

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

FINANCIAL STATEMENTS

JUNE 30, 2020

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

JUNE 30, 2020

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Independent auditor's report

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

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cayman Islands Chamber of Commerce Pension Plan (the "Plan") as at June 30, 2020, 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, 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets available to participants for their benefits for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

Other information

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

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

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



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

Responsibilities of management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Reference: Independent Auditor's Report on the Financial Statements of Cayman Islands Chamber of Commerce Pension Plan as at June 30, 2020 and for the year then ended



- 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.

PricewaterhouseCoopers

November 30, 2020

Cayman Islands Chamber of Commerce Pension Plan

STATEMENT OF FINANCIAL POSITION

As at June 30, 2020

(Expressed in Cayman Islands dollars)

	2020	2019
ASSETS		
Financial assets, at fair value through profit or loss (Note 3)	\$ 341,812,306	\$ 409,016,634
Cash and cash equivalents	13,423,007	10,213,269
Accrued interest receivable	703,430	1,006,272
Accrued dividends receivable	192,887	316,055
Other assets	7,866	8,571
Total assets	356,139,496	420,560,801
LIABILITIES		
Benefits payable	23,908,974	5,017,732
Payable for securities purchased	886,549	1,555,095
Account payables (Note 4)	728,309	1,156,406
Total liabilities (excluding net assets available to participants for their benefits)	25,523,832	7,729,233
NET ASSETS AVAILABLE TO PARTICIPANTS FOR THEIR BENEFITS (NOTE 9 and 14)	\$ 330,615,664	\$ 412,831,568

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

Giosino Colaiacovo

Trustee

Bradley Kruger

Trustee

November 30, 2020

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, 2020

(Expressed in Cayman Islands dollars)

	2020	2019
Revenue		
Interest from financial assets at fair value through profit or loss	\$ 4,145,036	\$ 4,043,581
Dividend income	6,686,972	7,079,413
Other income	14,001	15,600
Net realised gain/(loss) on financial assets at fair value through profit or loss	9,635,133	(89,097)
Net realised gain/(loss) on foreign currency transactions	20,411	(102,637)
Net change in unrealised gain on financial assets at fair value through profit or loss	1,378,602	17,186,646
Net change in unrealised (loss)/gain on other assets and liabilities denominated in foreign currencies	(3,440)	7,349
Total revenue	21,876,715	28,140,855
Expenses		
Administration and custody fees (Note 6)	1,922,230	1,940,717
Investment management fees (Note 7)	438,317	410,089
Salary and benefits	172,682	82,839
Consultancy fees (Note 8)	91,885	85,762
Other expenses	346,039	322,287
Trustees liability insurance expense	7,702	7,512
Plan registration fees (Note 15)	-	392,320
Total operating expenses	2,978,855	3,241,526
Operating profit	18,897,860	24,899,329
Withholding tax on dividends	(1,571,137)	(1,616,084)
Net increase in net assets from operations available to participants for their benefits	\$ 17,326,723	\$ 23,283,245

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, 2020

(Expressed in Cayman Islands dollars)

	2020	2019
Net increase in net assets from operations available to participants for their benefits	\$ 17,326,723	\$ 23,283,245
Contributions and transfers in		
Employers and self-employed participants - contributions	14,296,555	15,970,968
Employers and self-employed participants - transfers in	737,153	425,514
Employees and voluntary participants – contributions	16,443,287	16,920,296
Employees and voluntary participants - transfers in	800,016	471,153
Total contributions and transfers in	32,277,011	33,787,931
Benefit payments and transfers out		
Benefits paid to participants (Note 5)	(129,566,342)	(15,066,103)
Amounts transferred out	(2,253,296)	(3,466,664)
Total benefit payments and transfers out	(131,819,638)	(18,532,767)
Net (decrease)/increase in net assets available to participants for their benefits	(82,215,904)	38,538,409
Net assets available to participants for their benefits at beginning of year	412,831,568	374,293,159
Net assets available to participants for their benefits at end of year	\$ 330,615,664	\$ 412,831,568

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, 2020

(Expressed in Cayman Islands dollars)

	2020	2019
Cash flows from operating activities		
Interest received	\$ 4,447,878	\$ 3,954,359
Dividends received	6,810,140	7,067,996
Other income received	14,001	15,600
Administration and custody fees paid (Note 6)	(2,107,629)	(1,631,562)
Investment management fees paid	(492,214)	(309,691)
Other expenses paid	(563,795)	(338,648)
Consultancy fees paid	(62,225)	(65,137)
Salary and benefits paid	(172,682)	(82,839)
Withholding taxes paid	(1,571,137)	(1,616,084)
Trustee liability insurance	(7,702)	(7,512)
Plan registration fees paid	-	(392,320)
Net cash provided by operating activities	6,294,635	6,594,162
Cash flows from investing activities		
Purchase of investments	(94,770,598)	(84,180,731)
Proceeds from sale and maturity of investments	172,320,115	64,519,869
Net realized gain/(loss) on foreign currency transactions	20,411	(102,637)
Net cash provided by/(used in) investing activities	77,569,928	(19,763,499)
Cash flows from financing activities		
Contributions and amounts transferred in from employers and self-employed participants	15,033,708	16,396,482
Contributions and amounts transferred in from employees and voluntary participants	17,243,303	17,391,449
Benefit payments and transfers paid out	(112,928,396)	(17,180,525)
Net cash (used in)/provided by financing activities	(80,651,385)	16,607,406
Net increase in cash and cash equivalents	3,213,178	3,438,069
Unrealised foreign currency (loss)/gain on other assets and liabilities	(3,440)	7,349
Cash and cash equivalents at beginning of year	10,213,269	6,767,851
Cash and cash equivalents at end of year	\$ 13,423,007	\$ 10,213,269

The accompanying notes are an integral part of these financial statements

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(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 Deeds of Amendment dated October 21, 1999, February 6, 2015, February 15, 2019 and June 1, 2020 (which is effective as of May 14, 2020) as a membership controlled, private sector operated Trust Fund to enable Caymanians and other residents to participate in a properly structured and efficiently managed retirement plan.

The Plan's registration number is OSP4/03/0031. The Plan's reporting currency is the Cayman Islands dollar ("KYD"). As at June 30, 2020, the Plan has two employees (2019: two employees). The registered office of the Plan is P.O. Box 1000, Grand Cayman, KY1-1102.

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

General

The Plan is a defined contribution pension plan and is available to Caymanians and residents who either work for an employer that elects to participate in the Plan or are self-employed. At June 30, 2020, there were approximately 16,875 participants in the Plan (2019: 20,788). 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"), as revised in 2012 and 2016, as well as the National Pensions (Amendment) Law, 2020, which became effective on April 28, 2020 and was set to expire on October 31, 2020, but has since been extended to December 31, 2020. Upon the expiration of this Law, the original National Pension Law shall have effect as though it had not been amended. The financial statements have been updated with the impact of the new law. The Plan is divided into units applicable to each Lifecycle Fund.

Effective November 1, 2006, the Plan launched its Lifecycle Funds. The Lifecycle Funds available under the Plan contain a mix of investments linked to a specific target retirement year and each target retirement year corresponds to a specific investment time horizon. The risk profile of each Lifecycle Fund reflects the Lifecycle Fund's expected time horizon and the participants' expected retirement dates, according to the 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, 2020 and 2019 are as follows:

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

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

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

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

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(Expressed in Cayman Islands dollars)

1. Introduction and background information (continued)

The target investment mix of each of the Lifecycle Funds at June 30, 2019 is as follows:

Chamber 2060 - 94.6% equity investments, 5.4% fixed income investments
Chamber 2050 - 90.7% equity investments, 9.3% fixed income investments
Chamber 2040 - 78.3% equity investments, 21.7% fixed income investments
Chamber 2030 - 58.4% equity investments, 41.6% fixed income investments
Chamber Income Growth - 35.0% equity investments, 65.0% fixed income investments
Chamber Income Conservative - 25.0% equity investments, 75.0% fixed income investments

Contributions 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, up to the maximum pension earnings of \$87,000.

As a result of the Covid-19 pandemic, during April 2020 the National Pensions (Amendment) Law, 2020 was passed in the Legislative Assembly. This amendment includes the provisions for a "Pension Contribution Holiday", effective retrospectively from April 1, 2020. This had the effect of suspending the mandatory Pension contributions by both employer and employee from April 1, 2020 through to September 30, 2020 (later extended to December 31, 2020), or later date if approved by Cabinet. Any contributions made during this period are treated as voluntary contributions, and receive all the benefits as other Additional Voluntary Contributions ("AVCs"). Also see Note 16.

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 transferred to a pension plan, pension entitlement savings arrangement or life annuity that is outside the Cayman Islands.

The Cayman Islands National Pensions Law was amended November 8, 2011 to allow qualified pension members to withdraw up to \$35,000 from their pension plan to purchase a home, construct a home, pay off an existing mortgage or purchase a parcel of residential land. During the year, approximately \$957,371 (2019: \$755,660) was withdrawn in relation to this amendment (Note 5).

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(Expressed in Cayman Islands dollars)

1. Introduction and background information (continued)

Payment of benefits and transfers out (continued)

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

As a result of the Covid-19 pandemic, during April 2020 the National Pensions (Amendment) Law, 2020 was passed in the Legislative Assembly. This amendment includes the provisions for "Emergency Withdrawals", and is effective from May 1, 2020 up to October 31, 2020, or later date if approved by Cabinet. This provision allows certain eligible Plan Members to make a one-time single lump sum withdrawal from their pension account. Members with a balance below KYD 10,000 are permitted to fully withdraw their balance. Members with a higher balance are permitted to withdraw an amount of KYD 10,000 and up to a further 25% of their balance over this KYD 10,000. Also see Note 16.

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.

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.

Standards and amendments to existing standards effective for the June 30, 2020 year end

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on June 30, 2019 that have a material effect on the financial statements of the Plan.

New standards, amendments and interpretations effective after July 1, 2019 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after June 30, 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Plan.

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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

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

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

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

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

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

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

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

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

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

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

Contributions and transfers in: Contributions and transfers in are accounted for as the cash is received by the administrator.

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(Expressed in Cayman Islands dollars)

2. Significant accounting policies (continued)

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

Expenses: Expenses are accounted for on the accrual basis.

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

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

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

Cash 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, 2020 and 2019, the Plan's portfolio of investments comprised the following:

	2020		2019	
	Fair value	Cost	Fair value	Cost
Equities	\$ 233,121,661	\$ 212,103,876	\$ 291,267,227	\$ 267,040,175
Fixed income	108,690,645	101,471,554	117,088,897	114,489,160
IShares USD TIPS - Exchange Traded Fund *	-	-	660,510	629,025
Total	\$ 341,812,306	\$ 313,575,430	\$ 409,016,634	\$ 382,158,360

* At June 30, 2020, the Plan is no longer invested in an exchange traded close ended fund, IShares USD TIPS - ("IShares"). At June 30, 2019 the Plan invested in IShares, that seek 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.

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(Expressed in Cayman Islands dollars)

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

At June 30, 2020 and 2019, 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 2020	Fair value 2019	% of net assets 2020	% of net assets 2019
Australian Dollar				
Basic materials	\$ 867,268	\$ 1,150,106	0.26%	0.28%
Communications	92,002	126,682	0.03%	0.03%
Consumer goods	1,477,860	1,709,443	0.45%	0.41%
Diversified	7,460	11,243	0.00%	0.00%
Energy	216,587	381,276	0.07%	0.09%
Financial	1,963,366	3,184,484	0.59%	0.77%
Industrial	172,372	243,941	0.05%	0.06%
Technology	36,133	42,417	0.01%	0.01%
Utilities	91,828	150,361	0.03%	0.04%
British Pound				
Basic Materials	1,030,190	1,597,056	0.31%	0.39%
Communications	496,893	798,571	0.15%	0.19%
Consumer goods	4,908,979	6,303,001	1.48%	1.53%
Energy	1,156,438	2,978,052	0.35%	0.72%
Financial	1,979,476	3,627,323	0.60%	0.88%
Industrial	294,799	534,661	0.09%	0.13%
Technology	67,659	133,187	0.02%	0.03%
Utilities	420,467	505,874	0.13%	0.12%
Canadian Dollar				
Basic Materials	1,016,135	1,098,073	0.31%	0.27%
Communications	837,050	635,698	0.25%	0.15%
Consumer goods	694,595	1,066,588	0.21%	0.26%
Energy	1,032,489	1,936,827	0.31%	0.47%
Financial	2,565,969	3,911,968	0.78%	0.95%
Industrial	633,687	900,296	0.19%	0.22%
Technology	290,655	364,578	0.09%	0.09%
Utilities	252,403	210,331	0.08%	0.05%
Danish Krone				
Basic Materials	129,320	75,409	0.04%	0.02%
Consumer goods	1,068,441	1,057,308	0.32%	0.26%
Energy	112,840	122,690	0.03%	0.03%
Financial	70,622	100,157	0.02%	0.02%

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(Expressed in Cayman Islands dollars)

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

	Fair value 2020	Fair value 2019	% of net assets 2020	% of net assets 2019
Danish Krone (continued)				
Industrial	\$ 204,642	\$ 221,874	0.06%	0.05%
Utilities	121,627	116,549	0.04%	0.03%
Euro				
Basic Materials	1,494,926	2,012,570	0.45%	0.49%
Communications	1,631,444	1,991,253	0.49%	0.48%
Consumer goods	8,148,035	10,644,897	2.46%	2.58%
Energy	931,750	1,647,770	0.28%	0.40%
Financial	3,707,640	5,921,276	1.12%	1.43%
Industrial	3,262,785	4,575,812	0.99%	1.11%
Technology	2,462,195	2,356,212	0.74%	0.57%
Utilities	1,709,855	2,031,948	0.52%	0.49%
Hong Kong Dollar				
Communications	45,008	55,568	0.01%	0.01%
Consumer goods	235,884	365,699	0.07%	0.09%
Diversified	111,848	225,812	0.03%	0.05%
Financial	1,527,489	2,406,297	0.46%	0.58%
Industrial	141,592	189,263	0.04%	0.05%
Technology	19,243	17,924	0.01%	0.00%
Utilities	239,904	380,438	0.07%	0.09%
Israeli New Shekel				
Basic Materials	11,619	33,978	0.00%	0.01%
Communications	64,379	63,730	0.02%	0.02%
Financial	123,131	197,950	0.04%	0.05%
Industrial	21,436	22,973	0.01%	0.01%
Japanese Yen				
Basic Materials	844,230	1,206,871	0.26%	0.29%
Communications	1,638,174	1,922,092	0.50%	0.47%
Consumer goods	8,203,956	9,856,299	2.48%	2.39%
Energy	120,464	222,493	0.04%	0.05%
Financial	2,245,023	3,357,574	0.68%	0.81%
Industrial	3,949,111	5,256,027	1.19%	1.27%
Technology	1,224,176	1,118,161	0.37%	0.27%
Utilities	303,173	413,190	0.09%	0.10%

Cayman Islands Chamber of Commerce Pension Plan

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(Expressed in Cayman Islands dollars)

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

	Fair value 2020	Fair value 2019	% of net assets 2020	% of net assets 2019
New Zealand Dollar				
Communications	\$ 29,580	\$ 32,056	0.01%	0.01%
Consumer goods	149,135	116,008	0.05%	0.03%
Industrial	28,707	59,171	0.01%	0.01%
Utilities	33,175	26,613	0.01%	0.01%
Norwegian Krone				
Basic Materials	54,021	96,147	0.02%	0.02%
Communications	70,660	134,762	0.02%	0.03%
Consumer goods	86,830	122,769	0.03%	0.03%
Energy	79,192	154,407	0.02%	0.04%
Financial	88,922	150,544	0.03%	0.04%
Singapore Dollar				
Communications	80,317	150,684	0.02%	0.04%
Consumer goods	89,966	138,799	0.03%	0.03%
Financial	560,376	851,875	0.17%	0.21%
Industrial	83,918	174,579	0.03%	0.04%
Utilities	-	11,430	0.00%	0.00%
Swedish Krona				
Basic Materials	74,766	46,866	0.02%	0.01%
Communications	239,402	370,547	0.07%	0.09%
Consumer goods	483,748	562,966	0.15%	0.14%
Energy	24,939	37,753	0.01%	0.01%
Financial	581,293	705,305	0.18%	0.17%
Industrial	823,152	897,085	0.25%	0.22%
Swiss Franc				
Basic Materials	249,560	251,192	0.08%	0.06%
Communications	75,469	99,981	0.02%	0.02%
Consumer goods	5,274,076	6,331,784	1.60%	1.53%
Financial	1,131,028	1,553,160	0.34%	0.38%
Industrial	749,454	873,878	0.23%	0.21%
Technology	119,998	87,507	0.04%	0.02%

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(Expressed in Cayman Islands dollars)

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

	Fair value 2020	Fair value 2019	% of net assets 2020	% of net assets 2019
United States Dollar				
Basic Materials	\$ 3,071,639	\$ 3,967,332	0.93%	0.96%
Communications	19,210,476	22,411,659	5.80%	5.43%
Consumer goods				
Amazon.com Inc	6,503,918	5,576,740	1.97%	1.35%
Others	46,356,390	55,466,964	14.02%	13.44%
Diversified	52,175	105,033	0.02%	0.03%
Energy	3,998,423	9,073,876	1.21%	2.20%
Financial	22,006,690	32,313,427	6.65%	7.83%
Industrial	11,986,172	17,213,590	3.63%	4.17%
Technology				
Apple Inc	8,892,000	6,581,830	2.69%	1.59%
Microsoft Corp	8,191,956	6,885,990	2.48%	1.67%
Others	18,332,059	17,958,779	5.54%	4.35%
Utilities	4,529,357	5,884,038	1.36%	1.42%
	\$ 233,121,661	\$ 291,267,227	70.51%	70.55%

At June 30, 2020, 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
6,561,000	US TREASURY N/B 0.375% 04/30/25	\$ 5,493,132	1.66%
	US Corporate Debt	68,036,005	20.58%
	US Treasury Bills	23,424,923	7.09%
	US Municipal Bonds	3,428,054	1.04%
	Other	8,308,531	2.50%
	Total Bonds (cost \$101,471,554)	\$ 108,690,645	32.87%

At June 30, 2019, 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
3,905,000	US TREASURY N/B 4.500% 05/15/38	\$ 4,372,594	1.06%
4,901,000	US TREASURY N/B 2.875% 09/30/23	4,273,141	1.04%
	US Corporate Debt	75,843,579	18.37%
	US Treasury Bills	19,453,811	4.71%
	US Municipal Bonds	1,973,522	0.49%
	Other	11,172,250	2.70%
	Total Bonds (cost \$114,489,160)	\$ 117,088,897	28.37%

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(Expressed in Cayman Islands dollars)

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

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

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

At June 30, 2019, the Plan's investments have been classified as follows:

	Level 1	Level 2	Level 3	Total
Equities	\$ 291,267,227	\$ -	\$ -	\$ 291,267,227
Fixed income*	-	117,088,897	-	117,088,897
IShares USD TIPS - Exchange Traded Fund	660,510	-	-	660,510
Financial assets at fair value through profit or loss	\$ 291,927,737	\$ 117,088,897	\$ -	\$ 409,016,634

*Included in Fixed Income is \$13,892,488 (2019: \$11,312,588) of US Securities and Exchange Commission Rule 144A restricted securities.

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

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

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. At June 30, 2020 and 2019 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, 2020 and 2019. No securities were categorized in level 3 during the year.

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

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(Expressed in Cayman Islands dollars)

4. Accounts payable

	2020	2019
Administration and custody fees	\$ 445,325	\$ 630,725
Investment management fees	136,865	190,762
Other expenses	95,834	314,294
Consultancy fees	50,285	20,625
Total accounts payable	\$ 728,309	\$ 1,156,406

5. Benefit payments

	2020	2019
Termination of residence	\$ 9,751,919	\$ 6,769,799
Retirement	6,161,304	6,289,439
Housing	957,371	755,660
Death and medical	628,418	839,383
Additional Voluntary Contributions	233,701	411,822
Government approved emergency withdrawal program*	111,833,629	-
Total benefit payments	\$ 129,566,342	\$ 15,066,103

*From April 2020, due to the impact of COVID-19, Cayman Islands Government has approved the emergency withdrawal program to enable specified members of a pension plan to withdraw a single lump sum amount from their account in the pension plan. There is to be a 6 month pension holiday which would operate retroactively from April 1, 2020 and eligible persons would be permitted to withdraw up to 100% of the value of their pensions which would be capped at CI\$10,000. However, those persons with a pension value over CI\$10,000 would be able to withdraw an additional 25% of their remaining pension pot.

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, provided member administration services to the Plan.

The Amended and Restated Administrative Services Agreement with MUFG effective July 1, 2015 provided for an all-inclusive fee, calculated on a monthly basis on the month-end net assets available to participants of the Plan. For the year ended June 30, 2018 and period up to February 28, 2019, the all-inclusive fee was calculated at the following revised rates:

- 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.

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(Expressed in Cayman Islands dollars)

6. Administration and custody fees (continued)

Effective March 1, 2019, the scope of MUFG services and related agreement was updated, and the inclusive fee is calculated at the following revised rates for year ended June 30, 2020 and 2019, subject to the minimum monthly fee of CI\$80,000 and financial statement preparation fee of CI\$12,500:

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

For its service during the year ended June 30, 2020 MUFG earned fees under this agreement amounting to \$1,832,376 (2019: \$1,681,276).

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

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 \$89,854 (2019: \$133,640).

Effective July 1, 2011, the Plan entered into an Administration Agreement with Maples Fund Services (Cayman) Limited ("MaplesFS"), whereby MaplesFS provided Net Asset Value ("NAV") calculation services to the Plan. For these services MaplesFS received 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

Effective February 28, 2019, the Plan terminated the Administration Agreement with Maples Fund Services (Cayman) Limited and transferred all of the NAV calculation services to MUFG. Therefore there are no fees to MaplesFS for the year ending June 30, 2020. For the year ending June 30, 2019, MaplesFS earned fees under this agreement amounting to \$125,801.

7. Investment management fees

Effective November 8, 2017, the trustees of the Plan authorised the transfer of each equity portfolio held by McKinley and Epoch over to Blackrock Financial Management, Inc. ("Blackrock"). Effective November 16, 2017, the Plan entered into an Investment Management Agreement whereby Blackrock (the "Manager") acts as the Manager for the entire equity portfolio. The management fee is calculated and billed quarterly in arrears (for calendar quarters ending March 31, June 30, September 30 and December 31). The management fee is charged at 4 basis points of net assets invested in the equity portfolio at each quarter end, averaged for the actual number of days in each respective quarter and subject to a minimum quarterly fee of US\$37,500, prorated for partial periods.

For its services during the year ended June 30, 2020, Blackrock earned fees under this agreement amounting to \$125,876 (2019: \$125,254).

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.

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(Expressed in Cayman Islands dollars)

7. Investment management fees (continued)

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

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

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

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

For its services during the year ended June 30, 2020, IRM earned fees under this agreement amounting to \$234,053 (2019: \$190,617).

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, 2020 and 2019:

- i) 0.25% per annum on the balance.

For its services during the year ended June 30, 2020, EFG earned fees under this agreement amounting to \$78,388 (2019: \$94,218).

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

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 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 with the annual service fee of US\$99,000.

For its services during the year ended June 30, 2020, Mercer earned fees under this agreement amounting to \$91,885 (2019: \$85,762).

9. Unit transactions

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

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(Expressed in Cayman Islands dollars)

9. Unit transactions (continued)

Transactions in units for the year ended June 30, 2020 and 2019 are summarized as follows:

	Chamber 2060	Chamber 2050	Chamber 2040	Chamber 2030	Chamber income conservative	Chamber income growth	Total plan
Outstanding units, at June 30, 2018	1,795,243	29,509,339	50,046,052	47,120,513	32,822	17,312,109	145,816,078
Issued during the period (contributions and transfers from other plans)	1,888,624	4,278,379	3,924,843	2,813,791	23,528	987,794	13,916,959
Net transfers	2,582	113	(18,833)	(18,487)	116,634	(99,904)	(17,895)
Redeemed during the period (benefit payments and transfers to other plans)	(121,945)	(1,305,636)	(2,212,851)	(1,792,199)	(10,998)	(1,684,130)	(7,127,759)
Outstanding units, at June 30, 2019	3,564,504	32,482,195	51,739,211	48,123,618	161,986	16,515,869	152,587,383
Issued during the period (contributions and transfers from other plans)	2,709,574	3,714,645	3,334,755	2,427,982	5,662	790,763	12,983,381
Net transfers	6,528,726	(3,346,033)	18,766	7,165	8,087	(2,382)	3,214,329
Redeemed during the period (benefit payments and transfers to other plans)	(6,314,382)	(11,973,560)	(16,230,035)	(12,383,336)	(37,083)	(3,285,319)	(50,223,715)
Outstanding units, at June 30, 2020	6,488,422	20,877,247	38,862,697	38,175,429	138,652	14,018,931	118,561,378

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, 2020 and 2019 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.

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.

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(Expressed in Cayman Islands dollars)

11. Financial instruments and associated risks (continued)

Price risk (continued):

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

The Plan's market price risk is managed through diversification of the investment portfolio ratios by exposures. The overall market exposures as at June 30, 2020 and 2019 are presented in Note 3.

At June 30, 2020 and 2019, the Plan's market risk is affected by three main components: changes in actual market prices, interest rate and foreign currency movements.

Equity portfolio managed by Blackrock (Note 7)

If the MSCI World Index at June 30, 2020 had increased/decreased by 10% with all other variables held constant, this may have increased/decreased net assets attributable to unitholders by approximately \$23,312,166 (2019: 29,126,723).

The sensitivity analysis presented above is based upon the portfolio composition as at June 30, 2020 and 2019 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, 2020 and 2019 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.

Currency risk:

At June 30, 2020 and 2019 the Plan held the following equity securities denominated in currencies other than USD.

<u>(expressed in KYD)</u>		<u>2020</u>		<u>2019</u>
AUSTRALIAN DOLLAR	\$	4,924,876	\$	6,999,953
BRITISH POUND		10,354,901		16,477,725
CANADIAN DOLLAR		7,322,983		10,124,359
DANISH KRONE		1,707,492		1,693,987
EURO		23,348,630		31,181,738
HONG KONG DOLLAR		2,320,968		3,641,001
ISRAELI SHEKEL		220,565		318,631
JAPANESE YEN		18,528,307		23,352,707
NEW ZEALAND DOLLAR		240,597		233,848
NORWEGIAN KRONE		379,625		658,629
SINGAPORE DOLLAR		814,577		1,327,367
SWEDISH KRONA		2,227,300		2,620,522
SWISS FRANC		7,599,585		9,197,502
	\$	79,990,406	\$	107,827,969

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(Expressed in Cayman Islands dollars)

11. Financial instruments and associated risks (continued)

Currency risk: (continued)

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, 2020 and 2019, had the exchange rate between the Cayman Islands dollar and the respective foreign currencies, other than the US dollar, in which the equity securities were denominated, increased or decreased by 5% with all other variables held constant. All fixed income securities are denominated in USD (Note 3).

The analysis below is performed for what the Trustees believe to be reasonably possible movements in foreign currency exchange rates with all other variables held constant, showing the impact on net increase in net assets from operations available to 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.

(expressed in KYD)	2020 Effect on profit - 5% increase/decrease	2019 Effect on profit - 5% increase/decrease
AUSTRALIAN DOLLAR	\$ 246,244	\$ 349,998
BRITISH POUND	517,745	823,886
CANADIAN DOLLAR	366,149	506,218
DANISH KRONE	85,375	84,699
EURO	1,167,432	1,559,087
HONG KONG DOLLAR	116,048	182,050
ISRAELI SHEKEL	11,028	15,932
JAPANESE YEN	926,415	1,167,635
NEW ZEALAND DOLLAR	12,030	11,692
NORWEGIAN KRONE	18,981	32,931
SINGAPORE DOLLAR	40,729	66,368
SWEDISH KRONA	111,365	131,026
SWISS FRANC	379,979	459,875
	\$ 3,999,520	\$ 5,391,397

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

At June 30, 2020, the Plan held approximately \$168,144 (2019: \$422,744) of cash and cash equivalents denominated in foreign currencies, other than USD and KYD. Had exchange rates between KYD and the respective foreign currencies, other than USD in which the foreign cash was denominated increased/decreased by 5% with all other variables held constant, the effect would be an increase/decrease on profit of approximately \$8,407 (2019 : \$21,137).

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(Expressed in Cayman Islands dollars)

11. Financial instruments and associated risks (continued)

Interest rate risk:

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.

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

June 30, 2019	Up to 1 year	2-5 years	Above 5 years	Total
Cash and cash equivalents	\$ 10,213,269	\$ -	\$ -	\$ 10,213,269
Financial assets at fair value through profit or loss	6,371,304	60,060,181	51,317,922	117,749,407
Total Assets	\$ 16,584,573	\$ 60,060,181	\$ 51,317,922	\$ 127,962,676

At June 30, 2020, should interest rates, for the debt securities held by the Plan, have decreased/increased by 100 basis points (2019: 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 \$5,489,309 (2019: \$5,185,722), 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 Plan measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Plan. The fair value of substantially all cash and cash equivalents and debt securities are with the Plan's custodian State Street.

Although the Trustees monitor State Street and believe that it is an appropriate custodian, there is no guarantee that State Street will not become insolvent. There is no certainty that in the event of a failure of State Street that has custody of Plan's assets, the Plan would not incur losses due to its assets being unavailable for a period of time or that there is ultimately a less than full recovery of its assets, or both. Because substantially all of the Plan's assets are held with State Street, such losses could be significant and could materially impair the ability of the Plan to achieve its investment objective. The Trustees manage the credit risk with State Street by regularly monitoring its credit worthiness. State Street has a Standard & Poor's rating of A (2019: A).

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(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	2020	2019
AAA/Aaa	\$ 37,173,567	\$ 38,824,517
AA+/Aa1	2,881,870	812,799
AA/Aa2	4,880,345	6,356,123
AA-/Aa3	3,677,486	7,028,984
A+/A1	6,083,958	5,938,304
A/A2	10,218,334	11,931,657
A-/A3	13,297,304	15,418,796
BBB+/Baa1	15,980,461	14,712,188
BBB/Baa2	12,666,057	13,035,410
BBB-/Baa3	1,831,263	3,690,629
	\$ 108,690,645	\$ 117,749,407

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, 2020 and 2019, the Plan did not hold any fixed income securities below investment grade. During year ended June 30, 2020 and 2019, no investment was downgraded from investment grade.

Liquidity risk:

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

At June 30, 2020 and 2019, 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, 2020

(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, 2020 and 2019, calculated for each Lifecycle Fund based on the Modified Dietz method of performance measurement and is shown as follows:

2060	3.62% (2019: 5.16%)
2050	3.30% (2019: 5.86%)
2040	4.35% (2019: 5.92%)
2030	5.19% (2019: 6.11%)
Chamber Income Conservative:	7.17% (2019: 5.88%)
Chamber Income Growth:	6.79% (2019: 6.28%)

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, 2020 and 2019, 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, 2020

(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, 2020 and for each Lifecycle Fund is as follows:

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

The movement in the net assets for the year ended June 30, 2019 and for each Lifecycle Fund is as follows:

	Chamber 2060	Chamber 2050	Chamber 2040	Chamber 2030	Chamber income conservative	Chamber Income growth	For the year ended June 30, 2019 Total Plan
Opening net assets available to Participants for their benefits	\$ 2,354,921	\$ 76,015,773	\$ 130,414,490	\$ 119,792,985	\$ 86,507	\$ 45,628,483	\$ 374,293,159
Total contributions*	2,496,623	11,084,789	10,262,988	7,191,681	369,306	2,382,544	33,787,931
Total withdrawals*	(160,000)	(3,381,371)	(5,827,198)	(4,627,367)	(30,140)	(4,506,691)	(18,532,767)
Net increase in net assets from operations	225,368	4,852,782	7,955,395	7,465,278	26,344	2,758,078	23,283,245
Closing net assets available to Participants for their benefits	\$ 4,916,912	\$ 88,571,973	\$ 142,805,675	\$ 129,822,577	\$ 452,017	\$ 46,262,414	\$ 412,831,568
No. of units (Note 9)	3,564,504	32,482,195	51,739,211	48,123,618	161,986	16,515,869	152,587,383
Net asset value per unit - June 30, 2019	\$ 1.38	\$ 2.73	\$ 2.76	\$ 2.70	\$ 2.79	\$ 2.80	
Expense ratio 2019**	1.26%	0.84%	0.79%	0.81%	0.68%	0.87%	0.82%

Cayman Islands Chamber of Commerce Pension Plan

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(Expressed in Cayman Islands dollars)

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

*Total contributions and total withdrawals include net transfers

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

15. Plan Registration Fees

For the financial year ended June 30, 2020, plan registration fees of \$401,660 are no longer expensed at the Plan level, and instead are recorded as a deduction against individual member holdings, and then paid over by the Plan. This amount is included in the *Benefits Paid to Participants* balance. For the financial year ended June 30, 2019, the Plan paid registration fees amounting to \$392,320.

16. Subsequent Events

The board of trustees have reviewed the subsequent events from July 1, 2020 through to November 30, 2020, being the date that the financial statements were available to be issued. Subsequent to year end, the Plan has processed withdrawal requests amounting to \$35,059,635. These include \$31,641,508 of Emergency withdrawals. There has been \$6,940,052 of additional contributions processed. The emergency withdrawal provisions to the National Pension Amendment Law (2020) expired on October 31, 2020. The suspension of pension contributions under this law have been extended up to December 31, 2020.

There were no other subsequent events requiring additional disclosures identified.

Cayman Islands Chamber of Commerce Pension Plan

PORTFOLIO INVESTMENT MIX (UNAUDITED)

For year ended June 30, 2020

(Expressed in Cayman Islands dollars)

For the year ended June 30, 2020

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

For the year ended June 30, 2019

	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 2060	\$ 64,087	1.52%	\$ 3,965,366	93.97%	\$ 190,543	4.52%	\$ 4,219,996	\$ 64,087	\$ 3,635,535	\$ 186,285	\$ 3,885,907
Chamber 2050	1,521,938	1.67%	81,640,443	89.81%	7,738,875	8.51%	90,901,256	1,521,938	74,849,747	7,565,942	83,937,627
Chamber 2040	3,100,391	2.13%	113,110,307	77.67%	29,411,260	20.20%	145,621,958	3,100,391	103,702,007	28,754,038	135,556,436
Chamber 2030	3,781,732	2.87%	76,268,633	57.89%	51,700,159	39.24%	131,750,524	3,781,732	69,924,754	50,544,871	124,251,357
Chamber income conservative	19,328	4.11%	116,879	24.84%	334,229	71.05%	470,436	19,328	107,157	326,760	453,245
Chamber Income growth	1,725,793	3.73%	16,165,599	34.94%	28,374,341	61.33%	46,265,733	1,725,793	14,820,975	27,740,289	44,287,057
Total	\$ 10,213,269		\$ 291,267,227		\$ 117,749,407		\$ 419,229,903	\$10,213,269	\$ 267,040,175	\$ 115,118,185	\$ 392,371,629
Percentage of total	2.43%		69.48%		28.09%		100.00%	2.60%	68.06%	29.34%	100.00%