

**CAYMAN ISLANDS CHAMBER OF  
COMMERCE PENSION PLAN**

**FINANCIAL STATEMENTS**

**JUNE 30, 2009**

**CAYMAN ISLANDS CHAMBER OF  
COMMERCE PENSION PLAN**

**FINANCIAL STATEMENTS**

**JUNE 30, 2009**

**CONTENTS**

	Page(s)
Independent Auditor's Report	1
Balance Sheet	2
Income Statement	3
Statement of Changes in Net Assets Available to Participants for Benefits	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 24

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the Cayman Islands Chamber of Commerce Pension Plan (the "Plan") which comprise the balance sheet as of June 30, 2009 and the income statement, statement of changes in net assets available to participants for benefits and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

*Trustees' Responsibility for the Financial Statements*

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial statements.

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

*Opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as of June 30, 2009, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

*PricewaterhouseCoopers*

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**BALANCE SHEET**

(Expressed in Cayman Islands dollars)

	<u>2009</u>	As at <u>June 30</u>	<u>2008</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,656,590	\$	2,136,792
Receivable for securities sold	581,134		1,076,144
Accrued interest receivable	674,002		1,286,848
Accrued dividends receivable	151,039		154,761
Financial assets, at fair value through profit or loss (Note 3)	154,773,380		176,487,301
Unrealised gain on forward currency contracts (Note 3)	329,421		377,855
Prepaid fees and other receivables	<u>167,010</u>		<u>175,793</u>
Total assets	<u>159,332,576</u>		<u>181,695,494</u>
<b>LIABILITIES</b>			
Payable for securities purchased	1,497,611		628,303
Unrealised loss on forward currency contracts (Note 3)	323,325		173,308
Benefits payable	832,665		770,848
Accounts payable (Note 4)	<u>471,458</u>		<u>657,390</u>
Total liabilities (excluding net assets available to participants for benefits)	<u>3,125,059</u>		<u>2,229,849</u>
<b>NET ASSETS AVAILABLE TO PARTICIPANTS FOR BENEFITS (NOTES 9 AND 14)</b>	<b>\$ <u>156,207,517</u></b>	<b>\$</b>	<b><u>179,465,645</u></b>

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

Peter Huber  
.....  
Trustee

David Bodden  
.....  
Trustee

November 17, 2009  
.....  
Date

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

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**INCOME STATEMENT**

(Expressed in Cayman Islands dollars)

	<u>2009</u>	For the year ended <u>June 30,</u> <u>2008</u>
<b>Revenue</b>		
Interest income - bonds	\$ 2,424,050	\$ 3,027,333
Interest income - cash and cash equivalents	29,373	407,315
Dividend income	1,462,941	2,713,308
Net realised (loss)/gain on financial assets at fair value through profit or loss	(46,191,876)	3,266,100
Net realised loss on futures, forward currency contracts, and foreign currency transactions	(3,242,837)	(108,909)
Net change in unrealised loss on financial assets at fair value through profit or loss	(39,173)	(24,554,904)
Net change in unrealised gain on forward currency contracts, futures and other assets and liabilities denominated in foreign currencies	<u>(164,075)</u>	<u>(208,441)</u>
Total revenue	<u>(45,721,597)</u>	<u>(15,458,198)</u>
<b>Expenses</b>		
Administration and custody fees (Note 6)	859,289	1,080,865
Investment management fees (Note 7)	692,732	1,015,634
Consultancy fees (Note 8)	98,991	81,978
Salary costs (Note 1)	66,009	62,725
Trustees liability insurance expense	46,613	54,053
Audit fees	42,717	46,475
Other expenses	5,680	21,753
Printing and communication costs	<u>62,342</u>	<u>28,892</u>
Total operating expenses	<u>1,874,373</u>	<u>2,392,375</u>
Operating loss	(47,595,970)	(17,850,573)
Withholding taxes (Note 13)	<u>(467,349)</u>	<u>(556,020)</u>
<b>Net decrease in net assets from operations available to participants for benefits</b>	<u>\$ (48,063,319)</u>	<u>\$ (18,406,593)</u>

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

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE TO PARTICIPANTS FOR BENEFITS**

(Expressed in Cayman Islands dollars)

	<u>2009</u>	For the year ended <u>June 30,</u> <u>2008</u>
Net decrease in net assets from operations available to participants for benefits	\$ (48,063,319)	\$ (18,406,593)
<b>Contributions and transfers in</b>		
Employers and self employed participants – contributions	15,408,621	14,481,974
Employers and self employed participants - transfers in	1,092,849	1,434,188
Employees and voluntary participants – contributions	15,036,072	14,307,713
Employees and voluntary participants - transfers in	<u>1,306,831</u>	<u>1,488,371</u>
Total contributions and transfers in	<u>32,844,373</u>	<u>31,712,246</u>
	<u>(15,218,946)</u>	<u>13,305,653</u>
<b>Benefit payments and transfers out</b>		
Benefits paid to participants (Note 5)	(6,962,212)	(6,937,962)
Amounts transferred out	<u>(1,076,970)</u>	<u>(2,446,606)</u>
Total benefit payments and transfers out	<u>(8,039,182)</u>	<u>(9,384,568)</u>
<b>Net (decrease) increase in net assets available to participants for benefits</b>	(23,258,128)	3,921,085
Net assets available to participants for benefits at beginning of year	<u>179,465,645</u>	<u>175,544,560</u>
<b>Net assets available to participants for benefits at end of year</b>	<u>\$ 156,207,517</u>	<u>\$ 179,465,645</u>

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

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**STATEMENT OF CASH FLOWS**

(Expressed in Cayman Islands dollars)

	For the year ended June 30	
	<u>2009</u>	<u>2008</u>
<b>Cash flows from operating activities</b>		
Interest received	\$ 3,335,955	\$ 3,223,524
Dividends received	999,314	2,088,841
Administration and custody fees paid	(877,181)	(1,084,875)
Investment management fees paid	(842,864)	(902,325)
Audit fees paid	(60,624)	(23,864)
Printing costs paid	(62,342)	(28,892)
Trustee liability insurance	(37,830)	(38,086)
Other expenses paid	(5,680)	(197,546)
Consultancy fees paid	(98,991)	(81,978)
Salary costs paid	(66,009)	(62,725)
	<u>2,283,748</u>	<u>2,892,074</u>
Net cash provided by operating activities		
<b>Cash flows from investing activities</b>		
Purchase of investments	(203,525,535)	(308,525,621)
Proceeds from sale and maturity of investments	180,124,940	277,105,405
Net realised loss on forward currency contracts, futures contracts and foreign currency transactions	(3,242,837)	(108,909)
	<u>(26,643,432)</u>	<u>(31,529,125)</u>
Net cash used in investing activities		
<b>Cash flows from financing activities</b>		
Contributions and amounts transferred in from employers and self employed participants	16,501,470	15,916,162
Contributions and amounts transferred in from employees and voluntary participants	16,342,903	15,796,084
Benefit payments and transfers paid out	(7,977,365)	(9,255,210)
	<u>24,867,008</u>	<u>22,457,036</u>
Net cash provided by financing activities		
<b>Net increase/(decrease) in cash and cash equivalents</b>	507,324	(6,180,015)
Unrealised foreign currency gain/(loss) on other assets and liabilities denominated in foreign currency	12,474	(27,384)
	<u>2,136,792</u>	<u>8,344,191</u>
<b>Cash and cash equivalents at beginning of year</b>		
	<u>2,136,792</u>	<u>8,344,191</u>
<b>Cash and cash equivalents at end of year</b>	\$ <u>2,656,590</u>	\$ <u>2,136,792</u>

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

# **CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

### **1. Introduction and background information**

The Cayman Islands Chamber of Commerce Pension Plan (the "Plan") was established under the laws of the Cayman Islands by a Declaration of Trust (the "Trust Deed") on May 12, 1992 as amended by a Deed of Amendment dated October 21, 1999 as a membership controlled, private sector operated Trust Fund to enable all Caymanians and other residents to participate in a properly structured and efficiently managed retirement plan.

The Plan's registration number is OSP4/03/0031. The Plan's reporting currency is the Cayman Islands dollar. The Plan has one employee, a customer relationship manager, appointed on April 13, 2006, and the registered office of the Plan is P.O. Box 1000, Grand Cayman, KY1-1102.

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

#### **General**

The Plan is a defined contribution pension plan and is available to all Caymanians and residents who either work for an employer that elects to participate in the Plan or are self-employed. At June 30, 2009, there were approximately 18,317 participants in the Plan (2008: 17,546). The Plan is subject to the provisions of the National Pensions Law of the Cayman Islands, which became effective on June 1, 1998 (the "Pensions Law"). The Plan is divided into units in accordance with the Trust Deed.

Effective November 1, 2006 the Plan launched its Lifecycle Funds. The Lifecycle Funds available under the Plan contain a mix of investments linked to a specific target retirement year and each target retirement year corresponds to a specific investment time horizon. The risk profile of each Lifecycle Fund reflects the Lifecycle Fund's expected time horizon and the participants expected retirement dates. Lifecycle Funds reflect the participants' changing needs throughout the participants' working life by automatically adjusting the combination of assets invested based on age to reflect evolving investment needs and goals. The Lifecycle Funds available to members at June 30, 2009 are as follows:

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

The investment mix of each of the Lifecycle Plans is as follows:

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

#### **Contributions and transfers in**

If an employer is a contributor, then the normal contribution rate is 10% of the employee's earnings (up to the maximum pensionable earnings), typically, being borne equally by the employee and employer. Contributions in excess of 10% are considered voluntary. The normal contribution rate for self-employed participants is 10% of the participant's earnings.

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

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

**Participant Accounts**

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

**Payment of benefits and transfers out**

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

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

Those members that cease Cayman Islands residency may elect, after the expiry of a two-year waiting period from termination of their employment, to have the units allocated to their account realised by the Trustee and to withdraw the cash.

**Investment policy**

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

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

**2. Significant accounting policies**

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

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

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

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

**2. Significant accounting policies (continued)**

There were no standards, amendments or interpretations which were early adopted by the Plan. All new standards, amendments and interpretations which were effective on July 1, 2008 were not relevant to the Plan's financial statements.

**Relevant standards and amendments issued prior to June 30, 2009 but not effective until future periods**

In February 2008, the International Accounting Standards Board issued amendments to International Accounting Standard 32, "*Financial Instruments: Presentation*" ("IAS 32") and International Accounting Standard 1, "*Disclosure of Accounting Policies*". The amendments are meant to improve the accounting for particular types of financial instruments that have characteristics similar to ordinary shares but that are classified as financial liabilities. As amended, IAS 32 will now require entities to classify the following types of financial instruments as equity, provided that those instruments have particular features and meet specific conditions:

1. Puttable financial instruments
2. Instruments, or components of instruments, that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only upon liquidation

The amendment will apply to annual periods beginning on or after July 1, 2009, with earlier application permitted.

The Plan's net assets are classified as liabilities in the accompanying balance sheet in accordance with IAS 32 prior to the amendments. At this time, the Trustees are evaluating the implications of the amendments to IAS 32 but do not expect the adoption of IAS 32 to have a significant impact on the financial statements of the Plan.

IAS 1 (Revised), 'Presentation of financial statements' (effective from January 1, 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The Plan will apply IAS 1 (Revised) from July 1, 2009, and it is likely the Plan will present solely a statement of comprehensive income.

IFRS 7 (amendment) 'Financial instruments: Disclosures'. The amendment will require enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment will require disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment will result in additional disclosures but does not have an impact on the Plan's financial position or performance. The amendment will apply to annual periods beginning on or after July 1, 2009.

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 short-term money market funds are valued based on the share price as determined by the administrators of those entities in accordance with industry practice.

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

**2. Significant accounting policies (continued)**

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 income statement 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 income statement.

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.

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

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

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

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

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

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

**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 income statement.

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

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

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

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

At June 30, 2009 and 2008, the Plan's portfolio of investments comprised the following:

	<b>2009</b>	<b>2008</b>
Equities	\$ 80,114,962	\$ 109,758,238
Fixed Income	58,362,808	60,489,499
Money Market Fund*	16,295,610	6,239,564
	<hr/>	<hr/>
Total fair value	\$ 154,773,380	\$ 176,487,301
	<hr/>	<hr/>
Total cost	\$ 163,528,570	\$ 185,203,092
	<hr/>	<hr/>

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

At June 30, 2009 and 2008, the Plan held the following equity investments (investments where either cost or value exceeds 1% of the Plan's net assets are presented individually):

<b><u>Shares</u></b>	<b><u>Fair Value</u></b>	<b><u>Fair Value</u></b>	<b><u>% of</u></b>	<b><u>% of</u></b>
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>net</u></b>	<b><u>net</u></b>
			<b><u>assets</u></b>	<b><u>assets</u></b>
			<b><u>2009</u></b>	<b><u>2008</u></b>
<b>Australian Dollar</b>				
- Finance	\$1,115,533	\$1,036,735	0.71%	0.58%
- Materials	-	241,770	0.00%	0.13%
- Capital equipment	220,683	-	0.14%	0.00%
- Energy	673,215	-	0.43%	0.00%
- Services	130,860	-	0.08%	0.00%
<b>Brazilian Real</b>				
- Finance	285,522	601,661	0.18%	0.34%
- Materials	218,510	217,306	0.14%	0.12%
- Miscellaneous	162,134	-	0.10%	0.00%
<b>British Pound</b>				
- Finance				
26,941 Xtrata PLC Common Stock	-	1,797,944	-	1.00%
Other	2,236,032	773,313	1.43%	0.43%
- Materials	2,151,551	3,714,433	1.38%	2.07%
- Miscellaneous	1,064,380	1,175,868	0.68%	0.66%
- Capital equipment	1,690,517	821,624	1.08%	0.46%
- Consumer goods	670,057	710,658	0.43%	0.40%
- Energy	222,711	530,412	0.14%	0.30%
- Services	887,105	617,393	0.57%	0.34%
<b>Canada Dollar</b>				
- Finance	620,546	651,854	0.40%	0.36%
- Materials	241,172	752,018	0.15%	0.42%
- Gold mines	652,288	-	0.42%	0.00%
- Miscellaneous	316,741	342,851	0.20%	0.19%
- Energy	417,422	887,372	0.27%	0.49%

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

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

Shares	Fair Value <u>2009</u>	Fair Value <u>2008</u>	% of net assets <u>2009</u>	% of net assets <u>2008</u>
<b>Euro</b>				
- Finance	2,389,527	4,805,096	1.53%	2.68%
- Materials	1,431,469	2,418,217	0.92%	1.35%
- Miscellaneous	2,023,920	2,626,817	1.30%	1.46%
- Capital equipment	554,797	1,671,597	0.35%	0.93%
- Consumer goods	1,142,712	1,072,688	0.73%	0.60%
- Energy	1,782,141	3,422,169	1.14%	1.91%
- Services	1,955,427	1,966,090	1.25%	1.10%
<b>Czech Kroner</b>				
- Capital equipment	74,907	-	0.05%	-
<b>Danish Kroner</b>				
- Capital equipment	414,540	-	0.27%	-
- Consumer goods	622,162	-	0.40%	-
<b>Hong Kong Dollar</b>				
- Materials	167,767	288,663	0.11%	0.16%
- Miscellaneous	1,649,828	738,968	1.06%	0.41%
- Consumer goods	249,805	-	0.16%	0.00%
- Energy	201,220	-	0.13%	0.00%
- Finance	356,445	-	0.23%	0.00%
<b>Indonesia Rupiah</b>				
- Consumer goods	265,222	-	0.17%	0.00%
<b>Japanese Yen</b>				
- Finance	279,033	525,415	0.18%	0.29%
- Materials	447,329	827,422	0.29%	0.46%
- Miscellaneous	951,127	2,233,326	0.61%	1.24%
- Capital equipment	1,463,369	2,710,996	0.94%	1.51%
- Consumer goods	1,240,873	2,656,427	0.79%	1.48%
- Energy	108,540	639,545	0.07%	0.36%
- Services	322,960	1,099,752	0.21%	0.61%
<b>Mexican Peso</b>				
- Services	-	650,314	0.00%	0.36%
<b>New Taiwan Dollar</b>				
- Capital equipment	524,213	513,462	0.34%	0.29%
<b>Norwegian Kroner</b>				
- Miscellaneous	311,425	1,778,570	0.20%	0.99%
- Services	98,848	-	0.06%	0.00%
<b>Singapore Dollar</b>				
- Capital equipment	-	96,211	0.00%	0.05%
- Services	68,171	158,491	0.04%	0.09%
<b>South African Rand</b>				
- Finance	145,488	50,749	0.09%	0.03%
- Miscellaneous	174,736	537,322	0.11%	0.30%
- Services	467,967	105,908	0.30%	0.06%

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

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

	Fair Value	Fair Value	% of net assets	% of net assets
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Shares</b>				
<b>South Korean Won</b>				
- Finance	-	149,008	0.00%	0.08%
- Materials	114,412	109,945	0.07%	0.06%
- Capital equipment	273,058	452,208	0.17%	0.25%
- Consumer goods	-	60,834	0.00%	0.03%
- Services	-	329,055	0.00%	0.18%
- Miscellaneous	195,910	-	0.13%	0.00%
<b>Swedish Kroner</b>				
- Materials	372,878	505,471	0.24%	0.28%
- Miscellaneous	260,545	148,324	0.17%	0.08%
- Capital equipment	58,313	277,595	0.04%	0.15%
<b>Swiss Franc</b>				
- Finance	1,352,669	2,069,735	0.87%	1.15%
- Miscellaneous	472,263	658,952	0.30%	0.37%
- Capital equipment	286,617	390,591	0.18%	0.22%
- Consumer goods	1,177,022	1,098,420	0.75%	0.61%
<b>Thailand Baht</b>				
- Energy	89,859	118,175	0.06%	0.06%
<b>United States Dollar</b>				
- Finance	3,559,317	9,713,972	2.28%	5.41%
- Materials	1,582,556	5,152,058	1.01%	2.87%
- Miscellaneous	3,649,468	4,337,725	2.34%	2.42%
- Capital equipment	9,586,675	9,863,232	6.14%	5.50%
- Consumer goods	11,123,106	11,291,979	7.12%	6.29%
- Energy	2,473,104	8,231,122	1.58%	4.59%
- Services	7,406,707	6,332,413	4.74%	3.53%
Rights and warrants	217,536	-	0.14%	0.00%
<b>Total Equities (cost \$88,799,917)</b>				
<b>(2008: cost \$117,931,086)</b>	<u>\$80,114,962</u>	<u>\$109,758,238</u>	<u>51.29%</u>	<u>61.16%</u>

At June 30, 2009, 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):

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

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

<b><u>Nominal Amount</u></b>	<b><u>U.S. Dollar Denominated Bonds</u></b>	<b><u>Fair Value</u></b>	<b><u>% of net assets</u></b>
2,500,000	All State Life Global Fund 4.250% 26/FEB/2010	2,101,063	1.35%
4,500,000	Bank of America Corp. 4.25% 01/OCT/2010	3,761,925	2.41%
2,000,000	BP Capital Markets 2.75% NTS 27/FEB/2012	1,690,667	1.08%
5,000,000	Eurohypo AG 4.625% MTN 30/SEP/2010	4,141,042	2.65%
2,500,000	General Dynamics Corp. 4.5% 15/AUG/2010	2,153,458	1.38%
2,000,000	General Electrical Capital Corp. 5.25% MTN 19/OCT/2012	1,713,300	1.10%
2,500,000	Goldman Sachs Group Inc. 5.45% NTS 01/NOV/2012	2,154,146	1.38%
4,000,000	International Lease Finance Corp. 5.3% BDS 01/MAY/2012	2,583,900	1.65%
5,000,000	Kommuninvest I Sverige AB 5.375% EMTN 15/JUN/2011	4,439,791	2.84%
2,000,000	Procter and Gamble Corp. 4.6% NTS 15/JAN/2014	1,752,800	1.12%
2,000,000	Royal Bank of Canada 4.125% BDS 26/JAN/2010	1,699,750	1.09%
2,200,000	Wal-mart Stores Inc. 4.55% NTS 01/MAY/2013	1,921,077	1.23%
5,000,000	Wells Fargo & Co. 5.25% SNR NTS 23/OCT/2012	4,313,041	2.76%
2,500,000	Export Development Canada 4.625% 01/APR/2010	2,142,271	1.37%
4,000,000	Federal Home Loan Banks 3% BDS 11/JUN/2010	3,411,467	2.18%
2,500,000	Kommunal Banken 3.375% BDS 15/NOV/2011	2,141,771	1.37%
5,000,000	NED Waterschapsbk 3% SNR MTN 16/JUN/2010	4,241,458	2.72%
5,000,000	United States of America Treasury Notes 1.875% 28/FEB/2014	4,058,917	2.60%
	Other	7,940,964	5.08%
<b>Total Bonds (cost \$58,433,044)</b>		<b>\$58,362,808</b>	<b>37.36%</b>

At June 30, 2008, 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):

<b><u>Nominal Amount</u></b>	<b><u>U.S. Dollar Denominated Bonds</u></b>	<b><u>Fair Value</u></b>	<b><u>% of net assets</u></b>
4,000,000	Federal Home Loan Banks 3% BDS 11/JUN/2010	\$ 3,319,800	1.85%
5,000,000	Federal Home Loan Banks 5.25% BDS 24/DEC/2008	4,216,167	2.35%
4,000,000	Federal Home Loan Mortgage Corp 5.875% 21/MAR/2011	3,509,367	1.96%
7,600,000	United States of America Treasury Notes 3.625% 31/OCT/2009	6,439,733	3.59%
5,000,000	Ned Waterschapsbk 3% MTN 16/JUN/2010	4,134,583	2.30%
2,500,000	Allstate Life Global 4.250% 26/FEB/2010	2,089,646	1.16%
4,500,000	Bank Of America Corp 4.25% 01/OCT/2010	3,722,025	2.07%
5,000,000	Eurohypo Ag 4.625% MTN 30/SEP/2010	4,244,792	2.37%
2,500,000	General Dynamics Corp 4.5% 15/AUG/2010	2,127,979	1.19%
2,500,000	Goldman Sachs Group Inc 5.45% NTS 01/NOV/2012	2,078,104	1.16%
4,000,000	International Lease Finance Corp 5.3% 01/MAY/2012	2,944,733	1.64%
5,000,000	Kommuninvest I Sverige AB 5.375% EMTN 15/JUN/2011	4,345,417	2.42%
5,000,000	Morgan Stanley VR 21/NOV/2008	4,148,000	2.31%
2,200,000	Wal-Mart Stores 4.55% NTS 01/MAY/2013	1,841,803	1.03%
5,000,000	Wells Fargo & Co 5.25% SNR NTS 23/OCT/2012	4,190,042	2.33%
	Other	7,137,308	3.98%
<b>Total Bonds (cost \$61,046,223)</b>		<b>\$ 60,489,499</b>	<b>33.71%</b>

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

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

**Open Forward Currency Contracts**

The following forward currency contracts were open at June 30, 2009:

<b>Open Forward Currency Contracts</b>						<b>Unrealised gain</b>	
Buy	AUD	4,365,000	-	Sell	USD	3,288,379	\$ 190,210
Sell	CAD	723,000	-	Buy	USD	625,270	2,128
Buy	GBP	870,000	-	Sell	USD	1,403,932	23,983
Buy	NOK	6,651,344	-	Sell	USD	1,029,492	2,183
Buy	NZD	3,114,000	-	Sell	USD	1,888,887	102,453
Buy	USD	1,370,697	-	Sell	JPY	131,820,000	3,100
Buy	USD	676,461	-	Sell	SEK	5,203,000	4,158
Buy	USD	325,095	-	Sell	CHF	352,000	1,041
Buy	AUD	8,621	-	Sell	USD	6,949	16
Buy	ZAR	71,771	-	Sell	USD	9,114	149
<b>Total unrealised gains</b>						<b>\$ 329,421</b>	

<b>Open Forward Currency Contracts</b>						<b>Unrealised loss</b>	
Buy	CAD	2,907,000	-	Sell	USD	2,598,078	\$ (78,584)
Buy	EUR	1,479,000	-	Sell	USD	2,090,655	(13,446)
Buy	CAD	34,838	-	Sell	USD	30,309	(259)
Buy	JPY	9,999,856	-	Sell	USD	104,839	(996)
Buy	USD	1,593,319	-	Sell	CHF	2,215,000	(39,991)
Buy	DKK	38,769	-	Sell	USD	7,339	(31)
Buy	GBP	19,202	-	Sell	USD	31,776	(127)
Buy	JPY	476,507,000	-	Sell	USD	4,960,927	(16,279)
Buy	USD	2,011,930	-	Sell	GBP	1,299,000	(106,049)
Buy	USD	1,993,573	-	Sell	EUR	1,479,000	(67,455)
Buy	CHF	21,014	-	Sell	USD	19,451	(108)
<b>Total unrealised losses</b>						<b>\$ (323,325)</b>	

The following forward currency contracts were open at June 30, 2008:

<b>Open Forward Currency Contracts</b>						<b>Unrealised gain</b>	
Buy	AUD	5,527,000	-	Sell	USD	4,375,434	\$ 3,347
Buy	EUR	9,511,000	-	Sell	USD	12,438,935	250,983
Buy	NOK	16,987,000	-	Sell	USD	2,757,727	39,190
Buy	SEK	26,668,000	-	Sell	USD	3,678,695	26,364
Sell	JPY	175,070,000	-	Buy	USD	1,382,084	14,637
Sell	JPY	205,039,000	-	Buy	USD	1,618,673	43,334
<b>Total unrealised gains</b>						<b>\$ 377,855</b>	

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

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

**Open Forward Currency Contracts (continued)**

<b>Open Forward Currency Contracts</b>					<b>Unrealised loss</b>	
Sell	GBP	2,807,000	- Buy	USD	4,628,033	\$ (90,191)
Buy	CAD	7,389,000	- Sell	USD	6,063,774	(14,135)
Sell	NOK	2,157,000	- Buy	USD	350,175	(3,548)
Sell	CHF	2,166,000	- Buy	USD	1,773,177	(37,734)
Sell	CHF	1,174,000	- Buy	USD	961,085	(12,490)
Sell	CHF	1,004,000	- Buy	USD	821,916	(15,210)
						(15,210)
<b>Total unrealised losses</b>						<b>\$ (173,308)</b>

There were no open futures contracts at June 30, 2009 and 2008.

**4. Accounts payable**

	<u>2009</u>	<u>2008</u>
Administration and custody fees	\$ 243,464	\$ 261,356
Audit fees	41,108	59,015
Investment management fees	<u>186,886</u>	<u>337,019</u>
Total accounts payable	<u>\$ 471,458</u>	<u>\$ 657,390</u>

**5. Benefit payments**

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

	<u>2009</u>	<u>2008</u>
Termination of residence	\$ 3,525,877	\$ 3,280,404
Retirement	3,228,948	3,498,028
Death and medical	<u>207,387</u>	<u>159,530</u>
Total benefit payments	<u>\$ 6,962,212</u>	<u>\$ 6,937,962</u>

**6. Administration and custody fees**

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

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

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

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

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

For its service during the year ended June 30, 2009, Butterfield earned fees under this agreement amounting to \$750,172 (2008: \$973,505).

Effective March 1, 2006, the Plan entered into a Global Custody Agreement with JP Morgan Chase Bank, N.A (“JP Morgan”), whereby JP Morgan provides administrative and custodial services to the Plan. For these services, JP Morgan receives a fee calculated at standard rates based on the volume of transactions and the market value of the portfolio. For its services during the year ended June 30, 2009, JP Morgan earned fees under this agreement amounting to \$109,117 (2008: \$107,360).

**7. Investment management fees**

**Investment management fees**

Effective February 28, 2006, the Plan entered into a Discretionary Investment Agreement whereby Butterfield Bank (Cayman) Ltd. (“Butterfield Bank”), manages the fixed income portfolio of the Plan. The amended Discretionary Investment Agreement with Butterfield Bank provides for a wrap up fee of 0.35% per annum, calculated on the total market value of the fixed income portfolio of the Plan, and paid on a quarterly basis. For its services during the year ended June 30, 2009, Butterfield Bank earned fees under this agreement amounting to \$211,790 (2008: \$217,757).

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

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

For its services during the year ended June 30, 2009, Alliance Bernstein earned fees under this agreement amounting to \$451,055 (2008: \$797,877).

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, 2009, McKinley earned fees under this agreement amounting to \$29,887.

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

**8. Consultancy fees**

Effective December 15, 2004, the Trustees of the Plan entered into an agreement with Mercer Investment Consulting, Inc. ("Mercer") under which Mercer was engaged to perform a review of the Plan's investment arrangements as well as to provide ongoing quarterly investment performance evaluation services.

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

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

**9. Unit transactions**

Units of the Plan are issued or redeemed on the first business day of each month at a price based on the underlying net asset value of the relevant Lifecycle Fund at the opening of business on that date, subject to the provisions of the Trust Deed.

Transactions in units from the date of launch of the Lifecycle Funds to June 30, 2009 are summarized as follows:

	<b>Chamber 2045</b>	<b>Chamber 2035</b>	<b>Chamber 2025</b>	<b>Chamber 2015</b>	<b>Chamber Income</b>
Outstanding units, at June 30, 2007	3,678,201	21,925,179	28,034,652	17,508,642	6,982,694
Issued during the period (contributions and transfers from other plans)	1,647,000	5,003,207	4,672,360	2,410,605	715,416
Net transfers	(9,547)	(2,425)	13,504	(208)	(2,454)
Redeemed during the period (benefit payments and transfers to other plans)	(176,663)	(1,137,459)	(1,180,492)	(897,590)	(895,312)
Outstanding units, at June 30, 2008	5,138,991	25,788,502	31,540,024	19,021,449	6,800,344
Issued during the period (contributions and transfers from other plans)	3,697,797	8,190,021	6,555,029	3,209,286	685,550
Net transfers	(2,862)	22,910	(16,894)	5,986	(8,107)
Redeemed during the period (benefit payments and transfers to other plans)	(218,662)	(1,182,770)	(1,074,809)	(1,331,883)	(1,089,770)
Outstanding units, at June 30, 2009	8,615,264	32,818,663	37,003,350	20,904,838	6,388,017

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

The net asset values per unit of each of the Lifecycle Funds, at June 30, 2009 and 2008 are disclosed in Note 14.

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

**10. Plan termination**

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

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

**11. Financial instruments and associated risks**

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

**Price risk:**

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

The Plan's market price risk is managed through diversification of the investment portfolio ratios by exposures. The overall market exposures as at June 30, 2009 are presented in Note 3.

At June 30, 2009, 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 Alliance Bernstein (Note 7)***

If the MSCI World Equity Index at June 30, 2009 and June 30, 2008 had increased/decreased by 10% (2008: 15.5%) with all other variables held constant, this may have increased/decreased net assets attributable to unitholders by approximately \$1,967,177 to \$9,604,453 (2008: \$16,298,000 to \$17,727,000).

***Equity portfolio managed by McKinley (Note 7)***

If the MSCI World Growth Net Dividend Index at June 30, 2009 had increased/decreased by 10% with all other variables held constant, this may have increased/decreased net assets attributable to unitholders by approximately \$378,300 to \$6,023,700.

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

The above investment advisors do not manage the Plan's investments to track any particular index or external benchmark. The sensitivity analysis presented above is based upon the portfolio composition as at June 30 and the performance of the securities in the portfolio relative to a benchmark index. The composition of the Plan's investment portfolio and the correlation thereof to the respective index is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2009 and 2008 is not necessarily indicative of the effect on the Plan's net assets of future movements in the level of the index.

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

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

Price risk (continued):

The majority of the investments are denominated in USD. At June 30, 2009 and 2008 the Plan held the following equity securities denominated in currencies other than the USD.

(expressed in Cayman Islands dollars)	<u>2009</u>	<u>2008</u>
AUSTRALIAN DOLLAR	\$ 2,140,291	\$ 1,278,505
BRAZILIAN REAL	666,166	818,967
CANADIAN DOLLAR	2,248,169	2,634,095
SWISS FRANC	3,288,570	4,217,698
CZECH KRONA	74,907	-
DANISH KRONE	665,731	-
EURO	11,650,964	17,982,674
BRITISH POUND	8,943,455	10,141,645
HONG KONG DOLLAR	2,625,065	1,027,631
INDONESIAN RUPIAH	265,222	-
JAPANESE YEN	4,813,231	10,692,883
SOUTH KOREA WON	583,379	1,101,050
NEW MEXICAN PESOS	-	650,314
NORWEGIAN KRONE	410,272	1,778,570
SWEDISH KRONA	691,737	931,390
SINGAPORE DOLLAR	68,171	254,702
THAILAND BAHT	89,859	118,175
NEW TAIWAN DOLLAR	524,213	513,462
SOUTH AFRICAN RAND	788,191	693,979
	<hr/>	<hr/>
	\$ 40,537,593	\$54,835,740

The Cayman Islands dollar (“KYD”) is pegged to the US dollar (Note 2) therefore the Plan is only affected by changes in movements in the exchange rates of other foreign currencies. The table below shows the approximate effect on profit, at June 30, 2009 and 2008, had the exchange rate between the Cayman dollar and the respective foreign currencies, other than the US dollar, in which the equity securities were denominated, increased or decreased by 5% with all other variables held constant.

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 balance sheet 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**

**JUNE 30, 2009**

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

Price risk (continued):

	<b>2009</b>		<b>2008</b>	
	Effect on profit – 5% decrease (expressed in KYD)	Effect on profit – 5% increase (expressed in KYD)	Effect on profit – 5% decrease (expressed in KYD)	Effect on profit – 5% increase (expressed in KYD)
AUSTRALIAN DOLLAR	\$ 107,015	\$ (107,015)	\$ 63,925	\$ (63,925)
BRAZILIAN REAL	33,308	(33,308)	40,948	(40,948)
CANADIAN DOLLAR	112,408	(112,408)	131,705	(131,705)
SWISS FRANC	164,429	(164,429)	210,885	(210,885)
CZECH KRONA	3,745	(3,745)	-	-
DANISH KRONE	33,287	(33,287)	-	-
EURO	582,548	(582,548)	899,134	(899,134)
BRITISH POUND	447,173	(447,173)	507,372	(507,372)
HONG KONG DOLLAR	131,253	(131,253)	51,382	(51,382)
INDONESIAN RUPIAH	13,261	(13,261)	-	-
JAPANESE YEN	240,662	(240,662)	534,644	(534,644)
SOUTH KOREA WON	29,169	(29,169)	55,052	(55,052)
NEW MEXICAN PESOS	-	-	32,516	(32,516)
NORWEGIAN KRONE	20,514	(20,514)	88,928	(88,928)
SWEDISH KRONA	34,587	(34,587)	46,569	(46,569)
SINGAPORE DOLLAR	3,409	(3,409)	12,735	(12,735)
THAILAND BAHT	4,493	(4,493)	5,909	(5,909)
NEW TAIWAN DOLLAR	26,211	(26,211)	25,673	(25,673)
SOUTH AFRICAN RAND	39,410	(39,410)	34,699	(34,699)
	<b>\$ 2,026,882</b>	<b>\$ (2,026,882)</b>	<b>\$ 2,742,076</b>	<b>\$ (2,742,076)</b>

Currency risk:

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

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

The forward contracts are collateralised by cash amounting to \$47,356 (2008: \$50,307). Details of the Plan's forward currency contracts are disclosed in Note 3.

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

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

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

Currency risk (continued):

At June 30, 2009 the Plan held approximately \$455,861 (2008: \$1,093,066) of cash and cash equivalents denominated in foreign currencies, other than the USD.

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

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

Interest rate risk:

The Plan's fixed rate and zero coupon bond holdings are subject to market risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

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

<b>June 30, 2009</b>	<b>Up to 1 year</b>	<b>2-5 years</b>	<b>Above 5 years</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 2,656,590	\$ -	\$ -	\$ 2,656,590
Financial assets at fair value through profit or loss	32,020,720	42,637,698	-	74,658,418
<b>Total Assets</b>	<b>\$34,677,310</b>	<b>\$42,637,698</b>	<b>\$ -</b>	<b>\$77,315,008</b>

<b>June 30, 2008</b>	<b>Up to 1 year</b>	<b>2-5 years</b>	<b>Above 5 years</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 2,136,792	\$ -	\$ -	\$ 2,136,792
Financial assets at fair value through profit or loss	14,603,731	50,871,145	1,254,188	66,729,064
<b>Total Assets</b>	<b>\$16,740,523</b>	<b>\$50,871,145</b>	<b>\$ 1,254,188</b>	<b>\$68,865,856</b>

At June 30, 2009, should interest yields, for the debt securities held by the Plan, have lowered/increased by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately \$1,525,262 (2008: \$1,330,769), arising substantially from the increase/decrease in market values of debt securities.

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

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

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

Credit risk:

The Plan takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Plan's main credit risk is comprised of a) its cash and cash equivalent balances; b) unrealized gains on derivative financial instruments; and c) its debt securities. The fair value of substantially all favourable derivative contracts outstanding (contracts with unrealized gains) and cash and cash equivalents are with the Plan's prime broker - JP Morgan.

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

At June 30, 2009 and 2008 the Plan held investments in money market funds (Note 3). An investment in money market funds is exposed to the risk that a money market fund will not be able to maintain a NAV per share of \$1.00 at all times. The investments in money market funds are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. In addition money market funds are exposed to market risk, interest rate risk, credit risk and liquidity risk.

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

	2009	2008
Rating		
AAA	\$ 21,444,765	\$ 20,114,783
AA+	1,713,300	4,190,042
AA	4,508,410	3,931,449
AA-	10,711,829	7,473,146
A+	-	4,148,000
A	8,901,896	2,127,979
A-	-	2,944,733
BBB+	2,583,900	4,774,217
Not Rated*	8,498,708	10,785,150
	<u>\$ 58,362,808</u>	<u>\$ 60,489,499</u>

\* The balance comprises \$4,058,917 (2008: \$6,439,733) of US treasury notes and the remainder is bonds rated Aaa by other rating agencies.

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.

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

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

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 are traded in an active market and can be readily disposed of.

At June 30, 2009 and 2008, all of the Plan's liabilities (excluding net assets attributable to participants for benefits) have a maturity of 3 months or less.

The table below analyses the Plan's derivative financial instruments that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	1 month or less	1- 3 months	3-12 months
<u>June 30, 2009:</u>			
Forward contracts			
- outflows	\$ (174,817)	\$ (21,750,322)	\$ -
- inflows	173,460	21,757,775	
<u>June 30, 2008:</u>			
Forward contracts			
- outflows	\$ -	\$ (40,543,958)	\$ -
- inflows	-	40,748,505	-

**12. Financial highlights**

The decrease in net asset value per unit, of each of the Lifecycle Funds, for the years ended June 30, 2009 and 2008, calculated based on the movement in net asset value per unit, is as follows:

2045: -36.54% (2008: -13.77%)

2035: -32.17% (2008: -12.02%)

2025: -27.61% (2008: -10.20%)

2015: -20.91% (2008: -7.25%)

Chamber Income: -8.87% (2008: -0.65%)

The expense ratio (excluding withholding taxes), for the Plan as a whole, for the year ended June 30, 2009 is 1.12% (2008: 1.36%), calculated based on total expenses as a percentage of average annual net assets available to participants for benefits.

**13. Taxation**

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

**CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009**

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

The movement in the net assets for the year ended June 30, 2009 and for each Lifecycle Fund is as follows:

**For the Year ended June 30, 2009**

	Chamber 2045	Chamber 2035	Chamber 2025	Chamber 2015	Chamber Income	For the year ended June 30, 2009 Total Plan	For the year ended June 30, 2008 Total Plan
Opening net assets available to Participants for benefits	\$10,199,776	\$51,679,857	\$63,866,814	\$39,160,707	\$14,558,491	\$179,465,645	\$175,544,560
Total contributions	4,772,843	11,500,128	9,849,726	5,449,745	1,271,931	32,844,373	31,712,246
Transfers	(1,103)	37,208	(27,459)	10,771	(19,417)	-	-
Total withdrawals	(296,556)	(1,745,809)	(1,630,865)	(2,234,886)	(2,131,066)	(8,039,182)	(9,384,568)
Net decrease in net assets available to participants for benefits	(3,822,125)	(16,863,304)	(17,817,064)	(8,345,121)	(1,215,705)	(48,063,319)	(18,406,593)
Closing net assets available to Participants for benefits	<u>\$10,852,835</u>	<u>\$44,608,080</u>	<u>\$54,241,152</u>	<u>\$34,041,216</u>	<u>\$12,464,234</u>	<u>\$156,207,517</u>	<u>\$179,465,645</u>
No. of units at June 30, 2009	8,615,264	32,818,663	37,003,350	20,904,838	6,388,017		
Net asset value per unit – June 30, 2009	\$ 1.260	\$ 1.359	\$ 1.466	\$ 1.628	\$ 1.951		
Net asset value per unit - June 30, 2008	\$ 1.985	\$ 2.004	\$ 2.025	\$ 2.059	\$ 2.141		