PUBLIC SERVICE PENSIONS BOARD 2024

ANNUAL REPORT & ACCOUNTS

PSPB
PUBLIC SERVICE PENSIONS BOARD
Securing Tomorrow, Together

Vision

Deliver excellence in member services – securing tomorrow, together

Mission

Be recognized as best in class for investments and member services

Values

Kindness
Integrity
Respect
Innovation
Partnership
Performance
Professionalism

2024 Annual Report Feature – A Focus on Educators

The PSPB is proud to provide pension administration services to our active, deferred and retired public and civil servants. As part of this honour we have in serving our Caymanians, over the next several editions, each year our annual report will feature one key ministry, portfolio, statutory authority or government owned company through our photos and features. This year, we are humbled to recognize retired educators who have previously worked with the Ministry of Education in teaching our children. We appreciate all you have done throughout your service and are proud to feature you in our annual report.

A look inside the Annual Report

2024 Administration Milestones

2,333
Plan Member Files Processed

554
New Members Enrolled in the Plan

184
New Retirements Processed

90
Cash-outs and Transfers Processed

31
Transfers into the Plan Received

2024 Investment Milestones

1.35+
KYD Billion in Assets

16.4%
PSPB Fund Return

195
KYD Million Gross Investment Income in the PSPB Fund

6.7
KYD Million in Total Investment Expenses

74
KYD Million in Contributions Received

Message from the Chair and CEO

On behalf of the Public Service Pensions Board (PSPB or "Authority"), we are pleased to present the Annual Report for the year ended 31 December 2024.

A look at the Authority's progress in 2024 showed that the PSPB built on positive outcomes from 2023 and continued to rally throughout the year and be well-positioned for long-term successes. Like any year, there are unique challenges presented to any pension plan. When you look at the past thirty plus years of our existence, the PSPB has had to and routinely shows that as a pension plan, we are able to be agile and responsive to an ever-changing market. For 2024, this meant a continued response to inflation pressures, adapting to plan member needs in Cayman and ensuring our operations transitioned to address new technological demands.

As of 31 December 2024, the market value of the Public Service Pensions Fund was $1.35 Billion KYD and this continues to show that we enhanced our position as a pension leader not only in the Cayman Islands, but also against our peers in the United States. The Fund achieved a remarkable return of 16.4% for the year and this kept the PSPB Fund in the top 1 percentile of its peer group for performance in the year. Our Board of Directors focuses on keeping our strong position as we benchmark against our peers and this continued success demonstrates our ability to capitalize on key investment opportunities.

The PSPB was like most investing organizations that had to balance its investing in the lead up to the 2024 U.S. election as markets experienced heightened volatility, due to uncertainty about the outcome and potential policy changes. Throughout the year leading to the election, higher inflation expectations resulted in a volatile end to the year for bond markets. With the election outcome in November, US equity markets rose more to end the year with anticipation of pro-growth policies, including lower taxes and deregulation. These fluctuations throughout 2024 required the PSPB to maintain our diversified approach to end the year in a stable and growth-oriented position.

A look at the actual returns for the Fund throughout the year showed fluctuations and the Authority's ability to get through significant market changes and investment pressures. This adaptability and delivery from the PSPB meant that quarterly returns on member accounts throughout the year were all positive. This was achieved through the PSPB's approach of using our credited rate of return in applying interest to our plan members' pension accounts, which reduces volatility impact for members.

Over the previous year of operations and oversight, our Board of Directors, management team and staff rose to the challenge and exceeded all expectations. As we always work on the delivery of our mission of "Excellence in Member Services", the Authority had to be resourceful while meeting many demands and new projects. As highlighted later in this report, the PSPB continued its priority to operate in an expanding digital age by delivering key information technology solutions. The PSPB continues to prioritize data quality and innovation while balancing against incident awareness and risk management.

Over the past year, the PSPB continued to expand on major initiatives, including delivering self-service functions for some of our participating employers. In 2025, we will expand this to our plan members and our Board will continue to enhance policy reviews and documentation of processes and procedures to enhance risk management and necessary audit controls.

As we move to 2025, our efforts will be strongly focused on implementing improved in-person member experiences. First, this will be achieved through new human resources software upgrades and by completing recruitment efforts for newly reframed positions within the organization. Further, the Authority will also be able to build on our exceptional service when we open the PSPB's new office in Grand Cayman. We anticipate the opening of our new office space to take place later in 2025 and the result will be a first-rate in-person member services experience for our valued plan members and pensioners. We look forward to these key initiatives and sharing the success outcomes in next year's report.

Building on the progress of recent years, our Board, management team, and staff are well-prepared to continue enhancing our services and supporting the retirement security of our plan members and pensioners.

Mrs. Sheree Ebanks Cert. Hon.
Chair of the Board

Mrs. Jewel Evans Lindsey Cert. Hon.
Chief Executive Officer

Governance Information and Highlights

Lucille Seymour

Retired on February 1, 1998

45 years and 8 months of service in the Cayman Islands

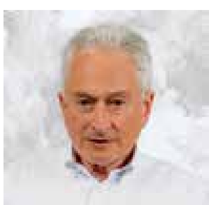
Board of Directors

The Public Service Pensions Board (PSPB), which was originally established in 1992, is responsible for the administration of the Fund and the payment of all pensions and other benefits in accordance with the Act. The Board is the corporate body charged with governance, and its fiduciary responsibilities focus on strategy and ensuring accountability of the Chief Executive Officer (CEO) and executive management. The Board is also responsible for oversight over the administration of the Public Sector Pension Plans of the PSPB and management of the Fund. Pension corporate governance dictates that the Board be comprised of industry experts and other professionals skilled and qualified to act prudently on behalf of and in the best interests of all members.

The work of the Board is reflective of the broad spectrum of long-term risks and opportunities in the global economy and the financial markets, taking into account the actuarial assumptions and funding requirements of the Plans, and maintaining adequate liquidity to meet the required benefit payments to plan members and expenses of the Plans. At 31 December 2024, the Board was comprised of the members noted below.

Mrs. Sheree Ebanks Cert. Hon.
Chair of the Board

Mrs. Jewel Evans Lindsey Cert. Hon.
Chief Executive Officer
Administrator
All Board Committees



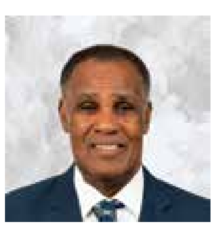
Mr. Robin Ellison
Governance Committee Chair

Mr. Simon Cawdery, CFA
Investment Committee Chair

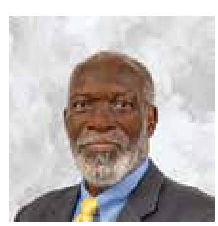
Mr. Bryan Bothwell, MBE
Audit and Risk Committee Chair

Mrs. Gloria McField-Nixon, JP
Governance Committee

Mr. Kenneth Jefferson, JP
Audit and Risk Committee
Investment Committee



Mr. James Watler, M.ED., JP
Investment Committee



Mr. Orrett Connor, MBE, JP
Audit and Risk Committee

In 2024, the PSPB processed a total of 184 new retirements

and these pensioners are now receiving a lifetime monthly benefit.

✔ = Attendance ✖ = Apologies

PSPB Board Meeting

	28 February	6 March	15 March	21 June	13 September	13 December
Mrs. Sheree Ebanks	✔	✔	✔	✔	✔	✔
Mrs. Jewel Evans Lindsey	✔	✔	✔	✔	✔	✔
Mr. Kenneth Jefferson	✖	✖	✖	✖	✔	✖
Mr. James Watler	✔	✔	✔	✔	✖	✔
Mrs. Gloria McField-Nixon	✖	✔	✔	✖	✔	✔
Mr. Orrett Connor	✔	✔	✔	✔	✔	✔
Mr. Robin Ellison	✔	✔	✔	✔	✔	✔
Mr. Simon Cawdery	✔	✔	✔	✔	✔	✔
Mr. Bryan Bothwell	✔	✔	✔	✔	✔	✔

PSPB Audit and Risk Committee

	07 March	24 March	03 October	01 December
Mr. Bryan Bothwell	✔	✔	✔	✔
Mr. Kenneth Jefferson	✖	✔	✔	✔
Mrs. Jewel Evans Lindsey	✔	✔	✔	✔
Mr. Orrett Connor	✔	✔	✔	✔

PSPB Investment Committee

	14 March	20 June	12 September	12 December
Mr. Simon Cawdery	✔	✔	✔	✔
Mrs. Sheree Ebanks	✖	✔	✔	✔
Mrs. Jewel Evans Lindsey	✔	✔	✔	✔
Mr. James Watler	✔	✖	✔	✔
Mr. Kenneth Jefferson	✖	✖	✖	✖
Mrs. Camilla Anderson	✔	✔	✔	✔
Mr. Robin Ellison (Invitee)	✔	✔	✔	✔

PSPB Governance Committee

	13 March	20 June No meeting held	11 September	11 December
Mr. Robin Ellison	✔	✖	✔	✔
Mrs. Jewel Evans Lindsey	✔	✖	✔	✔
Mrs. Gloria McField-Nixon	✔	✖	✔	✔
Mrs. Sheree Ebanks (Chair of the Board) (Invitee)	✔	✖	✖	✔

PSPB Long-Term Strategic Plan: Destination 2030

A longer-term strategic plan culminating in 2030 is critical for a number of reasons. The composition of our membership and their needs have changed over these past decades and this strategic plan creates a unique opportunity to re-evaluate the Authority – its purpose, vision, mission, values and culture – through the lens of its membership and the Government, its principal sponsor and stakeholder. A fresh, bold vision should emerge as we establish:

- A "member-first" service-oriented platform, delivering exceptional value and service
- A governance model that is effective and collaborative
- A world-class investment platform, highly focused on the right strategic markets and partners
- A disciplined, prudent and risk-conscious stewardship that meets the changing needs of stakeholders
- An Authority that is an industry-leading employer with an exceptional workplace environment

The PSPB Business Plan for 2025 covers a set of strategic activities and the third year of the 7-year strategic plan. When you examine Destination 2030, the PSPB continues to forge our strategic objectives around alignment with our vision, mission, and values.

Board Governance Outlook for 2025

In 2025, the Board of Directors is going to maintain the positive momentum that has been achieved on multi-year priorities. Early work will continue with the ongoing review of legislation, as the Board is ensuring that key improvements are properly confirmed, so plan members benefit from changes and that the Authority has addressed any gaps and risks. Part of this focus continues to be exploring the framework and necessary legislation to allow additional voluntary contributions in the plan design. This has been a major goal for the Authority and it continues to be a balance to implement this properly from a governance and administrative perspective. The Board is looking to progress this specific deliverable further and determine the actual timeline for delivery.

Back in 2024, the Board started to work with a third-party to conduct a full review of all Board governance policies. This review is continuing as there are dozens of policies to review and conducting this work ensures accuracy and due diligence of critical policies covering matters relating to compliance, risk, oversight and reporting. The Board is looking to complete the review of these policies in 2025 and once this is done, an ongoing review schedule will confirm the routine review and oversight of these policies.

In the previous five years, the Board has also placed an emphasis on improving the technology and systems in place for the Authority. This has been demonstrated through implementing a new pension administration system and key efforts to move to new online data platforms for file storage. This will continue to be a focus for the Board as the PSPB must be a leading modern organization in a developing technological world, but there will always be keen governance and risk oversight that balances all initiatives and business objectives.

Ongoing Risk Management

The Board takes its responsibility for risk seriously and, as a result, risk management is a standing agenda item at every Audit and Risk Committee (ARC) meeting. The ARC reports quarterly on all matters under its auspices to the Board. The Board operates under an Integrated Risk Management Framework (IRMF) and Risk Appetite Statement, including the agreed risk categories, associated metrics, targets, and tolerance levels. Multiple iterations of modeling and analysis have now been performed for the more developed metrics on funding, investment and covenant risk, while there have been some delays with other risk categories. Preliminary considerations in the event that tolerance levels are breached have also been drafted. From a Board perspective, the IRMF currently assigns general responsibility for risk identification, monitoring and reporting to Management, and it is intended that more targeted assignment to Management roles will occur as the process evolves and matures. The Board, under the auspices of the ARC, and Management, with critical support from an external third-party vendor, continue to refine the IRMF and Risk Appetite Statement over time.

Plan Information and Administration Report

Casino 'Mexi-Ann' Grant

Retired on October 30, 2002

45 years and 8 months of service in the Cayman Islands

About the PSPB

The Public Service Pensions Board is responsible for administering the Public Sector Pension Plans (the Plans), investing the Public Sector Pensions Fund (the Fund), communicating with the Plans employers and plan members, recommending contribution rates in accordance with the latest actuarial valuation, providing policy advice to the Cayman Islands Government, leading public sector pension legislative reform and quantifying their financial impact, as needed.

The main functions of the Fund are to receive prescribed contributions, invest and pay-out pension benefits as they become due under the Act. The Fund is vested in the Board.

The PSPB is a Statutory Authority that was first established in 1992. The PSPB is governed by the Public Service Pensions Act (2023 Revision) (the Act) and also falls under the governance umbrella of the Public Authorities Act (2020 Revision) and the Public Management and Finance Act (2020 Revision).

Since the Authority's inception, the PSPB administration team has worked to provide quality and timely service to plan members and stakeholders. In order to best serve these groups, the PSPB leadership creates a culture that shapes beliefs, values and norms with a focus on our plan members. It is a culture of "Excellence and Pride in PSPB" that guides the work of the PSPB team to have high levels of participation, feedback, engagement and cooperative teamwork in order to achieve organizational strategies and business objectives.

Our Offices

Serving All of Our Islands!

The PSPB is proud to serve all plan members and stakeholders at our two office locations. The main administration office for the PSPB is located in Grand Cayman. The PSPB office is located within Athena Tower at 71 Fort Street in George Town. The PSPB is also serving the Sister Islands out of our Cayman Brac office, located at 5 Dennis Foster Road in Stake Bay. Of note, walk-in and appointment services are available for all members at both of our offices during all operational hours.

Membership Data as of 31 December 2024

Active Members **7,313**

Pensioners/ Beneficiaries: **2,232**

Deferred Members: **3,719**

PSPB Participating Employers

Cayman Islands Government (24 Ministries and Portfolios)

Statutory Authorities and Government Owned Companies

- Cayman Islands Airports Authority
- Cayman Islands Development Bank
- Cayman Islands Monetary Authority
- Cayman Turtle Centre
- CAYS Foundation
- Civil Aviation Authority
- Health Services Authority
- Maritime Authority of the Cayman Islands
- Cayman Islands National Insurance Company
- Water Authority of the Cayman Islands
- Public Service Pensions Board
- National Roads Authority
- Utility Regulation and Competition Office of the Cayman Islands
- Cayman Stock Exchange
- Tourism Attraction Board

The PSPB had 3,646 one-on-one meetings

with members in 2024.

Plans Under Administration

Public Service Pensions Plan

Employees of the Civil Service and the wider Public Sector participate in the Public Service Pensions Plan (PSPP) which is governed by the Act.

The PSPP has a Defined Benefit and a Defined Contribution component. All employees who joined the PSPP prior to 14 April 1999 were enrolled in the Defined Benefit Part. Those employees joining after 14 April 1999 were enrolled in either one of the two components depending on their circumstances. The Public Service Pensions (Amendment and Validation) Law, 2000 which was passed on 20 June 2000 amended the date after which all new employees were to be enrolled in the Defined Contribution Part of the PSPP to 1 January 2000. The main functions of the Funds are to receive prescribed contributions, invest and payout pension benefits as they become due under the Act. The Funds are vested in the Board.

Contribution Rates

Public servants who participate in the PSPP contribute at the rate of 6% of pensionable earnings and employers contribute a matching 6%.

Contribution rates to cover additional normal Defined Benefit costs are recommended by the Board based on the latest funding Actuarial Valuation. This additional Defined Benefit cost largely reflects the eventual liability of benefits related to the past service at the valuation date. The full liability for additional Defined Benefit costs is borne by each respective employer.

Payment of Benefits

The Act provides for payment of retirement benefits to eligible members. The normal retirement age with effect from 9 September 2016 is age 65. Prior to this, the normal retirement age was age 60.

However, members with at least 10 years of qualifying service may elect for early retirement from age 50 if they joined the service prior to 9 September 2016 or age 55 if they joined the service after the 9 September 2016.

Parliamentary Pensions Plan

The Board began to administer the Parliamentary Pensions Plan (the PPP) with effect from 1 September 1999.

Benefits under the PPP were paid directly from the Government's General Revenue on a monthly basis for the first eight months of 1999. For the remainder of 1999, the Government made quarterly pre-payments to the Fund to cover the payment of PPP pensions. This "pay as you go" arrangement continued until the passage of the amendment to the Parliamentary Pensions Act in August 2004, which mandated that the payment of parliamentary pensions be made from the Fund. Under this arrangement monthly pension contributions are made to the Fund in accordance with the latest Actuarial Valuation.

The Elected Members of the Legislative Assembly participate in the PPP as governed by the Parliamentary Pensions Law, (2016 Revision). The Defined Contribution and Defined Benefit members contribute at a rate of 6% of pensionable earnings and the Government contributes a matching 6%. Contribution rates to cover additional Defined Benefit costs are prescribed by the latest Actuarial Valuation and are borne by the Government. These contributions have been pooled for investment purposes with those of the Public Service Pensions Fund.

Judicial Pensions Plan

Judges of the Grand Court of the Cayman Islands and Magistrates participate in the Judicial Pension Plan (JPP). Judges' pensions fall under the remit of Her / His Excellency the Governor as set out in The Judges' Emoluments and Allowances Law (2006 Revision). There are no active members in the Defined Benefit part of the JPP. Judges in the Defined Contribution part of the JPP contribute at a rate of 10% of pensionable earnings while the Government pays at a rate of 20%. The assets of the JPP are under the administration of the Board and pooled with the assets of the other Plans for investment purposes.

The JPP started in 1997, notwithstanding the absence of the requisite order setting out plan details and specifics relating to administration of the JPP. The Judges Emoluments and Allowances Order was effected by His Excellency the Governor in 2005.

Ex-Gratia Pensions

The Board administers the payment of Ex-Gratia Pensions on behalf of the Cayman Islands Government under Section 6(1)(i) of the Public Service Pensions Act (2023 Revision). Provisions contained in the Public Service Pensions (Ex-Gratia Pensions) Regulations (2019 Revision) are also applicable to the administration of Ex-Gratia Pensions. The Ex-Gratia recipients are former Caymanian Civil Servants over the age of 65, who were not in receipt of any pension, allowance, gratuity or other retirement or termination benefit. Those with an aggregate of four or more years but less than 10 years of service receive a minimum Ex-Gratia pension of $300 per month. Those with 10 or more years of service receive a minimum Ex-Gratia pension of $450 per month. Ex-Gratia payments are not subject to increase for cost of living nor augmented annually across the board.

The Government makes a quarterly pre-payment into the Fund to cover the expected payments for Ex-Gratia Pensions for each quarter.

Ex-Gratia Uplift Pensions

The Authority administers the payment of Ex-Gratia Uplift Pensions on behalf of the Cayman Islands Government under Section 6(1)(i) of the Public Service Pensions Act (2023 Revision) and by provisions contained in the Public Service Pensions (Ex-Gratia Uplift Payments) Regulations (2020 Revision).

Ex-Gratia Uplift Pensions are a minimum pension threshold payment that ensures eligible retirees receive a top up on their existing pension to receive a total minimum payment of $1,250 per month. Uplift payments are provided to former Caymanian civil servants who are over the age of 65 and had a minimum of 10 years of pensionable service at retirement.

In 2024, 554 new plan members joined or re-enrolled

in the Public Service Pensions Plan.

The PSPB Senior Management Team

The PSPB employs a senior management team and staff that is heralded as among the best in the entire Caribbean. Being viewed as the Cayman standard in pension administration, the PSPB employs a group with dynamic backgrounds and expertise that allows operations to be agile, seamless and committed to best serving plan members.

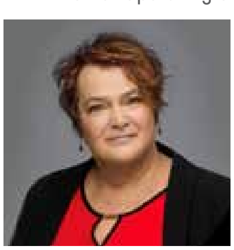
Drawn from diverse backgrounds, the PSPB Senior Management Team consists of highly skilled professionals, all of whom have been recognized as top achievers in their respective professions. Our Senior Management Team has over 140 years of accumulated widespread experience in Leadership and Business Development, Management, Pension Administration, Research, Finance, Banking, Human Resources, Risk Management, Information Technology, Communications, Investments, Marketing, Auditing and Corporate Services.

The CEO and the PSPB administration team are responsible for administering the Public Sector Pension Plans, managing the cash flow of the Fund, delivering specialized outputs through consultants, communicating with the Plans' employers and members, recommending contribution rates in accordance with the latest actuarial valuation, benefit plan design and structure, developing policy and providing policy advice to the Cayman Islands Government and the Board, risk management, and the many other operational and strategic functions of a medium-sized pension fund. As such, the administration team handles significant financials and this includes collection of prescribed contributions annually across all categories, investing and paying out pension benefits and providing quality and timely service to plan members and stakeholders while working to achieve organizational strategies and business objectives. The PSPB Senior Management Team and staff ensure that pension schemes under the administration of the PSPB operate effectively and sustainably, while working to deliver industry leading services and support to plan members.

Mrs. Jewel Evans Lindsey
Chief Executive Officer and Administrator

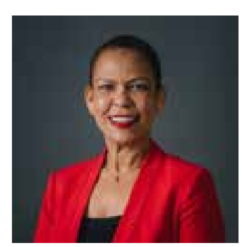
Ms. Ledra Lawrence
Chief Operating Officer and Chief Risk Officer

Ms. Jewel Bodden
Acting Chief Pensions Officer



Ms. Whitney Dykeman
Chief Information Officer and
Chief Programme Manager

Ms. Angella Bent-Thomas
Chief Human Resources Officer



Ms. Faith Wright
Chief Financial Officer (Outsourced)

2024 Year in Review and Highlights

Susan Lois Hundt
Retired on May 1, 2021
16 years and 1 month of service
in the Cayman Islands

Michael Paul Hundt
Retired on May 31, 2020
19 years and 2 months of service
in the Cayman Islands

2024 Highlights

Pension Administration System Enhancements

The PSPB introduced Neospin™, a new customizable pension administration system, on 1 October 2021. In 2024, the PSPB adjusted components of the system to improve reporting and start building measurement outputs. This has greatly improved the accuracy of statements and added controls on key functions and outputs.

With these key improvements in place, in the latter part of 2024, the Authority started to launch the employer portal of Neospin™. This means that PSPB Participating Employers can now access some self-service functions when it comes to their responsibilities with pension administration. Following some successes with the initial launch, a focus in 2025 will be the continued roll-out of the employer portal and then a plan to launch the member facing portal to pensioners.

Electronic Content Management (ECM) Project

In 2024, the PSPB finalized a massive project to digitize and prepare all member files so they could be uploaded to Neospin™. In tandem with this work, the Authority also started a 2-year organization wide ECM project to enable the entire organization to go paperless, which will support a remote working environment, should this potential risk ever be present again.

The key deliverable in the year was the start of mapping and migration of all the Authority's documents to a cataloguing software. This allowed electronic files to be moved to a more secure and agile application instead of the previous approach of being on a physical server. Further, this approach allows all records to be catalogued and accessed with ease rather than a reliance on paper copies and proper filing and storage. The final success in 2024 was the completion of Phase 2 of the Warehouse Clean-up with Innovative Solutions. This meant that all paper files at the secure offsite warehouse storage facility have been documented. This project remains on target with an expected completion in 2025.

2024 CIG Partnership and Uplift Payment Support

The Authority's ongoing partnership with and seamless support of the Cayman Islands Government continued in 2024. In December, the Authority again was relied upon to deliver a one-time payment to all Cayman pensioners in the amount of $500. The timely support and execution of this payment showed the PSPB's ability to support the Government's priority of supporting Caymanian pensioners with inflation over the 2024 holidays.

In 2024, the Authority also processed several new Ex-Gratia Uplift payments to ensure these Caymanians receive the threshold for eligible recipients of $1,250 per month. In 2025, the Authority will continue with further enhancements such as system integrations between the PSPB and the Government, which will ensure the PSPB is aligned in providing first class service and support to pensioners.

Community and Charity Support for PSPB Pensioners & Plan Members

The PSPB works to regularly connect with our pensioners and this includes supporting community events. Members of the PSPB administrative team make it a priority to participate in various events where our pensioners and plan members will be present throughout the year.

Formal participation exists in events such as Older Persons Month, senior citizen celebrations and other events designed to engage PSPB pensioners. For all events, PSPB team members attend these events in both Grand Cayman and Cayman Brac and the organization provided key support through sponsorship of prizes and meals.

Private Sector Sponsorship and Partnering by the PSPB

Through in person participation by staff members and also by financial sponsorship donations, the PSPB also sponsored or participated in other Cayman events. In 2024, this included supporting events and/or organizations such as the Cayman Islands Earth Day, the Cayman Islands Chamber of Commerce, Cayman Brac Seniors Citizens' Quarterly Birthday Parties, and so many others throughout the year.

Membership and Activity

Over the course of the reporting period, the pension administration division of the PSPB processed 2,333 member files. Of the files, this included the following key highlights:

2024 Key Administration Files Processed	
Interim Benefit Statements	210
Cash Outs and Transfers	124
Benefit Projections	219
Retirements	184

One on One Member Meetings

If members want information specific to their pension, they can meet one-on-one with a Member Services Officer. Walk-in or by appointment service is available at both the Grand Cayman and Cayman Brac offices to all plan members and pensioners. This is a very popular service.

During the reporting period the following visits were recorded:

2024 One-on-One Member Meetings	
Grand Cayman Meetings	2,939
Cayman Brac Meetings	707
Total One-on-One Meetings	3,646

$

The PSPB approved 73 new Ex-Gratia and Ex-Gratia Uplift applications in 2024.

As a result, these pensioners are now receiving lifetime monthly benefits.

Annual Events

Pension Continuation Confirmation Certificates

As required by statute, annually the PSPB distributes by mail pension continuation confirmation certificates (PCCCs) to all of our pensioners in receipt of a monthly benefit. The PCCCs ensure that pension benefits are paid to the right recipients and also ensures proof of life for each pensioner. The PCCCs are to be signed by the pensioner and witnessed by a Justice of the Peace, a Notary Public, a minister of religion, an attorney licensed to practice law in the Cayman Islands, a Member of Parliament or the Administrator (which is the Chief Executive Officer, Public Service Pensions).

If the certificate is not returned within the specified timeline, monthly benefit payments will be stopped until the certificate is received.

For 2024, a total of 2,093 PCCCs were distributed to pensioners on 28 November 2024.

Pension Augmentation

Each year, the PSPB considers the annual movement of the Consumer Price Index (CPI) (as determined by the Economic and Statistics Office (ESO)) in conjunction with its inflation protection legislation to determine the level of pension augmentation for its pensioners. In accordance with the Public Service Pensions Act, the augmentation for 2024 was calculated at 3.8%. As a result, pensions in payment as at 31st December 2023 were adjusted for inflation as of the first day of 2024 for all retired plan members.

Annual Benefit Statements

Annually, the PSPB distributes benefit statements to all active plan members. The statements aid plan members in planning for their retirement. The benefit statement confirms:

The personal details on file for the member;

- The contributions paid-in during the statement period for the member;
- The interest credited during the statement period;
- The member's account balance as at the end of the statement period;
- Outstanding contributions (to be remitted by the employer) for the statement period; and
- The Credited Rate of Return applied to the member's account during the statement period.

If members disagree with any of the information on their statement, they should advise PSPB as soon as possible.
For 2024, a total of 5,915 statements were mailed to our active membership.

Employer and Member Presentations

Employer and member presentations are available upon request. The presentations are delivered by PSPB staff and designed to give a good understanding of the operation of the pension plan. These presentations have proved to be very successful in educating our members on their benefits and employers on our changing requirements.

During the reporting period, the PSPB continued with employer and PSPB staff training on provisions within the Public Service Pensions Act (2023 Revision). Monthly presentations were given to new members in association with the Portfolio of the Civil Service new staff orientation sessions.

Staff and Board Director Training

The PSPB has demonstrated that training and development play a vital role in its effectiveness. It is one of the most effective techniques for improving employees' performance and enhancing organization productivity. In 2024, the following training courses/learning forums were attended by one or more Board Directors or members of staff:

- 2024 Royal Fidelity Cayman Economic Outlook Conference
- 2024 KORIED Global Summit
- Institute of Corporate Directors - Digital Transformation from the Board Room
- Public Funds Summit East 2024
- BSides Conference Cayman 2024
- CFA Cayman Investment Forum 2024
- 2024 Janus Henderson Investment Conference
- Cavendish Finance NED Conference 2024
- 2024 Pensions and Lifetime Savings Investment Conference
- 2024 AON Pensions and Investment Conference
- 2024 Pensions Management Institute Annual Conference
- Policy Implementation & Evaluation Masterclass
- Gartner Chief Investment Officer Conference
- Presentation Skills for the Public Sector
- Values & Trust: Leading High-Performance Teams

2025 Outlook

Continued Roll-out of Employer and Member Self-Service Functions

As the Authority has started to implement the value-added components of Neospin™, the PSPB is going to continue to examine where we can streamline existing business processes and expand self-service options for our employers and members. This means that following the successful launch of the employer portal of Neospin™ in 2024, we now are able to begin the further roll-out of this valuable tool to our remaining participating employers in 2025. This will include employers having the ability to process their own transactions such as enrollments, life changes, and initiating the retirement process for a member.

Another focus in 2025 will be the start of an external roll out of the member portal. Some testing of the member portal in 2024 showed some opportunities to build key value-added components for plan members when they start using this system. Once some of these improvements are implemented, the Authority can move towards technology driven services and supports that our plan members and pensioners will be able to access at their own convenience.

Focus on Member Services

Member services and our desire to always grow and adapt in this area will never change. It is and always needs to be our Authority's priority to continue to maintain our reputation of "Excellence in Member Services". In 2024, the PSPB made key gains to develop and introduce new key performance indicators (KPI) and workflow reporting as part of performance agreements at all levels. More work is needing to be completed in this critical area in 2025, however, the results of this work will be that the Authority will establish strong KPIs to have agreed to metrics on key deliverables on service delivery outputs that can be tracked, assessed and ensure that our staff achieve these standards. This will lead to appropriate governance and oversight of our work and ensure our ability to meet and exceed the expectations of our plan members and pensioners.

Human Resources – Recruitment Strategy and New System

In 2024, work commenced to understand the business requirements for a new HR application and in Q4 2024, the Authority worked to finalize negotiations and a contract to implement MyVista. This new HR system can now be built and delivered in 2025 with a goal to better support the Authority. An end result of the completion of this work is that the human resources area of the organization will be able to pivot and focus on the efforts to attract and retain the best talent for the entire organization. Part of this work will mean that the Authority will examine succession plans and career paths and how to retain talent in this competitive local environment.

Permanent Office Relocation

Over the last year, the Authority made significant progress in finalizing details to relocate from Athena Tower to the organization's permanent office. The Authority's leadership has operated from the vision that this new space will ensure PSPB's long-term solution delivers a unique office that is tailored to a member first service-oriented platform delivering exceptional value and service. The end result of the development is that the front facing part of this office will again house our "Center of Excellence" and will further enhance the accessibility for our plan members and build a stronger PSPB as the leading member services pension provider in the Cayman Islands. The Authority is aiming to complete the final details and development of the new location in 2025. Once this is done, a full public grand opening will be completed with a launch to include key community partners, supporters and our valued plan members and pensioners.

Investment Report

Herbert Crawford

Retired on October 7, 2008

36 years and 1 month of service in the Cayman Islands

Investment Overview

Investment Policy

The stated investment objective of the Board is "To preserve capital while adding value above its policy benchmark." The Board is committed to the investment objective, and has actively managed investment portfolios which are diversified, within the constraints of the Act as well as the Board's investment policy, to ensure that risk is not unduly concentrated in any one type of investment or area of currency.

The Board adheres to internationally recognized benchmarks, and has established an asset mix policy, in collaboration with its investment advisors, for the purpose of achieving long-term returns of 3-4% above inflation. The asset mix policy establishes the percentage holdings by asset class and permissible ranges within the broad classes of investments. Within this framework, each investment manager is not limited by sector or country restrictions and is able to make discretionary decisions to capitalize on market opportunities.

The Funds are biased to equities over the long term in order to achieve optimum returns. Equities, when compared to other classes of investments over the long term, have historically proven to generally outperform other forms of investments. The PSPB invests in a manner to best serve members, and this means working to invest in a value-added manner.

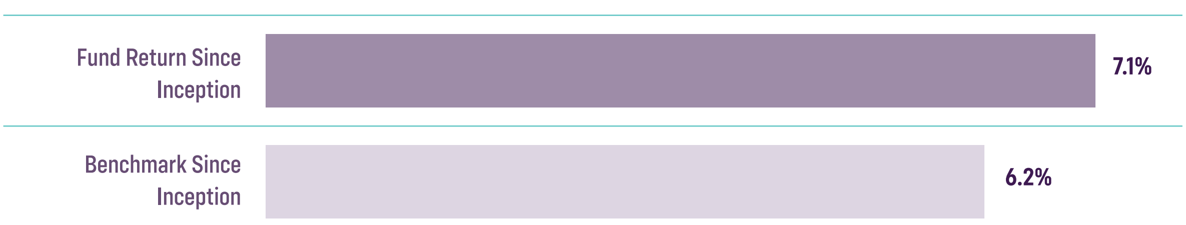
Growth and Outlook of the Fund

Following a strong market return in 2023, the PSPB yielded double-digit returns for 2024 and showed a real strength in global equity investments. In 2024, while the US equity market continued to show strength, international markets faced significant challenges. However, the PSPB navigated these variables to secure a top percentile return.

Specific to the PSPB, the Fund increased by 16.4% in 2024. As noted in this report, the Fund had a balanced year. The Fund's Global Equity portfolio returned 19.5%, versus the benchmark return of 18.7%. The Fund's Fixed Income investments returned a negative 0.7% for 2024, but this was still ahead of the benchmark for the year by 0.2%.

In order to continue to build on a strong year, the Fund continues to hold a diversified portfolio of bonds and equity securities. It is this approach that, over the long term, provides above-average returns with minimized variability. Further, this portfolio helps achieve outstanding returns and it protects from significant downside risk in years with more investment challenges.

Fund Return and Benchmark Since Inception



Fund Performance

2024 Return and Overall Performance

Over the one-year period ending 31 December 2024, the PSPB Fund delivered a return of 16.4%. Performance over the 2024 calendar year was well ahead of the policy benchmark of value-added investment by 0.8%. As a result, the Fund ranked in the top 1 percentile of the peer group for 2024.

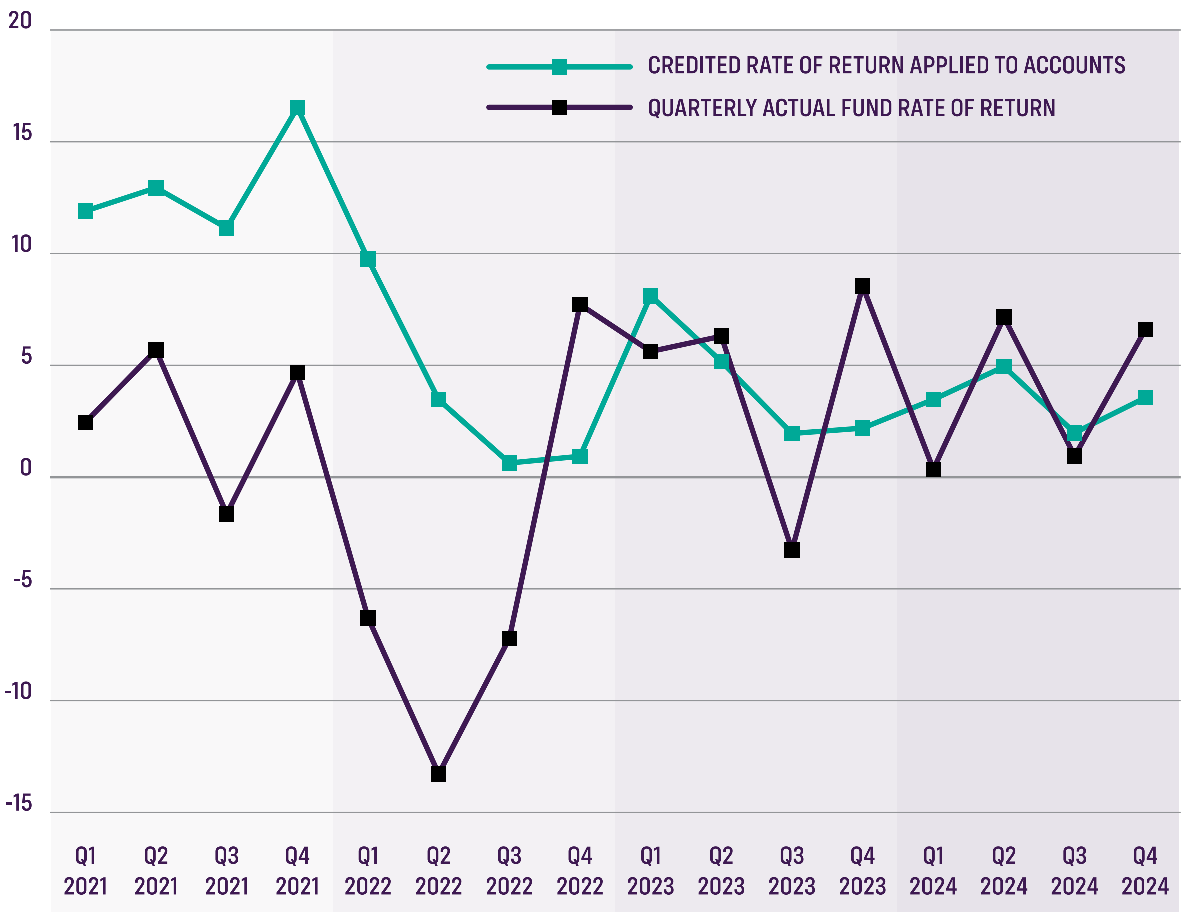
A further look at the long-term performance again shows that the PSPB Fund remains ranked in the top 1 percentile of its peer group (US Pension Plans with over $1 Billion USD Assets Under Management) for performance since inception. The PSPB has outperformed the benchmark over the trailing ten-year period and by 0.9% since inception.

The overall outlook of the Fund remains positive and well positioned to experience growth, based on the balance of the investments within the Fund.

Credited Rate of Return

The Credited Rate of Return (CRR) is how the PSPB calculates investment returns based on a three-year geometric average of actual returns, net of expenses, and then applies an interest return rate to all plan member accounts. At the end of each quarter, the PSPB determines the rate at which interest is credited on every plan member's account. This is done by calculating the average of the rates of return received on investments for the previous 12 quarters (three years), net of expenses. Once the quarterly rate was calculated, the applicable interest was added to account balances.

Credited Rate of Return vs. Actual Fund Rate of Return



2024 Market Summary

US equity markets rallied in 2024 while international equities lagged behind, due to a strong US dollar and over concerns about trade tariffs following Trump's election at the end of the year. For the year, the broad US market gained 23.8%. Emerging markets beat developed international markets (7.5% versus 3.8%) but significantly trailed the US.

Despite the Federal Reserve cutting rates by 1.0% since it started lowering rates in September 2024, most fixed income markets gave back a portion of their 2024 gains in the fourth quarter, with interest rates rising given fears of inflationary pressures from the proposed policies of the incoming US administration. Questions remain though about the timing and magnitude of additional interest rate cuts. As of now, one or two additional cuts are expected by the markets this year, a significant decline from prior expectations given resilient growth and inflation still above the Fed's target level.

After a decline in the US inflation rate from 3.0% to 2.4% in the third quarter, achieving further reductions proved challenging in the fourth quarter due to persistent inflationary pressures such as rising shelter costs and energy prices. Inflation levels remaining above the Fed's target level dampened hopes for further interest rate cuts, adding to the pressure on fixed income markets.

Of the many things being watched uncertainty related to the policies of the new Trump Administration and its impact on the economy, inflation, and Fed policy will be key. The path of China's economy and concerns over elevated valuations and technology driven concentration in the US equity market will also be important focuses this year.

Financial Statements

Audited financial statements for the financial year ended 31 December 2024

Table of Contents

Statement of responsibility for the financial statements

These financial statements have been prepared by the Public Service Pensions Board in accordance with the provisions of the *Public Management and Finance Act (2020 Revision), (the "Act").*

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the Act.

As Chair and Chief Executive Officer, we are responsible for establishing, and have established and maintained, a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by the Act, and properly record the financial transactions of the Public Service Pensions Board.

As Chair and Chief Executive Officer we are responsible for the preparation of the Public Service Pensions Board financial statements and for the judgements made in them.

The financial statements fairly present the statement of net assets available for benefits, statement of changes in net assets available for benefits, judicial pension plan: supplemental information, parliamentary pension plan: supplemental information, supplemental statement of accumulated plan benefits and statement of cash flows for the financial year ended 31 December 2023.

To the best of our knowledge, we represent that these financial statements:

(a) completely and reliably reflect the financial transactions of the Public Service Pensions Board for the year ended 31 December 2023;

(b) fairly reflect the financial position as at 31 December 2023 and performance for the 12 month financial year ended 31 December 2023;

(c) comply with International Financial Reporting Standards under the responsibility of the International Accounting Standards Board.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.

Sheree Ebanks, Cert. Hon.
Chair
Public Service Pensions Board
Date- 30 April 2024

J C Lindsey

Jewel Evans Lindsey, Cert. Hon.
Chief Executive Officer
Public Service Pensions Board
Date- 30 April 2024

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CAYMAN ISLANDS

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Grand Cayman, KY1-1103, Cayman Islands

AUDITOR GENERAL'S REPORT

To the Board of Directors of the Public Service Pensions Board

Opinion

I have audited the financial statements of the Public Service Pensions Board (the "Authority"), which comprise the statement of net assets available for benefits as at 31 December 2024 and the statement of changes in net assets available for benefits, judicial pension plan: supplemental information, parliamentary pension plan: supplemental information, supplemental statement of accumulated plan benefits and statement of cash flows for the year ended 31 December 2024, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 11 to 49.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Public Service Pensions Board as at 31 December 2024 and its financial performance and its cash flows for the year ended 31 December 2024 in accordance with International Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Authority in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation and fair presentation 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 Authority'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 Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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.

AUDITOR GENERAL'S REPORT (continued)

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Authority'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 Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Act (2020 Revision)*. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Angela Cullen, CPFA
Acting Auditor General

30 April 2025
Cayman Islands

Statement of Net Assets available for Benefits

as at 31 December 2024 (Expressed in Cayman Islands Dollars)

	31 December 2024 $000		31 December 2023 $000	
Assets				
Current assets				
Cash and cash equivalents				
Cash on hand and in bank (Note 3)		13,351		12,042
Investments, at fair market value (Note 4)		1,332,439		1,133,451
Receivables				
Contributions receivable (Note 1c)				
Employers' contributions	1,801		1,776	
Employees' contributions	1,777		1,775	
Employers' - Additional defined benefit costs	56		521	
Additional normal costs (ANC)	-		925	
Past service liability (PSL)	1,574		-	
Ex-Gratia receivables (Note 7 & 8)	(105)		694	
Other receivables	214	5,317	24	5,715
Prepaid expenses				
Prepaid expenses		34		33
Total current assets		**1,351,141**		**1,151,241**
Non-current assets				
Property, Plant & Equipment (Note 5)		2,571		258
Intangibles (Note 6)		1,048		1,638
PSP deferred benefits asset (Note 22)		404		393
Right-of-use asset (Note 18)		101		755
Other non-current assets		38		38
Total non-current assets		4,162		3,082
Total assets		**1,355,303**		**1,154,323**
Liabilities				
Current liabilities				
Benefits due (Note 13)		7,603		6,005
Post-retirement healthcare obligation (Note 23)		1,230		1,313
Investment management fees payable		710		824
Accounts payable		719		514
Other liabilities		726		655
Lease liability (Note 18)		102		295
Total current liabilities		11,090		**9,606**
Non-current liabilities				
Lease liability (Note 18)		-		452
Total Non-current liabilities		**-**		**452**
Total liabilities		**11,090**		**10,058**
Net assets		**1,344,213**		**1,144,264**
Represented by:				
Net assets available for benefits:				
Accumulated fund (Note 24)		**1,344,213**		**1,144,264**

Faith Wright, CPA
Chief Financial Officer (Outsourced)

Jewel Evans Lindsey
Chief Executive Officer

Public Service Pension Plan:

Statement of Changes in Net Assets Available for Benefits for the year ended 31 December 2024 (Expressed in Cayman Islands Dollars)

	31 December 2024 $000	31 December 2023 $000
Pensions		
Contributions (Note 1c)		
Employer	25,474	23,305
Employee	25,124	23,323
Additional normal costs	7,685	4,912
Employers - Additional defined benefit costs (Note 14)	15,728	17,702
Total	**74,011**	**69,242**
Transfers In	833	603
Pre-funded Ex-Gratia pensions (Notes 7 & 8)	6,266	4,235
Total contributions	**81,110**	**74,080**
Benefits paid to participants (Note 11)		
Public service pensions (Note 11)	(57,703)	(46,931)
Ex-Gratia pensions (Notes 7 & 8)	(6,079)	(3,739)
Total benefits paid to participants	**(63,782)**	**(50,670)**
Net pensions	**17,328**	**23,410**
Investing		
Investment income		
Realized gain on sale of investments – net	97,445	108,517
Dividends earned on investments	9,271	8,964
Unrealized gain/(loss) on investments – net	89,408	67,297
Loss on foreign exchange	(798)	(1,974)
Interest earned on investments	668	67
Interest income other	1	-
Interest earned on term deposits and call accounts	1	3
Total investment income	**195,996**	**182,874**
Investment expenses		
Investment management and custodial fees (Note 16)	(7,219)	(6,600)
Total investment expenses	**(7,219)**	**(6,600)**
Net investment income	**188,777**	**176,274**
Operating		
Operating income		
Other income	839	585
Total operating income	**839**	**585**
Operating expenses		
Administrative expenses (Note 12)	**(6,067)**	**(5,662)**
Depreciation (Notes 5, 6 & 18)	(969)	(1,124)
Write-off of accounts receivable and stale-dated items	200	(1)
Total operating expenses	**(6,836)**	**(6,787)**
Net operating loss	**(5,997)**	**(6,202)**
Other comprehensive income	**142**	**204**
Net change in net assets available for benefits	**200,250**	**193,686**
Allocation of net increase in assets		
Attributable to PPP (Note 9)	**7**	**(8)**
Attributable to JPP (Note 10)	**(117)**	**(69)**
Attributable to PSPP	**200,140**	**193,609**
Net assets available for benefits at start of year (Note 24)	**1,133,557**	**939,949**
Net assets available for benefits at end of year (Note 24)	**1,333,697**	**1,133,557**

Judicial Pension Plan:

Supplemental Information - Statement of Changes in Net Assets Available for Benefits for the year ended 31 December 2024 (Expressed in Cayman Islands Dollars)

	31 December 2024 $000	31 December 2023 $000
Assets		
Net assets available for benefits at beginning of year (Notes 10 & 24)		
Pension	6,710	6,325
Contributions (Note 1c)		
Employers		487
Employees	522	243
Total contributions	**784**	**730**
Benefits paid to participants (Note 11)	(527)	(414)
Net pensions	257	316
Net investment income	117	69
Net change in net assets available for benefits	374	385
Net assets available for benefits at end of year (Notes 10 & 24)	**7,084**	**6,710**

Parliamentary Pension Plan:

Supplemental Information - Statement of Changes in Net Assets Available for Benefits for the year ended 31 December 2024 (Expressed in Cayman Islands Dollars)

	31 December 2024 $000	31 December 2023 $000
Net assets available for benefits at beginning of year (Notes 9 & 24)	3,996	4,554
Pensions		
Contributions		
Employees	182	184
Employers	182	184
Past service liability (PSL)	1,049	1,137
Total contributions	**1,413**	**1,505**
Prior Year ANC receivables	94	79
Liabilities		
Additional normal costs (ANC)	(33)	(94)
Benefits paid to participants (Note 11)	(2,031)	(2,056)
Net pensions	(557)	(566)
Net investment (los)/income	(7)	8
Net change in net assets available for benefits	(564)	(558)
Net assets available for benefits at end of Year (Notes 9 & 24)	**3,432**	**3,996**

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Statement of Cash Flows

for the year ended 31 December 2024 (Expressed in Cayman Islands Dollars)

	31 December 2024 $000	31 December 2023 $000
Cash flows from operating activities		
Receipts		
Contributions received from employees	25,963	23,714
Contributions received from employers	25,456	23,111
Contribution received for special pensioners stipend payments	789	577
Other income received	(11)	601
Net investment income received	1,282	1
Total	**53,479**	**48,004**
Payments		
Benefits paid to participants - Public Service	(55,970)	(48,863)
Administrative expenses paid	(6,165)	(6,020)
Investment management fees and other expenses paid	(3,685)	(3,638)
Benefits paid to participants - Ex-Gratia	(1,174)	(3,739)
Special pensioners stipend payments	(6,079)	(577)
Total	**(73,073)**	**(62,837)**
Net cash used in operating activities	**(19,594)**	**(14,833)**
Cash flows from investing activities		
Purchase of investments	(6,779)	(10,409)
Purchase of fixed assets and intangibles	(2,297)	(185)
Net cash applied to investing activities	**(9,076)**	**(10,594)**
Cash flows from financing activities		
Contributions received from employers - Additional defined benefit	23,165	24,888
Ex-Gratia grant and prepaid Ex-Gratia grant	7,066	3,823
Net cash received from financing activities	**30,231**	**28,711**
Cash flows from judiciary contributions		
Contributions received from employer	262	487
Contributions received from employees	522	243
Benefits paid to participants	(528)	(428)
Net cash received from judiciary contributions	**256**	**302**
Cash flows from parliamentary contributions		
Contributions received from employer	183	184
Contributions received from employees	182	184
Contributions received from employer - defined benefit	1,158	1,248
Benefits paid to participants	(2,031)	(2,056)
Net cash paid to parliamentary contributions	**(508)**	**(440)**
Net increase in cash and cash equivalents during the year	1,309	3,146
Cash and cash equivalents at beginning of year	12,042	8,896
Cash and cash equivalents at end of year (Note 3)	**13,351**	**12,042**

Supplemental Statement of Accumulated Plan Benefits

for the year ended 31 December 2024 (Expressed in Cayman Islands Dollars)

	31 December 2024 $000	31 December 2023 $000
Actuarial present value of accumulated plan benefits (Note 14)		
Inactive and Active Participants	(1,284,069)	(1,065,152)
Total actuarial present value of accumulated plan benefits	(1,284,069	(1,065,152)
Fund's net assets available for benefits at year-end (Note 24)	1,344,213	1,144,264
Fund income	**60,144**	**79,112**

Notes to the Financial Statements

for the year ended 31 December 2024 (Expressed in Cayman Islands Dollars)

1. Introduction and Background Information

a. Introduction

The Public Service Pensions Board (the “Authority”) was re-established as a Statutory Authority of the Cayman Islands Government (the “Government”) on 14 April 1999. Principal place of business is 71 Fort Street, George Town, Grand Cayman, Cayman Islands. The Authority’s responsibilities include, but are not limited to, administering the Government-sponsored pension plans which consist of the Public Service Pensions (PSP), Parliamentary Pensions (PPP), Judicial Pensions (JPP) and Ex-Gratia Pension Plans, administering the combined pension funds (the “Fund”), investing all funds available into the Fund, providing pension benefits as required under the Act, communicating with the Plans’ stakeholders, recommending contribution rates to the Government in accordance with the latest actuarial valuation and determining the financial implications of any amendments to the Plans. The Fund is governed by the *Public Service Pensions Act (2023 Revision)* (the “Act”).

b. General background information

The PSPP, the PPP and the JPP plans each consist of two parts: a Defined Benefit (DB) part and a Defined Contribution (DC) part. For the main PSPP, all employees who joined prior to 14 April 1999 were enrolled in the Defined Benefit part of the PSPP. Those employees joining after 14 April 1999 were enrolled in either one of the two parts depending on their circumstances. The Public Service Pensions (Amendment and Validation) Act, 2000 which was passed on 20 June 2000 amended the date after which all new employees were to be enrolled in the Defined Contribution part of the Plan to 1 January 2000. Employees who received Contracted Officers Supplement (COS) were exempted from participation in the PSPP through the Public Service Pensions (Amendment and Validation) Act, 2000. However, when existing contracts were renewed, employees no longer provided with COS became eligible to join the Defined Contribution part of the PSPP.

c. Contributions

The JPP DB part is fully funded and therefore no contributions are required by Plan members or the Government. However, Plan members participating in the JPP DC part contribute at the rate of ten percent of pensionable earnings and the Government contributes twenty percent. Plan members of the PPP and the PSPP contribute at the rate of six percent of pensionable earnings and employers contribute a matching six percent. Contribution rates to cover additional defined benefit costs are recommended by the Board of Directors (the “Board”) based on the last approved actuarial results and were as follows:

1. Introduction and Background Information (continued)

Code	Employer	DB Additional Normal Cost Contribution	DB PSL Contributions
AA	Cayman Islands Airports Authority**	6.30%	229,000
AO	Office of the Auditor General	11.50%	n/a*
CA	Civil Aviation Authority**	6.10%	0%
CC	Community College**	0%	148,000
CF	CAYS Foundation **	0%	n/a*
CG	Central Government	11.50%	16.659,000
CI	CINICO	5.50%	0%
CO	Cabinet Office	11.50%	n/a*
CS	Portfolio of the Civil Service	11.50%	n/a*
DA	Ministry of District Administration & Lands	11.50%	n/a*
DB	Cayman Islands Development Bank**	0%	n/a*
OR	Utility Regulation and Competition Office**	4.30%	n/a*
FD	Ministry of Finance & Economic Development	11.50%	n/a*
FO	Foreign Office (UK Office)	11.50%	n/a*
MI	Ministry of Investment, Innovation & Social Development	11.50%	n/a*
HS	Health Services Authority**	7.60%	0
MB	Ministry of Border Control & Labour	11.50%	n/a*
JD	Judicial Administration	11.50%	n/a*
JP	JPP Employees	n/a*	n/a*
LA	Portfolio of Legal Affairs	11.50%	n/a*
MA	Cayman Islands Monetary Authority**	8.10%	0%
MC	Ministry of Home Affairs	11.50%	n/a*
ME	Ministry of Education	11.50%	n/a*
MH	Ministry of Health & Wellness	11.50%	n/a*
MP	Ministry of Planning, Agriculture, Housing & Infrastructure Transport & Development	11.50%	n/a*
MT	Ministry of Tourism & Ports	11.50%	n/a*
PB	Public Service Pensions Board**	10.20%	0%
PP	Parliamentary Plan	71.00%	1,049,000
RA	National Roads Authority**	6.80%	0%
SR	Maritime Authority **	8.50%	0%
TF	Cayman Turtle Conservation and Education Centre**	9.20%	0%
WA	Water Authority Cayman**	8.40%	80,000
DP	Director of Public Prosecutions	11.50%	n/a*
FS	Ministry of Financial Services & Commerce	11.50%	n/a*
GO	Governor's Office	11.50%	n/a*
SE	Cayman Islands Stock Exchange	n/a*	n/a*
BP	Botanic Park	n/a*	n/a*
PC	Pedro Castle	n/a*	n/a*
TB	Tourism Attraction Board	n/a*	n/a*
CP	Office of the Commissioner of Police	11.50%	n/a*
OO	Office of the Ombudsman	11.50%	n/a*
SC	Ministry of Sustainability & Climate Resiliency	11.50%	n/a*
MY	Ministry Youth, Sports, Culture & Heritage	11.50%	n/a*

Key
*Incl. in PSL for Central Government of 16.659 million per annum
**Statutory Authority or Government company

1. Introduction and Background Information (continued)

The full liability for any additional defined benefit costs are borne by each respective employer.

Contribution rates for the additional defined benefit costs are based on pensionable earnings as of the valuation date and reflect the following:

i. i.with respect to the defined contribution participants, the cost of certain benefits provided that are of a defined benefit nature;

ii. ii.with respect to the defined benefit participants, the excess over and above the 12% of pensionable earnings which is the additional normal cost and the annual amortization of the unfunded past service liabilities.

d. Investment Policy

The investment objective of the Board is for the Fund to earn returns that will, in conjunction with the financing plan, result in the Plans becoming fully funded or self-sustaining. The investments are diversified within the constraints of the Act to ensure that risk is not unduly concentrated in any one type of investment or geographical location and, when appropriate, currencies 'are hedged into U.S. dollars. The Board has established an asset mix policy aligned with the underlying pension plans' liabilities to achieve a long-term rate of return of three to four percent above long term inflation expectations. The asset mix policy dictates the policy benchmark mix and permissible ranges of participation in the broad classes of stock and bond investments. The asset classes were expanded in 2024 to include Real Estate (Core Private) and Infrastructure (Core). In the longer term, the investment portfolio will have a bias towards equities because these investments have demonstrated a better potential for return enhancement along with protection from inflation when compared to other classes of investments. The table below summarizes the permissible range within each asset class.

Asset Class	Minimum	Benchmark	Maximum
Global Equities	55%	70%	85%
Global Fixed Income	15%	20%	45%
Real Estate (Core Private)	0%	5%	10%
Infrastructure (Core)	0%	5%	10%
Cash & Equivalents	0%	0%	10%

2. Significant Accounting Policies

Basis of preparation

These financial statements are prepared on a going concern basis under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) and present the aggregate financial position of the Fund as a separate financial reporting entity independent of the plan sponsors and plan participants.

They are prepared to assist participants and others in reviewing the activities of the Fund for the fiscal period, but they do not portray the funding requirements of the Plan or the benefits security of individual plan participants.

Reporting and functional currency

The financial statements are presented in Cayman Islands dollars, rounded to the nearest thousand.

Changes in accounting policies

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Reporting period

The reporting period is the year ended 31 December 2024.

Critical Judgments and estimates in applying Accounting Principles

The preparation of financial statements in conformity with IFRS requires judgments, estimates and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The 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.

Pension Fund Liability

The Pension Fund liability is calculated every three years by the Fund's Actuary in line with the relevant legislation, with annual updates in the intervening years. The methodology used is in accordance with International Accounting Standard (IAS) 19. Assumptions underpinning the valuations are agreed between the Fund and the Actuary and are summarized in Note 14. This estimate is subject to significant variances based on changes to the underlying assumptions.

Actuarial revaluations are used to set future contribution rates and underpin the Fund's most significant investment management policies, for example in terms of the balance between longer term investment growth and short-term yield/return.

Unquoted Investments

The fair value of unquoted securities is estimated by the Fund's investment managers and subject to the professional judgement and assumptions used by those managers. It is considered that changes in those assumptions would not produce significant variations in the value of those assets other than normal market fluctuations.

2. Significant Accounting Policies (continued)

New standards, amendments and interpretations adopted as at 1 January 2024

The below accounting pronouncements which have become effective from 1 January 2024 and have therefore been adopted are not expected to be relevant to or materially impact the results of the Authority.

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

Standards, amendments and Interpretations to existing Standards that are issued but not yet effective for the financial year beginning 1 January 2024 and have not been adopted early by the Authority:

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (previously Power Purchase Agreements (Amendments to IFRS 9 and IFRS 7)
- IFRS 18 Presentation and Disclosure in Financial Statements (Replaces IAS 1 Presentation of Financial Statements)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

The significant accounting policies of the Authority, which have been consistently applied to all years presented (unless otherwise stated), are as follows:

Contributions

Contributions are accounted for on the accrual basis in the month to which the associated salaries and wages relate. Both contributions received and contributions receivable in these financial statements are reflective of the contribution rates recommended in the 1 January 2022 actuarial valuation.

Transfers in and out

Transfers in or out are accounted for when paid or received which is normally when member liability is accepted/discharged.

Benefits Paid

Benefits are accounted for in the period in which they fall due for payment. Where there is a choice, benefits are accounted for in the period in which the member notifies the Authority of his or her decision on the type or amount of benefit to be taken or, if there is no member choice, they are accounted for on the date of retirement or leaving.

Investments

Investments are stated in the Statements of Net Assets Available for Benefits on a fair value basis as at the reporting date, in accordance with the requirements of IFRS13.

Realized and unrealized gains and losses are recognized in the Statements of Changes in Net Assets Available for Benefits.

Investment income

Investment income is accounted for on the accrual basis.

2. Significant Accounting Policies (continued)

Property, Plant and Equipment

Fixed assets are initially recorded at cost. Subsequently, depreciation is charged to operations per annum on a straight-line basis as follows:

Furniture and fixtures	10%
Computer equipment and software	20%
Office equipment	20%
Vehicle	20%
Leasehold Improvements	dependent on lease term

Intangibles

Intangible assets are comprised of externally acquired software for internal use. They are measured at cost and amortized on a straight-line basis over its useful life over a period not exceeding 5 years.

Disposals

Gains and losses on disposals of fixed assets are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the year are included in the Statement of Changes in Net Assets Available for Benefits.

Foreign currency transactions

Transactions in foreign currencies, other than in US Dollars, are translated at the rate of exchange prevailing at the date of the transaction. For these financial statements, exchange rates in respect of US Dollars are as follows: KYD to USD .8348. USD to KYD .8318. Exchange gains and losses are recognized in the Statement of Changes in Net Assets Available for Benefits.

Leases

The objective of IFRS 16 is to report information that (i) faithfully represents lease transactions and (ii) provides a basis for users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. To meet the objective, the Authority has recognized assets and liabilities arising from its lease agreements.

3. Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

Cash and cash equivalents	31 December 2024 $000	31 December 2023 $000
Scotiabank Cash Accounts	9,774	5,313
CIBC Mellon Cash Reserve	3,577	6,729
Total	**13,351**	**12,042**

4. Investments

Investments are selected in accordance with the criteria and limitations set out in the Statement of Investment Policies and Procedures and all other relevant legislation. The appointed Investment Managers manage their respective portfolios under discretionary investment agreements that conform to the list of Approved Investments detailed in the Schedule 2 of the Public Service Pensions Act, (2023 Revision).

a. Investment portfolios

The investment portfolios are summarized below:

	31 December 2024		31 December 2023	
Description	**$ 000**	**%**	**$ 000**	**%**
Global Equities	1,050,497	78.84	931,549	82.19
Global Fixed Income	237,485	17.82	201,902	17.81
Global Infrastructure	44,457	3.34	-	-
Total	**1,332,439**	**100.00**	**1,133,451**	**100.00**

b. Investment managers

Investment managers analyzed by investment type are summarized below:

	31 December 2024		31 December 2023	
Description	**$ 000**	**%**	**$ 000**	**%**
Global Equities				
IFP Global Franchise	434,964	32.64	471,956	41.64
Blackrock Developed World Index	262,520	19.70	221,260	19.52
Wellington Global Quality Growth	210,079	15.77	172,432	15.22
WCM Quality Global Growth	99,687	7.48	-	-
Morgan Stanley	-	-	65,901	5.81
GQG Partners Global Equity	43,247	3.25	-	-
Fixed Income				
Pimco Global Investment Grade Credit	188,450	14.14	180,380	15.91
Pimco US Short-Term	49,035	3.68	21,489	1.9
Global Infrastructure				
IFM Global Infrastructure (Offshore)	44,457	3.34	-	-
Total	**1,332,439**	**100.00**	**1,133,451**	**100.00**

4. Investments (continued)

c. Fair Value hierarchy

IFRS13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement that should be determined based on the assumptions market participants would use in pricing the asset or liability.

Valuation techniques used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels, as follows:

Level 1

Financial instruments where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide information on an ongoing basis.

Level 2

Financial instruments where quoted market prices are not available, for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value. If the asset or liability has a specified contractual term, a Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Financial instruments where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Such instruments would include private equity investments and infrastructure funds which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The Authority's investment in IFM infrastructure fund is classified at Level 3. IFM Infrastructure Fund holds various infrastructure assets, including equity and debt, held either directly or through wholly owned holding companies. These investments are valued quarterly by an external valuer, with the most recent valuations completed as at December 31, 2024.

4. Investments (continued)

d. Fair Value - Basis for valuation

The basis of the valuation of each class of investment asset is set out below. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Investment Type	Valuation Hierarchy	Basis of Valuation	Observable & Unobservable inputs	Key Sensitivities Affecting the Valuations Provided
Global Equity Funds	Level 1	Closing bid price where bid and offer prices are published. Closing single price where single price published.	Not required	Not required
Global Fixed Income Funds	Level 1	Closing bid price where bid and offer prices are published. Closing single price where single price published	Not required	Not required
Infrastructure Funds	Level 3	Discounted cashflow applied to equity and debt instruments. The Fund determines the fair value of these investments by engaging external valuation services.	Cashflow forecasts and discount rate	Valuations include assumptions based on non-observable market data, such as discounts applied either to reflect changes in the fair value of financial assets or to adjust earnings multiples. Significant increases or decreases to either the cash flow forecasts or the discount rate in isolation would result in a significantly lower or higher fair value measurement.

4. Investments (continued)

e. Investments Leveling Table

The table below provides an analysis of the investment assets of the Public Service Pensions Fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

Investment Type	Quoted Market	Observable Inputs	Unobservable Inputs	Fair Value 2024	Fair Value 2023
	Level 1 $ 000	Level 2 $ 000	Level 3 $ 000	$ 000	$ 000
Global Equity funds	1,050,497	-	-	1,050,497	931,549
Global Fixed income funds	237,485	-	-	237,485	201,902
Infrastructure Fund		-	44,457	44,457	-
Total Investments	**1,287,982**	**-**	**44,457**	**1,332,439**	**1,133,451**

f. Reconciliation of fair value measurement for Level 3 investment

	Fair Value at date of initial recognition April 2024	Unrealized gains/(losses)	Realized gains/(losses)	Fair Value at 31 December 2024
Infrastructure fund	**41,590**	**1,008**	**1,859**	**44,457**

g. Investment Returns

Total Returns to 31 December 2024 Annualized for periods exceeding 1 Year					
Last 3 Months	1 Year	3 Years	5 Years	10 Years	From Inception
0.5%	**16.40%**	**4.2%**	**7.8%**	**8.6%**	**7.1%**

5. Property, Plant and Equipment

Property, plant and equipment consist of the following components:

	Leasehold Improvements	Furniture & Fixtures	Office Equipment	Work in progress	Computer Equipment	Vehicles	Total
	$000	$000	$000		$000	$000	$000
Cost							
As at 31 December 2023	**733**	**36**	**64**	**100**	**428**	**16**	**1,377**
Additions	-	-	2	2,354*	13	-	2,369
Adjustments	-	-	-	-	-	-	-
As at 31 December 2024	**733**	**36**	**66**	**2,454**	**441**	**16**	**3,746**
Accumulated Depreciation							
As at 31 December 2023	**733**	**23**	**39**	**-**	**317**	**16**	**1,128**
Depreciation	-	3	9	-	35	-	47
Adjustments	-	-	-	-	-	-	-
As at 31 December 2024	**733**	**26**	**48**	**-**	**352**	**16**	**1,175**
Carrying value at 31 December 2024	**-**	**10**	**18**	**2,454**	**89**	**-**	**2,571**
Carrying value at 31 December 2023	**-**	**13**	**25**	**100**	**111**	**-**	**249**

*Interior fit-out of the new office space at Cricket Square.

6. Intangibles

Intangibles consist of following components:

	Lynchval Capitalization	Sagitec Capitalization	Computer Software	Total
	$000	$000	$000	$000
Cost				
As at 31 December 2023	571	2,979	56	3,606
Additions	-	-	-	-
As at 31 December 2024	571	2,979	56	3,606
Accumulated Amortization				
As at 31 December 2023	571	1,341	47	1,959
Amortization	-	595	3	598
As at 31 December 2024	-	-	1	1
Carrying value at 31 December 2024	571	1,936	51	2,558
Carrying value at 31 December 2023	-	1,043	5	1,048
	-	1,638	9	1,647

The Authority has entered into a Software as a Service (SaaS) contract with Sagitec Solutions LLC for the provision of a Core customized cloud-based solution pension administration system. The system was fully implemented and went live on 1 October 2021.

7. Ex-Gratia Pensions

The Authority administers the payment of Ex-Gratia Pensions on behalf of the Cayman Islands Government under Section 6(1)(i) of the Public Service Pensions Act (2023 Revision) and by provisions contained in the Public Service Pensions (Ex-Gratia Pensions) Regulations (2019 Revision).

Eligibility for Ex-Gratia Pension as set out by said Acts:

"(1) Any Caymanian (as defined in the Immigration Act (2022 Revision) who-

(a) is sixty five years of age or older; or

(b) is not sixty five years of age but who has been certified by the Chief Medical Officer as being permanently disabled, and who —

i. held an office in the Public Service or the Other Public Service for any period of at least four or more years in the aggregate; and

ii. during at least four years (in the aggregate) of his said service, was not entitled to a pension or did not receive a contracted officer's supplement or similar compensation, may, in accordance with these regulations, apply for an Ex-Gratia pension in respect of the period of his said service that is prior to the date when he attained the age of sixty years and in respect of which he was not entitled to a pension and did not receive a contracted officer's supplement or similar compensation.

An estimate of the payments to be administered during the year are appropriated to and received by the Authority and reported as Pre-Funded Ex-Gratia Pensions. The activity reported below represents funding received and benefit payments made during the 2024 and 2023 reporting periods only. Accumulated Ex-Gratia bank balances are included in the cash balances reported on the Statement of Net Assets Available for Benefits and used to offset any shortfalls in funding during the year. Payments administered during each year are reported as Ex-Gratia Pensions.

Ex-Gratia pension activity:

Description	31 December 2024 $000	31 December 2023 $000
Pre-Funded Ex-Gratia Pensions	1,416	1,247
Ex-Gratia Pensions Payments	(1,356)	(1,267)
(Underfunded)/Overfunded	60	(20)

8. Ex-Gratia Uplift Payments

The Authority administers the payment of Ex-Gratia Uplift Pensions on behalf of the Cayman Islands Government under Section 6(1)(i) of the Public Service Pensions Act (2023 Revision) and by provisions contained in the Public Service Pensions (Ex-Gratia Uplift Payments) Regulations (2020 Revision).

The minimum pension threshold was increased under the Public Service Pensions (Ex-Gratia Uplift Payments) (Amendment) Regulations 2023, to $1,250 per month with effect from December 2023.

Ex-Gratia Uplift Payment activity:

Description	31 December 2024 $000	31 December 2023 $000
Pre-Funded Ex-Gratia Uplift pensions	4,850	2,988
Ex-Gratia Uplift pension payments	(4,724)	(2,472)
Overfunded/(Underfunded)	126	516

The activity reported above represents funding received and benefit payments made during the 2024 and 2023 reporting periods only. Accumulated Ex-Gratia bank balances are included in the cash balances reported on the Statement of Net Assets Available for Benefits and utilized in the subsequent year.

9. Parliamentary Pensions Plan (PPP)

The Members and the Speaker of the Parliament participate in the (PPP) as governed by the Parliamentary Pensions Act (2016 Revision) (the "Parliamentary Pensions Act"). Members contribute at a rate of 6% of pensionable earnings and employers contribute a matching 6%.

An additional contribution as prescribed by the latest Actuarial Valuation is made by the employer to cover the additional defined benefit cost associated with the PPP. In practice the Authority administers the PPP and the related fund balances.

The Parliamentary Pensions Act since 2004 provides for payment of retirement benefits to eligible members with one or more parliamentary terms. Normal retirement age under the Parliamentary Pensions Act is 55. The maximum amount of pension payable to the Parliamentarians cannot exceed two-thirds of their highest salary earned whilst a Member of Parliament.

Due in Respect of Parliamentary Pensions Plan

All contributions received, since inception, have been pooled for investment purposes with those of the larger Public Service Pensions Fund and the Judicial Pension Fund for greater investment return opportunities and to contain administrative costs. In addition, this also reflects benefits paid to participants and an element of net Investment Income and Operating Expenses allocated (on the net of the contributions received and benefits paid) based on the Fund's annual rate of return.

To clearly account for the amounts in respect of the separate Plans; supplementary information to the Statement of Net Assets Available for Benefits is presented for the PPP on page 8, showing beginning and ending balances, as well as contribution, benefits paid and investment returns recognized for the PPP during the year.

Net assets available for benefits for PPP at end of year amounted to $3,432 million (2023: $3,996 million). The Authority does not charge any additional fees for acting as administrators of the Parliamentary Pensions Plan. The assets duly belong to the Members of Parliament are under the administration of the Authority.

10. Judicial Pensions Plan (JPP)

The Judges of the Grand Court of the Cayman Islands and Magistrates participate in the Judicial Pension Plan (JPP) as governed by the Judges' Emoluments and Allowance Act, (2018 Revision) and the Judges' Emoluments and Allowances Order, (2021 Revision). In respect of the DC Plan, participants contribute at a rate of 10% of pensionable earnings and the Government contributes 20%. In accordance with the 2022 funding valuation 0% is contributed for those in the Defined Benefit part of the Plan as the Actuarial valuations as at 1 January 2022 concluded that existing contribution rates to the plan are sufficient.

Normal retirement age under the Judicial Pensions Act is 65. The maximum amount of pension payable to a participant cannot exceed an annual 80% of the participant's final average pensionable earnings.

Due in Respect of Judiciary Pensions Plan

All contributions received since inception have been pooled for investment purposes with those of the larger Public Service Pensions Fund and the Parliamentary Pension Fund for greater investment return opportunities and to contain administrative costs. In addition, this also reflects benefits paid to participants and an element of net Investment Income and Operating Expenses allocated (on the net of the contributions received and benefits paid) based on the Fund's annual rate of return.

To clearly account for the amounts in respect of the separate Plans, supplementary information to the Statement Net Assets Available for Benefits are presented for the JPP on page 7, showing beginning and ending balances, as well as contribution, benefits paid and investment returns recognized for the JPP during the year.

Net assets available for benefits for JPP at end of year amounted to $7,084 million (2023: $6,710 million). The Authority does not charge any additional fees for acting as administrators of the Judicial Pensions Plan. The assets duly belong to the Judges of the Grand Court of the Cayman Islands and Magistrates are under the administration of the Authority.

11. Benefits Paid to Participants

Beginning in April 1999, payments were paid directly out of the Fund for pensioners of the PSPP. The Government is required to pre-fund payments made to recipients of the Ex-Gratia pensions. Pension payments in respect of the PPP were pre-funded by payments from the Government up until the passage of the Parliamentary Pensions Act (2004) on 23 August 2004, which required benefit payments be paid directly from the Parliamentary Pensions Fund.

	31 December 2024 $000	31 December 2023 $000
Monthly pension payments	36,217	33,156
Commutations	13,542	7,735
Cashouts	5,984	5,038
Transfers	1,960	1,002
Total Benefits Paid	**57,703**	**46,931**

12. Administrative Expenses

Description	31 December 2024 $000	31 December 2023 $000
Salaries, benefits & other staff related expenses	3,181	3,361
Pension administration system support	701	688
Actuarial fees	423	326
Office accommodation & related expenses	331	293
IT Support	304	250
Other professional fees	639	211
Board of Directors related expenses	214	20
General administrative expenses	108	147
Audit fees	110	110
Other administrative expenses[1]	56	71
Total	**6,067**	**5,662**

[1] Previously included in other investment expenses

13. Benefits Due

Benefits Due represents the liability to pay participants who have attained the Normal Retirement Age and participants who have applied for early retirement prior to 31 December 2024 but whose pension payments have not commenced as at the fiscal year end. Benefits due also relate to cashouts and transfers that were approved during the financial year and paid after the financial year end.

14. Funding Actuarial Valuation Reports - 1 January 2022

In accordance with the respective legislation, the Authority's Actuaries, Mercer, carried out the tri-annual funding Actuarial Valuation as at 1 January 2022 for each of the three Government sponsored pension plans.

The principal assumptions for the 2022 funding actuarial valuations (excluding the estimated retirement age which varied with each Plan) used in the computation of the actuarial estimate of the pension liability for each of the three named Pensions plans are as follows:

i. annual salary increases of 4.0% in 2022, 3.5% in 2023, 3:00% in 2024 and 2.5% per annum from 2025 onwards;

ii. long-term inflation rate of 5.8% in 2022, 3.2% in 2023, 2.30% in 2024 and 2.00% per annum from 2025 onwards;

iii. valuation interest rate to discount future benefit payments as at 1 January 2022 is 5.75%

iv. expected long-term rate of return on the Fund's invested assets of 5.75%

v. anticipated future pensions payments increases of 5.64% in 2022, 3.2% in 2023, 2.30% in 2024 and 2.00% per annum from 2025 onwards; and

vi. estimated retirement ages for the three plans are as follows:

   a. Parliamentary Pensions Plan: 55 years and 10 months

   b. Public Service Pensions Plan: Age-related table (see below)

   c. Judiciary Pension Plan: N/A

Age Related Tables

Age	Termination Male	Termination Female	Retirement
20	7.50%	12.50%	0.00%
25	5.00%	12.50%	0.00%
30	3.50%	7.50%	0.00%
35	2.50%	4.50%	0.00%
40	1.50%	2.50%	0.00%
45	0.50%	0.50%	0.00%
50	0.00%	0.00%	0.00%
55 to 59	0.00%	0.00%	8.00%
60 to 64	0.00%	0.00%	15.00%
65	0.00%	0.00%	100.00%

14. Funding Actuarial Valuation Reports - 1 January 2022 (continued)

a. Public Service Pensions Plan actuarial valuation – 1 January 2022

The funding actuarial valuation calculated a Fund deficiency as at 1 January 2022 as follows:

Public Service Pensions Plan (actuarial estimate)	Amount $000
Value of pension fund allocated assets	1,118,250
Past service liability	(1,249,068)
Fund deficiency	**(130,818)**

The Actuarial valuation calculated a normal cost during the year as follows:

Public Service Pensions Plan (actuarial estimate)	
Attributable to the Defined Contribution component of the Plan	12.4%
Attributable to the Defined Benefit component of the Plan	16.6%

The Plan was in a deficit position as of January 1, 2022. Based on an ultimate discount rate of 5.75%, the Plan had a deficit of $130.8 million at January 1, 2022 and the funded ratio of the DB Part of the Plan is 82% and when combined with the DC part of the Plan is 90%.

The Board has established an objective that the Plan be fully funded in 20 years from the valuation date. Based on the assumptions and methods described in this report, in order to achieve this objective, contributions should be made on the basis of the valuation results prepared based on an ultimate discount rate of 5.75%.

14. Funding Actuarial Valuation Reports – 1 January 2022 (continued)

b. Parliamentary Pensions Plan actuarial valuation – 1 January 2022

The funding actuarial valuation calculated a Fund deficiency as at 1 January 2022 as follows:

Parliamentary Pensions Plan (actuarial estimate)	Amount $000
Value of pension fund allocated assets	15,724
Deferred investment gain not reflected in DC account	(143)
Past service liability	(27,561)
Fund deficiency	**(11,980)**

The funding actuarial valuation calculated a normal cost during the year as follows:

Parliamentary Pensions Plan (actuarial estimate)	
Attributable to the Defined Contribution component of the Plan	12.4%
Attributable to the Defined Benefit component of the Plan	71.0%

The Board has established an objective that the Plan be fully funded in 20 years from the valuation date. Based on the assumptions and methods described in this report, in order to achieve this objective, contributions should be made on the basis of the valuation results prepared based on an ultimate discount rate of 5.75%.

The Plan was in a deficit position as of January 1, 2022. Based on an ultimate discount rate of 5.75%, the Plan had a deficit of $11.8 million at January 1, 2022 and the funded ratio of the DB Part of the Plan is 53% and when combined with the DC part of the Plan is 57%.

14. Funding Actuarial Valuation Reports – 1 January 2022 (continued)

c. Judicial Pensions Plan actuarial valuation – 1 January 2022

The actuarial valuation calculated a Fund surplus as at 1 January 2020 as follows:

Judicial Pensions Plan (actuarial estimate)	Amount $ 000
Value of pension fund allocated assets	10,023
Past service liability	(7,440)
Fund surplus	**2,583**

The actuarial valuation calculated a normal cost during the year as follows:

Judicial Pensions Plan (actuarial estimate)	
Attributable to the Defined Contribution component of the Plan	30.0%
Attributable to the Defined Benefit component of the Plan	00.0%

The Board has established an objective that the Plan be fully funded in 20 years from the valuation date. The Plan is currently fully funded, as such, in accordance with the Board's objective; contributions should be made on the basis of the valuation results prepared based on an ultimate discount rate of 5.75%.

The DB Part of the Plan has a surplus as at January 1, 2022, hence no further Employer contributions are required to fund the DB accrual, until the next valuation review. The funded ratio of the DB Part of the Plan is 164% and when combined with the DC part of the Plan is 135%.

15. Pension Contributions

(Re: Funding Actuarial valuations – effective 1 January 2020)

The recommended rates of contribution contained in the 2022 funding actuarial valuations became effective by Regulations on 19 November 2024 retroactive to 1 January 2022.

16. Investment Management and Consultancy Fees

The Authority utilizes the services of various Investment Managers, a Global Custodian and an Investment Advisor in the course of its business. During the year, the Board employed the services of the following:

a. Independent Franchise Partners ("IFP", Investment Manager)

b. Morgan Stanley Global Opportunity Fund ("Morgan Stanley", Investment Manager)

c. PIMCO Global Investment Grade Credit ("PIMCO", Investment Manager)

d. PIMCO US Short-Term Fund ("PIMCO", Investment Manager)

e. Wellington Global Quality Growth ("Wellington", Investment Manager)

f. BlackRock IShares Developed World Index Fund ("BlackRock", Investment Manager)

g. IFM Global Infrastructure (Offshore), LP ("IFM", Investment Manager)

h. CIBC Mellon Global Securities Company ("CIBC Mellon", Global Custodian)

i. Meketa Investment Group, Inc. ("Meketa", Investment Advisor)

j. WCM Investment Management, LLC ("WCM", Investment Manager)

k. GQG Partners Global Equity Fund ("GQG", Investment Manager)

l. TA Realty LLC ("TA Realty", Investment Manager) – pending funding

16. Investment Management and Consultancy Fees (continued)

The Authority incurred Investment management and consultancy expenses as follows:

	31 December 2024 $000	31 December 2023 $000
Investment managers		
IFP	2,695	3,118
Wellington	1,482	1,163
PIMCO	1,111	911
WCM	415	-
Morgan Stanley	120	468
Blackrock	299	203
IFM	249	-
- Performance expenses	197	
- Partnership expenses	46	
GQG	147	-
Magellan	-	154
Custodian		
CIBC Mellon	132	104
Investment advisor/consultant		
Meketa	179	179
Legal fees		
Pillsbury, Winthrop, Shaw, Pittman LLP	147	300
Total	**7,219**	**6,600**

17. Financial and Actuarial Risk Management

In order to meet the investment objective for the Fund, namely, to earn returns that will, in conjunction with the financing plan, result in the Plans becoming fully funded or self-sustaining (see note (1d)), the investments will be subject to a variety of inherent risks. An overarching strategy for management of these risks is asset diversification, to manage concentration using various investment criteria and, within the Board's risk appetite, to minimize the impact of portfolio losses and optimize the opportunity for long-term gains.

In addition, the Board employs rigorous investment manager selection, monitoring and due diligence processes. Asset classes are managed by separate internationally recognized investment managers, who are recommended by the Investment Committee of the Board, with the guidance of the independent Investment Advisor (Meketa) and approved by the Board. Performance of each investment manager is monitored and measured against international benchmarks by the Investment Committee and the Investment Advisor. Members of the Investment Committee, along with the Investment Advisor, also perform annual due diligence visits to each of the investment managers.

Major risk exposures include market risk, interest rate risk, credit risk, liquidity risk and currency risk, and these are discussed further in the following sections.

Market risk

Market risk is the risk that the value of a financial instrument such as an equity security will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the markets. Market risk is managed mainly by diversification across issuers, industries, geographies and investment strategies.

Interest rate risk

Interest rate risk is the potential for financial loss arising from changes in interest rates. Interest rate changes may affect the values of the fixed income and credit investments and, indirectly through impacts on the liability discount rates, the funding liabilities. Interest rate risk is managed mainly by the allocation to bonds under the Fund's target asset mix, as well as the duration of the fixed income investments.

Credit risk

Credit risk is the risk that one party to a financial instrument, such as a bond, will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk, with respect to the fixed income investments, is managed by placing deposits with high-credit quality institutions, minimum requirements for counterparties' credit ratings, diversification of counterparties and monitoring of counterparties and exposures. In relation to Receivables expected credit losses are nil. These are straightforward and therefore are recognised/measured at amortised cost.

Liquidity risk

Liquidity risk is the risk of encountering difficulty in meeting payment obligations when due or supporting investment opportunities, through cash flows or asset sales, without incurring financial loss. Liquidity risk is managed by monitoring net cash flows, including required pension contributions, and maintaining a generally liquid investment portfolio, with the ability to divest on relatively short notice.

Currency risk

Currency risk arises from investment in global assets denominated in foreign currencies, whereas the pension payments and liabilities are based in Cayman Islands dollars. Currency risk is mitigated by strong economic and currency links between the United States of America and the Cayman Islands and, when appropriate, other foreign currencies deemed are hedged into U.S. dollars.

17. Financial and Actuarial Risk Management (continued)

Fair values

The carrying amount of current, call, and fixed deposits, accounts receivable and other receivables, demand liabilities, and other liabilities and payables approximated their fair value due to the short-term maturities of these assets and liabilities. The market value of investments is presented in Note (4). The fair values of other assets and liabilities are not materially different from the carrying amounts.

Actuarial risk management

Actuarial risks relate to changes in plan liabilities or costs which detract from the goal of the Plans becoming fully funded or self-sustaining. The actuarial risk management framework includes mandated triennial actuarial valuations performed by an internationally reputable actuarial firm (Mercer) and the implementation of the recommended contribution rates. In addition, the Board has commissioned annual interim updates from the Actuary in years between the triennial reports.

Notwithstanding the actuarial risk management framework, plan funding is ultimately at the discretion of the government. In practice, plan funding can be affected by delays in tabling the actuarial valuation reports and in enabling regulations to prescribe the recommended rates, as well as any other inefficiencies in governmental processes.

Regular actuarial reporting will reveal impacts of any aspects of evolving plan experience which differ from the underlying assumptions. Furthermore, changes in the actuarial assumptions used, to better reflect plan experience and future expectations, can have a significant effect on plan liabilities and costs. Key actuarial assumptions with significant liability and cost impacts include:

a. Discount rate – This is one of the most important assumptions, and the Plans face significant risk of the long-term returns on plan investments not meeting the discount rate, as well as changes in discount rates based on evolving market conditions and outlooks or changes in target asset mix.

b. Pensionable earnings increases and post-retirement pension increases (inflation rate) – Risks relate to potential increases higher than levels assumed, and changes in the assumptions adopted.

c. Mortality – Longevity risk is the potential that retirees and spouses live longer than assumed based on the mortality assumptions. Changes in mortality assumptions are also a source of plan risk.

Other demographic experience and assumptions such as retirement rates also contribute to actuarial risk.

The Defined Contribution (DC) part of the plans operates on a self-insured basis whereby DC account balances are generally converted into guaranteed indexed annuities payable from plan assets upon retirement. This approach imposes cost and risk for plan funding which requires monitoring over time. The actuarial basis used for these conversions is a key consideration from a cost, risk and benefit adequacy perspective and reflects a discount rate somewhat less than the expected returns on the underlying assets.

Quantitative sensitivity disclosures in relation to key assumption changes may be included in periodic actuarial valuation reports. Note 21 includes certain quantitative disclosures related to the PSPB's staff participation in the Defined Benefit Part of the Public Service Pensions Plan, under an accounting ("IAS19 R") basis.

18. Lease of Premises

Short Term and Immaterial Leases

The Authority has elected not to recognize the right-of-use assets and lease liabilities for short-term leases with 12 months or less and leases immaterial (with an annual cost under $25 thousand) to the Authority. The Authority recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Authority has the following:

- A warehouse storage facility with Artemis Property Services for the period 1 June 2023 to 31 May 2025, at an annual cost of CI$11,400 per annum ($950 monthly). Unit No. 13 is located within the property known as Highgrove Business Park, Building A, consisting of 300 square feet situated at Sparky Drive, George Town.
- A warehouse storage facility with Artemis Property Services for the period 1 March 2023 to 28 February 2025, at an annual cost of CI$9,000 per annum ($750 monthly). Unit No. 8 is located within the property known as Highgrove Business Park, Building A, consisting of 225 square feet situated at Sparky Drive, George Town.
- Office accommodation with CAYBRAC Ltd. located on Dennis Foster Road in Cayman Brac. A new three-year lease was signed effective 1 April 2022 (with the option to renew for an additional two years) at an annual cost of CI$13,772 ($1,148 monthly)

Agreement to Lease

In November 2022 the Authority signed an Agreement to Lease with Cricket Square Four Ltd. As at 31 December 2024 the lease had not yet commenced. The lease is for a ten-year period. For the first year of the period, rent is at US$55 per square foot of Rentable Area, calculated to be approximately 10,277 square feet.

Cash outflows for the first year are expected to be approximately US$565,231 (CI$471,855). Cash outflows for the remaining nine years will increase annually by the CICPI for the previous year. Where the CICPI is less than 3% or more than 6%, the minimum rent increase will be 3% and the maximum will not exceed 6%.

18. Lease of Premises (continued)

Right-of-Use Asset

On 1 September 2021, the Authority entered into a non-cancellable accommodation Sublease with Appleby Cayman Ltd. with a completion date of 31 May 2023. The leased accommodation is situated on the 4th floor of The Appleby Tower in George Town. Upon completion of the Sublease with Appleby Cayman Ltd., the Authority entered into a new lease for the same accommodation with Commercial properties Limited with a commencement date of 1 June 2023 and a completion date of 31 May 2026.

The Right-of-Use Asset and the Lease Liability are reflected in the financial statements as follows:

Right-of-Use Asset	**31 December 2024 $000**	**31 December 2023 $000**
Balance as 1 January	754,502	117,349
Adjustments	(329,222)	(1,162)
Additions (New Lease)	-	**910,606**
Amortization charge for the year	(323,981)	(272,291)
Balance at 31 December	101,299	754,502

Lease Liability	**31 December 2024 $000**	**31 December 2023 $000**
Balance as 1 January	746,927	128,885
Adjustments	(354,092)	(2,495)
Additions	-	883,384
Interest Expense	40,121	30,719
Lease Payments	(330,792)	(293,566)
Balance at 31 December	**102,164**	**746,927**

18. Lease of Premises (continued)

Lease liabilities at 31 December 2024 are payable as follows:

	Future minimum lease payments (Undiscounted)	Interest	Present value of minimum lease payments
One year or less	102,164	(550)	101,614

Amounts recognized in Statement of Changes in Net Assets Available for Benefits:

	2024	2023
Amortization of Right-of-Use Asset	323,981	272,291
Interest on Lease Liabilities	40,121	30,719

The total cash outflows for leases for 2024 was $330,792 (2023: $324,285).

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19. Related Party Transactions

Key management personnel

There are six (2023: seven) full-time equivalent personnel considered as "Key management personnel". They consist of the Chief Executive Officer, Chief Operating Officer, Acting Chief Pensions Officer, Chief Human Resources Officer, Chief Information Officer and Chief Programme Manager and Deputy Chief Financial Officer. The total remuneration includes regular salary, pension contributions, and health insurance contributions, acting allowances, duty allowances, honorarium, bonuses and motor car upkeep/allowance. Total remuneration for Key management personnel in FY 2024 was $1.039 million (FY 2023: $**1.288** million). Each Director, with the exception of ex-officio members, is paid a Monthly Director Remuneration.

Total remunerations paid to Board Directors of the PSPB for the fiscal year 2024 was $**162** thousand (FY 2023: $162 thousand). The Monthly Director Remunerations are based on the following rates:

Position	**Monthly Director Remuneration**
Board Chair	CI $4,000
Independent Professional Trustee	CI $2,000
Board Director x2	CI $2,000
Governance Committee Chair	CI $1,000
Investment Committee Chair	CI $2,000
Audit Committee Chair	CI $2,000
Non-Board Director Appointees to Committees for specialist expertise	An amount not to exceed CI $750

Intra-government agencies

The Authority engaged the services of the HR IRIS and the Office of the Auditor General, during the year. The transactions amounted to $3 thousand and $110 thousand, respectively (2023: $**3** thousand, $**110** thousand, respectively). The services are deemed to have been engaged at arm's length.

During the financial year, the Authority received a reimbursement of 350K from CIG for Appleby's moving expenses.

20. Contingent Liabilities and Contractual Commitments

There were no contingent liabilities as at 31 December 2024. However, the following commitments existed:

a) An unfunded capital commitment to IFM Global Infrastructure (Offshore) L.P. for US$20 million.

b) A contractual commitment of approximately $444 thousand relating to Cricket Square Leasehold improvements for amounts not yet due as at 31 December 2024.

21. Plan Participants

IAS 19 Accounting policy requires the Public Service Pensions Board to disclose the entities to which the assets of the Fund belong and the amounts for each participant. The current pension

administration system does not allow for the breakdown of this information. The ministries and portfolios in the Public Service Pensions Plan are the following:

a. Office of the Auditor General
b. Cabinet Office
c. Judicial Administration
d. Ministry of Health & Wellness
e. Ministry of District Administration & Lands
f. Ministry of Finance & Economic Development
g. Ministry of Education
h. Ministry of Financial Services and Commerce
i. Ministry of Sustainability & Climate Resiliency
j. Ministry of Home Affairs
k. Office of the Director of Public Prosecutions
l. Portfolio of Civil Service
m. Portfolio of Legal Affairs
n. Office of the Ombudsman
o. Ministry of Investment, Innovation & Social Development
p. Office of the Commissioner of Police
q. Ministry of Border Control, Labour & Culture
r. Ministry of Youth, Sports and Heritage
s. Ministry of Planning, Agriculture, Housing, Infrastructure, Transport & Development
t. Ministry of Tourism & Ports
u. Governor's Office
v. Foreign Office (UK Office)
w. Judges (JPP)
x. Parliamentarian (PPP)

21. Plan Participants (continued)

The statutory authorities and government companies that participate in the Public Service Pensions Plan are the following:

a. Cayman Islands Airports Authority
b. Cayman Islands Development Bank
c. Cayman Islands Health Services Authority
d. Cayman Islands Monetary Authority
e. Cayman Turtle Conservation and Education Centre
f. CAYS Foundation
g. CINICO
h. Civil Aviation Authority
i. Utility Regulation and Competition Office
j. Maritime Authority of the Cayman Islands
k. National Housing Development Trust
l. National Roads Authority
m. Public Service Pensions Board
n. University College of the Cayman Islands
o. Water Authority of the Cayman Islands
p. The Cayman Islands Stock Exchange
q. Tourism Attraction Board
r. Queen Elizabeth II Botanic Park
s. Pedro St. James Castle

Contribution rates paid in by each Plan Participant is in accordance with the default rates as set out in the Public Service Pensions Act.

22. IAS 19R Post-Retirement Pension Liabilities for PSPB Staff

The Authority's Actuary, Mercer, has calculated Public Service Pensions Board ("PSPB") actuarial estimates of liabilities as at 31 December 2024 related to the PSPB's staff participation in the Defined Benefit Part of the Public Service Pensions Plan under IFRS - International Accounting Standard 19 (Rev June 2011) ("IAS19 R"). IAS 19 was revised in June 2011 and became effective for reporting periods commencing on or after 1 January 2013. For purpose of PSPB reporting, IAS19 R for year ended 31 December 2024 reflects the following:

The amounts recognized in the statement of net assets available for benefits is as follows:

	31 December 2024 $000	31 December 2023 $000
Defined benefit obligation	(2,488)	(2,077)
Fair value of plan assets	2,892	2,470
Funded status	(404)	(393)
Net Liability	**(404)**	**(393)**

The change in defined benefit obligation is as follows:

	31 December 2024 $000	31 December 2023 $000
Defined benefit obligation at end of prior year	2,077	1,863
Current service cost	45	42
Interest expense	106	100
Transfer between other participating employers	(45)	-
Cashflows - participant contribution	18	12
Effect of changes in financial assumptions	(223)	(60)
Effect of experience adjustments	510	120
Defined benefit obligation at end of year	**2,488**	**2,077**

22. IAS 19R Post-Retirement Pension Liabilities for PSPB Staff (continued)

The change in fair value of plan assets is as follows:

	31 December 2024 $000	31 December 2023 $000
Fair value of plan assets at end of prior year	2,470	2,029
Interest income	127	110
Cash flows		
Employer and participant contributions	61	40
Transfer between other participating employers	(45)	-
Remeasurements		
Return on plan assets (excluding interest income)	279	291
Fair value of plan assets at end of year	**2,892**	**2,470**

The net defined benefit liability (asset) reconciliation is as follows:

	31 December 2024 $000	31 December 2023 $000
Net defined benefit liability (asset) as of beginning of year	(393)	(166)
Defined benefit cost included in P&L	24	32
Total remeasurements included in OCI	8	(231)
Cash flows – employer contributions	(43)	(28)
Net defined benefit liability (asset) as of end of year	**(404)**	**(393)**

22. IAS 19R Post-Retirement Pension Liabilities for PSPB Staff (continued)

The components of defined benefit cost is as follows:

	31 December 2024 $000	31 December 2023 $000
Current service Cost	45	42
Net interest cost		
Interest expense on DBO	106	100
Interest (income) on plan assets	(127)	(110)
Total net interest cost	(21)	(10)
Defined benefit cost included in statement of changes in net assets available for benefits	24	32
Remeasurements (recognized in other comprehensive income)		
Effect of changes in financial assumptions	(223)	(60)
Effect of experience adjustments	510	120
Return on plan assets (excluding interest income)	(279)	(291)
Total remeasurements included in other comprehensive income	8	(231)
Total defined benefit cost recognized in statement of changes in net assets available for benefits and other comprehensive income	**32**	**(199)**

22. IAS 19R Post-Retirement Pension Liabilities for PSPB Staff (continued)

The sensitivity analysis on defined benefit obligation is shown below:

	31 December 2024	31 December 2023
1. Discount rate		
a. Discount rate - 25 basis points	2,571	2,155
b. Discount rate + 25 basis points	2,410	2,004
2. Inflation rate		
a. Inflation rate - 25 basis points	2,415	1,998
b. Inflation rate + 25 basis points	2,565	2,161
3. Mortality		
a. Mortality - 10% of current rates	2,531	2,116
b. Mortality + 10% of current rates	2,449	2,041

The expected cash flow for the following year is as follows:

	31 December 2024 $000	31 December 2023 $000
Expected employer contributions	34	32

The significant actuarial assumptions are presented below:

Weighted-average assumptions to determine benefit obligations

	31 December 2024	31 December 2023
1. Discount rate	5.75%	5.15%
2. Rate of salary increase	$5.0% in 2025, 4.0% in 2026 and 3.0% thereafter	$4.0% in 2024 and 3.7% thereafter
3. Rate of price inflation	2.9% in 2025, $2.5% in 2026, 2.2 in 2027 and 2.0% thereafter	2.5% in 2024, $2.4% in 2025 and 2.0% thereafter
4. Rate of pension increases	2.9% in 2025, $2.5% in 2026, 2.2 in 2027 and 2.0% thereafter	2.5% in 2024, $2.4% in 2025 and 2.0% thereafter
5. Post-retirement mortality table	100% RP-2014 generationally projected using Scale MP-2021	100% RP-2014 generationally projected using Scale MP-2021
6. Cost Method	Projected Unit Credit	Projected Unit Credit
7. Asset valuation method	Market Value	Market Value

22. IAS 19R Post-Retirement Pension Liabilities for PSPB Staff (continued)

Weighted-average assumptions to determine defined benefit cost

	31 December 2024	31 December 2023
1. Discount rate	5.10%	5.35%
2. Rate of salary increase	4.0% in 2024, and 3.7% thereafter	5.0% in 2023, $4.0% in 2024 and 3.7% thereafter
3. Rate of price inflation	2.50% in 2024, $2.4% in 2025 and 2.0% thereafter	4.0% in 2023, $2.4% in 2024 and 2.0% thereafter
4. Rate of pension increases	2.50% in 2024, $2.4% in 2025 and 2.0% thereafter	4.0% in 2023, $2.4% in 2024 and 2.0% thereafter
5. Post-retirement mortality table	100% RP-2014 generationally projected using Scale MP-2021	100% RP-2014 generationally projected using Scale MP-2021

Plan Assets

The Defined Benefit assets as well as Defined Contribution assets of the Plan are held as part of the Public Service Pensions Fund ("the Fund") and managed by the Public Service Pensions Board. The assets of two other pension plans are pooled together to constitute the Fund.

The assets are notionally allocated to each of the three participating pension plans through an internal accounting mechanism that tracks, for each accounting period, actual cash flows and allocates investment income based on the rate of return earned by the Fund. Based on the data provided, the gross rate of return earned by the Fund over the 12-month period, 1 January 2024 to 31 December 2024 was 16.40% per annum. Similar internal accounting is used for developing each participating entity's share of the asset portfolio of the Fund.

The valuations are based on asset value at 31 December 2024 provided to Mercer by PSPB, along with cash flow and other supplemental asset information provided. The assets are held in trust by CIBC Mellon. The Fund currently has investment policy with a target asset mix of 70% equities, 20% bonds, 5% real estate and 5% Infrastructure. As at 31 December 2024 and 31 December 2023, the Fund was invested as follows:

	31 December 2024		31 December 2023	
Plan Assets by Asset Category	**($000)**	**Percentage**	**($000)**	**Percentage**
Equities	1,050,497	78%	934,942	81%
Debt securities	237,485	18%	209,351	18%
Infrastructure	44,457	3%	-	-
Cash and Receivables	11,850	1%	4,447	1%
Total Invested Assets	1,344,289	100%	1,148,740	100%

The Defined Contribution portion of the Fund (excluding in transit amounts) totalled $651,887,200 as at 31 December 2024 $ and $**611,711,500** as at December 31, 2023, as provided by PSPB. The share of the Fund that been notionally allocated to PSPB with regards to its participation in the Defined Benefit Part of the Plan is $**2,891,500** as at 31 December 2024 and $2,470,000 as at December 31, 2023.

22. IAS 19R Post-Retirement Pension Liabilities for PSPB Staff (continued)

The Actuarial Assumptions

We have used actuarial assumptions approved by the Financial Secretary, the main sponsor of the Plan. The principal financial and demographic assumptions used at 31 December 2024 and 31 December 2023 are shown in the table below. The assumptions as at the reporting date are used to determine the present value of the benefit obligation at that date and the defined benefit cost for the following year.

Measurement Date	31 December 2024	31 December 2023
Discount rate		
- BOY disclosure and current year expense	5.15% per year	5.40% per year
- EOY disclosure and following year expense	5.75% per year	5.15% per year
- Following year current service cost	5.80% per year	5.10% per year
- Rate used to determine interest on defined benefit obligation and plan assets for following year expense	5.45% per year	5.10% per year
- Rate used to determine interest on current service cost for following year expense	5.65% per year	5.15% per year
- Increases in pensionable earnings	5.0% in 2025, 4.0% in 2026 and 3.0% per year thereafter	4.0% in 2024 and 3.7% per year thereafter
- Rate of pension increases	2.9% in 2025, 2.5% in 2026, 2.2% in 2027 and 2.0% per year thereafter	2.5% in 2024, 2.4% in 2025 and 2.0% per year thereafter
Mortality		
- BOY disclosure and current year expense	100% of the rates of the RP-Mortality Table, Scale MP-2014, generationally projections using Scale MP-2021	100% of the rates of the RP-Mortality Table, Scale MP-2014, generationally projections using Scale MP-2021
- EOY disclosure and following year expense	100% of the rates of the RP-Mortality Table, Scale MP-2014, generationally projections using Scale MP-2021	100% of the rates of the RP-Mortality Table, Scale MP-2014, generationally projections using Scale MP-2021
Disability	None	None
Turnover Rates	Age related table	Age related table
Retirement	Age-related retirement rates used. See table below.	Age-related retirement rates used. See table below.
Assumed life expectations on retirement	Retiring today (member age 57) 28.78 Retiring in 25 years (at age 57): 31.00	Retiring today (member age 57) 28.69 Retiring in 25 years (at age 57): 30.84
Liability Cost Method	Projected unit credit method	Projected unit credit method
Asset Value Method	Market Value of Assets	Market Value of Assets
Commutation of pension	All members commute 25% at retirement	All members commute 25% at retirement

22. IAS 19R Post-Retirement Pension Liabilities for PSPB Staff (continued)

Turnover Rates at sample ages:

Age	Males	Females
20	7.5%	12.5%
25	5.0%	12.5%
30	3.5%	7.5%
35	2.5%	4.5%
40	1.5%	2.5%
45	0.5%	5.0%
50	0.0%	0.0%

Retirement Rates:

Age	
Below 55	0%
55-59	8%
60-64	15%
65	100%

There have been no changes in actuarial assumptions since the prior valuation other than the changes to the principal assumptions shown in the table above.

23. PSPB Post-Retirement Healthcare Obligation

The Authority's Actuary, Mercer, has calculated actuarial estimates of liabilities as at 31 December 2024 and actuarial estimates of the defined benefit cost for the year ended 31 December 2024, for the Post-Retirement Healthcare Program ("the Health Plan"). For purpose of PSPB reporting, IAS 19R for year ended 31 December 2024 reflects the following:

The amounts recognized in the statement of net assets available for benefits are as follows:

	31 December 2024 $'000	31 December 2023 $'000
Defined benefit obligation	1,230	1,313
Net defined benefit liability	**1,230**	**1,313**

The change in defined benefit obligation are as follows:

	31 December 2024 $'000	31 December 2023 $'000
Defined benefit obligation at beginning of year	1,313	1,221
Interest expense	67	65
Effect of changes in demographic assumptions	-	(4)
Effect of changes in financial assumptions	(124)	41
Effect of experience adjustments	(26)	(10)
Defined benefit obligation at end of year	**1,230**	**1,313**

The net defined benefit liability reconciliation are as follows:

	31 December 2024 $'000	31 December 2023 $'000
Net defined benefit liability (asset) at beginning of year	1,313	1,221
Defined benefit cost included in P & L	67	65
Total remeasurement included in OCI	(150)	27
Net defined benefit liability as of end of year	**1,230**	**1,313**

23. PSPB Post-Retirement Healthcare Obligation (continued)

The components of defined benefit cost are as follows:

	31 December 2024 $'000	31 December 2023 $'000
Interest expense on DBO	67	65
Defined benefit cost included in P & L	67	65
Remeasurements (recognized in other comprehensive income)		
Effect of changes in demographic assumptions		(4)
Effect of changes in financial assumptions	(124)	41
Effect of experience adjustments	(26)	(10)
Total Remeasurement included in OCI	(150)	27
Total defined benefit cost recognized in P&L and OCI	(83)	92

The sensitivity analysis on defined benefit obligation is shown below:

	31 December 2024 $'000	31 December 20233 $'000
1. Discount rate		
a. Discount rate – 25 basis points	41	52
b. Discount rate + 25 basis points	(39)	(50)
2. Health care cost trend rates		
a. Health care cost trend rates – 100 basis points	(152)	(183)
b. Health care cost trend rates + 100 basis points	182	222
3. Mortality		
a. Post-retirement mortality assumption + 10%	(41)	(57)

The estimated defined benefit cost for the following year (FY 2025) is as follows:

	Amount ($000)
Interest expense on DBO	68

23. PSPB Post-Retirement Healthcare Obligation (continued)

The significant actuarial assumptions are presented below:

Weighted-average assumptions to determine benefit obligations

	31 December 2024	31 December 2023
Discount rate	5.80%	5.15%
Health care cost trend rates		
Immediate trend rate	5.15%	5.19%
Ultimate trend rate	4.00%	4.00%
Year rate reaches ultimate trend rate	2045	2045
Post-retirement mortality assumption	RP-2014 projected w/ MP-2021	RP-2014 projected w/ MP-2021

Weighted-average assumptions to determine defined benefit cost

	31 December 2023	31 December 2022
Discount rate	5.15%	5.35%
Health care cost trend rates		
Immediate trend rate	5.19%	5.28%
Ultimate trend rate	4.00%	4.00%
Year rate reaches ultimate trend rate	2045	2045
Post-retirement mortality assumption	RP-2014 projected w/ MP-2021	RP-2014 projected w/MP-2021

23. PSPB Post-Retirement Healthcare Obligation (continued)

Actuarial Assumptions:

The assumptions as at the reporting date are used to determine the present value of the Defined Benefit Obligation (DBO) at that date and the defined benefit cost for the following year. The Actuary used actuarial assumptions selected by the PSPB, which are consistent with the assumptions used to determine the results for the Government's post-retirement healthcare program. The principal financial and demographic assumptions used at 31 December 2024 and 31 December 2023 are shown in the following table below.

Economic Assumptions	Post-Retirement Healthcare	Basis of Development – Accounting Specific Assumptions
Discount rate (p.a.) • 31 December 2023 • 31 December 2024	 5.15% 5.80%	Per IAS 19 para. 83, determined by reference to market yields on high quality corporate bonds (consistent with the term of the benefit obligations) at the fiscal year end date. Mercer US Above Mean Yield Curve (referencing US corporate bond yields) used to determine discount rates due to strong economic and currency links between the US and Cayman Islands.
Administrative expenses at Year end	2.80% (excluded in claim cost assumptions below)	-
Rate of Medical Inflation (p.a.)	5.33% per annum in 2021 grading down to 4.00% per annum in and after 2045 for healthcare costs	Based on Mercer U.S. November 2021 Retiree Medical Trend Model.
Current mortality rates	RP-2014 Mortality Table scaled back to 2006 using MP-2014	Reasonable reflection of pensioner mortality experience, subject to the mortality improvement rates described below. The same table was used for the prior financial reporting valuation.
Mortality improvements • 31 December 2023 • 31 December 2024	 Scale MP-2021 Scale MP-2021	Broad consensus amongst longevity experts that mortality improvement will continue in the future. In the U.S., the latest future mortality improvement scale issued by the Society of Actuaries is Scale MP-2021. There was no new mortality improvement scale published in 2024. The prior financial reporting valuation also used scale MP-2021.
Disability rates	None	-
Retirement Age	Age 50 & 10 years of service	-
Marital assumption	80% married, wife 3 years younger	-
Current healthcare claims cost assumption	Based on 2024 premium rates: Health - $14,080 per participant Dental - $160 per participant	Based on actual Cayman Island Government pensioner experience from 1 January 2021 to 31 December 2022, in 2024 dollars, adjusted to age 65 using healthcare utilization differences due to age.
Healthcare coverage - future pensioners	Male - 27% single, 73% family Female - 50% single, 50% family	Based on Cayman Islands Government experience.
Healthcare utilization changes due to age	Mercer standard healthcare aging assumptions for medical and dental	Based on analysis of healthcare utilization for Mercer clients in Canada and US.

23. PSPB Post-Retirement Healthcare Obligation (continued)

Actuarial Methods

Benefit obligations are estimated using the Projected Unit Credit method. Under this method each participant's benefits under the Plan are attributed to years of service, taking into consideration projection of benefit costs. Thus, the estimated total benefit to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A description of the calculation follows:

- An individual's estimated accrued benefit for valuation purposes is the projected benefit at the full eligibility date, or current age if later, multiplied by the ratio of service at the valuation date over service at the full eligibility date. Service for this purpose is measured from 10 years prior to full eligibility. The full eligibility date for this plan is the minimum of age 50 with 10 years of continuous service.
- The benefit attributed to an individual's service during a plan year is the excess of the attributed benefit for valuation purposes at the end of the plan year over the attributed benefit for valuation purposes at the beginning of the plan year. Both attributed benefits are estimated from the same projections to the various anticipated separation dates.
- An individual's estimated benefit obligation is the present value of the attributed benefit for valuation purposes at the beginning of the plan year, and the service cost is the present value of the benefit attributed to the year of service in the plan year.

In all cases, the Defined Benefit Obligation is the total present value of the individuals' attributed benefits for valuation purposes at the measurement date, and the Service Cost is the total present value of the individuals' benefits attributable to service during the year.

Participant Data

	31 December 2022	30 September 2019
Active Members		
Number	2	2
Average years of service	40 years	37 years
Average years of service after age 40	21 years	18 years
Average age	61	58
Pensioners		
Number	0	0
Average Age	0	0

24. Balances Attributable to Each Plan in Respect to Total Net Assets Available for Benefits

Net assets available for benefits accumulated fund consist of the following components:

	31 December 2024 $000	31 December 2023 $000
Public Service Pension Plan	1,333,697	1,133,557
Judiciary Pension Plan	7,084	6,710
Parliamentary Pension Plan	3,432	3,996
Total	**1,344,213**	**1,144,264**

Having completed a full cycle with the IAS 19 and Funding valuations at the same year end, (31 December), our Actuary, Mercer performed some additional checks of the cash flow and membership movements reflected in the IAS 19 reports in comparison with those captured in the funding valuation.

The true-up reallocations from CIG to Statutory Authorities and Government Companies (the SAGCs) are driven largely by the difference in IAS19 and funding valuations in respect of:

1) Benefit payouts attributed to SAGCs captured as CIG benefit payments
2) Asset transfer from SAGCs to CIG in respect of some retiring members not captured in the IAS19 asset allocation

25. Subsequent Events

The following events occurred after the reporting date:

- The capital commitment to IFM Global Infrastructure (Offshore) L.P. for US$20 million was settled on 31 January 2025.
- Funding of TA Realty, LLC ("TA Realty) was completed on 26 March 2025.
- The Cabinet approved a 5% cost of living adjustment (COLA) effective 1 January 2025.

Other than the foregoing, Management is not aware of any other events after the reporting date that would have an impact on the financial statements as at 31 December 2024.

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