 30, 2009	8,615,264	32,818,663	37,003,350	20,904,838	6,388,017
Issued during the period (contributions and transfers from other plans)	3,592,421	6,742,394	5,114,257	2,322,563	461,716
Net transfers	(48,451)	41,754	18,857	458	(16,650)
Redeemed during the period (benefit payments and transfers to other plans)	(568,520)	(1,754,610)	(1,705,540)	(1,763,926)	(1,237,668)
Outstanding units, at June 30, 2010	11,590,714	37,848,201	40,430,924	21,463,933	5,595,415
Issued during the period (contributions and transfers from other plans)	2,688,239	4,865,966	3,679,979	1,636,536	330,669
Net transfers	15,965	(51,928)	(49,696)	27,511	44,595
Redeemed during the period (benefit payments and transfers to other plans)	(805,165)	(2,907,645)	(3,079,636)	(2,755,744)	(1,039,978)
Outstanding units, at June 30, 2011	13,489,753	39,754,594	40,981,571	20,372,236	4,930,701

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

9. Unit transactions (continued)

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 endeavours to invest the contributions received from Unitholders 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, 2011 and 2010 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 Pensions Law, determine that the Plan shall forthwith terminate, and upon termination either:

- a. 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
- b. transfer all sums credited to a participant's account to another pension plan approved by the Trustees for the benefit of the participant.

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 programme 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 advisors (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 advisors. The Plan's equity and trading derivative financial instruments are susceptible to market price risk arising from uncertainties about future prices of the instruments.

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, 2011 are presented in Note 3.

At June 30, 2011, 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 McKinley (Note 7)

If the MSCI World Growth Net Dividend Index at June 30, 2011 had increased/decreased by 10% with all other variables held constant, this may have increased/decreased net assets attributable to unitholders by approximately \$3,881,973 to \$6,926,305 (2010: \$1,947,040 to \$4,860,792).

Equity portfolio managed by Epoch (Note 7)

If the MSCI World Equity Index at June 30, 2011 had increased/decreased by 10% with all other variables held constant, this may have increased/decreased net assets attributable to unitholders by approximately \$4,697,821.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

11. Financial instruments and associated risks (continued)

Price risk (continued):

Vanguard (Note 7)

If the NAV of the Vanguard Global Stock Index Fund at June 30, 2011 had increased/decreased by 10% with all other variables held constant, this may have increased/decreased net assets attributable to unitholders by approximately \$3,664,110.

The aforementioned analysis excludes the market risk associated with the Plan's fixed income portfolio, which is discussed under "Interest rate risk" below.

The above investment advisors do not manage the Plan's investments to track any particular index or external benchmark. The sensitivity analysis presented above is based upon the portfolio composition as at June 30 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, 2011 and 2010 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. At June 30, 2011 and 2010 the Plan held the following equity securities denominated in currencies other than the USD.

	<u>2011</u>	<u>2010</u>
(expressed in Cayman Islands dollars)		
AUSTRALIAN DOLLAR	\$ 416,332	\$ 1,266,554
BRAZILIAN REAL	-	835,359
CANADIAN DOLLAR	1,290,086	2,369,727
SWISS FRANC	1,253,504	3,472,315
DANISH KRONE	-	523,039
EURO	11,621,107	12,884,699
BRITISH POUND	7,830,171	12,180,541
HONG KONG DOLLAR	1,469,967	2,681,612
INDONESIAN RUPIAH	487,868	1,250,896
JAPANESE YEN	1,623,309	8,114,612
SOUTH KOREA WON	1,329,753	1,281,688
NORWEGIAN KRONE	1,348,291	213,169
SWEDISH KRONA	1,788,057	408,505
SINGAPORE DOLLAR	1,215,705	415,820
THAILAND BAHT	553,043	-
TURKISH LIRA	-	353,618
NEW TAIWAN DOLLAR	-	438,808
SOUTH AFRICAN RAND	-	180,336
	<hr/>	<hr/>
	\$ 32,227,192	\$ 48,871,298

The Cayman Islands dollar ("KYD") 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, 2011 and 2010, had the exchange rate between the Cayman 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.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

11. Financial instruments and associated risks (continued)

The analysis below is performed for what management believes 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 unitholders (due to changes in fair value of currency sensitive non-monetary assets, excluding changes in fair value of forward foreign currency exchange contracts). 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.

Price risk (continued):

	2011		2010	
	Effect on profit – 5% decrease (expressed in KYD)	Effect on profit – 5% increase (expressed in KYD)	Effect on profit – 5% decrease (expressed in KYD)	Effect on profit – 5% increase (expressed in KYD)
AUSTRALIAN DOLLAR	\$ 20,817	\$ (20,817)	\$ 63,328	\$ (63,328)
BRAZILIAN REAL	-	-	41,768	(41,768)
CANADIAN DOLLAR	64,504	(64,504)	118,486	(118,486)
SWISS FRANC	62,575	(62,575)	173,616	(173,616)
DANISH KRONE	-	-	26,152	(26,152)
EURO	581,055	(581,055)	644,235	(644,235)
BRITISH POUND	391,509	(391,509)	609,027	(609,027)
HONG KONG DOLLAR	73,498	(73,498)	134,080	(134,080)
INDONESIAN RUPIAH	24,393	(24,393)	62,545	(62,545)
JAPANESE YEN	81,165	(81,165)	405,730	(405,730)
SOUTH KOREA WON	66,488	(66,488)	64,084	(64,084)
NORWEGIAN KRONE	67,415	(67,415)	10,658	(10,658)
SWEDISH KRONA	89,403	(89,403)	20,425	(20,425)
SINGAPORE DOLLAR	60,785	(60,785)	20,791	(20,791)
THAILAND BAHT	27,652	(27,652)	-	-
TURKISH LIRA	-	-	17,681	(17,681)
NEW TAIWAN DOLLAR	-	-	21,940	(21,940)
SOUTH AFRICAN RAND	-	-	9,017	(9,017)
	<hr/> \$ 1,611,360	\$ (1,611,360)	\$ 2,443,563	\$ (2,443,563) <hr/>

Currency risk:

In the normal course of its business, the Plan trades derivative financial instruments where the risk of potential loss due to changes in the currency market exceeds the related amounts recorded. These financial instruments are forward currency contracts.

Forward currency contracts involve the delivery of a foreign currency in which the counterparty agrees to take delivery at a specified price. Risk arises from possible unfavourable movements in foreign exchange rates and failure of counterparties to fulfil the terms of the contracts.

The forward contracts are collateralised by cash amounting to \$nil (2010: \$55,756). Details of the Plan's forward currency contracts are disclosed in Note 3. Derivative contracts are generally collateralized by the Plan's assets custodied by the prime broker.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

11. Financial instruments and associated risks (continued)

Currency risk (continued):

The Plan also holds monetary assets and liabilities denominated in currencies other than the KYD, its functional currency and the US dollar to which the 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. The Plan may enter into currency hedging transactions.

At June 30, 2011 the Plan held approximately \$545,760 (2010: \$993,704) of cash and cash equivalents denominated in foreign currencies, other than the USD and KYD.

Currency risk with respect to the Plan's equity investments is discussed under "Price risk" above.

In accordance with the Plan's policy, the investment advisors monitor the Plan's net currency position on a daily basis.

Interest rate risk:

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 and cash equivalents are invested at short-term market interest rates.

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, 2011	<u>Up to 1 year</u>	<u>2-5 years</u>	<u>Above 5 years</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$20,137,623	\$ -	\$ -	\$20,137,623
Financial assets at fair value through profit or loss	23,059,433	51,178,549	-	74,237,982
Total Assets	\$43,197,056	\$51,178,549	\$ -	\$94,375,605

June 30, 2010	<u>Up to 1 year</u>	<u>2-5 years</u>	<u>Above 5 years</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 3,574,516	\$ -	\$ -	\$ 3,574,516
Financial assets at fair value through profit or loss	28,046,766	47,832,815	-	75,879,581
Total Assets	\$31,621,282	\$47,832,815	\$ -	\$79,454,097

At June 30, 2011, should interest yields, for the debt securities held by the Plan, have lowered/increased by 100 basis points (2010: 100 basis points) with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately \$1,492,396 (2010: \$1,105,507), arising substantially from the increase/decrease in market values of debt securities.

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

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

11. Financial instruments and associated risks (continued)

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 and cash equivalent balances; b) unrealized gains on derivative financial instruments; and c) its debt securities. The fair value of substantially all favourable derivative contracts outstanding (contracts with unrealized gains) and cash and cash equivalents are with the Plan's prime broker - JP Morgan.

Although the Trustees monitor JP Morgan and believe that it is an appropriate custodian, there is no guarantee that JP Morgan will not become insolvent. There is no certainty that in the event of a failure of JP Morgan 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 JP Morgan, 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 JP Morgan by regularly monitoring its credit worthiness.

At June 30, 2010 the Plan held investments in money market funds (Note 3). An investment in money market funds is exposed to the risk that a money market fund will not be able to maintain a NAV per share of \$1.00 at all times. The investments in money market funds are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. In addition money market funds are exposed to market risk, interest rate risk, credit risk and liquidity risk.

The Plan invests in debt securities, which have an investment grade as rated by a well-known rating agency. Portfolio by rating, as provided by Standard & Poor's, is as follows:

	<u>2011</u>	<u>2010</u>
Rating		
AAA	\$ 30,422,410	\$ 26,934,670
AA+	11,699,896	7,763,933
AA	11,324,880	8,485,595
AA-	17,686,213	10,398,617
A	3,104,583	11,618,000
	<hr/>	<hr/>
	\$ 74,237,982	\$ 65,200,815
	<hr/>	<hr/>

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.

Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting financial obligations. Management believes that the Plan has sufficient resources to meet the present and foreseeable needs of its business operations. Management's 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.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

11. Financial instruments and associated risks (continued)

Liquidity risk (continued):

At June 30, 2011 and 2010, all of the Plan's liabilities (excluding net assets attributable to participants for benefits) have a maturity of 3 months or less.

The table below analyses the Plan's derivative financial instruments that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. At June 30, 2011, there were no open forward contracts.

	<u>1 month or less</u>	<u>1- 3 months</u>	<u>3-12 months</u>
<u>June 30, 2010:</u>			
Forward contracts			
- outflows	\$ (174,817)	\$ (21,750,322)	\$ -
- inflows	\$ 173,460	\$ 21,757,775	\$ -

12. Financial highlights

The increase/decrease in net asset value per unit, of each of the Lifecycle Funds, for the years ended June 30, 2011 and 2010, calculated based on the movement in net asset value per unit, is as follows:

2045: 25.22% (2010: 8.88%)

2035: 22.16% (2010: 8.31%)

2025: 19.03% (2010: 7.37%)

2015: 12.81% (2010: 7.19%)

Chamber Income: 6.43% (2010: 5.48%)

The expense ratio (excluding withholding taxes), for the Plan as a whole, for the year ended June 30, 2011 is 1.57% (2010: 1.50%), calculated based on total expenses as a percentage of average annual net assets available to participants for benefits.

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, 2011 and 2010, 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 FINANCIAL STATEMENTS

JUNE 30, 2011

14. Financial information on a Lifecycle Fund basis

The movement in the net assets for the year ended June 30, 2011 and for each Lifecycle Fund is as follows:

For the Year ended June 30, 2011

	Chamber 2045	Chamber 2035	Chamber 2025	Chamber 2015	Chamber Income	For the year ended June 30, 2011 Total Plan	For the year ended June 30, 2010 Total Plan
Opening net assets available to Participants for benefits	\$15,907,727	\$55,698,022	\$63,658,683	\$37,476,464	\$11,515,590	184,256,486	\$156,207,517
Total contributions	4,362,042	8,291,252	6,579,433	3,126,896	717,110	23,076,733	29,106,927
Total withdrawals	(1,287,830)	(4,984,155)	(5,485,639)	(5,265,316)	(2,252,289)	(19,275,229)	(11,929,436)
Net increase in net assets available to participants for benefits	4,194,272	12,483,113	12,030,334	4,763,958	819,833	34,291,510	10,871,478
Closing net assets available to Participants for benefits	\$23,176,211	\$71,488,232	\$76,782,811	\$40,102,002	\$10,800,244	\$222,349,500	\$184,256,486
No. of units at June 30, 2011	13,489,753	39,754,594	40,981,571	20,372,236	4,930,701		
Net asset value per unit – June 30, 2011	\$ 1.718	\$ 1.798	\$ 1.874	\$ 1.968	\$ 2.190		
Net asset value per unit – June 30, 2010	\$ 1.372	\$ 1.472	\$ 1.574	\$ 1.745	\$ 2.058		

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

15. Plan Registration Fees

Changes in the National Pensions Law regarding registration fees for Cayman Islands pension plans became effective in 2011. The changes increased the registration fee per member from \$5 to \$20 and removed the maximum fee of \$2,500. For the financial year ended June 30, 2011, the Plan paid registration fees amounting to \$304,517 (2010: \$2,500).

16. Subsequent Events

Effective July 6, 2011, the customer relationship manager was no longer employed by the Plan. A new Chief Operating Officer has been hired for the Plan with an effective start date of January 3, 2012.

On May 23, 2011 the Plan entered into an Administrative Services Agreement to provide NAV calculation services with Maples Fund Services. Maples Fund Services began providing those services on July 1, 2011.

Prior to the end of November 2011, the Plan will have entered into investment advisory agreements with EFG Bank Cayman and Income Research & Management.