

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

FINANCIAL STATEMENTS

JUNE 30, 2017

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

JUNE 30, 2017

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Independent Auditor's Report

To the Trustees, solely in their capacity as the Trustees of the 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 the Cayman Islands Chamber of Commerce Pension Plan (the "Plan") as at June 30, 2017, 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, 2017;
- 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 a summary of significant accounting policies.

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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The Trustees are responsible for the other information. The other information comprises the Unaudited Portfolio Investment Mix (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.

Responsibilities of the Trustees for the financial statements

The Trustees are responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, the Trustees are 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 the Trustees either intend to liquidate the Plan or to cease operations, or have no realistic alternative but to do so.



Independent Auditor's Report (continued)

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 the Trustees.
- Conclude on the appropriateness of the Trustees' 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.

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.

A handwritten signature in black ink that reads "PricewaterhouseCoopers". The signature is written in a cursive, flowing style.

December 1, 2017

Cayman Islands Chamber of Commerce Pension Plan

STATEMENT OF FINANCIAL POSITION

As at June 30, 2017

(Expressed in Cayman Islands dollars)

	2017	2016
ASSETS		
Financial assets, at fair value through profit or loss (Note 3)	\$ 338,825,575	\$ 299,449,988
Cash and cash equivalents	9,330,011	9,805,252
Receivable for securities sold	1,433,146	807,261
Accrued interest receivable	1,113,888	1,106,732
Accrued dividends receivable	108,768	181,742
Total assets	350,811,388	311,350,975
LIABILITIES		
Benefits payable	3,296,350	3,071,570
Payable for securities purchased	2,635,809	1,342,552
Account payables (Note 4)	1,018,066	1,006,059
Total liabilities (excluding net assets available to participants for their benefits)	6,950,225	5,420,181
NET ASSETS AVAILABLE TO PARTICIPANTS FOR THEIR BENEFITS (NOTE 9 and 14)	\$ 343,861,163	\$ 305,930,794

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

Paul Schreiner
Trustee

Rhonda Anderson
Trustee

December 1, 2017
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, 2017

(Expressed in Cayman Islands dollars)

	2017	2016
Revenue		
Interest income	\$ 4,329,913	\$ 3,800,580
Dividend income	2,203,334	2,319,633
Net realised gain/(loss) on financial assets at fair value through profit or loss	6,082,935	(3,128,339)
Net realised (loss)/gain on foreign currency transactions	(66,388)	28,893
Net change in unrealised gain/(loss) on financial assets at fair value through profit or loss	18,069,785	(7,946,488)
Net change in unrealised gain/(loss) on other assets and liabilities denominated in foreign currencies	9,303	(9,636)
Total revenue	30,628,882	(4,935,357)
Expenses		
Administration and custody fees (Note 6)	1,736,573	1,678,751
Investment management fees (Note 7)	1,193,457	1,175,563
Plan Registration Fees (Note 15)	348,100	325,640
Salary and benefits	113,088	127,355
Other expenses	265,310	311,919
Consultancy fees (Note 8)	112,608	189,186
Trustees liability insurance expense	7,512	7,512
Printing and communication costs	-	12,428
Total operating expenses	3,776,648	3,828,354
Operating profit/(loss)	26,852,234	(8,763,711)
Withholding tax on dividends	(464,145)	(481,571)
Net increase/(decrease) in net assets from operations available to participants for their benefits	\$ 26,388,089	\$ (9,245,282)

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, 2017

(Expressed in Cayman Islands dollars)

	2017	2016
Net increase/(decrease) in net assets from operations available to participants for their benefits	\$ 26,388,089	\$ (9,245,282)
Contributions and transfers in		
Employers and self-employed participants - contributions	14,060,505	13,285,349
Employers and self-employed participants - transfers in	696,497	749,308
Employees and voluntary participants – contributions	15,053,854	14,104,355
Employees and voluntary participants - transfers in	716,515	848,216
Total contributions and transfers in	30,527,371	28,987,228
Benefit payments and transfers out		
Benefits paid to participants (Note 5)	(14,983,884)	(14,329,667)
Amounts transferred out	(4,001,207)	(2,692,935)
Total benefit payments and transfers out	(18,985,091)	(17,022,602)
Net increase in net assets available to participants for their benefits	37,930,369	2,719,344
Net assets available to participants for their benefits at beginning of year	305,930,794	303,211,450
Net assets available to participants for their benefits at end of year	\$ 343,861,163	\$ 305,930,794

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, 2017

(Expressed in Cayman Islands dollars)

	2017	2016
Cash flows from operating activities		
Interest received	\$ 4,322,757	\$ 3,562,606
Dividends received	2,276,308	2,208,291
Administration and custody fees paid	(1,824,682)	(1,922,669)
Investment management fees paid	(1,159,086)	(1,166,189)
Printing and advertising costs paid	-	(12,428)
Trustee liability insurance	(7,512)	(7,512)
Other expenses paid	(446,158)	(226,342)
Consultancy fees paid	(112,608)	(189,186)
Plan Registration fees paid	(348,100)	(325,640)
Salary and benefits paid	(113,088)	(127,355)
Withholding taxes paid	(464,145)	(481,571)
Net cash provided by operating activities	2,123,686	1,312,005
Cash flows from investing activities		
Purchase of investments	(193,255,880)	(192,863,735)
Proceeds from sale and maturity of investments	178,946,978	180,394,805
Net realised gain/(loss) on foreign currency transactions	(66,388)	28,892
Net cash used in investing activities	(14,375,290)	(12,440,038)
Cash flows from financing activities		
Contributions and amounts transferred in from employers and self-employed participants	14,757,002	14,066,294
Contributions and amounts transferred in from employees and voluntary participants	15,770,369	14,984,208
Benefit payments and transfers paid out	(18,760,311)	(17,694,592)
Net cash provided by financing activities	11,767,060	11,355,910
Net (decrease)/increase in cash and cash equivalents	(484,544)	227,877
Unrealised foreign currency gain/(loss) on other assets and liabilities	9,303	(17,803)
Cash and cash equivalents at beginning of year	9,805,252	9,595,178
Cash and cash equivalents at end of year	\$ 9,330,011	\$ 9,805,252

The accompanying notes are an integral part of these financial statements

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Expressed in Cayman Islands dollars)

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 and further amended by a Deed of Amendment dated February 6, 2015 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 ("KYD"). As at June 30, 2017 and 2016, the Plan has one employee. 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, 2017, there were approximately 18,614 participants in the Plan (2016: 17,379). 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 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 Pensions Law. 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, 2017 are as follows:

- Chamber 2055
- Chamber 2045
- Chamber 2035
- Chamber 2025
- Chamber Income

The Lifecycle Funds available to members at June 30, 2016 were as follows:

- Chamber 2055 *
- Chamber 2045
- Chamber 2035
- Chamber 2025
- Chamber 2015 **
- Chamber Income

* Effective January 1, 2016, the 2055 Fund was added to the Lifecycle Funds

** Effective January 1, 2016, the 2015 Fund was rolled into Chamber Income fund

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Expressed in Cayman Islands dollars)

1. Introduction and background information (continued)

The target investment mix of each of the Lifecycle Funds at June 30, 2017 is as follows:

Chamber 2055 - 90.0% equity investments, 10.0% fixed income investments
Chamber 2045 - 75.0% equity investments, 25.0% fixed income investments
Chamber 2035 - 62.9% equity investments, 37.1% fixed income investments
Chamber 2025 - 48.7% equity investments, 51.3% fixed income investments
Chamber Income - 25.0% equity investments, 75.0% fixed income investments

The target investment mix of each of the Lifecycle Funds at June 30, 2016 was as follows:

Chamber 2055 - 90.0% equity investments, 10.0% fixed income investments
Chamber 2045 - 75.0% equity investments, 25.0% fixed income investments
Chamber 2035 - 62.9% equity investments, 37.1% fixed income investments
Chamber 2025 - 48.7% equity investments, 51.3% fixed income investments
Chamber Income - 25.0% equity investments, 75.0% fixed income investments

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 pension earnings of \$87,000 are considered voluntary. The normal contribution rate for self-employed participants is 10% of the participant's earnings. During the year ended June 30, 2017 maximum voluntary contributions were revised from \$6,000 to \$8,700 per year resultant on the revision of maximum pension earnings from \$60,000 to \$87,000.

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 Superintendent of 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 allocated to their account realised by the Trustees and to withdraw the cash.

The Cayman Islands National Pensions Law was amended November 8, 2011 to allow qualified pension members to withdraw up to KYD\$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 \$1,564,899 (2016: \$1,745,209) was withdrawn in relation to this amendment (Note 5).

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Expressed in Cayman Islands dollars)

1. Introduction and background information (continued)

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 Pensions Law, except for the Vanguard Global Stock Index Fund, which is a non-discretionary index fund.

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 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.

New standards, amendments and interpretations effective during the year

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning July 1, 2016 that had a material impact on the Plan.

New standards, amendments and interpretations issued but not effective for the financial year beginning July 1, 2016 and not early adopted

A number of new standards, amendments to the standards and interpretations are effective for annual periods beginning after July 1, 2016, and have not been applied 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 FINANCIAL STATEMENTS

JUNE 30, 2017

(Expressed in Cayman Islands dollars)

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'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.

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.

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Expressed in Cayman Islands dollars)

2. Significant accounting policies (continued)

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.

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 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, 2017 and 2016, the Plan's portfolio of investments comprised the following:

	2017		2016	
	Fair value	Cost	Fair value	Cost
Equities	\$ 131,314,932	\$ 111,122,047	\$ 107,220,560	\$ 99,035,549
Fixed income	143,549,498	144,201,770	141,930,078	140,159,732
Vanguard investment Series plc - Global Stock Index Fund *	62,729,798	43,249,771	50,299,350	39,323,737
IShares USD TIPS - Exchange Traded Fund **	1,231,347	1,251,231	-	-
Total	\$ 338,825,575	\$ 299,824,819	\$ 299,449,988	\$ 278,519,018

* At June 30, 2017 and 2016, the Plan invested in a daily traded open ended fund, Vanguard Investment Series plc – Global Stock Index Fund - ("Vanguard"), 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. The Plan's holding in Vanguard, as a percentage of Vanguard's total net asset value, will vary from time to time dependent on the volume of subscriptions and redemptions at the Vanguard fund level.

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Expressed in Cayman Islands dollars)

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

** At June 30, 2017 the Plan invested in an exchange traded close ended fund, IShares USD TIPS - ("IShares"), that seeks to provide long term growth of capital by tracking the performance of inflation protected U.S. Treasury Bonds. The fund is incorporated in Ireland. The Plan's holding in IShares, as a percentage of IShares' total net asset value, will vary from time to time dependent on the volume of subscriptions and redemptions at the IShares fund level.

At June 30, 2017 and 2016, the Plan held the following equity investments (investments where either cost or value exceeds 1% of the Plan's net assets are presented individually):

	Fair value 2017	Fair value 2016	% of net assets 2017	% of net assets 2016
Australian Dollar				
Basic materials	\$ 541,236	\$ -	0.16%	-
Consumer goods	-	168,550	-	0.06%
Brazilian Real				
Communications	436,639	-	0.13%	-
Consumer goods	967,758	-	0.28%	-
Materials	-	469,747	-	0.15%
Utilities	552,827	-	0.16%	-
British Pound				
Consumer goods	3,239,636	3,298,705	0.94%	1.08%
Financial	855,999	-	0.25%	-
Communication	-	3,326,457	-	1.09%
Canadian Dollar				
Materials	-	876,664	-	0.29%
Consumer	-	722,654	-	0.24%
Danish Krone				
Consumer	830,622	-	0.24%	-
Euro				
Consumer goods	7,815,181	5,314,217	2.27%	1.74%
Industrial	5,660,357	3,506,326	1.65%	1.15%
Communications	-	560,177	-	0.18%
Financial	3,638,100	1,067,010	1.06%	0.35%
Materials	1,124,466	1,103,744	0.33%	0.36%
Energy	-	650,225	-	0.21%
Utilities	-	1,499,308	-	0.49%
Hong Kong Dollar				
Communications	1,457,258	-	0.42%	-
Consumer goods	769,170	865,957	0.22%	0.28%
Financial	-	1,929,707	-	0.63%
Diversified	-	207,054	-	0.08%
Indonesia Rupiah				
Communication	1,092,234	568,514	0.32%	0.19%

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Expressed in Cayman Islands dollars)

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

	Fair value 2017	Fair value 2016	% of net assets 2017	% of net assets 2016
Israeli New Shekel				
Communications	-	337,266	-	0.11%
Japanese Yen				
Financial	814,448	838,501	0.24%	0.27%
Consumer goods	1,166,544	1,318,783	0.34%	0.43%
Industrial	989,143	852,616	0.29%	0.28%
Communications	838,769	798,450	0.24%	0.26%
Mexican pesos				
Industrial	-	646,002	-	0.21%
Norwegian Kroner				
Consumer goods	-	588,653	-	0.19%
Republic of Korea Won				
Technology	1,328,095	-	0.39%	-
Utilities	-	532,669	-	0.17%
Industrial	-	293,392	-	0.10%
Singapore dollar				
Consumer goods	-	690,945	-	0.23%
South African Rand				
Financial	-	547,713	-	0.18%
Swedish Kroner				
Consumer	-	492,499	-	0.16%
Swiss Franc				
Consumer goods	1,469,498	1,373,910	0.43%	0.45%
Industrial	1,301,318	-	0.38%	-
Technology	450,922	-	0.13%	-
United States Dollar				
Consumer goods				
Unitedhealth Group Inc.	3,314,382	3,523,764	0.96%	1.15%
Others	27,810,480	25,418,130	8.09%	8.31%
Financial	13,653,672	3,140,209	3.97%	1.03%
Technology				
Apple Inc	4,270,913	-	1.24%	-
Others	10,095,667	12,704,249	2.94%	4.15%
Materials	938,376	1,347,565	0.27%	0.44%
Communication				
Alphabet INC- CL C	3,324,437	3,583,924	0.97%	1.17%
Others	11,951,017	9,617,370	3.48%	3.14%
Energy	666,512	2,166,746	0.19%	0.71%
Industrial	15,901,723	6,945,184	4.62%	2.27%
Utilities	2,047,533	3,327,004	0.60%	1.09%
	\$ 131,314,932	\$ 107,220,560	38.20%	35.07%

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Expressed in Cayman Islands dollars)

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

At June 30, 2017, 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):

Nominal Amount	US Dollar Denominated bonds	Fair Value	% of net assets
4,679,000	US TREASURY N/B 1.875% 01/31/22	\$ 3,904,040	1.14%
	Other	139,645,458	40.61%
	Total Bonds (cost \$144,201,770)	\$ 143,549,498	41.75%

At June 30, 2016, 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):

Nominal Amount	US Dollar Denominated bonds	Fair Value	% of net assets
	Other	141,930,078	46.39%
	Total Bonds (cost \$140,159,732)	\$ 141,930,078	46.39%

At June 30, 2017, the Plan's investments have been classified as follows:

	Level 1	Level 2	Level 3	Total
Equities	\$ 131,314,932	\$ -	\$ -	\$ 131,314,932
Fixed income*	-	143,549,498	-	143,549,498
Vanguard investment Series plc - Global Stock Index Fund	-	62,729,798	-	62,729,798
IShares USD TIPS - Exchange Traded Fund	1,231,347	-	-	1,231,347
Financial assets at fair value through profit or loss	\$ 132,546,279	\$ 206,279,296	\$ -	\$ 338,825,575

At June 30, 2016, the Plan's investments have been classified as follows:

	Level 1	Level 2	Level 3	Total
Equities	\$ 107,220,560	\$ -	\$ -	\$ 107,220,560
Fixed income*	-	141,930,078	-	141,930,078
Vanguard investment Series plc - Global Stock Index Fund	-	50,299,350	-	50,299,350
Financial assets at fair value through profit or loss	\$ 107,220,560	\$ 192,229,428	\$ -	\$ 299,449,988

*Included in Fixed Income is \$11,267,214 (2016: \$15,508,418) 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. The Plan does not adjust the quoted price for these instruments.

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Expressed in Cayman Islands dollars)

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

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 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, 2017 and 2016 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, 2017 and 2016. No securities were categorized in Level 3 during the year.

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

4. Accounts payable

	2017	2016
Other expenses	\$ 338,435	\$ 271,532
Investment management fees	331,595	297,224
Administration and custody fees	326,422	414,531
Directors fees	21,064	21,064
Commissions	550	1,708
Total accounts payable	\$ 1,018,066	\$ 1,006,059

5. Benefit payments

	2017	2016
Termination of residence	\$ 7,537,081	\$ 7,037,056
Retirement	5,403,898	5,181,893
Housing	1,564,899	1,745,209
Death and medical	478,006	365,509
Total benefit payments	\$ 14,983,884	\$ 14,329,667

6. Administration and custody fees

Effective March 1, 2006, the Plan entered into an Amended and Restated Administrative Services Agreement, whereby MUFG Fund Services (Cayman) Limited ("MUFG"), previously named Butterfield Fulcrum Group, provides member administration services to the Plan.

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Expressed in Cayman Islands dollars)

6. Administration and custody fees (continued)

The Amended and Restated Administrative Services Agreement provides for an all-inclusive fee, calculated on a monthly basis on the month-end net assets available to participants of the Plan. Effective July 1, 2015, the all-inclusive fee is calculated at the following revised rates for both years ended June 30, 2017 and 2016:

- i) 0.575% per annum on the first CI\$200,000,000
- ii) 0.30% per annum between CI\$200,000,000 and CI\$300,000,000
- iii) 0.20% 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, 2017 MUFG earned fees under this agreement amounting to \$1,492,626 (2016: \$1,444,085).

Effective October 1, 2012, the Plan entered into a Custody agreement with State Street Bank and Trust Company ("State Street"). For its services State Street earned fees amounting to \$84,540 (2016: \$85,371).

Effective July 1, 2011, the Plan entered into an Administration Agreement with Maples Fund Services (Cayman) Limited ("MaplesFS"), whereby MaplesFS provides Net Asset Value ("NAV") calculation services to the Plan. For these services MaplesFS receives a fee calculated on a monthly basis as a percentage of the month end NAV at the following rates:

Net Asset Value in US\$	Percentage/basis points
First \$500 million	5 bps
\$500 million - \$1 billion	4 bps
Over \$1 billion	3 bps

For the year ending June 30, 2017, MaplesFS earned fees under this agreement amounting to \$159,407 (2016: \$149,295).

7. Investment management fees

Effective February 28, 2006, the Plan entered into a Discretionary Investment Agreement whereby Butterfield Bank (Cayman) Ltd. ("Butterfield Bank"), manages a portion of the fixed income portfolio of the Plan. Effective May 1, 2016, the Plan amended the Discretionary Investment Agreement with Butterfield Bank provided 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. Effective May 1, 2016, the fee is calculated at the following revised rates for both years ended June 30, 2017 and 2016:

- i) 0.275% per annum on the first US\$25,000,000;
- ii) 0.225% per annum on the balance between US\$25,000,000 and US\$50,000,000;
- iii) 0.20% per annum on the balance

For its services during the year ended June 30, 2017, Butterfield Bank earned fees under this agreement amounting to \$115,076 (2016: \$116,920).

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Expressed in Cayman Islands dollars)

7. Investment management fees (continued)

Effective December 20, 2011 the Plan entered into an Investment Management Agreement with Income Research & Management ("IRM"), whereby IRM manages a portion of the 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 the investment account during the quarter. Effective February 19, 2016, the management fee is calculated at the following revised rates for both years ended June 30, 2017 and 2016:

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

For its services during the year ended June 30, 2017, IRM earned fees under this agreement amounting to \$130,652 (2016: \$129,339).

Effective December 20, 2011 the Plan entered into an Investment Management Agreement with EFG Bank, Cayman Branch ("EFG"), whereby EFG manages a portion of the 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 the investment account. Effective March 1, 2016, the fee is calculated at the following revised rates for both years ended June 30, 2017 and 2016:

- i) 0.25% per annum on the balance.

For its services during the year ended June 30, 2017, EFG earned fees under this agreement amounting to \$119,396 (2016: \$124,683).

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, 2017, McKinley earned fees under this agreement amounting to \$361,520 (2016: \$352,743).

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. Effective March 31, 2016, the fee is calculated at the following revised rates for both years ended June 30, 2017 and 2016:

- i) 0.75% per annum on the first US\$100,000,000;
- ii) 0.65% per annum on the next US\$50,000,000.

For its services during the year ended June 30, 2017, Epoch earned fees under this agreement amounting to \$466,813 (2016: \$451,877).

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Expressed in Cayman Islands dollars)

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.

Effective June 15, 2010, the Trustees of the Plan entered into a Total Expense Ratio Agreement with the Vanguard Investment Series plc- Global Stock Index Fund which provides for a fee rebate calculated based on the daily gross assets invested in Vanguard and payable monthly in arrears in the form of additional units in Vanguard based on the following schedule:

i) 0.37% per annum on the first US\$5,000,000

ii) 0.16% per annum on gross assets in excess of US\$5,000,000

For the year ended June 30, 2017 the Plan received additional units in Vanguard with value of \$45,860 (2016: \$39,251) under the Total Expense Ratio Agreement which results in an effective expense ratio of approximately 0.16% (2016: 0.18%) for 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.

For its services during the year ended June 30, 2017, Mercer earned fees under this agreement amounting to \$112,608 (2016: \$189,186).

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Expressed in Cayman Islands dollars)

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.

Transactions in units for the year ended June 30, 2017 and 2016 are summarized as follows:

	Chamber 2055	Chamber 2045	Chamber 2035	Chamber 2025	Chamber 2015	Chamber income	Total plan
Outstanding units, at June 30, 2015	-	21,448,002	45,155,487	44,449,215	18,757,493	3,137,428	132,947,625
Issued during the period (contributions and transfers from other plans)	58,986	4,417,128	4,136,690	3,259,412	625,934	713,991	13,212,141
Net transfers	-	(8,214)	25,844	(30,675)	(18,647,013)	17,110,329	(1,549,729)
Redeemed during the period (benefit payments and transfers to other plans)	(674)	(1,358,910)	(2,382,931)	(1,786,160)	(736,414)	(1,306,764)	(7,571,853)
Outstanding units, at June 30, 2016	58,312	24,498,006	46,935,090	45,891,792	-	19,654,984	137,038,184
Issued during the period (contributions and transfers from other plans)	642,128	4,363,952	4,198,879	3,226,619	-	1,137,157	13,568,735
Net transfers	114	(62,949)	7,649	(64,890)	-	110,948	(9,128)
Redeemed during the period (benefit payments and transfers to other plans)	(17,614)	(1,598,873)	(2,297,897)	(2,055,142)	-	(2,115,773)	(8,085,299)
Outstanding units, at June 30, 2017	682,940	27,200,136	48,843,721	46,998,379	-	18,787,316	142,512,492

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 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, 2017 and 2016 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:

- 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.

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.

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Expressed in Cayman Islands dollars)

11. Financial instruments and associated risks (continued)

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, 2017 are presented in Note 3.

At June 30, 2017 and 2016, 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, 2017 had increased/decreased by 10% with all other variables held constant, this may have increased net assets attributable to unitholders by approximately \$6,312,875 to \$8,991,065 (2016: \$4,826,215 to \$7,902,263) or decreased by \$3,762,219 to 6,440,408 (2016: \$2,704,802 to 5,780,850).

Equity portfolio managed by Epoch (Note 7)

If the MSCI World Equity Index at June 30, 2017 had increased/decreased by 10% with all other variables held constant, this may have increased/decreased net assets attributable to unitholders by approximately \$6,552,206 (2016: \$4,659,930).

Vanguard (Note 7)

If the NAV of the Vanguard Global Stock Index Fund at June 30, 2017 had increased/decreased by 10% with all other variables held constant, this may have increased/decreased net assets attributable to unitholders by approximately \$6,272,980 (2016: \$5,029,935).

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, 2017 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, 2017 and 2016 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 FINANCIAL STATEMENTS

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11. Financial instruments and associated risks (continued)

Currency risk:

At June 30, 2017 and 2016 the Plan held the following equity securities denominated in currencies other than the USD.

<u>(expressed in KYD)</u>	<u>2017</u>	<u>2016</u>
AUSTRALIAN DOLLAR	\$ 541,237	\$ 168,550
BRAZILIAN REAL	1,957,221	469,747
BRITISH POUND	4,095,635	6,625,162
CANADIAN DOLLAR	-	1,599,317
DANISH KRONE	830,622	-
EURO	18,238,105	13,701,007
HONG KONG DOLLAR	2,226,428	3,002,718
INDONESIAN RUPIAH	1,092,234	568,514
ISRAELI SHEKEL	-	337,266
JAPANESE YEN	3,808,904	3,808,350
MEXICAN PESOS	-	646,002
NORWEGIAN KRONE	-	588,653
REPUBLIC OF KOREA WON	1,328,095	826,061
SINGAPORE DOLLAR	-	690,945
SOUTH AFRICAN RAND	-	547,713
SWEDISH KRONA	-	492,499
SWISS FRANC	3,221,739	1,373,910
	<u>\$ 37,340,220</u>	<u>\$ 35,446,414</u>

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, 2017 and 2016, 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 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.

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

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(Expressed in Cayman Islands dollars)

11. Financial instruments and associated risks (continued)

(expressed in KYD)	2017 Effect on profit - 5% increase/decrease	2016 Effect on profit - 5% increase/decrease
AUSTRALIAN DOLLAR	\$ 27,062	\$ 8,428
BRAZILIAN REAL	97,861	23,487
BRITISH POUND	204,782	331,258
CANADIAN DOLLAR	-	79,966
DANISH KRONE	41,531	-
EURO	911,905	685,050
HONG KONG DOLLAR	111,321	150,136
INDONESIAN RUPIAH	54,612	28,426
ISRAELI SHEKEL	-	16,863
JAPANESE YEN	190,445	190,418
MEXICAN PESOS	-	32,300
NORWEGIAN KRONE	-	29,433
REPUBLIC OF KOREA WON	66,405	41,303
SINGAPORE DOLLAR	-	34,547
SOUTH AFRICAN RAND	-	27,386
SWEDISH KRONA	-	24,625
SWISS FRANC	161,087	68,696
	\$ 1,867,011	\$ 1,772,322

The Plan also holds monetary assets and liabilities denominated in currencies other than the KYD, its functional currency and the USD 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, 2017, the Plan held approximately \$290,052 (2016: \$34,456) of cash and cash equivalents denominated in foreign currencies, other than the USD and KYD. Had exchange rates between the 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 \$14,503 (2016 : \$1,723).

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 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 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.

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JUNE 30, 2017

(Expressed in Cayman Islands dollars)

11. Financial instruments and associated risks (continued)

Interest rate risk:

<u>June 30, 2017</u>	<u>Up to 1 year</u>	<u>2-5 years</u>	<u>Above 5 years</u>	<u>Total</u>
Cash and cash equivalents	\$ 9,330,011	\$ -	\$ -	\$ 9,330,011
Financial assets at fair value through profit or loss	15,521,998	86,283,580	42,975,266	144,780,844
Total Assets	\$ 24,852,009	\$ 86,283,580	\$ 42,975,266	\$ 154,110,855

<u>June 30, 2016</u>	<u>Up to 1 year</u>	<u>2-5 years</u>	<u>Above 5 years</u>	<u>Total</u>
Cash and cash equivalents	\$ 9,805,252	\$ -	\$ -	\$ 9,805,252
Financial assets at fair value through profit or loss	18,881,295	79,141,549	43,907,234	141,930,078
Total Assets	\$ 28,686,547	\$ 79,141,549	\$ 43,907,234	\$ 151,735,330

At June 30, 2017, should interest rates, for the debt securities held by the Plan, have decreased/increased by 100 basis points (2016: 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 unitholders for the year would amount to approximately \$3,662,955 (2016: \$4,087,586), 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.

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; 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 fair value of substantially all cash and cash equivalents and debt securities are with the Plan's prime broker 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 AA- (2016: AA-).

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(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	2017	2016
AAA/Aaa	\$ 28,863,210	\$ 39,447,020
AA+/Aa1	3,592,437	8,265,595
AA/Aa2	13,329,388	11,123,589
AA-/Aa3	18,294,343	17,716,289
A+/A1	17,807,045	18,117,280
A/A2	13,259,997	14,604,400
A-/A3	22,807,081	16,169,384
BBB+/Baa1	12,683,831	7,906,966
BBB/Baa2	10,274,912	5,721,387
BBB-/Baa3	3,868,600	2,858,168
	\$ 144,780,844	\$ 141,930,078

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 Pension Law requires the Plan to hold fixed income securities that are rated at least investment grade. As at June 30, 2017 and 2016, the Plan did not hold any fixed income securities below investment grade. During year ended June 30, 2017 and 2016, no investment was downgraded from investment grade.

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.

At June 30, 2017 and 2016, 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 FINANCIAL STATEMENTS

JUNE 30, 2017

(Expressed in Cayman Islands dollars)

12. Financial highlights

The increase/(decrease) in net asset value per unit, of each of the Lifecycle Funds, for the years ended June 30, 2017 and 2016, calculated for each Lifecycle Fund based on the Modified Dietz method of performance measurement and is shown as follows:

2055	13.06 % (2016: 5.14%)
2045:	11.45 % (2016: -5.26%)
2035:	9.99% (2016: -4.05%)
2025:	7.48% (2016: -2.47%)
2015:	N/A% (2016: -1.44%)
Chamber Income:	3.87% (2016: 0.10%)

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, 2017 and 2016, 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, 2017

(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, 2017 and for each Lifecycle Fund is as follows:

	Chamber 2055	Chamber 2045	Chamber 2035	Chamber 2025	Chamber 2015	Chamber income	For the year ended June 30, 2017 Total Plan	For the year ended June 30, 2016 Total plan
Opening net assets available to Participants for their benefits	\$ 61,312	\$ 51,876,615	\$ 102,923,659	\$ 102,532,791	\$ -	\$48,536,417	\$ 305,930,794	\$ 303,211,450
Total contributions*	724,930	9,732,659	9,627,322	7,292,254	-	3,150,207	30,527,372	70,634,911
Total withdrawals*	(22,365)	(3,670,154)	(5,258,658)	(4,728,828)	-	(5,305,087)	(18,985,092)	(58,670,285)
Net increase in net assets from operations	47,955	6,244,279	10,534,234	7,758,121	-	1,803,500	26,388,089	(9,245,282)
Closing net assets available to Participants for their benefits	\$ 811,832	\$ 64,183,399	\$ 117,826,557	\$ 112,854,338	\$ -	\$48,185,037	\$ 343,861,163	\$ 305,930,794
No. of units (Note 9)	682,940	27,200,136	48,843,721	46,998,379	-	18,787,316	142,512,492	137,038,184
Net asset value per unit - June 30, 2017	\$ 1.19	\$ 2.36	\$ 2.41	\$ 2.40	\$ -	\$ 2.57	\$ 2.41	
Expense ratio 2017**	1.23%	1.07%	1.07%	1.03%	-%	0.98%	1.05%	
Net asset value per unit - June 30, 2016	\$ 1.05	\$ 2.12	\$ 2.19	\$ 2.23	\$ -	\$ 2.47	\$	\$ 2.23
Expense ratio 2016**	1.34%	1.30%	1.28%	1.24%	1.20%	1.19%		1.26%

*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

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Expressed in Cayman Islands dollars)

15. Plan Registration Fees

For the financial year ended June 30, 2017, the Plan paid registration fees amounting to \$348,100 (2016: \$325,640).

16. Subsequent Events

There were no subsequent events requiring additional disclosures identified.

Cayman Islands Chamber of Commerce Pension Plan

PORTFOLIO INVESTMENT MIX (UNAUDITED)

For year ended June 30, 2017

(Expressed in Cayman Islands dollars)

For the year ended June 30, 2017

	Market Value							Cost			
	Cash and cash equivalents	% of Total	Equity	% of Total	Fixed Income	% of Total	Total	Cash and cash equivalents	Equity	Fixed Income	Total
Chamber 2055	\$ 19,072	2.56%	\$ 658,470	88.36%	\$ 67,665	9.08%	\$ 745,207	\$ 19,072	\$ 523,852	\$ 67,739	\$ 610,663
Chamber 2045	1,672,907	2.61%	47,830,092	74.63%	14,589,006	22.76%	64,092,005	1,672,907	38,051,692	14,656,525	54,381,124
Chamber 2035	3,237,954	2.66%	77,125,948	63.18%	41,712,972	34.17%	122,076,874	3,237,954	61,358,294	41,906,021	106,502,269
Chamber 2025	3,059,553	2.70%	56,026,655	49.49%	54,110,888	47.80%	113,197,096	3,059,553	44,572,548	54,361,314	101,993,415
Chamber Income	1,340,525	2.79%	12,403,565	25.82%	34,300,314	71.40%	48,044,404	1,340,525	9,867,776	34,459,057	45,667,358
Total	\$ 9,330,011		\$ 194,044,730		\$ 144,780,845		\$ 348,155,586	\$ 9,330,011	\$ 154,374,162	\$ 145,450,656	\$ 309,154,829
Percentage of Plan Assets (*) held	2.68%		55.74%		41.59%		100%	3.01%	49.93%	47.05%	100.00%

For year ended June 30, 2016

	Market value							Cost			
	Cash and cash equivalents	% of Total	Equity	% of Total	Fixed Income	% of Total	Total	Cash and cash equivalents	Equity	Fixed Income	Total
Chamber 2055	\$ 1,212	3.39%	\$ 30,978	86.76%	\$ 3,517	9.85%	\$ 35,707	\$ 1,212	\$ 27,210	\$ 3,473	\$ 31,895
Chamber 2045	1,692,196	3.30%	36,565,144	71.26%	13,052,189	25.44%	51,309,529	1,692,196	32,117,383	12,889,385	46,698,964
Chamber 2035	3,434,756	3.22%	63,158,940	59.26%	39,983,529	37.52%	106,577,225	3,434,756	55,476,325	39,484,800	98,395,881
Chamber 2025	3,212,436	3.14%	46,559,278	45.46%	52,657,371	51.41%	102,429,085	3,212,436	40,895,836	52,000,556	96,108,828
Chamber Income	1,464,652	2.99%	11,205,570	22.91%	36,233,472	74.09%	48,903,694	1,464,652	9,842,532	35,781,518	47,088,702
Total	\$ 9,805,252		\$ 157,519,910		\$ 141,930,078		\$ 309,255,240	\$ 9,805,252	\$ 138,359,286	\$ 140,159,732	\$ 288,324,270
Percentage of Plan Assets (*) held	3.17%		50.94%		45.89%		100%	3.39%	47.99%	48.61%	100.00%