

AUDITED FINANCIAL STATEMENTS

The Colonial Master Deed Cayman Islands
Year Ended December 31, 2022
With Independent Auditor's Report

Ernst & Young Ltd.



The Colonial Master Deed Cayman Islands

Audited Financial Statements

Year Ended December 31, 2022

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Independent Auditor's Report

To the Trustee and Members of
The Colonial Master Deed Cayman Islands

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Colonial Master Deed Cayman Islands (the Trust), which comprise the statement of net assets available for benefits as at December 31, 2022, and the statement of comprehensive (loss)/income and statement of changes in net assets available for benefits for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2022, and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Trust in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Trustee for the Financial Statements

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

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

The Trustee is responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst + Young Ltd.

Hamilton, Bermuda
April 21, 2023

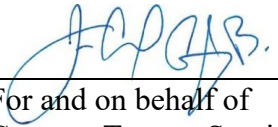
The Colonial Master Deed Cayman Islands

Statement of Net Assets Available for Benefits
(Expressed in U.S. Dollars)

	December 31	
	2022	2021
Pension plan assets		
Investments at fair value <i>(Note 3)</i>	\$ 213,930,796	\$ 252,061,170
Cash and cash equivalents	2,261,250	1,288,424
Miscellaneous receivables	3,073	3,073
Total assets	216,195,119	253,352,667
Liabilities		
Amounts due to related parties <i>(Note 4)</i>	127,418	80,586
Cash held on behalf of clients	738,687	759,471
Cash received in advance	1,552,122	515,063
Total liabilities	2,418,227	1,355,120
Net assets available for benefits	\$ 213,776,892	\$ 251,997,547
Represented by		
Employee contributions	\$ 153,990,906	\$ 181,978,169
Employer contributions	59,785,986	70,019,378
	\$ 213,776,892	\$ 251,997,547

See accompanying notes.

Approved for issuance on behalf of the Board of Directors of the Trustee of The Colonial Master Deed Cayman Islands by:



For and on behalf of
Conyers Trustee Services (BVI) Limited as
trustee of
The Colonial Master Deed Cayman Islands

The Colonial Master Deed Cayman Islands

Statement of Comprehensive (Loss)/Income
(Expressed in U.S. Dollars)

	December 31	
	2022	2021
Income		
Net unrealized (loss)/gain on investments	\$ (41,670,921)	\$ 17,209,751
Total (loss)/gain	(41,670,921)	17,209,751
Expenses		
Administration expenses (Note 4)	1,278,807	1,332,672
Registration fees	201,500	210,827
Bank charges	2,820	5,752
Total expenses	1,483,127	1,549,251
Net comprehensive (loss)/income	\$ (43,154,048)	\$ 15,660,500

See accompanying notes.

The Colonial Master Deed Cayman Islands

Statement of Changes in Net Assets Available for Benefits

(Expressed in U.S. Dollars)

	December 31	
	2022	2021
Net assets available for benefits at the beginning of year	\$ 251,997,547	\$ 240,953,736
(Decrease)/Increase in net assets available for benefits		
From operations		
Net (loss)/income for the year	(43,154,048)	15,660,500
From members and plan sponsor transactions		
Contributions	14,346,125	11,688,911
Withdrawals	(9,412,732)	(16,305,600)
Increase/(decrease) in net assets available for benefits from members and plan sponsor transactions	4,933,393	(4,616,689)
Net assets available for benefits at the end of year	\$ 213,776,892	\$ 251,997,547

See accompanying notes.

The Colonial Master Deed Cayman Islands

Notes to Financial Statements

(Expressed in U.S. Dollars)

December 31, 2022

1. General

The Colonial Master Deed Cayman Islands (the Trust or CMD) was established under the laws of the Cayman Islands on December 1, 2008, to be used under the Cayman National Pensions Act (2000 Revision). The purpose of the Trust is to hold pension assets for persons eligible for membership under the pension plan rules. The plan eligibility is limited to people who are employed in the Cayman Islands. The assets of the pension plans are administered by Coralisle Pension Services Ltd., (CPS), a company related through common control. Conyers Trustees Services (BVI) Limited acts as trustee for CMD.

The registered office and principal place of business of the Trust is Jardine House, 33-35 Reid Street, Hamilton HM12, Bermuda.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements, including all notes, were authorized for issue by the Trustees on April 21, 2023.

Basis of Measurement

The financial statements have been compiled on the going concern basis and prepared on the historical cost basis, except for the financial assets at fair value through profit or loss, which are stated at fair value.

Functional and Presentation Currency

The financial statements are presented in U.S. dollars, the Trust's functional currency.

The Colonial Master Deed Cayman Islands

Notes to Financial Statements (continued)

(Expressed in U.S. Dollars)

2. Summary of Significant Accounting Policies (continued)

Foreign Currency Translation

Transactions involving currencies other than the U.S. dollar are translated at exchange rates ruling at the time of those transactions. All monetary assets and liabilities originating in such currencies are translated at the rates ruling at the statement of financial position date. Any profits or losses on exchange are included in the statement of comprehensive income.

Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, and the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

The Trust's results and operations have been and may continue to be impacted by the COVID-19 pandemic and the recent economic environment. The effects include but are not limited to significant volatility in equity markets, decline in interest rates, increase in credit risk, strain on alternative long duration asset prices and disruption of business operations. The breadth and depth of these events and their duration contribute additional uncertainty around estimates used in determining the carrying value of certain assets and liabilities included in these Financial Statements. Management has considered the effect of COVID-19 to the extent possible in its estimates and assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the Note 3.

The Colonial Master Deed Cayman Islands

Notes to Financial Statements (continued)

(Expressed in U.S. Dollars)

2. Summary of Significant Accounting Policies (continued)

Fair Value Measurement

Fair value is determined based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is measured using the assumptions that market participants would use when pricing an asset or liability. The Trust determines fair value by using quoted prices in active markets for identical or similar assets or liabilities. When quoted prices in active markets are not available, fair value is determined using valuation techniques that maximize the use of observable inputs. When observable valuation inputs are not available, significant judgment is required to determine fair value by assessing the valuation techniques and valuation inputs. The use of alternative valuation techniques or valuation inputs may result in a different fair value. A description of the fair value methodologies and assumptions by type of asset is included in Note 3.

Pension Plan Assets

Pension plan assets comprise of investments and cash and cash equivalents.

Cash and Cash Equivalents

The Trust considers cash on hand, deposits with financial institutions and money market funds that can be withdrawn or liquidated without prior notice or penalty as equivalent to cash. Cash and cash equivalents include cash held on behalf of pension planholders, which represents a net amount for funds in transit between the pension planholders and the pension plan assets.

Investments

The Trust has investments classified as financial assets at fair value through profit or loss. Management determines the classification at initial recognition and is dependent on the nature of the assets and the purpose for which the assets were acquired. Financial assets at fair value through profit or loss are initially recognized at cost and subsequently measured at fair value in the statement of net assets available for benefits.

The Colonial Master Deed Cayman Islands

Notes to Financial Statements (continued)

(Expressed in U.S. Dollars)

2. Summary of Significant Accounting Policies (continued)

Investments include managed funds, which are valued using the net asset values obtained from the administrators of the fund. These funds generally carry their trading positions and investments at fair value as determined by their respective investment managers. For securities in the underlying funds which are not actively traded, fair values are estimated by the manager using values from independent pricing services or based on manager valuations. Due to the inherent uncertainty of valuation, the value of investments in managed funds held by the Trust may differ significantly from the values that would have been used had a ready market value for the funds existed, and such differences could be material.

Unrealized gains or losses on investments (the difference between contract purchase price and fair value) are reported in the statement of comprehensive income. Realized gains and losses on sales of underlying investments, which are included in the statement of comprehensive income, are calculated on the average cost basis.

Contributions and Withdrawals

Contributions and withdrawals are recognized when funds are received and paid respectively.

Administration Expenses

Administration expenses represent fees paid to CPS for the provision of pension plan administration services.

Taxation

Under the laws of Cayman there is presently no income, withholding or capital gains tax payable by the Trust.

New Standards, Interpretations and Amendments to Published Standards

There are no new standards, interpretations or amendments to existing standards in issue that have or are expected to have a significant impact on the Trust.

The Colonial Master Deed Cayman Islands

Notes to Financial Statements (continued)

(Expressed in U.S. Dollars)

3. Investments

Investments classified as financial assets at fair value through profit or loss comprises managed funds as follows:

	<u>2022</u>	<u>2021</u>
Coralisle Pioneer Fund – Growth Fund	\$ 30,460,539	\$ 37,461,590
Coralisle Pioneer Fund – Balanced	11,629,089	14,132,932
Coralisle Pioneer Fund – Global Bonds	41,046,538	48,043,150
Coralisle Pioneer Fund – U.S. Equities	24,502,592	28,546,048
Coralisle Pioneer Fund – European Equities	3,699,329	3,654,252
Coralisle Pioneer Fund – Southeast Asia Equities	12,400,684	14,725,577
Coralisle Pioneer Fund – U.S. Small Capital Equities	4,683,505	5,497,394
Coralisle Pioneer Fund – U.S. Bonds	24,899,218	28,710,484
Coralisle Pioneer Fund – Global Equities Index	44,728,482	51,934,973
Coralisle Pioneer Fund – European Equities Index	–	962,202
Coralisle Pioneer Fund – U.S. Equities Index	3,157,606	3,653,035
Coralisle Pioneer Fund – Cayman Cash	12,723,214	14,739,533
	<u>\$ 213,930,796</u>	<u>\$ 252,061,170</u>

The Colonial Master Deed Cayman Islands

Notes to Financial Statements (continued) (Expressed in U.S. Dollars)

3. Investments (continued)

Coralisle Pioneer Fund is an exempted trust registered in the Cayman Islands which contains multiple funds. These funds are organized as separate classes under a Multi Fund Unit Trust, which provides for the creation of any number of classes of units.

The allocation of the assets of the managed funds is as follows:

December 31, 2022	Equities	Bonds	Cash	Total
Coralisle Pioneer Fund – Growth Fund	\$ 30,460,539	\$ –	\$ –	\$ 30,460,539
Coralisle Pioneer Fund – Balanced	6,977,453	4,651,636	–	11,629,089
Coralisle Pioneer Fund – Global Bonds	–	41,046,538	–	41,046,538
Coralisle Pioneer Fund – U.S. Equities	24,502,592	–	–	24,502,592
Coralisle Pioneer Fund – European Equities	3,699,329	–	–	3,699,329
Coralisle Pioneer Fund – Southeast Asia Equities	12,400,684	–	–	12,400,684
Coralisle Pioneer Fund – U.S. Small Capital Equities	4,683,505	–	–	4,683,505
Coralisle Pioneer Fund – U.S. Bonds	–	24,899,218	–	24,899,218
Coralisle Pioneer Fund – Global Equities Index	44,728,482	–	–	44,728,482
Coralisle Pioneer Fund – U.S. Equities Index	3,157,606	–	–	3,157,606
Coralisle Pioneer Fund – Cayman Cash	–	–	12,723,214	12,723,214
	<u>\$ 130,610,190</u>	<u>\$ 70,597,392</u>	<u>\$ 12,723,214</u>	<u>\$ 213,930,796</u>

The Colonial Master Deed Cayman Islands

Notes to Financial Statements (continued)

(Expressed in U.S. Dollars)

3. Investments (continued)

December 31, 2021	Equities	Bonds	Cash	Total
Coralisle Pioneer Fund – Growth Fund	\$ 37,461,590	\$ –	\$ –	\$ 37,461,590
Coralisle Pioneer Fund – Balanced	7,066,466	7,066,466	–	14,132,932
Coralisle Pioneer Fund – Global Bonds	–	48,043,150	–	48,043,150
Coralisle Pioneer Fund – U.S. Equities	28,546,048	–	–	28,546,048
Coralisle Pioneer Fund – European Equities	3,654,252	–	–	3,654,252
Coralisle Pioneer Fund – Southeast Asia Equities	14,725,577	–	–	14,725,577
Coralisle Pioneer Fund – U.S. Small Capital Equities	5,497,394	–	–	5,497,394
Coralisle Pioneer Fund – U.S. Bonds	–	28,710,484	–	28,710,484
Coralisle Pioneer Fund – Global Equities Index	51,934,973	–	–	51,934,973
Coralisle Pioneer Fund – European Equities Index	962,202	–	–	962,202
Coralisle Pioneer Fund – U.S. Equities Index	3,653,035	–	–	3,653,035
Coralisle Pioneer Fund – Cayman Cash	–	–	14,739,533	14,739,533
	\$ 153,501,537	\$ 83,820,100	\$ 14,739,533	\$ 252,061,170

The Colonial Master Deed Cayman Islands

Notes to Financial Statements (continued)

(Expressed in U.S. Dollars)

3. Investments (continued)

Fair Value Measurement

The Trust categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Trust's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical instruments.

Level 2 – Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in inactive markets, inputs that are observable that are not prices (such as interest rates, credit risks, etc.) and inputs that are derived from or corroborated by observable market data.

Level 3 – Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. These measurements include circumstances in which there is little, if any, market activity for the asset or liability. In making the assessment, the Trust considers factors specific to the asset or liability and such an assessment will involve significant management judgment. Because of the inherent uncertainty in the valuation of these Level 3 investments, fair values of such investments may differ from the values that would have been used had a ready market for these investments existed, and the differences could be material.

The level in the fair value hierarchy within which the fair value measurement in its entirety falls shall be determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The pension plan assets which are owned by the pension plan holders and redeemable on a monthly basis, are classified under Level 2 of the fair value level hierarchy. There have been no transfers to other levels during the period and there have been no material changes in the Trust's valuation techniques in the period represented by these financial statements. Fair values of the Trust's interests in unquoted managed fund investments are based upon the Net Asset Values of the underlying investment funds as reported by the investment managers, or their independent administrators.

The Colonial Master Deed Cayman Islands

Notes to Financial Statements (continued) (Expressed in U.S. Dollars)

4. Related-Party Transactions

The Trust was charged fees of \$1,278,807 (2021 – \$1,332,672) by CPS for administration services provided. As administrator of the Trust, CPS’ responsibility is to invest and reinvest the assets of the Trust in accordance with the investment objective as selected by the pension planholders. CPS also performs general administrative tasks including the keeping of financial records and calculations of net asset values. The cost of certain general and administrative services which includes audit fees, have been borne by CPS and have not been recharged to the Trust.

Year-End Balances

	<u>2022</u>	<u>2021</u>
Due to related companies		
Coralisle Pension Services Ltd. (CPS)	\$ 127,418	\$ 80,586
	<u>\$ 127,418</u>	<u>\$ 80,586</u>

5. Risk Management and Financial Instruments

The Trust is subject to normal market fluctuations and the risks inherent in all investments and there can be no assurance that appreciation will occur. The Trust is also indirectly exposed to the risk inherent to the underlying holdings.

The Trustee and CPS have been given non-discretionary authority to manage the investment portfolios of the various funds to meet the investment objectives selected by the pension planholders. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Trustee and CPS on a regular basis. In instances where the portfolio has diverged from target asset allocations, the Trustee is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

The Colonial Master Deed Cayman Islands

Notes to Financial Statements (continued)

(Expressed in U.S. Dollars)

5. Risk Management and Financial Instruments (continued)

The amount of pension benefit ultimately payable is directly linked to the net asset value of the Trust's pension plan assets. All risks associated with the increase or decrease in the value of the pension plan assets are borne by the pension planholders.

The Trust has exposure to the following risks:

- credit risk
- liquidity risk
- market risk

Credit Risk

Credit risk is the risk that a counter-party to the managed funds comprising pension plan assets will fail to discharge an obligation or commitment that it has entered into with the Trust. The Trust's maximum credit risk exposure is the carrying value of the managed funds. This risk is managed by placing funds and undertaking transactions with reputable counterparties.

Liquidity Risk

Liquidity risk may arise from the potential inability to redeem a holding in managed funds without undue delay at a price close to its market value. The Trust's underlying investments are currently redeemable with a maximum of 30 days notice and do not have a maturity date.

The carrying amount of all assets and liabilities equal the gross nominal amounts, and are expected to mature within 90 days.

The Trust is therefore not exposed to significant liquidity risk.

Market Risk

Market risk is the risk that changes in market prices such as equity prices, interest rates and foreign exchange rates will affect the value of the managed funds.

The Colonial Master Deed Cayman Islands

Notes to Financial Statements (continued)

(Expressed in U.S. Dollars)

5. Risk Management and Financial Instruments (continued)

Interest-Rate and Equity Risks

Interest rate and equity price risks are the risks that the value of managed funds will fluctuate due to changes in market interest rates, and changes in the market value of the underlying securities. If the price of the underlying securities rose by 1%, the net asset value of the managed funds would also increase by approximately 1%. An equal change in the opposite direction would result in the event of a decline in the price of the underlying securities. These risks are borne by the pension planholders.

Currency Risk

The majority of managed funds comprising the pension plan assets are denominated in the base currency of the Trust, and therefore the Trust is not normally exposed to significant currency risk.

Limitations of Sensitivity Analysis

The sensitivity information included in this note demonstrates the estimated impact of a change in a major input assumption while other assumptions remain unchanged. In reality, there are normally significant levels of correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results. Furthermore, estimates of sensitivity may become less reliable in unusual market conditions such as instances when risk free interest rates fall towards zero.

6. Subsequent Events

The Trust has completed its subsequent events evaluation for the period subsequent to the consolidated statement of financial position through April 21, 2023, the date the financial statements were available to be issued. During this period, there were no other subsequent events requiring disclosure or recognition in the audited financial statements.

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