

**CAYMAN ISLANDS CHAMBER OF
COMMERCE PENSION PLAN**

FINANCIAL STATEMENTS

JUNE 30, 2007

**CAYMAN ISLANDS CHAMBER OF
COMMERCE PENSION PLAN**

FINANCIAL STATEMENTS

JUNE 30, 2007

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 the Financial Statements	6 - 17

INDEPENDENT AUDITOR'S REPORT

**To the Trustees 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, 2007 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.

Trustee's Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. 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, 2007, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

December 5, 2007

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

BALANCE SHEET

(Expressed in Cayman Islands dollars)

	<u>2007</u>	<u>June 30,</u> <u>2006</u>
ASSETS		
Cash and cash equivalents	\$ 8,344,191	\$ 3,387,102
Receivable for securities sold	337,147	365,285
Accrued interest receivable	1,075,724	918,880
Accrued dividends receivable	86,314	94,816
Financial assets, at fair value through profit or loss (Note 3)	168,923,307	129,414,774
Unrealised gain on forward currency contracts (Note 11)	419,295	225,291
Unrealised gain on open futures contracts (Note 11)	3,171	15,928
Prepaid fees and other receivables	<u>15,964</u>	<u>32,362</u>
 Total assets	 <u>179,205,113</u>	 <u>134,454,438</u>
 LIABILITIES		
Payable for securities purchased	2,456,724	156,912
Unrealised loss on forward currency contracts (Note 11)	32,538	284,678
Unrealised loss on open futures contracts (Note 11)	4,324	-
Benefits payable	641,490	511,246
Accounts payable (Note 4)	<u>525,477</u>	<u>385,199</u>
 Total liabilities (excluding net assets available to participants for benefits)	 <u>3,660,553</u>	 <u>1,338,035</u>
 NET ASSETS AVAILABLE TO PARTICIPANTS FOR BENEFITS (NOTES 9 AND 14)	 <u>\$175,544,560</u>	 <u>\$133,116,403</u>

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

James O'Neill
.....
Trustee

Colin Reid
.....
Trustee

December 5, 2007
.....
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)

	For the year ended <u>June 30,</u>	
	<u>2007</u>	<u>2006</u>
Revenue		
Interest income - bonds	\$ 2,776,136	\$ 1,567,007
Interest income - cash and cash equivalents	471,912	506,219
Dividend income	2,032,691	1,695,027
Net realised gain on financial assets at fair value through profit or loss	1,682,082	15,720,231
Net realised gains on futures, forward currency contracts, and foreign currency transactions	1,348,609	442,318
Net change in unrealised gain/(loss) on financial assets at fair value through profit or loss	17,269,336	(6,325,233)
Net change in unrealised gain/(loss) on forward currency contracts, futures and other assets and liabilities denominated in foreign currencies	<u>332,182</u>	<u>(213,165)</u>
Total revenue	<u>25,912,948</u>	<u>13,392,404</u>
Expenses		
Administration and custody fees (Note 6)	1,057,275	875,214
Investment management fees (Note 7)	782,535	673,349
Consultancy fees (Note 8)	139,403	62,571
Salary costs (Note 1)	72,210	18,838
Trustees liability insurance expense	55,398	43,500
Audit fees	54,211	27,524
Other expenses	44,113	20,146
Printing and communication costs	13,078	19,653
Plan registration fees	<u>2,500</u>	<u>2,500</u>
Total expenses	<u>2,220,723</u>	<u>1,743,295</u>
Operating profit	23,892,225	11,649,109
Withholding taxes (Note 13)	<u>(428,609)</u>	<u>(345,161)</u>
Net increase in net assets from operations available to participants for benefits	<u>\$ 23,263,616</u>	<u>\$ 11,303,948</u>

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

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE TO PARTICIPANTS FOR BENEFITS

(Expressed in Cayman Islands dollars)

	For the year ended <u>June 30,</u>	
	<u>2007</u>	<u>2006</u>
Net increase in net assets from operations available to participants for benefits	\$ <u>23,263,616</u>	\$ <u>11,303,948</u>
Contributions and transfers in		
Employers and self employed participants - contributions	13,030,438	11,683,160
Employers and self employed participants - transfers in	454,326	567,764
Employees and voluntary participants - contributions	12,889,417	11,474,368
Employees and voluntary participants - transfers in	<u>451,673</u>	<u>567,764</u>
Total contributions and transfers in	<u>26,825,854</u>	<u>24,293,056</u>
Total additions	<u>50,089,470</u>	<u>35,597,004</u>
Benefit payments and transfers out		
Benefits paid to participants (Note 5)	(6,109,869)	(4,662,139)
Amounts transferred out	<u>(1,551,444)</u>	<u>(2,785,285)</u>
Total benefit payments and transfers out	<u>(7,661,313)</u>	<u>(7,447,424)</u>
Net increase in net assets available to participants for benefits	42,428,157	28,149,580
Net assets available to participants for benefits at beginning of year	<u>133,116,403</u>	<u>104,966,823</u>
Net assets available to participants for benefits at end of year	<u>\$175,544,560</u>	<u>\$133,116,403</u>

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

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

STATEMENT OF CASH FLOWS

(Expressed in Cayman Islands dollars)

	For the year ended <u>June 30,</u>	
	<u>2007</u>	<u>2006</u>
Cash flows from operating activities		
Interest received	\$ 3,091,204	\$ 1,588,109
Dividends received	1,612,584	1,370,337
Administration and custody fees paid	(968,529)	(891,649)
Investment management fees paid	(742,087)	(532,994)
Audit fees paid	(43,127)	(29,704)
Printing costs paid	(13,078)	(19,653)
Trustee liability insurance	(39,000)	(39,001)
Other expenses paid	(44,113)	(20,146)
Consultancy fees paid	(139,403)	(100,071)
Salary costs paid	(72,210)	(18,838)
Plan registration fees paid	(2,500)	(2,500)
Net cash provided by operating activities	<u>2,639,741</u>	<u>1,303,890</u>
Cash flows from investing activities		
Purchase of investments	(168,736,381)	(238,099,046)
Proceeds from sale and maturity of investments	150,634,970	199,709,329
Net (contribution)/redemption, to/from money market fund	(127,754)	20,787,096
Net realised gain on forward currency contracts, futures contracts, and foreign currency transactions	<u>1,348,609</u>	<u>442,318</u>
Net cash used in investing activities	<u>(16,880,556)</u>	<u>(17,160,303)</u>
Cash flows from financing activities		
Contributions and amounts transferred in from employers and self employed participants	13,484,764	12,250,924
Contributions and amounts transferred in from employees and voluntary participants	13,341,090	12,042,132
Benefit payments and transfers paid out	(7,531,069)	(7,761,338)
Net cash provided by financing activities	<u>19,294,785</u>	<u>16,531,718</u>
Net increase in cash and cash equivalents	5,053,970	675,305
Unrealised foreign currency loss on other assets and liabilities denominated in foreign currency	(96,881)	(169,706)
Cash and cash equivalents at beginning of year	<u>3,387,102</u>	<u>2,881,503</u>
Cash and cash equivalents at end of year	<u>\$ 8,344,191</u>	<u>\$ 3,387,102</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, 2007

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 1000GT, Grand Cayman.

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, 2007, there were approximately 15,860 participants in the Plan (2006: 13,143). 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, 2007 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, 2007

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, 2007

2. Significant accounting policies (continued)

A) Amendment to published standards effective for the year ended June 30, 2007:

IAS 39 (Amendment), The Fair Value Option, is mandatory for the Plan's accounting period beginning on July 1, 2006. The Plan has also applied this amendment to the prior year. It allows entities to designate financial assets and financial liabilities at fair value through profit or loss when not held for trading if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('an accounting mismatch') or if a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis.

Adoption of this amendment only impacts the disclosures presented in the financial statements and not the Plan's valuation policies.

All other new standards, amendments and interpretations effective for the year ended June 30, 2007, are not considered relevant to the Plan's operations.

B) Relevant standards and amendments issued prior to June 30, 2007 but not effective until future periods:

IFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial Statements, Capital Disclosures (effective for periods beginning from January 1, 2007). IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Plan assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment of IAS 1. The Plan will apply IFRS 7 and the amendment to IAS 1 from annual periods beginning July 1, 2007.

IFRS 8, Operating Segments (effective for periods beginning from January 1, 2009), is not expected to impact the Plan as the Plan is currently not included in the scope of IFRS 8 by virtue of the fact that the Plan does not have any issued securities which are publicly traded.

The significant accounting policies of the Plan are as follows:

Financial assets, at fair value through profit or loss: The Plan has classified its investment securities as financial assets or liabilities at fair value through profit and loss. 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.

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.

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.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

2. Significant accounting policies (continued)

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

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

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

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

Expenses: Expenses are accounted for on the accrual basis.

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.

3. Financial assets at fair value through profit or loss

At June 30, 2007, the Plan's portfolio of investments consisted of the following (investments where either cost or value exceeds 1% of the Plan's net assets are presented individually):

<u>Shares</u>	<u>U.S. Equities</u>	<u>Fair Value</u>	<u>% of net assets</u>
60,076	JP Morgan Chase & Co.	2,425,568	1.38%
47,500	Citigroup Inc. Common Stock	2,030,229	1.16%
58,800	General Electric Co. Common Stock	1,875,720	1.07%
30,900	American International Group Inc.	1,803,272	1.03%
	Other	<u>47,706,780</u>	<u>27.18%</u>
	Total U.S. Equities (cost \$49,921,426) (2006: cost \$39,834,697, value \$38,757,852)	<u>55,841,569</u>	<u>31.81%</u>

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

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

<u>Shares</u>	<u>Non-U.S. Equities</u>	<u>Fair Value</u>	<u>% of net assets</u>
41,393	Credit Suisse Group CHF0.04	2,458,441	1.40%
25,950	Total S.A. EUR 2.5	1,759,932	1.00%
	Other Foreign Equities		
	- Canada	2,324,635	1.32%
	- Europe	20,473,114	11.66%
	- Japan	9,505,430	5.41%
	- United Kingdom	8,865,057	5.05%
	- Other	<u>7,705,155</u>	<u>4.39%</u>
	Total Foreign Equities (cost \$43,067,186) (2006: cost \$37,384,437, value \$37,508,627)	<u>53,091,764</u>	<u>30.24%</u>
	Total Equities (cost \$92,988,611) (2006: cost \$77,219,134, value \$76,266,479)	<u>108,933,333</u>	<u>62.05%</u>
<u>Nominal Amount</u>	<u>U.S. Dollar Denominated Bonds</u>	<u>Fair Value</u>	<u>% of net assets</u>
5,000,000	MBNA Europe Funding, Variable Rate, 7-Sep-2007	4,167,792	2.37%
5,000,000	Morgan Stanley, Variable Rate, 21-Nov-2008	4,165,667	2.37%
5,000,000	Roche Holdings, 3.25%, 2-Oct-2007	4,144,167	2.36%
4,500,000	Dow Chemical, 5.0%, 15-Nov-2007	3,740,775	2.13%
4,400,000	Praxxair, 4.75%, 15-Nov-2007	3,666,153	2.09%
4,000,000	Credit Suisse First Boston, 4.625%, 15-Jan-2008	3,319,667	1.89%
4,000,000	General Electric, 4.125%, 4-Mar-2008	3,307,633	1.88%
2,495,000	CIT Group, 5.5%, 30-Nov-2007	2,078,917	1.18%
2,400,000	Deutsche Bank, 5%, 28-Sep-2007	1,997,472	1.14%
	Other	<u>22,012,334</u>	<u>12.54%</u>
	Total Bonds (cost \$52,706,186) (2006: cost \$46,364,220, value \$45,886,652)	<u>52,600,577</u>	<u>29.96%</u>
	* Money market fund (cost \$7,389,397) (2006: cost \$7,261,643, value \$7,261,643)	<u>7,389,397</u>	<u>4.21%</u>
	Total Investments (cost \$153,084,194) (2006: cost \$130,844,997, value \$129,414,774)	<u>\$168,923,307</u>	<u>96.23%</u>

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

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

4. Accounts payable

	<u>2007</u>	<u>2006</u>
Administration fees	\$ 265,366	\$ 176,620
Audit fees	36,404	25,320
Investment management fees	<u>223,707</u>	<u>183,259</u>
Total accounts payable	<u>\$ 525,477</u>	<u>\$ 385,199</u>

5. Benefit payments

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

	<u>2007</u>	<u>2006</u>
Termination of residence	\$ 3,509,881	\$ 2,626,053
Retirement	2,438,731	1,787,627
Death and medical	<u>161,257</u>	<u>248,459</u>
Total benefit payments	<u>\$ 6,109,869</u>	<u>\$ 4,662,139</u>

6. Administration and custody fees

In the period to February 28, 2006, the Plan was administered by Butterfield Bank (Cayman) Limited, (“Butterfield”). The administration agreement with Butterfield provided for administration fees to be charged at the rate of 1.75% per annum on the first CI\$10,000,000 of net assets in the Plan, 1% per annum on net assets between CI\$10,000,000 and CI\$25,000,000, 0.75% per annum on net assets between CI\$25,000,000 and CI\$50,000,000 and 0.5% per annum on net assets in excess of CI\$50,000,000. In general, the administration agreement was able to be terminated by either party providing to the other not less than 180 days written notice. The Plan terminated the administration agreement effective February 28, 2006. For the period from July 1, 2005 to February 28, 2006, Butterfield earned administrative fees under this agreement of \$559,919.

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

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

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

For its services, Butterfield Fund Services (Cayman) Limited earned fees under this agreement amounting to \$953,250 (2006: \$280,525).

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

6. Administration and custody fees (continued)

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, JP Morgan earned fees under this agreement amounting to \$104,025 (2006: \$34,770).

7. Investment management fees

Investment management fees

In the period to February 28, 2006, Butterfield acted as the Plan’s investment manager and custodian. Under the discretionary investment agreement with Butterfield as amended on July 1, 2003, the plan paid Butterfield a wrap fee for all investment services rendered at rates as follows:

- i) 0.80% per annum on the total market value of assets up to US\$50,000,000
- ii) 0.70% per annum when the total market value of assets reached a value greater than US\$50,000,000, and
- iii) 0.60% per annum when the total market value of assets reached a value greater than US\$100,000,000.

For its services, Butterfield earned fees under this agreement amounting to \$475,129.

Effective February 28, 2006, the Plan terminated the above referenced agreement with Butterfield and entered into a Discretionary Investment Agreement whereby Butterfield manages the fixed income portfolio of the Plan. The amended Discretionary Investment Agreement with Butterfield 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, Butterfield earned fees under this agreement amounting to \$204,495 (2006: \$60,876).

Effective March 1, 2006, the Plan entered into a Discretionary Investment Agreement with Alliance Bernstein L.P (“the Advisor”), whereby the Advisor manages the cash and cash equivalent and the 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, the Advisor earned fees under this agreement amounting to \$578,040 (2006: \$137,344).

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.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

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, and subject to the provisions of the Trust Deed. At June 30, 2007 there are 15,860 participants in the Plan (2006: 13,143). Transactions in units from July 1, 2005 to the date of launch of the Lifecycle Funds (Note 1) are summarized as follows:

Outstanding units, at June 30, 2005	60,110,725
Issued during the year (contributions and transfers from other plans)	12,863,932
Redeemed during the year (benefit payments and transfers to other plans)	<u>(3,931,538)</u>
Outstanding units, at June 30, 2006	69,043,119
Issued during the period July 1, 2006 to October 31, 2006 (contributions and transfers from other plans)	3,265,362
Redeemed during the period July 1, 2006 to October 31, 2006 (benefit payments and transfers to other plans)	<u>(1,001,658)</u>
Outstanding units, at October 31, 2006	<u>71,306,823</u>

Transactions in units from the date of launch of the Lifecycle Funds to June 30, 2007 are summarized as follows:

	<u>Chamber 2045</u>	<u>Chamber 2035</u>	<u>Chamber 2025</u>	<u>Chamber 2015</u>	<u>Chamber Income</u>
Outstanding units, at November 1, 2006	2,834,054	19,313,701	25,664,890	16,382,792	7,111,386
Issued during the period (contributions and transfers from other plans)	963,228	3,261,018	3,127,003	1,660,454	565,920
Net transfers	(20,257)	38,385	9,574	(19,910)	(4,201)
Redeemed during the period (benefit payments and transfers to other plans)	<u>(98,824)</u>	<u>(687,925)</u>	<u>(766,815)</u>	<u>(514,694)</u>	<u>(690,411)</u>
Outstanding units, at June 30, 2007	<u>3,678,201</u>	<u>21,925,179</u>	<u>28,034,652</u>	<u>17,508,642</u>	<u>6,982,694</u>

The net asset value per unit, of the Plan, at June 30, 2006 was \$1.93

The net asset value per unit, of the Plan, at October 31, 2006 was \$1.98

The net asset values per unit of each of the Lifecycle Funds, at June 30, 2007 are disclosed in Note 14

10. Plan termination

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

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

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

11. Financial instruments

Off-balance sheet risk

In the normal course of the Plan's trading operations, it enters into futures contracts and forward currency contracts, which, by their nature, are defined to have "off-balance sheet risk". Off-balance sheet risk exists when the maximum potential loss on a particular financial instrument is greater than the value of such financial instrument, as reflected in the Plan's balance sheet. Generally, these financial instruments represent future commitments to purchase or sell other financial instruments, commodities or currencies at specific terms on specific future dates. Market and credit risk arise in relation to these financial instruments.

Open Futures Contracts

The following futures contracts were open as at June 30, 2007:

<u>Number of contracts</u>	<u>Description</u>	<u>Unrealised gain/(loss)</u>
4	S&P/TSE 60 Index, 09/20/2007	\$ (<u>4,324</u>)
2	TOPIX Index, 09/13/2007	\$ <u>3,171</u>

The following futures contracts were open as at June 30, 2006:

<u>Number of contracts</u>	<u>Description</u>	<u>Unrealised gain</u>
10	DJ EURO STOXX 50, 09/15/2006	\$ <u>15,928</u>

Open Forward Currency Contracts

The following forward currency contracts were open at June 30, 2007:

	<u>Unrealised gain</u>
Buy CAD 3,053,000 - Sell USD 2,820,201	\$ 45,673
Buy AUD 618,000 - Sell USD 505,750	14,542
Buy AUD 8,951,000 - Sell USD 7,474,980	85,805
Buy USD 792,562 - Sell CHF 959,000	4,628
Buy USD 4,676,373 - Sell EUR 3,447,000	7,526
Buy USD 576,303 - Sell JPY 68,968,000	10,117
Buy USD 6,654,077 - Sell JPY 797,917,000	105,881
Buy GBP 433,000 - Sell USD 863,022	3,955
Buy GBP 161,000 - Sell USD 317,795	4,052
Buy GBP 3,711,000 - Sell USD 7,391,162	38,326
Buy NZD 370,000 - Sell USD 266,821	14,366
Buy NZD 4,230,000 - Sell USD 3,146,189	<u>84,424</u>
Total unrealised gains	\$ <u>419,295</u>

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

11. Financial instruments (continued)

Open Forward Currency Contracts (continued)

	Unrealised loss
Sell USD 95,003 - Buy CAD 100,000	\$(830)
Sell USD 1,312,072 - Buy CAD 1,389,000	(3,376)
Sell EUR 1,194,000 - Buy USD 1,612,987	(3,104)
Sell EUR 860,000 - Buy USD 1,152,288	(10,148)
Sell EUR 442,000 - Buy USD 592,729	(4,794)
Sell USD 746,758 - Buy JPY 89,781,000	<u>(10,286)</u>
Total unrealised losses	<u>\$(32,538)</u>

All the open forward currency contracts above settle on September 18, 2007

The following forward currency contracts were open at June 30, 2006:

Open Forward Currency Contracts

	Unrealised gain
Buy GBP 2,445,000 - Sell USD 4,553,568	\$ 68,885
Buy EUR 3,700,000 - Sell USD 4,680,130	5,208
Buy CHF 750,000 - Sell USD 615,157	10,073
Buy USD 49,704 - Sell CHF 60,000	58
Buy USD 2,965,440 - Sell AUD 4,000,000	25,216
Buy USD 4,697,211 - Sell CAD 5,200,000	41,563
Buy USD 7,537,784 - Sell EUR 5,850,000	68,114
Buy USD 49,214 - Sell CHF 60,000	78
Buy USD 412,449 - Sell AUD 560,000	<u>6,096</u>
Total unrealised gains	<u>\$ 225,291</u>

Open Forward Currency Contracts

	Unrealised loss
Sell AUD 4,000,000 - Buy USD 2,965,379	\$(22,234)
Sell AUD 560,000 - Buy USD 412,462	(3,418)
Sell CAD 5,200,000 - Buy USD 4,697,380	(50,770)
Sell EUR 5,850,000 - Buy USD 7,537,688	(85,284)
Sell USD 621,262 - Buy CHF 757,443	(6,701)
Sell USD 4,553,470 - Buy GBP 2,444,947	(49,116)
Sell USD 4,680,119 - Buy EUR 3,699,991	<u>(67,155)</u>
Total unrealised losses	<u>\$(284,678)</u>

Credit risk

Financial assets which potentially subject the Plan to concentrations of credit risk are cash and cash equivalents, investments in debt instruments and receivables. The Plan's cash and cash equivalents are primarily placed with Butterfield and JP Morgan. An analysis of the Plan's investments is provided in Note 3 to these financial statements. The Plan's investments in U.S. dollar denominated bonds comprise a well diversified portfolio of such investments and all of the bonds are rated BBB or better by Moody's/Standard & Poor's.

CAYMAN ISLANDS CHAMBER OF COMMERCE PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

11. Financial instruments (continued)

Currency risk

Although the majority of the Plan's investments and cash and cash equivalents are denominated in U.S. dollars, the Plan also invests in securities denominated in currencies other than the U.S. dollar (see Note 3) and may hold cash balances denominated in currencies other than the U.S. dollar. Consequently, the Plan is exposed to risks that the exchange rate of the U.S. dollar relative to other currencies may change in a manner which has an adverse affect on the reported value of that portion of the Plan's assets which are denominated in currencies other than the U.S. dollar.

The Plan may enter into forward currency contracts to manage the effects of such foreign currency fluctuations. There is however no guarantee that these contracts will eliminate all foreign currency risks.

Interest rate risk

The Plan's investments in debt instruments expose it to interest rate risk in that movements in interest rates may result in changes in the fair values of these investments.

Fair values

At June 30, 2007 and 2006, the carrying amount of the Plan's assets and liabilities approximated their fair values. The fair values of the Plan's investments are disclosed in Note 3 to these financial statements.

12. Financial highlights

The increase in net asset value per unit, of the Plan as a whole, for the period July 1, 2006 to October 31, 2006 is 2.82% (year ended June 30, 2006: increase of 10.29%) calculated based on the movement in net asset value per unit.

The increase in net asset value per unit, of each of the Lifecycle Funds, for the period November 1, 2006 to June 30, 2007 calculated based on the movement in net asset value per unit, is as follows:

2045 – 16.26%
2035 – 15.05%
2025 – 13.89%
2015 – 12.12%
Chamber Income – 8.84%

The expense ratio, for the Plan as a whole, for the year ended June 30, 2007 is 1.44% (2006: 1.46%) 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, 2007

14. Financial information on a Lifecycle Fund basis

The movement in the net assets for the year ended June 30, 2007 for each Lifecycle Fund is as follows:

	For the period July 1, 2007 to October 31, 2006			For the period November 1, 2007 to June 30 2007			June 30, 2007
	<u>Total</u>	<u>Chamber</u>	<u>Chamber</u>	<u>Chamber</u>	<u>Chamber</u>	<u>Chamber</u>	<u>Total</u>
	<u>Plan</u>	<u>2045</u>	<u>2035</u>	<u>2025</u>	<u>2015</u>	<u>Income</u>	<u>Plan</u>
Opening net assets available to Participants for benefits	\$133,116,403	\$ 5,623,898	\$ 38,326,110	\$ 50,929,407	\$ 32,509,720	\$ 14,111,340	\$133,116,403
Total contributions	6,348,188	2,083,409	7,007,501	6,683,585	3,521,489	1,181,682	26,825,854
Net transfers	-	(42,363)	64,087	21,386	(41,102)	(2,008)	-
Total withdrawals	(1,928,460)	(206,357)	(1,436,303)	(1,603,889)	(1,066,159)	(1,420,145)	(7,661,313)
Net increase in net assets available to participants for benefits	<u>3,964,344</u>	<u>1,010,174</u>	<u>5,978,267</u>	<u>7,192,692</u>	<u>3,938,091</u>	<u>1,180,048</u>	<u>23,263,616</u>
Closing net assets available to Participants for benefits	<u>\$141,500,475</u>	<u>\$ 8,468,761</u>	<u>\$ 49,939,662</u>	<u>\$ 63,223,181</u>	<u>\$ 38,862,039</u>	<u>\$ 15,050,917</u>	<u>\$175,544,560</u>
No. of units at June 30, 2007		<u>3,678,201</u>	<u>21,925,179</u>	<u>28,034,652</u>	<u>17,508,642</u>	<u>6,982,694</u>	
Net asset value per unit		<u>\$ 2.302</u>	<u>\$ 2.278</u>	<u>\$ 2.255</u>	<u>\$ 2.220</u>	<u>\$ 2.155</u>	