

THE SILVER THATCH PENSION PLAN

FINANCIAL STATEMENTS

JUNE 30, 2014



Independent Auditor's Report

To the Trustees of the Silver Thatch Pension Plan

We have audited the accompanying financial statements of The Silver Thatch Pension Plan (the "Plan"), which comprise the statement of net assets available for benefits, including the schedule of investments, as at June 30, 2014 and the statements of comprehensive income, changes in net assets available for benefits and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion the financial statements present fairly, in all material respects the financial position of the Plan as at June 30, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

A handwritten signature in black ink that reads "PricewaterhouseCoopers".

October 29, 2014

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THE SILVER THATCH PENSION PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

AS AT JUNE 30, 2014

(Expressed in United States dollars)

	<u>2014</u>	<u>June 30,</u> <u>2013</u>
ASSETS		
Cash and cash equivalents	18,031,432	25,305,383
Investments, at fair value (Note 3,10 and 11)	415,317,226	341,461,186
Receivable from investments sold	1,825,000	-
Other assets	<u>328,390</u>	<u>189,705</u>
Total assets	<u>435,502,048</u>	<u>366,956,274</u>
LIABILITIES		
Contributions and transfers received in advance	3,807,555	2,977,968
Redemptions payable	2,333,099	1,984,526
Accounts payable (Note 4)	<u>921,482</u>	<u>628,541</u>
Liabilities (excluding net assets available for benefits)	<u>7,062,136</u>	<u>5,591,035</u>
Net assets available for benefits	<u><u>\$ 428,439,912</u></u>	<u><u>\$ 361,365,239</u></u>
Number of units in issue (Note 12) *		
Net assets per unit *		

* Number of units in issue and net assets per unit on a Portfolio basis as at June 30, 2014 & 2013 are disclosed in Note 14.

Approved for issuance on behalf of The Silver Thatch Pension Plan's Board of Trustees by:

Carlyle McLaughlin
.....)
Charles Farrington) Trustees
.....) Date: October 29, 2014

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

THE SILVER THATCH PENSION PLAN

SCHEDULE OF INVESTMENTS

AS AT JUNE 30, 2014

(Expressed in United States dollars)

<u>Number of units/shares</u>		<u>June 30, 2014 Fair value</u>	<u>% of net assets of Portfolio</u>
Balanced Portfolio			
<u>Investments:</u>			
Exchange Traded Funds and Investments with Daily Liquidity:			
U.S. Dollar			
52,500	Aberdeen Global - Asia Pacific Equity Fund (equities)	4,225,200	1.84%
96,000	Aberdeen Global - Emerging Markets (equities)	1,996,800	0.87%
1,800	Amundi International SICAV (equities)	2,886,840	1.26%
14,000	AXA World Funds - Global Inflation Bonds (bonds)	2,199,260	0.96%
490,000	Cullen Fund PLC - North American High Dividend Value Equity Fund (equities)	7,933,100	3.45%
330,000	Franklin Templeton Investment Funds - Franklin US Opportunities Fund (equities)	9,193,800	4.00%
60,000	Franklin Templeton Investment Funds - Templeton Asian Growth Fund (equities)	2,204,400	0.96%
160,000	Franklin Templeton Investment Funds - Templeton Global Total Return Fund (bonds)	4,526,400	1.97%
565,000	Goldman Sachs US Equity Portfolio (equities)	8,226,400	3.58%
50,000	Henderson Horizon - Global Technology Fund (equities)	2,532,000	1.10%
70,000	iShares MSCI Pacific ex Japan ETF (equities)	3,447,500	1.50%
6,500	JPMorgan Funds - Emerging Markets Opportunities Fund (equities)	2,225,535	0.97%
980,000	M&G Optimal Income Fund (bonds)	13,445,600	5.84%
50,500	MFS Meridian Funds - U.S. Value Fund (equities)	9,507,130	4.14%
355,000	Pimco Funds: Global Investors Series Plc - Global Investment Grade - Ins (bonds)	5,726,150	2.49%
1,890,000	PIMCO Low Average Duration Fund (bonds)	27,745,200	12.08%
385,000	PIMCO Total Return Bond Fund (bonds)	10,310,300	4.48%
28,000	Schroder International Selection Fund - US Small & Mid-Cap Equity (equities)	6,807,360	2.96%
72,000	SPDR S&P 500 ETF Trust (equities)	14,091,840	6.13%
195,000	The Alger American Asset Growth Fund (equities)	9,570,600	4.17%
360,000	Wellington Management Portfolios (Dublin) plc - Global Bond Portfolio (bonds)	7,977,600	3.47%
164,000	WisdomTree Japan Hedged Equity Fund (equities)	8,095,040	3.52%
	Total U.S Dollar (cost: \$144,520,627)	164,874,055	71.74%
Euro			
348,500	M&G Investment Funds (3) - European Corporate Bond Fund (bonds)	8,698,740	3.78%
173,000	BlackRock Global Funds - Continental European Flexible Fund (equities)	4,289,745	1.87%
51,000	BlackRock Global Funds - European Fund (equities)	7,443,094	3.24%
90,000	Franklin Templeton Investment Funds - Franklin European Small-Mid Cap Growth Fund (equities)	4,570,527	1.99%
275,000	Franklin Templeton Investment Funds - Franklin Mutual European Fund (equities)	7,918,426	3.45%
	Total Euro (cost: \$27,494,153)	32,920,532	14.33%
	Total Exchange Traded Funds and Investments with Daily Liquidity in Balanced Portfolio (cost: \$172,014,780)	197,794,587	86.07%
U.S. Dollar Fund of Fund Investments with Quarterly Liquidity:			
9,419	Aurora Offshore Fund Ltd II (equities)	11,041,426	4.81%
11,159	Prisma Spectrum Fund Ltd (equities)	11,781,893	5.14%
	Total U.S. Dollar Fund of Fund Investments with Quarterly Liquidity in Balanced Portfolio (cost: \$21,527,515)	22,823,319	9.95%
	Total investments in Balanced Portfolio (cost: \$193,542,295)	220,617,906	96.02%
The total can be further broken down as follows:			
	Funds where underlying securities are mainly equities (cost: 116,673,050)	139,988,656	60.93%
	Funds where underlying securities are mainly bonds (cost: 76,869,245)	80,629,250	35.09%
	Total investments in Balanced Portfolio (cost: \$193,542,295)	220,617,906	96.02%

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

THE SILVER THATCH PENSION PLAN

SCHEDULE OF INVESTMENTS (continued)

AS AT JUNE 30, 2014

(Expressed in United States dollars)

<u>Number of</u> <u>units/shares</u>		<u>June 30, 2014</u> <u>Fair value</u>	<u>% of net assets</u> <u>of Portfolio</u>
Growth Portfolio			
Investments:			
Exchange Traded Funds and Investments with Daily Liquidity:			
U.S. Dollar			
45,000	Aberdeen Global - Asia Pacific Equity Fund (equities)	3,621,600	2.70%
103,000	Aberdeen Global - Emerging Markets (equities)	2,142,400	1.60%
1,350	Amundi International SICAV (equities)	2,165,130	1.61%
9,000	AXA World Funds - Global Inflation Bonds (bonds)	1,413,810	1.05%
170,000	Cullen Fund PLC - North American High Dividend Value Equity Fund (equities)	2,752,300	2.05%
250,000	Franklin Templeton Investment Funds - Franklin US Opportunities Fund (equities)	6,965,000	5.20%
70,000	Franklin Templeton Investment Funds - Templeton Asian Growth Fund (equities)	2,571,800	1.92%
70,000	Franklin Templeton Investment Funds - Templeton Global Total Return Fund (bonds)	1,980,300	1.48%
475,000	Goldman Sachs US Equity Portfolio (equities)	6,916,000	5.15%
32,000	Henderson Horizon - Global Technology Fund (equities)	1,620,480	1.21%
42,000	iShares MSCI Pacific ex Japan ETF (equities)	2,068,500	1.54%
4,200	JPMorgan Funds - Emerging Markets Opportunities Fund (equities)	1,438,038	1.07%
240,000	M&G Optimal Income Fund (bonds)	3,292,800	2.46%
37,000	MFS Meridian Funds - U.S. Value Fund (equities)	6,965,620	5.20%
330,000	PIMCO Low Average Duration Fund (bonds)	4,844,400	3.61%
175,000	PIMCO Total Return Bond Fund (bonds)	4,686,500	3.50%
26,500	Schroder International Selection Fund - US Small & Mid-Cap Equity (equities)	6,442,680	4.81%
101,500	SPDR S&P 500 ETF Trust (equities)	19,865,580	14.81%
100,000	The Alger American Asset Growth Fund (equities)	4,908,000	3.66%
45,000	Vanguard Total World Stock ETF (equities)	2,800,350	2.09%
143,000	WisdomTree Japan Hedged Equity Fund (equities)	7,058,480	5.27%
	Total U.S Dollar (cost: \$80,678,800)	<u>96,519,768</u>	<u>71.99%</u>
Euro			
130,000	M&G Investment Funds (3) - European Corporate Bond Fund (bonds)	3,244,867	2.42%
180,000	BlackRock Global Funds - Continental European Flexible Fund (equities)	4,463,318	3.33%
40,000	BlackRock Global Funds - European Fund (equities)	5,837,721	4.36%
100,000	Franklin Templeton Investment Funds - Franklin European Small-Mid Cap Growth Fund (equities)	5,078,363	3.79%
203,000	Franklin Templeton Investment Funds - Franklin Mutual European Fund (equities)	5,845,238	4.36%
	Total Euro (cost: \$20,175,833)	<u>24,469,507</u>	<u>18.26%</u>
	Total Exchange Traded Funds and Investments with Daily Liquidity in Growth Portfolio (cost: \$100,854,633)	<u>120,989,275</u>	<u>90.25%</u>
U.S. Dollar Fund of Fund Investments with Quarterly Liquidity:			
4,583	Aurora Offshore Fund Ltd II (equities)	5,371,793	4.01%
6,087	Prisma Spectrum Fund Ltd (equities)	6,438,859	4.80%
	Total U.S. Dollar Fund of Fund Investments with Quarterly Liquidity in Growth Portfolio (cost: \$11,117,441)	<u>11,810,652</u>	<u>8.81%</u>
	Total Investments in Growth Portfolio (cost: \$111,972,074)	<u>132,799,927</u>	<u>99.06%</u>
The total can be further broken down as follows:			
	Funds where underlying securities are mainly equities (cost: 93,540,236)	113,337,250	84.54%
	Funds where underlying securities are mainly bonds (cost: 18,431,838)	19,462,677	14.52%
	Total Investments in Growth Portfolio (cost: \$111,972,074)	<u>132,799,927</u>	<u>99.06%</u>

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

THE SILVER THATCH PENSION PLAN

SCHEDULE OF INVESTMENTS (continued)

AS AT JUNE 30, 2014

(Expressed in United States dollars)

<u>Number of</u> <u>units/shares</u>		<u>June 30, 2014</u> <u>Fair value</u>	<u>% of net assets</u> <u>of Portfolio</u>
Conservative Portfolio			
Investments:			
Exchange Traded Funds and Investments with Daily Liquidity:			
U.S. Dollar			
6,700	Aberdeen Global - Asia Pacific Equity Fund (equities)	539,216	0.88%
700	Amundi International SICAV (equities)	1,122,660	1.83%
3,700	AXA World Funds - Global Inflation Bonds (bonds)	581,233	0.95%
117,500	Cullen Fund PLC - North American High Dividend Value Equity Fund (equities)	1,902,325	3.10%
50,000	Franklin Templeton Investment Funds - Franklin US Opportunities Fund (equities)	1,393,000	2.27%
54,000	Franklin Templeton Investment Funds - Templeton Global Total Return Fund (bonds)	1,527,660	2.49%
7,000	iShares MSCI Pacific ex Japan ETF (equities)	344,750	0.56%
1,550	JPMorgan Funds - Emerging Markets Opportunities Fund (equities)	530,705	0.87%
400,000	M&G Optimal Income Fund (bonds)	5,488,000	8.95%
11,800	MFS Meridian Funds - U.S. Value Fund (equities)	2,221,468	3.62%
200,000	Pimco Funds: Global Investors Series Plc - Global Investment Grade - Ins (bonds)	3,226,000	5.26%
800,000	PIMCO Low Average Duration Fund (bonds)	11,744,000	19.15%
200,000	PIMCO Total Return Bond Fund (bonds)	5,356,000	8.74%
6,600	SPDR S&P 500 ETF Trust (equities)	1,291,752	2.11%
22,500	The Alger American Asset Growth Fund (equities)	1,104,300	1.80%
100,000	UBS Lux Bond SICAV (bonds)	1,658,000	2.70%
95,000	Wellington Management Portfolios (Dublin) plc - Global Bond Portfolio (bonds)	2,105,200	3.43%
26,500	WisdomTree Japan Hedged Equity Fund (equities)	1,308,040	2.13%
	Total U.S Dollar (cost: \$40,194,194)	43,444,309	70.84%
Euro			
188,000	M&G Investment Funds (3) - European Corporate Bond Fund (bonds)	4,692,577	7.64%
10,000	BlackRock Global Funds - European Fund (equities)	1,459,430	2.38%
10,000	Franklin Templeton Investment Funds - Franklin European Small-Mid Cap Growth Fund (equities)	507,836	0.83%
51,000	Franklin Templeton Investment Funds - Franklin Mutual European Fund (equities)	1,468,508	2.39%
	Total Euro (cost: \$7,039,543)	8,128,351	13.24%
	Total Exchange Traded Funds and Investments with Daily Liquidity in Conservative Portfolio (cost: \$47,233,737)	51,572,660	84.08%
U.S. Dollar Fund of Fund Investments with Quarterly Liquidity:			
3,077	Aurora Offshore Fund Ltd II (equities)	3,606,953	5.88%
3,572	Prisma Spectrum Fund Ltd (equities)	3,764,656	6.14%
	Total U.S. Dollar Fund of Fund Investments with Quarterly Liquidity in Conservative Portfolio (cost: \$6,967,289)	7,371,609	12.02%
	Total Investments in Conservative Portfolio (cost: \$54,201,026)	58,944,269	96.10%
The total can be further broken down as follows:			
	Funds where underlying securities are mainly equities (cost: 19,605,935)	22,565,599	36.79%
	Funds where underlying securities are mainly bonds (cost: 34,595,091)	36,378,670	59.31%
	Total Investments in Conservative Portfolio (cost: \$54,201,026)	58,944,269	96.10%

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

THE SILVER THATCH PENSION PLAN

SCHEDULE OF INVESTMENTS (continued)

AS AT JUNE 30, 2014

(Expressed in United States dollars)

<u>Number of units/shares</u>		June 30, 2014 <u>Fair value</u>	% of net assets <u>of Portfolio</u>
Aggressive Growth Portfolio			
Investments:			
Exchange Traded Funds and Investments with Daily Liquidity:			
U.S. Dollar			
575	Aberdeen Global - Asia Pacific Equity Fund (equities)	46,276	1.39%
3,200	Aberdeen Global - Emerging Markets (equities)	66,560	2.00%
37	Amundi International SICAV (equities)	59,341	1.78%
7,000	Franklin Templeton Investment Funds - Franklin US Opportunities Fund (equities)	195,020	5.86%
1,400	Franklin Templeton Investment Funds - Templeton Asian Growth Fund (equities)	51,436	1.55%
12,400	Goldman Sachs US Equity Portfolio (equities)	180,544	5.43%
1,200	Henderson Horizon - Global Technology Fund (equities)	60,768	1.83%
1,550	iShares MSCI Pacific ex Japan ETF (equities)	76,338	2.29%
135	JPMorgan Funds - Emerging Markets Opportunities Fund (equities)	46,223	1.39%
800	MFS Meridian Funds - U.S. Value Fund (equities)	150,608	4.53%
750	Schroder International Selection Fund - US Small & Mid-Cap Equity (equities)	182,340	5.48%
2,900	SPDR S&P 500 ETF Trust (equities)	567,588	17.06%
1,800	The Alger American Asset Growth Fund (equities)	88,344	2.66%
5,300	Vanguard Total World Stock ETF (equities)	329,819	9.91%
4,050	WisdomTree Japan Hedged Equity Fund (equities)	<u>199,908</u>	<u>6.01%</u>
	Total U.S. Dollar (cost: \$1,924,978)	<u>2,301,113</u>	<u>69.17%</u>
Euro			
980	BlackRock Global Funds - European Fund (equities)	143,024	4.30%
2,900	BlackRock Global Funds - Continental European Flexible Fund (equities)	71,909	2.16%
1,700	Franklin Templeton Investment Funds - Franklin European Small-Mid Cap Growth Fund (equities)	86,332	2.60%
5,300	Franklin Templeton Investment Funds - Franklin Mutual European Fund (equities)	<u>152,610</u>	<u>4.59%</u>
	Total Euro (cost: \$377,252)	<u>453,875</u>	<u>13.65%</u>
	Total Exchange Traded Funds and Investments with Daily Liquidity in Aggressive Growth Portfolio (cost: \$2,302,230)	<u>2,754,988</u>	<u>82.82%</u>
U.S. Dollar Fund of Fund Investments with Quarterly Liquidity:			
190	Prisma Spectrum Fund Ltd (equities)	<u>200,136</u>	<u>6.02%</u>
	Total U.S. Dollar Fund of Fund Investments with Quarterly Liquidity in Aggressive Growth Portfolio (cost: \$190,000)	<u>200,136</u>	<u>6.02%</u>
	Total Investments in Aggressive Growth Portfolio (cost: \$2,492,230)	<u>2,955,124</u>	<u>88.84%</u>
The total can be further broken down as follows:			
	Funds where underlying securities are mainly equities (cost: 2,492,230)	<u>2,955,124</u>	<u>88.84%</u>
	Total Investments in Aggressive Growth Portfolio (cost: \$2,492,230)	<u>2,955,124</u>	<u>88.84%</u>
	Total investments in Plan (cost: \$362,207,625)	<u>415,317,226</u>	
The total investment in Plan can be further broken down as follows:			
	Funds where underlying securities are mainly equities (cost: 232,311,451)	278,846,629	
	Funds where underlying securities are mainly bonds (cost: 129,896,174)	<u>136,470,597</u>	
	Total investments in Plan (cost: \$362,207,625)	<u>415,317,226</u>	

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

THE SILVER THATCH PENSION PLAN

SCHEDULE OF INVESTMENTS

AS AT JUNE 30, 2014

(Expressed in United States dollars)

<u>Number of units/shares</u>		<u>June 30, 2013 Fair value</u>	<u>% of net assets of Portfolio</u>
Balanced Portfolio			
<u>Investments:</u>			
Exchange Traded Funds and Investments with Daily Liquidity:			
U.S. Dollar			
60,000	Aberdeen Global - Asia Pacific Equity Fund (equities)	4,420,752	2.36%
87,500	Aberdeen Global - Emerging Markets (equities)	1,718,491	0.92%
5,250	Amundi International SICAV (equities)	7,288,785	3.90%
21,873	AXA World Funds - Global Inflation Bonds (bonds)	3,292,271	1.76%
350,000	Cullen Fund PLC - North American High Dividend Value Equity Fund (equities)	4,819,500	2.58%
355,500	Franklin Templeton Investment Funds - Franklin US Opportunities Fund (equities)	7,742,790	4.14%
146,000	Franklin Templeton Investment Funds - Templeton Asian Growth Fund (equities)	4,782,960	2.56%
300,000	Franklin Templeton Investment Funds - Templeton Global Total Return Fund (bonds)	7,923,000	4.24%
550,000	Goldman Sachs US Equity Portfolio (equities)	6,446,000	3.45%
45,000	Henderson Horizon - Global Technology Fund (equities)	1,795,500	0.96%
78,000	iShares MSCI Emerging Markets ETF (equities)	3,003,000	1.61%
178,000	iShares MSCI Japan ETF (equities)	1,997,160	1.07%
40,000	iShares MSCI Pacific ex Japan ETF (equities)	1,721,200	0.92%
10,000	JPMorgan Funds - Emerging Markets Opportunities Fund (equities)	3,034,900	1.62%
870,000	M&G Optimal Income Fund (bonds)	10,857,600	5.80%
50,000	MFS Meridian Funds - U.S. Value Fund (equities)	7,819,500	4.18%
675,000	Pimco Funds: Global Investors Series Plc - Global Investment Grade - Ins (bonds)	10,145,250	5.43%
144	Pimco Funds: Global Investors Series Plc - Global Investment Grade Credit Fund (bonds)	1,811	0.00%
450,000	PIMCO Total Return Bond Fund (bonds)	11,502,000	6.14%
30,000	Schroder International Selection Fund - US Small & Mid-Cap Equity (equities)	5,901,600	3.16%
13,200	SPDR Gold Trust (gold)	1,572,252	0.84%
40,000	SPDR S&P 500 ETF Trust (equities)	6,416,800	3.43%
251,078	The Alger American Asset Growth Fund (equities)	9,430,492	5.04%
648,554	UBS Lux Bond SICAV (bonds)	10,046,109	5.37%
317,000	Wellington Management Portfolios (Dublin) plc - Global Bond Portfolio (bonds)	6,593,600	3.53%
45,000	WisdomTree Japan Hedged Equity Fund (equities)	2,052,450	1.10%
	Total U.S Dollar (cost: \$141,240,282)	142,325,773	76.11%
Euro			
330,000	M&G Investment Funds (3) - European Corporate Bond Fund (bonds)	7,177,110	3.83%
140,000	BlackRock Global Funds - Continental European Flexible Fund (equities)	2,712,065	1.45%
37,500	BlackRock Global Funds - European Fund (equities)	4,415,269	2.36%
72,500	Franklin Templeton Investment Funds - Franklin European Small-Mid Cap Growth Fund (equities)	2,795,719	1.50%
200,000	Franklin Templeton Investment Funds - Franklin Mutual European Fund (equities)	4,501,460	2.41%
	Total Euro (cost: \$21,727,605)	21,601,623	11.55%
	Total Exchange Traded Funds and Investments with Daily Liquidity in Balanced Portfolio (cost: \$162,967,887)	163,927,396	87.66%
U.S. Dollar Fund of Fund Investments with Quarterly Liquidity:			
6,046	Aurora Offshore Fund Ltd II (equities)	6,525,540	3.49%
6,559	Prisma Spectrum Fund Ltd (equities)	6,608,818	3.54%
	Total U.S. Dollar Fund of Fund Investments with Quarterly Liquidity in Balanced Portfolio (cost: \$13,118,590)	13,134,358	7.03%
	Total investments in Balanced Portfolio (cost: \$176,086,477)	177,061,754	94.69%
The total can be further broken down as follows:			
	Funds where underlying securities are mainly equities (cost: 104,893,525)	107,950,751	57.73%
	Funds where underlying securities are mainly bonds (cost: 69,063,749)	67,538,751	36.12%
	Funds where underlying securities are mainly gold (cost: 2,129,203)	1,572,252	0.84%
	Total investments in Balanced Portfolio (cost: \$176,086,477)	177,061,754	94.69%

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

THE SILVER THATCH PENSION PLAN

SCHEDULE OF INVESTMENTS (continued)

AS AT JUNE 30, 2014

(Expressed in United States dollars)

<u>Number of</u> <u>units/shares</u>		<u>June 30, 2013</u> <u>Fair value</u>	<u>% of net assets</u> <u>of Portfolio</u>
Growth Portfolio			
Investments:			
Exchange Traded Funds and Investments with Daily Liquidity:			
U.S. Dollar			
65,000	Aberdeen Global - Asia Pacific Equity Fund (equities)	4,789,148	4.00%
103,000	Aberdeen Global - Emerging Markets (equities)	2,022,910	1.69%
4,500	Amundi International SICAV (equities)	6,247,530	5.21%
250,000	Cullen Fund PLC - North American High Dividend Value Equity Fund (equities)	3,442,500	2.88%
261,000	Franklin Templeton Investment Funds - Franklin US Opportunities Fund (equities)	5,684,580	4.75%
100,000	Franklin Templeton Investment Funds - Templeton Asian Growth Fund (equities)	3,276,000	2.74%
77,500	Franklin Templeton Investment Funds - Templeton Global Total Return Fund (bonds)	2,046,775	1.71%
500,000	Goldman Sachs US Equity Portfolio (equities)	5,860,000	4.89%
32,000	Henderson Horizon - Global Technology Fund (equities)	1,276,800	1.07%
58,000	iShares MSCI Emerging Markets ETF (equities)	2,233,000	1.87%
210,000	iShares MSCI Japan ETF (equities)	2,356,200	1.97%
40,000	iShares MSCI Pacific ex Japan ETF (equities)	1,721,200	1.44%
7,500	JPMorgan Funds - Emerging Markets Opportunities Fund (equities)	2,276,175	1.90%
253,000	M&G Optimal Income Fund (bonds)	3,157,440	2.64%
35,000	MFS Meridian Funds - U.S. Value Fund (equities)	5,473,650	4.57%
210,000	Pimco Funds: Global Investors Series Plc - Global Investment Grade - Ins (bonds)	3,156,300	2.64%
44	Pimco Funds: Global Investors Series Plc - Global Investment Grade Credit Fund (bonds)	555	0.00%
200,000	PIMCO Total Return Bond Fund (bonds)	5,112,000	4.27%
29,300	Schroder International Selection Fund - US Small & Mid-Cap Equity (equities)	5,763,896	4.82%
70,000	SPDR S&P 500 ETF Trust (equities)	11,229,400	9.37%
117,500	The Alger American Asset Growth Fund (equities)	4,413,300	3.69%
165,000	UBS LuxBond SICAV (bonds)	2,555,850	2.14%
47,500	Vanguard Total World Stock ETF (equities)	2,446,725	2.04%
60,000	WisdomTree Japan Hedged Equity Fund (equities)	2,736,600	2.29%
	Total U.S Dollar (cost: \$86,696,599)	<u>89,278,534</u>	<u>74.59%</u>
Euro			
140,500	M&G Investment Funds (3) - European Corporate Bond Fund (bonds)	3,055,709	2.55%
195,000	BlackRock Global Funds - Continental European Flexible Fund (equities)	3,777,519	3.16%
37,500	BlackRock Global Funds - European Fund (equities)	4,415,269	3.69%
68,000	Franklin Templeton Investment Funds - Franklin European Small-Mid Cap Growth Fund (equities)	2,622,192	2.19%
200,000	Franklin Templeton Investment Funds - Franklin Mutual European Fund (equities)	4,501,460	3.76%
	Total Euro (cost: \$18,683,875)	<u>18,372,149</u>	<u>15.35%</u>
	Total Exchange Traded Funds and Investments with Daily Liquidity in Growth Portfolio (cost: \$105,380,474)	<u>107,650,683</u>	<u>89.94%</u>
U.S. Dollar Fund of Fund Investments with Quarterly Liquidity:			
3,583	Aurora Offshore Fund Ltd II (equities)	3,866,949	3.23%
3,887	Prisma Spectrum Fund Ltd (equities)	3,916,294	3.27%
	Total U.S. Dollar Fund of Fund Investments with Quarterly Liquidity in Growth Portfolio (cost: \$7,773,904)	<u>7,783,243</u>	<u>6.50%</u>
	Total Investments in Growth Portfolio (cost: \$113,154,378)	<u>115,433,926</u>	<u>96.44%</u>
The total can be further broken down as follows:			
	Funds where underlying securities are mainly equities (cost: 93,700,378)	96,349,297	80.50%
	Funds where underlying securities are mainly bonds (cost: 19,454,000)	19,084,629	15.94%
	Total Investments in Growth Portfolio (cost: \$113,154,378)	<u>115,433,926</u>	<u>96.44%</u>

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

THE SILVER THATCH PENSION PLAN

SCHEDULE OF INVESTMENTS (continued)

AS AT JUNE 30, 2014

(Expressed in United States dollars)

<u>Number of units/shares</u>		<u>June 30, 2013 Fair value</u>	<u>% of net assets of Portfolio</u>
Conservative Portfolio			
Investments:			
Exchange Traded Funds and Investments with Daily Liquidity:			
U.S. Dollar			
6,700	Aberdeen Global - Asia Pacific Equity Fund (equities)	493,651	0.94%
765	Amundi International SICAV (equities)	1,062,080	2.03%
6,497	AXA World Funds - Global Inflation Bonds (bonds)	977,998	1.87%
123,000	Cullen Fund PLC - North American High Dividend Value Equity Fund (equities)	1,693,710	3.24%
67,000	Franklin Templeton Investment Funds - Franklin US Opportunities Fund (equities)	1,459,260	2.79%
21,600	Franklin Templeton Investment Funds - Templeton Asian Growth Fund (equities)	707,616	1.35%
130,000	Franklin Templeton Investment Funds - Templeton Global Total Return Fund (bonds)	3,433,300	6.57%
22,500	Goldman Sachs US Equity Portfolio (equities)	263,700	0.50%
2,000	JPMorgan Funds - Emerging Markets Opportunities Fund (equities)	606,980	1.16%
420,000	M&G Optimal Income Fund (bonds)	5,241,600	10.03%
11,100	MFS Meridian Funds - U.S. Value Fund (equities)	1,735,929	3.32%
350,000	Pimco Funds: Global Investors Series Plc - Global Investment Grade - Ins (bonds)	5,260,500	10.06%
70	Pimco Funds: Global Investors Series Plc - Global Investment Grade Credit Fund (bonds)	879	0.00%
212,300	PIMCO Total Return Bond Fund (bonds)	5,426,388	10.39%
3,700	SPDR Gold Trust (gold)	440,707	0.84%
40,000	The Alger American Asset Growth Fund (equities)	1,502,400	2.87%
324,277	UBS Lux Bond SICAV (bonds)	5,023,054	9.61%
96,000	Wellington Management Portfolios (Dublin) plc - Global Bond Portfolio (bonds)	1,996,800	3.82%
	Total U.S Dollar (cost: \$37,751,211)	<u>37,326,552</u>	<u>71.39%</u>
Euro			
180,000	M&G Investment Funds (3) - European Corporate Bond Fund (bonds)	3,914,787	7.48%
8,950	BlackRock Global Funds - European Fund (equities)	1,053,777	2.02%
3,500	Franklin Templeton Investment Funds - Franklin European Small-Mid Cap Growth Fund (equities)	134,966	0.26%
23,400	Franklin Templeton Investment Funds - Franklin Mutual European Fund (equities)	526,671	1.01%
	Total Euro (cost: \$5,624,596)	<u>5,630,201</u>	<u>10.77%</u>
	Total Exchange Traded Funds and Investments with Daily Liquidity in Conservative Portfolio (cost: \$43,375,807)	<u>42,956,753</u>	<u>82.16%</u>
U.S. Dollar Fund of Fund Investments with Quarterly Liquidity:			
1,772	Aurora Offshore Fund Ltd II (equities)	1,912,515	3.66%
1,922	Prisma Spectrum Fund Ltd (equities)	1,936,923	3.70%
	Total U.S. Dollar Fund of Fund Investments with Quarterly Liquidity in Conservative Portfolio (cost: \$3,844,828)	<u>3,849,438</u>	<u>7.36%</u>
	Total Investments in Conservative Portfolio (cost: \$47,220,635)	<u>46,806,191</u>	<u>89.52%</u>
The total can be further broken down as follows:			
	Funds where underlying securities are mainly equities (cost: 14,669,017)	15,090,178	28.86%
	Funds where underlying securities are mainly bonds (cost: 31,958,723)	31,275,306	59.82%
	Funds where underlying securities are mainly gold (cost: 592,895)	440,707	0.84%
	Total Investments in Conservative Portfolio (cost: \$47,220,635)	<u>46,806,191</u>	<u>89.52%</u>

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

THE SILVER THATCH PENSION PLAN

SCHEDULE OF INVESTMENTS (continued)

AS AT JUNE 30, 2014

(Expressed in United States dollars)

Number of <u>units/shares</u>		June 30, 2013 <u>Fair value</u>	% of net assets <u>of Portfolio</u>
Aggressive Growth Portfolio			
Investments:			
Exchange Traded Funds and Investments with Daily Liquidity:			
U.S. Dollar			
825	Aberdeen Global - Asia Pacific Equity Fund (equities)	60,785	2.54%
3,100	Aberdeen Global - Emerging Markets (equities)	60,884	2.55%
125	Amundi International SICAV (equities)	173,543	7.26%
3,300	Cullen Fund PLC - North American High Dividend Value Equity Fund (equities)	45,441	1.90%
6,500	Franklin Templeton Investment Funds - Franklin US Opportunities Fund (equities)	141,570	5.92%
2,500	Franklin Templeton Investment Funds - Templeton Asian Growth Fund (equities)	81,900	3.43%
12,000	Goldman Sachs US Equity Portfolio (equities)	140,640	5.89%
1,150	Henderson Horizon - Global Technology Fund (equities)	45,885	1.92%
800	iShares MSCI BRIC ETF (equities)	27,240	1.14%
1,150	iShares MSCI Emerging Markets ETF (equities)	44,275	1.85%
3,400	iShares MSCI Japan ETF (equities)	38,148	1.60%
1,700	iShares MSCI Pacific ex Japan ETF (equities)	73,151	3.06%
150	JPMorgan Funds - Emerging Markets Opportunities Fund (equities)	45,524	1.91%
750	MFS Meridian Funds - U.S. Value Fund (equities)	117,293	4.91%
750	Schroder International Selection Fund - US Small & Mid-Cap Equity (equities)	147,540	6.17%
1,350	SPDR S&P 500 ETF Trust (equities)	216,567	9.06%
1,977	The Alger American Asset Growth Fund (equities)	74,256	3.11%
3,300	Vanguard Total World Stock ETF (equities)	169,983	7.11%
1,800	WisdomTree Japan Hedged Equity Fund (equities)	82,098	3.44%
	Total U.S. Dollar (cost: \$1,770,737)	<u>1,786,723</u>	<u>74.77%</u>
Euro			
900	BlackRock Global Funds - European Fund (equities)	105,966	4.43%
1,700	BlackRock Global Funds - Continental European Flexible Fund (equities)	32,932	1.38%
675	Franklin Templeton Investment Funds - Franklin European Small-Mid Cap Growth Fund (equities)	26,029	1.09%
4,750	Franklin Templeton Investment Funds - Franklin Mutual European Fund (equities)	106,910	4.47%
	Total Euro (cost: \$277,970)	<u>271,837</u>	<u>11.37%</u>
	Total Exchange Traded Funds and Investments with Daily Liquidity in Aggressive Growth Portfolio (cost: \$2,048,707)	<u>2,058,560</u>	<u>86.14%</u>
U.S. Dollar Fund of Fund Investments with Quarterly Liquidity:			
100	Prisma Spectrum Fund Ltd (equities)	100,755	4.22%
	Total U.S. Dollar Funds of Fund Investments with Quarterly Liquidity in Aggressive Growth Portfolio (cost: \$100,000)	<u>100,755</u>	<u>4.22%</u>
	Total Investments in Aggressive Growth Portfolio (cost: \$2,148,707)	<u>2,159,315</u>	<u>90.36%</u>
The total can be further broken down as follows:			
	Funds where underlying securities are mainly equities (cost: 2,148,707)	2,159,315	90.36%
	Total Investments in Aggressive Growth Portfolio (cost: \$2,148,707)	<u>2,159,315</u>	<u>90.36%</u>
	Total investments in Plan (cost: \$338,610,197)	<u>341,461,186</u>	
The total investment in Plan can be further broken down as follows:			
	Funds where underlying securities are mainly equities (cost: 215,411,627)	221,549,541	
	Funds where underlying securities are mainly bonds (cost: 120,476,472)	117,898,686	
	Funds where underlying securities are mainly gold (cost: 2,722,098)	2,012,959	
	Total investments in Plan (cost: \$338,610,197)	<u>341,461,186</u>	

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

THE SILVER THATCH PENSION PLAN
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED JUNE 30, 2014

(Expressed in United States dollars)

	<u>2014</u>	<u>Year ended June 30, 2013</u>
Revenue		
Interest income	16,296	39,534
Dividend income	1,052,937	2,214,203
Miscellaneous income	-	4,864
Net realised gain/(loss) on foreign currency transactions	(82,429)	182,579
Net realised gain on investments	1,387,061	25,756,841
Net change in unrealized gain/(loss) on investments	<u>50,258,612</u>	<u>(6,887,951)</u>
Total revenue	<u>52,632,477</u>	<u>21,310,070</u>
Expenses		
Administration, accounting and secretarial fees (Note 6)	2,143,204	1,955,583
Investment management fees (Note 7)	943,518	797,864
Printing	128,950	96,523
Government fees	364,209	366,455
Other expenses	<u>366,838</u>	<u>431,198</u>
Total expenses	<u>3,946,719</u>	<u>3,647,623</u>
Operating income	<u>48,685,758</u>	<u>17,662,447</u>
Net increase in net assets available for benefits resulting from operations*	<u>\$ 48,685,758</u>	<u>\$ 17,662,447</u>

* Operations on a Portfolio basis for the years ended June 30, 2014 & 2013 are disclosed in Note 14.

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

THE SILVER THATCH PENSION PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEAR ENDED JUNE 30, 2014

(Expressed in United States dollars)

	Year ended June 30,	
	<u>2014</u>	<u>2013</u>
Additions/deductions to net assets available for benefits attributed to:		
Operations:		
Net increase in net assets available for benefits resulting from operations	<u>48,685,758</u>	<u>17,662,447</u>
Contributions:		
Employers	19,891,585	19,495,962
Participants	17,575,068	16,780,354
Transfers from other plans	<u>3,704,675</u>	<u>4,652,832</u>
Net increase in net assets available for benefits from contributions	<u>41,171,328</u>	<u>40,929,148</u>
Total net additions	<u>89,857,086</u>	<u>58,591,595</u>
Deductions from net assets available for benefits attributed to:		
Benefits paid to participants (Note 5)	19,573,898	17,539,334
Transfers to other plans	<u>3,208,515</u>	<u>2,368,206</u>
Total deductions	<u>22,782,413</u>	<u>19,907,540</u>
Net increase in net assets available for benefits	67,074,673	38,684,055
Net assets available for benefits at beginning of year	<u>361,365,239</u>	<u>322,681,184</u>
Net assets available for benefits at end of year	<u>\$ 428,439,912</u>	<u>\$ 361,365,239</u>

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

THE SILVER THATCH PENSION PLAN

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2014

(Expressed in United States dollars)

	Year ended June 30,	
	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Interest received	16,296	39,534
Dividends received	1,052,937	2,214,203
Miscellaneous income received	-	4,864
Fees and expenses paid	(3,792,463)	(2,949,505)
Purchase of investments	(167,627,481)	(472,037,777)
Proceeds from sale of investments	<u>143,592,114</u>	<u>450,491,624</u>
Net cash used in operating activities	<u>(26,758,597)</u>	<u>(22,237,057)</u>
Cash flows from financing activities		
Contributions from employers and participants	38,296,240	36,209,980
Transfers from other plans	3,704,675	4,652,832
Benefits paid to participants	(19,225,325)	(17,771,206)
Transfers to other plans	<u>(3,208,515)</u>	<u>(2,368,206)</u>
Net cash provided by financing activities	<u>19,567,075</u>	<u>20,723,400</u>
Net decrease in cash and cash equivalents	(7,191,522)	(1,513,657)
Net realized gain/(loss) on foreign cash and cash equivalents	(82,429)	182,579
Cash and cash equivalents at beginning of year	<u>25,305,383</u>	<u>26,636,461</u>
Cash and cash equivalents at end of year	<u>\$ 18,031,432</u>	<u>\$ 25,305,383</u>

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

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

1. Introduction and background information

The Silver Thatch Pension Plan (the "Plan") was established under the laws of the Cayman Islands by a Declaration of Trust (the "Trust Deed") on June 30, 1997 as a membership controlled, private sector operated trust fund to enable all Caymanians and other residents to participate in a locally structured and managed retirement plan. The Plan's registration number is OSP/19/B0003 and principal address is P.O. Box 31694, Grand Cayman. The Plan has no employees. All of the Trustees of the Plan are also individual members of the Plan and may also be employers of members of the Plan.

The Trustees proposed and passed a resolution at the Annual General Meeting of participants of the Plan on December 4, 2003 amending the investment program to increase the number of portfolios offered by the Plan. The existing portfolio was replaced with three new portfolios: the Conservative Portfolio, the Balanced Portfolio and the Growth Portfolio (each a separate portfolio of the Plan and referred to collectively as "the Portfolios"). Participants' contributions mandated by the National Pensions Law will be directed to one of these three portfolios based upon the profile of each participant derived from their age, estimated annual income and marital status. Participants can use their discretion in directing voluntary contributions only, to any of the three portfolios, plus an additional two portfolios, the Aggressive Growth Portfolio and the 100% Fixed Income Portfolio. On November 30, 2004, the Cayman Islands National Pensions Office provided regulatory approval of the above amendments to the Plan, and the launch date of the new investment program was January 1, 2005.

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

General: The Plan is a defined contribution pension plan. Its participants are primarily Caymanians or Cayman Islands residents who either work for an employer participating in the Plan or are self-employed. The Plan is subject to the provisions of the National Pensions Law of the Cayman Islands, which became effective on June 1, 1998. The Plan is divided into units in accordance with the Trust Deed. The Trustees of the Plan are expected to review the Trust Deed along with current procedures and guidelines when necessary and make the appropriate changes to the Trust Deed to comply with the Regulations of the National Pensions Law.

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

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

Payment of benefits: Participants are entitled to receive benefits by way of redemption of units, on the basis of termination of employment and residence in the Cayman Islands, retirement, permanent medical disability or death, at the discretion of the Trustees and in accordance with the National Pensions Law.

Transfers: A participant can elect to transfer his or her units if he or she ceases to be employed by an employer who has participated in this plan and who is then employed by an employer who does not participate in this plan, or whose employer ceases to participate in this plan. The date of transfer is the immediately following contribution date which falls at least three business days following the receipt of the election to transfer. The Plan, in accordance with the Regulations of the National Pension Law, executes transfers within 45 days following the receipt of the transfer election.

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

1. Introduction and background information (continued)

Investment policy: The Plan is invested in such shares, securities, immovable property or other investments wherever situated as permitted by the National Pensions Law. There are four different investment portfolios that target different investment objectives, with their investment risk levels ranging from low to high. Investments are diversified as far as is reasonably practical to ensure that risk is not unduly concentrated in any one type of investment, area or currency other than the United States dollar.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation:

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Trustees to exercise their judgment in the process of applying the Plan's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(a) Standards and amendments to existing standards effective June 30, 2014 year end:

IFRS 10, 'Consolidated financial statements', effective for annual periods beginning on or after January 1, 2013, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The new standard did not have any impact on the Plan's financial position or performance.

IFRS 12, 'Disclosures of interests in other entities', effective for annual periods beginning on or after January 1, 2013, includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other structured entities. The new standard did not have any impact on the Plan's financial position, performance, or disclosures.

IFRS 13, 'Fair value measurement', effective for annual periods beginning on or after January 1, 2013. The standard improves consistency and reduces complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. If an asset or a liability measured at fair value has a bid price and an ask price, the standard requires valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread. The new standard did not have a significant impact on the Plan's valuation of its fair valued assets and/or liabilities.

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

2. Significant accounting policies (continued)

IFRS 7, 'Financial instruments: Disclosures' amendment effective for annual periods beginning on or after January 1, 2013, and has been retrospectively applied. These new IFRS 7 disclosures are intended to facilitate certain comparisons between IFRS and US GAAP preparers. The disclosures focus on quantitative information about recognized financial instruments that are offset in the statement of financial position, as well as those recognized financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset. The new standard did not have any impact on the Plan's financial position, performance or disclosures.

There are no other standards, interpretations or amendments to existing standards that are effective that had a significant impact on the Plan.

(b) New standards, amendments and interpretations issued but not effective for the financial year ended June 30, 2014 and not early adopted

Amendments to IFRS 10 and IFRS 12 for investment entities, effective for periods beginning on or after January 1, 2014, define an 'investment entity'. Such entities will be exempt from consolidating most of their subsidiaries. Instead, such entities will measure their 'subsidiaries' at fair value through profit or loss. Changes have also been made to IFRS 12 to introduce new disclosures that an investment entity needs to make. The amendment is not expected to have any impact on the Plan's current consolidation conclusions.

IFRS 9, 'Financial instruments', specifies how an entity should classify and measure financial assets and liabilities, including some hybrid contracts, along with providing amended guidance for hedge accounting. The standard improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of IAS 39. The standard applies a consistent approach to classifying financial assets and replaces the numerous categories of financial assets in IAS 39, each of which had its own classification criteria. The standard is not expected to have a significant impact on the Plan's financial position or performance, as it is expected that the Plan will continue to classify its financial assets and financial liabilities (both long and short) as being at fair value through profit or loss, and the Plan does not apply hedge accounting. The effective date for IFRS 9 is for periods beginning January 1, 2018.

There were no other such standards, interpretations or amendments to existing standards that are expected to have a significant impact on the Plan.

All references to net assets throughout this document refer to net assets available for benefits unless otherwise stated. Net assets per unit information as disclosed in Note 14 has been determined as total assets less liabilities (excluding net assets available for benefits) divided by the number of outstanding units for each Portfolio as determined based on the allocation policies as approved by the Trustees.

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

Investment transactions: The Plan has classified its investments as financial assets or liabilities at fair value through profit and loss. Investment transactions are accounted for on a trade date basis (the date the order is executed). Realised and unrealised gains and losses are calculated on the first in first out cost basis and are recognised in the Statement of Comprehensive Income in the period in which they arise. Transaction costs are expensed as incurred and have been included in gains and losses on investments.

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

2. Significant accounting policies (continued)

Valuations of investments: Investments in securities for which market quotations are not readily available are valued at their fair value using methods which are in accordance with recognised accounting and financial principles and which have been approved by the Trustees. In this context, investments in investment funds which are not publicly traded are valued at the net asset valuations provided by the managers of the investment funds unless the Trustees are aware of good reasons why such a valuation would not be the most appropriate indicator of fair value. Such valuations could differ significantly from the values that would have been used had ready markets existed, and the differences could be material. Securities that are traded on recognised securities exchanges are valued by reference to quotations provided by the market on which the securities are traded on the last day of trading in the period.

The Investment Manager reviews the details of the reported information obtained from the investment funds and considers: (i) the liquidity of the investment funds or its underlying investments, (ii) the value date of the net asset value ("NAV") provided, (iii) any restrictions on redemptions and (iv) the basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by the Fund Advisors. If necessary, the Investment Manager makes adjustments to the NAV of various investment funds to obtain the best estimate of fair value.

Interest income: Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

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

Contributions and transfers from other plans: Contributions and transfers from other plans are accounted for as the cash is received by the administrator.

Expenses: Expenses are accounted for on the accrual basis.

Benefit payments and transfers to other plans: Benefit payments and transfers to other plans are accounted for on the accrual basis.

Advance payment for investments: Amounts paid in advance of the subscription date for the purchase of an investment in an investment fund are recorded as advance payments for investments.

Foreign currencies: Transactions in foreign currencies are translated at the rate of exchange prevailing at the date of the transaction. Assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at the valuation date. The Plan does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of investments held. Such fluctuations are included with the net realised and change in unrealised gain or loss on investments in the Statement of Comprehensive Income in the period in which they arise.

Functional and presentation currency: Items included in the Plan's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the United States dollar, which reflects the Plan's primary activity of investing in United States dollar denominated investments. In addition, the Plan has adopted the United States dollar as its presentation currency.

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

2. Significant accounting policies (continued)

Cash and cash equivalents: For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of financial institution balances on demand and at short notice and are measured at amortized cost.

Allocation of expenses to Portfolios: Expenses attributable to all Portfolios are allocated monthly to each of the Portfolios on a pro rata basis in the proportion that the net asset value attributable to each portfolio at the beginning of each month bears to the aggregate net asset value of the total Plan. Any expenses attributable to a specific Portfolio are allocated to the applicable Portfolio, as determined by the Trustees.

3. Investments

Starting December 2012, the Plan changed its investment manager to Deutsche Bank International Limited, under a discretionary investment agreement. Prior to December 2012, the Plan's investments were managed by the investment manager, Coutts & Co. Ltd. ("Coutts"), whose ultimate parent was the Royal Bank of Scotland Group. The Plan's investments for each Portfolio at June 30, 2014 and 2013 are detailed in the Schedule of Investments. There were no investments in the 100% Fixed Income Portfolio as at June 30, 2014 or June 30, 2013. Details of the net rates of return for the Portfolios are as follows:

	<u>Year ended</u> <u>June 30,</u>	
	<u>2014</u>	<u>2013</u>
Balanced Portfolio	13.76%	7.18%
Growth Portfolio	17.45%	8.35%
Conservative Portfolio	9.75%	4.18%
Aggressive Growth Portfolio	19.98%	10.62%

In accordance with the National Pensions (Pension Fund Investments) Regulations the above returns have been calculated on a time-weighted basis using the Modified Dietz method consistent with the current requirements of the Global Investment Performance Standards ("GIPS"). The return is calculated net of investment management fees of the underlying investment funds (see Note 7), but prior to the effects of direct expenses of the Plan (see Note 7 and Table 1, Note 8).

The investment portfolio at June 30, 2014 and 2013 represents investments in investment funds which have been fair valued in accordance with the policies set out in Note 2 above and are detailed in the Schedule of Investments. With the exception of the exchange traded funds, the investment funds are not publicly traded, and redemption can only be made by the Plan on the redemption dates and subject to the required notice periods specified in the offering documents of each of the investment funds. With the exception of the Aurora and Prisma funds, all non-exchange traded investment funds are redeemable on a daily basis with one day notice prior to the dealing day. The Aurora fund is redeemable as of the last Business Day of each calendar quarter upon ninety-five (95) days' prior written notice. The Prisma funds are redeemable as of the last day of any calendar quarter, upon not less than 65 days' prior written notice. The Plan's holding in a third party investee fund, as a percentage of the investee fund's total net asset value, will vary from time to time dependant on the volume of subscriptions and redemptions at the investee fund level. It is possible that the Plan may, at any point in time, hold a majority of an investee fund's total units in issue.

4. Accounts payable

	<u>June 30,</u>	
	<u>2014</u>	<u>2013</u>
Administration, accounting and secretarial fees (Note 6)	679,900	334,650
Investment management fees (Note 7)	164,003	220,793
Audit and other payables	<u>77,579</u>	<u>73,098</u>
Total accounts payable	\$ <u>921,482</u>	\$ <u>628,541</u>

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

5. Benefits

Benefits paid to participants leaving the Plan are analysed as follows:

	<u>2014</u>	<u>June 30,</u> <u>2013</u>
Termination of residence (lump sum payments)	10,536,657	10,165,905
Retirement benefits	6,838,466	5,205,431
Pension for property withdrawals	1,904,288	2,055,778
Disability benefits (lump sum and annual income payments)	38,694	42,167
Death benefits (lump sum payments)	<u>255,793</u>	<u>70,053</u>
	<u>\$19,573,898</u>	<u>\$17,539,334</u>

6. Administration, accounting and secretarial fees

The Plan is administered by Intertrust (Cayman) Ltd. ("ICL"). ICL has entered into an agreement to delegate certain duties and obligations including the member services administration and correspondence of the Plan to an independent third party service provider. ICL receives administration fees on a sliding scale basis. The fee is payable monthly in arrears and is calculated based on the monthly net asset value of the total Plan.

The fees are allocated to each Portfolio on a pro rata basis in the proportion that the net asset value attributable to each Portfolio at the beginning of each month bears to the aggregate net asset value of the total Plan.

Monthly net asset value

Administration fee charged

• First US\$100 million	0.835%
• US\$100 million to US\$150 million	0.535%
• US\$150 million to US\$200 million	0.485%
• US\$200 million to US\$250 million	0.435%
• US\$250 million and above	0.385%

7. Investment management and other fees related to investments

Starting December 2012, Deutsche Bank International Limited acts as the Plan's investment manager. In consideration for these services, the investment manager was paid the following annual rates, billed monthly in arrears and calculated based on the assets under management as appraised every month:

First \$100,000,000 at 30 basis points;
On the next \$125,000,000 at 24 basis points;
On the next \$150,000,000 at 20 basis points;
Remainder at 18 basis points

Starting December 2012, Deutsche Bank International Limited (Deutsche Bank) acts as the Plan's custodian. The fees above include the fees charged for the custody services provided under the custodian agreement.

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

7. Investment management and other fees related to investments (continued)

Prior to December 2012, Coutts acted as the Plan's investment manager. In consideration for these services, the investment manager was paid the following annual rates, charged quarterly in arrears and calculated by reference to the aggregate closing value of the Portfolios' investment portfolios on the first business day of each month in each calendar quarter:

<u>Investments at fair value</u>	<u>Annual fee charged on aggregate investments</u>
• Under US\$50 million	0.45%
• US\$50 million to US\$100 million	0.35%
• US\$100 million to US\$125 million	0.325%
• US\$125 million to US\$150 million	0.30%
• US\$150 million to US\$175 million	0.275%
• US\$175 million to US\$200 million	0.25%
• US\$200 million to US\$225 million	0.24375%
• US\$225 million to US\$250 million	0.2350%
• US\$250 million to US\$275 million	0.2250%
• US\$275 million to US\$300 million	0.21875%
• US\$300 million to US\$325 million	0.21%
• US\$325 million to US\$350 million	0.20%

Prior to December 2012, Coutts acted as the Plan's custodian. No custodian fees were passed on to the Plan by Coutts.

The fees were allocated to each Portfolio on a pro rata basis in the proportion that the net asset value attributable to each Portfolio at the beginning of each month bears to the aggregate net asset value of the total Plan.

Coutts utilized Coutts' Equator Investment Programme Series 5 unit trusts under the investment management mandate. These Programmes were managed by external fund managers appointed by Aberdeen Asset Managers Limited (formerly RBS Asset Management (Dublin) Limited). The values of these units were net of the manager, trustee, sub-custodian, investment adviser, consultant, and administrator's fees (where applicable).

The Plan invested in Series 5 units of the Coutts unit trusts. The total fees and expenses on Series 5 of the unit trusts are charged at a rate of approximately 0.19 % to 1.04 % per annum of the underlying net asset values of each unit trust. When the investment management fees disclosed above were combined with the fees charged on these unit trusts, the total costs in respect of that portion of the Plan's portfolio invested in the Coutts Equator Investment Programmes ranged from approximately 0.40% to 1.265% per annum as at June 30, 2012.

In June 30, 2012, each of the Plan's four investment portfolios invested into alternative investment strategies, the "Orbita funds", which were fund of hedge funds. There was a management fee of 1.25% per annum of the net asset value charged within each Orbita fund by Aberdeen Asset Management Cayman Limited (formerly RBS Asset Management (Cayman) Limited). Aberdeen Asset Management Cayman Limited also received a quarterly performance fee equal to 10% of each Orbita fund's profits, after all other fees and expenses have been deducted, to the extent they are in excess of the applicable hurdle rate for the relevant quarter, as defined in each of the Orbita fund's Information Memorandum. If at the end of any quarter the percentage change in the net asset value falls below the hurdle rate for that quarter, the shortfall must be made up in subsequent quarterly periods in addition to the hurdle rate for those subsequent quarterly periods, before any further performance fees are payable.

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

7. Investment management and other fees related to investments (continued)

The Plan invests in the following investment funds with fee arrangements as follows:

2014

<u>Investment Fund</u>	<u>Annual Management Fee</u>
Aberdeen Funds	1.00%
Alger American Asset Growth	0.85%
Amundi International	1.00%
Aurora Offshore Fund	1.00%
AXA Global Inflation Linked	0.60%
Blackrock Funds	0.70%
Cullen NA High Dividend	0.75%
Franklin Funds	0.7% - 0.75%
Goldman Sachs US Equity	0.75%
Henderson Horizon Global Technology	1.00%
iShares MSCI	0.50%
JPM Emerging Market Opportunities	0.85%
M&G European Corporate Bonds	0.50%
M&G Optimal Income	0.75%
MFS Meridan US Value	0.85%
Pimco Funds	0.46% - 0.5%
Prisma Spectrum Fund	1.50%
Schroder ISF Small & Midcaps	1.00%
SPDR S&P 500 ETF	0.09%
Templeton Asian Growth	0.90%
Templeton Global Total Return	0.55%
UBS USD Corporates	0.91%
Vanguard Total World Stock ETF	0.15%
Wellington Global Bond	0.35%
Wisdomtree Japan Hedged ETF	0.48%

<u>Investment Fund</u>	<u>Annual Performance Fee</u>
Aurora Offshore Fund	10.00%
Prisma Spectrum Fund	5.00%

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

7. Investment management and other fees related to investments (continued)

2013

<u>Investment Fund</u>	<u>Annual Management Fee</u>
Aberdeen Funds	1.00%
Alger American Asset Growth	0.85%
Amundi International	1.00%
Aurora Offshore Fund	1.00%
AXA Global Inflation Linked	0.60%
Blackrock Funds	0.75%
Cullen NA High Dividend	0.75%
Franklin Funds	0.70%
Goldman Sachs US Equity	0.75%
Henderson Horizon Global Technology	1.00%
iShares MSCI	0.50% - 0.51%
JPM Emerging Market Opportunities	0.85%
M&G European Corporate Bonds	0.50%
M&G Optimal Income	0.75%
MFS Meridan US Value	0.85%
Pimco Funds	0.49% - 0.5%
Prisma Spectrum Fund	1.50%
Schroder ISF Small & Midcaps	1.00%
SPDR S&P 500 ETF	0.09%
Templeton Asian Growth	0.90%
Templeton Global Total Return	0.55%
UBS USD Corporates	1.14%
Vanguard Total World Stock ETF	0.19%
Wellington Global Bond	0.35%
Wisdomtree Japan Hedged ETF	0.48%
<u>Investment Fund</u>	<u>Annual Performance Fee</u>
Aurora Offshore Fund	10.00%
Prisma Spectrum Fund	5.00%

The value of the Plan's investments is net of all fees charged at the investee fund level as described above.

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

8. Expense ratio

The expense ratios (excluding the fees which are expenses of the underlying investment funds, as described in Note 7) for the years ended June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Balanced Portfolio	0.98%	1.03%
Growth Portfolio	0.99%	1.03%
Conservative Portfolio	0.98%	1.08%
Aggressive Growth Portfolio	0.98%	1.20%

The expense ratios (including the fees which are expenses of the underlying investment funds, as described in Note 7) for the years ended June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Balanced Portfolio	1.85%	1.78%
Growth Portfolio	1.83%	1.80%
Conservative Portfolio	1.78%	1.73%
Aggressive Growth Portfolio	1.74%	1.91%

In accordance with the National Pensions (Pension Fund Investments) Regulations the expense ratio is calculated based on total expenses (including the fees which are expenses of the underlying investment funds and not direct expenses of the Plan, as described in Note 7 above) as a percentage of average monthly net assets.

9. Plan termination

The Trustees may at any time, with written notice as required by the National Pensions Law, determine that the Plan shall forthwith terminate, and upon termination either:

- a. refund the participants' entitlements under the Plan; or
- b. transfer all sums credited to a participant's account to another pension plan approved by the Trustees in accordance with the National Pensions Law for the benefit of the participant.

10. Financial instruments and associated risks

The following is not intended to be a comprehensive summary of all risks.

Strategy in using financial instruments: The Plans' activities expose them to a variety of financial risks which includes price risk, currency risk and interest rate risk.

Market risk/concentration of risk: The Plan's activities expose it to effects of fluctuations in financial markets. Although the strategies of the Plan's Portfolios are to diversify their investments through various external fund managers, it is possible that the investment activity of such fund managers may result in the Plan being exposed to significant concentration of investments in markets and/or individual investments, including investments funds, which may be both volatile and illiquid. As discussed in Note 3, certain of the investments of the Plan may be subject to specific restrictions on transferability and disposal. Consequently, risks exists that the Plan may not be able to readily dispose of its holdings in such investments when it chooses and also that the price attained on a disposal is below the amount at which such investments are included in the Plan's Statement of the Net Assets Available for Benefits.

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

10. Financial instruments and associated risks (continued)

Interest risk: No fiduciary or time deposits are held by the Plan at June 30, 2013. As a result, the Plan does not have any material direct interest rate risk.

Currency risk:

Although the majority of the Plan's investments are denominated in U.S. dollars, the Plan invests in investment funds denominated in currencies other than the functional currency, the U.S. dollar. The Plan does not hold significant cash and cash equivalents denominated in currencies other than the U.S. dollar. The Schedule of Investments discloses the Plan's investments by currency denomination.

The Plan's policy is not to manage the Plan's exposure to foreign exchange movements by entering into any foreign exchange hedging transactions. When the Investment Manager formulates a view on the future direction of foreign exchange rates and the potential impact on the Plan, the Investment Manager factors that into its portfolio allocation decisions. Consequently, the Plan is exposed to risks that the exchange rate of the U.S. dollar relative to other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Plan's assets which are denominated in currencies other than the U.S. dollar. The Plan is also indirectly exposed to additional foreign currency risk in that the investment holdings within the investment funds held by the Plan may be denominated in currencies other than the U.S. dollar, however this additional exposure is not reflected in the table below. For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the Plan's profit of future movements in foreign exchange rates.

In accordance with the Plan's policy, the Investment Manager monitors the Plan's foreign exchange exposure on a daily basis and the Trustees review it on a bi-monthly basis.

At June 30, 2014 and 2013, had the exchange rate between the foreign currencies and the US dollar increased or decreased by 10% with all other variables held constant, the change in profit is outlined below.

At June 30, 2014

<u>Portfolio / currency</u>	<u>Change in currency rate</u>	<u>Estimated \$ effect on net assets</u>	<u>% of Total Assets</u>
Balanced		\$ '000's	
EUR	10%*	(2,992.76)	-1.30%
EUR	-10%	3,657.86	1.59%
Growth			
EUR	10%*	(2,224.49)	-1.66%
EUR	-10%	2,718.85	2.03%
Conservative			
EUR	10%*	(738.94)	-1.20%
EUR	-10%	903.16	1.47%
Aggressive Growth			
EUR	10%*	(41.26)	-1.24%
EUR	-10%	50.43	1.52%

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

10. Financial instruments and associated risks (continued)

At June 30, 2013

Portfolio / currency	Change in currency rate	Estimated \$ effect on net assets	% of Total Assets
Balanced		\$ '000's	
EUR	10%*	(1,963.78)	(1.05)%
EUR	-10%	2,400.18	1.28%
Growth			
EUR	10%*	(1,670.20)	(1.40)%
EUR	-10%	2,041.35	1.71%
Conservative			
EUR	10%*	(511.84)	(0.98)%
EUR	-10%	625.58	1.20%
Aggressive Growth			
EUR	10%*	(24.71)	(1.03)%
EUR	-10%	30.20	1.26%

* indicates a 10% strengthening of the US dollar versus the foreign currency.

Price risk: Equity price risk exists to the extent that the value of an equity investment will fluctuate as a result of changes in market prices, regardless of whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. A sensitivity analysis to changes in equity prices is given below.

All investments present a risk of loss of capital. The Plan moderates this risk through a careful selection of investment funds which have specific investment objectives. The maximum risk resulting from financial instruments is reflected by the fair value of the financial instruments. The Plans' overall investment positions are monitored on a weekly basis by the Investment Manager.

A reasonable possible change is management's assessment, based on historical data, of what is a reasonable possible percentage movement in the value of investments following each respective strategy in USD terms over a twelve-month period. The impact on profit is calculated by applying the reasonable possible movement determined for each strategy to the value of each underlying fund held by the Plan at June 30, 2014 and 2013. The analysis is based on the assumption that the returns on each strategy have increased or decreased as disclosed with all other variables held constant, and excludes the possible impact of any performance fees.

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

10. Financial instruments and associated risks (continued)

Price risk (continued):

June 30, 2014

Strategy	Reasonable possible change (%)	Impact on profit (+ or - \$' 000)
Balanced	10	22,062
Growth	15	19,920
Conservative	5	2,947
Aggressive Growth	20	591
TOTAL		45,520

June 30, 2013

Strategy	Reasonable possible change (%)	Impact on profit (+ or - \$' 000)
Balanced	10	17,706
Growth	15	17,315
Conservative	5	2,340
Aggressive Growth	20	432
TOTAL		37,793

Credit risk: Financial assets which potentially subject the Plan to concentrations of credit risk are cash and cash equivalents. The aggregate extent of the Plan's exposure to credit risk in respect of these financial assets approximates their carrying value as recorded in the Plan's Statement of Net Assets Available for Benefits. Additionally, the Plan's cash is placed with financial institutions considered by the Trustees to be of high credit quality. The bank balances as at June 30, 2014 and 2013 are held in accounts at the administrator and the custodian. The Investment Manager can place cash with other third party financial institutions that are deemed high credit quality by the Investment Manager:

At June 30, 2014, the Plan's cash was held with financial institutions with the following Moody or Fitch ratings:

Moody or Fitch Rating	Balanced	Growth	Conservative	Aggressive Growth
Aa3	44%	0%	51%	50%
A2	53%	100%	45%	46%
NR	3%	0%	4%	4%

At June 30, 2013, the Plan's cash was held with financial institutions with the following Moody or Fitch ratings:

Moody or Fitch Rating	Balanced	Growth	Conservative	Aggressive Growth
Aa3	5%	10%	11%	26%
A2	90%	80%	78%	48%
NR	5%	10%	11%	26%

The clearing and depository operations for the Plan's security transactions are mainly concentrated with one custodian, namely Deutsche Bank. The Plan is subject to credit risk and possible losses should Deutsche Bank be unable to fulfil its obligations to the Plan. At June 30, 2014, substantially all cash and cash equivalents, balances due from investments are either held with or placed in custody with Deutsche Bank.

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

10. Financial instruments and associated risks (continued)

Liquidity risk: The Plan is exposed to cash redemptions from plan participants. Refer to Note 3 for details on investments. It invests its assets in investments that allow redemptions, subject to varying notices periods, ranging in frequency from daily to quarterly. The Plan's investments include both exchange traded and non exchange traded investments in investment funds which are listed on an organized public market. In accordance with the Regulations of the National Pensions Law, all investments are listed on those exchanges so recognized by the Regulations. It is possible in certain circumstances that the underlying investment funds may impose redemption gates, suspend redemptions, or transfer certain assets to side pockets which have restricted redemption terms. As a result, the Plan may not be able to liquidate quickly its investments in these instruments at an amount close to fair value in order to respond to its liquidity requirements or to other specific market events. Substantially all the Plan's liabilities (excluding net assets available for benefits) are due within one month. The Investment Manager monitors the Plan's liquidity position on a monthly basis.

Fair values: At June 30, 2014 and 2013, the carrying amount of the Plan's assets and liabilities, approximated their fair values. The fair values of the Plan's investments are disclosed in the Schedule of Investments.

11. Fair Value Disclosures

The Plan adopted the amendment to IFRS 7, effective July 1, 2009. This requires the Plan to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Plan. The Plan considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

11. Fair Value Disclosures (continued)

The following table analyses within the fair value hierarchy the Plan's financial assets and liabilities (by class) measured at fair value at June 30, 2014:

Balanced

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total balance</u>
Financial assets held for trading:				
– Exchange Traded Funds	25,634,380	-	-	25,634,380
– Exchange Listed Investment Funds with daily liquidity	-	172,160,207	-	172,160,207
– Fund of Funds with monthly/quarterly liquidity	-	22,823,319	-	22,823,319
Total assets	25,634,380	194,983,526	-	220,617,906

Growth

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Balance</u>
Financial assets held for trading:				
– Exchange Traded Funds	31,792,910	-	-	31,792,910
– Exchange Listed Investment Funds with daily liquidity	-	89,196,365	-	89,196,365
– Fund of Funds with monthly/quarterly liquidity	-	11,810,652	-	11,810,652
Total assets	31,792,910	101,007,017	-	132,799,927

Conservative

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Balance</u>
Financial assets held for trading:				
– Exchange Traded Funds	2,944,542	-	-	2,944,542
– Exchange Listed Investment Funds with daily liquidity	-	48,628,118	-	48,628,118
– Fund of Funds with monthly/quarterly liquidity	-	7,371,609	-	7,371,609
Total assets	2,944,542	55,999,727	-	58,944,269

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

11. Fair Value Disclosures (continued):

Aggressive Growth

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total balance</u>
Financial assets held for trading:				
– Exchange Traded Funds	1,173,653	-	-	1,173,653
– Exchange Listed Investment Funds with daily liquidity	-	1,581,335	-	1,581,335
–Fund of Funds with monthly/quarterly liquidity	-	200,136	-	200,136
Total assets	1,173,653	1,781,471	-	2,955,124

The following table analyses within the fair value hierarchy the Plan's financial assets and liabilities (by class) measured at fair value at June 30, 2013:

Balanced

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total balance</u>
Financial assets held for trading:				
– Exchange Traded Funds	16,762,862	-	-	16,762,862
– Exchange Listed Investment Funds with daily liquidity	-	147,164,534	-	147,164,534
–Fund of Funds with monthly/quarterly liquidity	-	13,134,358	-	13,134,358
Total assets	16,762,862	160,298,892	-	177,061,754

Growth

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total balance</u>
Financial assets held for trading:				
– Exchange Traded Funds	22,723,125	-	-	22,723,125
– Exchange Listed Investment Funds with daily liquidity	-	84,927,558	-	84,927,558
–Fund of Funds with monthly/quarterly liquidity	-	7,783,243	-	7,783,243
Total assets	22,723,125	92,710,801	-	115,433,926

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

11. Fair Value Disclosures (continued):

Conservative

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Balance</u>
Financial assets held for trading:				
– Exchange Traded Funds	440,707	-	-	440,707
– Exchange Listed Investment Funds with daily liquidity	-	42,516,046	-	42,516,046
– Fund of Funds with monthly/quarterly liquidity	-	3,849,438	-	3,849,438
Total assets	440,707	46,365,484	-	46,806,191

Aggressive Growth

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total balance</u>
Financial assets held for trading:				
– Exchange Traded Funds	651,462	-	-	651,462
– Exchange Listed Investment Funds with daily liquidity	-	1,407,098	-	1,407,098
– Fund of Funds with monthly/quarterly liquidity	-	100,755	-	100,755
Total assets	651,462	1,507,853	-	2,159,315

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities including exchange traded funds, most exchange traded derivatives, many US government treasury bills and certain non-US sovereign obligations. The Plan does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include, most investment-grade corporate bonds, investments in other funds where redemption is not restricted past six months, certain non-US sovereign obligations, thinly traded listed equities and some over-the-counter derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently or not at all. Level 3 instruments include private equity, certain restricted investments in other funds, and certain corporate debt securities.

There were no transfers between levels for the year ended June 30, 2014 and 2013.

There were no level 3 instruments for the year ended June 30, 2014 and 2013.

The carrying value of all financial instruments approximates fair and market value as at June 30, 2014 and 2013.

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

12. Units in issue

Units of the Plan are issued or redeemed on the first business day of each month at a price based on the underlying net asset value of the relevant Portfolio at the opening of business on that date, and subject to the provisions of the Trust Deed. At June 30, 2014 there are 16,533 participants in the Plan (2013: 15,862).

Transactions in units are summarised as follows:

	<u>Balanced Portfolio</u>	<u>Growth Portfolio</u>	<u>Conservative Portfolio</u>	<u>Aggressive Growth Portfolio</u>
Outstanding units, at end of year June 30, 2012	129,787,417.44	90,814,991.59	37,175,779.22	1,418,193.88
Issued during the year (contributions and transfers from other plans/portfolios)	22,240,193.20	15,439,982.08	6,808,399.35	410,876.20
Redeemed during the year (benefit payments and transfers to other plans / portfolios)	<u>(10,999,229.06)</u>	<u>(12,879,663.24)</u>	<u>(4,956,500.66)</u>	<u>(37,273.69)</u>
Outstanding units, at end of year June 30, 2013	<u>141,028,381.58</u>	<u>93,375,310.43</u>	<u>39,027,677.91</u>	<u>1,791,796.39</u>
Issued during the year (contributions and transfers from other plans/portfolios)	27,441,276.01	13,703,777.60	9,332,279.09	442,426.09
Redeemed during the year (benefit payments and transfers to other plans/portfolios)	<u>(14,421,234.67)</u>	<u>(17,196,019.21)</u>	<u>(6,214,076.51)</u>	<u>(107,636.86)</u>
Outstanding units, at end of year June 30, 2014	<u>154,048,422.92</u>	<u>89,883,068.82</u>	<u>42,145,880.49</u>	<u>2,126,585.62</u>

The Plan's capital is primarily represented by net assets available for benefits. In accordance with the objectives outlined in Note 1 and the risk management policies in Note 10, the Plan endeavours to invest the contributions received from members into appropriate investments while maintaining sufficient liquidity to meet benefit payments. The Plan is not subject to any externally imposed capital requirements.

13. Taxation

The Plan is not subject to any income, withholding or capital gains taxes in the Cayman Islands. Generally the Plan conducts its affairs so as not to be liable to taxation in any other jurisdiction; however, the Plan does invest indirectly through unit trusts or mutual funds in securities whose income is subject to nonrefundable foreign withholding taxes.

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

14. Financial information on a portfolio basis

The net assets available for benefits on a Portfolio basis as at June 30, 2014 are as follows:

	June 30, 2014				
	<u>Balanced Portfolio</u>	<u>Growth Portfolio</u>	<u>Conservative Portfolio</u>	<u>Aggressive Growth Portfolio</u>	<u>Total Plan</u>
ASSETS					
Cash and cash equivalents	12,061,565	1,983,439	3,579,826	406,602	18,031,432
Investments, at fair value (Note 3,10, and 11)	220,617,906	132,799,927	58,944,269	2,955,124	415,317,226
Receivable for investments sold	700,000	1,000,000	125,000	-	1,825,000
Other assets	<u>158,832</u>	<u>143,874</u>	<u>21,998</u>	<u>3,686</u>	<u>328,390</u>
Total assets	<u>233,538,303</u>	<u>135,927,240</u>	<u>62,671,093</u>	<u>3,365,412</u>	<u>435,502,048</u>
LIABILITIES					
Contributions and transfers received in advance	2,079,320	1,150,256	549,538	28,441	3,807,555
Redemptions payable	1,236,441	443,514	649,896	3,248	2,333,099
Accounts payable (Note 4)	<u>491,466</u>	<u>290,369</u>	<u>132,713</u>	<u>6,934</u>	<u>921,482</u>
Total liabilities (excluding net assets available for benefits)	<u>3,807,227</u>	<u>1,884,139</u>	<u>1,332,147</u>	<u>38,623</u>	<u>7,062,136</u>
Net assets available for benefits	<u>\$ 229,731,076</u>	<u>\$ 134,043,101</u>	<u>\$ 61,338,946</u>	<u>\$ 3,326,789</u>	<u>\$ 428,439,912</u>
Number of units in issue (Note 12)	154,048,422.92	89,883,068.82	42,145,880.49	2,126,585.62	
Net assets per unit	<u>\$ 1.4913</u>	<u>\$ 1.4913</u>	<u>\$ 1.4554</u>	<u>\$ 1.5644</u>	

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

14. Financial information on a portfolio basis (continued)

The operations for the year ended June 30, 2014 for each Portfolio, are as follows:

	For the year ended June 30, 2014				
	<u>Balanced Portfolio</u>	<u>Growth Portfolio</u>	<u>Conservative Portfolio</u>	<u>Aggressive Growth Portfolio</u>	<u>Total Plan</u>
Revenue					
Interest income	8,918	5,621	1,572	185	16,296
Dividend income	460,236	517,936	57,226	17,539	1,052,937
Net realised loss on foreign currency transactions	(54,158)	(24,826)	(2,879)	(567)	(82,430)
Net realised gain/(loss) on investments	(321,988)	1,734,223	(33,545)	8,372	1,387,062
Net change in unrealised gain on investments	<u>26,100,334</u>	<u>18,548,305</u>	<u>5,157,687</u>	<u>452,286</u>	<u>50,258,612</u>
Total revenue	<u>26,193,342</u>	<u>20,781,259</u>	<u>5,180,061</u>	<u>477,815</u>	<u>52,632,477</u>
Expenses					
Administration, accounting and secretarial fees (Note 6)	1,128,289	692,254	307,001	15,660	2,143,204
Investment management fees (Note 7)	493,596	309,656	133,796	6,470	943,518
Printing	60,522	48,392	19,193	843	128,950
Government fees	195,124	117,222	49,147	2,716	364,209
Other expenses	<u>193,253</u>	<u>117,886</u>	<u>52,697</u>	<u>3,002</u>	<u>366,838</u>
Total expenses	<u>2,070,784</u>	<u>1,285,410</u>	<u>561,834</u>	<u>28,691</u>	<u>3,946,719</u>
Operating income	<u>24,122,558</u>	<u>19,495,849</u>	<u>4,618,227</u>	<u>449,124</u>	<u>48,685,758</u>
Net increase in net assets available for benefits resulting from operations	<u>\$ 24,122,558</u>	<u>\$ 19,495,849</u>	<u>\$ 4,618,227</u>	<u>\$ 449,124</u>	<u>\$ 48,685,758</u>

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

14. Financial information on a portfolio basis (continued)

The net assets available for benefits on a Portfolio basis as at June 30, 2013 are as follows:

	June 30, 2013				
	<u>Balanced Portfolio</u>	<u>Growth Portfolio</u>	<u>Conservative Portfolio</u>	<u>Aggressive Growth Portfolio</u>	<u>Total Plan</u>
ASSETS					
Cash and cash equivalents	12,461,576	5,857,476	6,735,264	251,067	25,305,383
Investments, at fair value (Note 3)	177,061,754	115,433,926	46,806,191	2,159,315	341,461,186
Other assets	<u>86,961</u>	<u>99,420</u>	<u>484</u>	<u>2,840</u>	<u>189,705</u>
Total assets	<u>189,610,291</u>	<u>121,390,822</u>	<u>53,541,939</u>	<u>2,413,222</u>	<u>366,956,274</u>
LIABILITIES					
Contributions and transfers received in advance	1,576,489	951,452	431,285	18,742	2,977,968
Redemptions payable	714,343	539,010	730,384	789	1,984,526
Accounts payable (Note 4)	<u>322,663</u>	<u>205,943</u>	<u>95,927</u>	<u>4,008</u>	<u>628,541</u>
Total liabilities (excluding net assets available for benefits)	<u>2,613,495</u>	<u>1,696,405</u>	<u>1,257,596</u>	<u>23,539</u>	<u>5,591,035</u>
Net assets available for benefits	<u>\$ 186,996,796</u>	<u>\$ 119,694,417</u>	<u>\$ 52,284,343</u>	<u>\$ 2,389,683</u>	<u>\$ 361,365,239</u>
Number of units in issue (Note 12)	141,028,381.58	93,375,310.43	39,027,677.91	1,791,796.39	
Net assets per unit	<u>\$ 1.3260</u>	<u>\$ 1.2819</u>	<u>\$ 1.3397</u>	<u>\$ 1.3337</u>	

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

14. Financial information on a portfolio basis (continued)

The operations for the year ended June 30, 2013 for each Portfolio, are as follows:

	For the year ended June 30, 2013				
	<u>Balanced Portfolio</u>	<u>Growth Portfolio</u>	<u>Conservative Portfolio</u>	<u>Aggressive Growth Portfolio</u>	<u>Total Plan</u>
Revenue					
Interest income	17,883	17,735	3,498	418	39,534
Dividend income	1,068,673	831,466	294,793	19,271	2,214,203
Miscellaneous income	1,488	1,009	423	1,944	4,864
Net realised gain/(loss) on foreign currency transactions	177,973	21,971	10,636	(28,001)	182,579
Net realised gain on investments	12,975,924	8,647,715	3,936,934	196,268	25,756,841
Net change in unrealised (loss)/gain on investments	<u>(4,312,280)</u>	<u>(71,692)</u>	<u>(2,516,618)</u>	<u>12,639</u>	<u>(6,887,951)</u>
Total revenue	<u>9,929,661</u>	<u>9,448,204</u>	<u>1,729,666</u>	<u>202,539</u>	<u>21,310,070</u>
Expenses					
Administration, accounting and secretarial fees (Note 6)	997,972	660,168	285,652	11,791	1,955,583
Investment management fees (Note 7)	404,185	272,438	116,591	4,650	797,864
Printing	49,277	32,527	14,141	578	96,523
Government fees	183,227	106,272	73,291	3,665	366,455
Other expenses	<u>217,531</u>	<u>145,605</u>	<u>63,487</u>	<u>4,575</u>	<u>431,198</u>
Total expenses	<u>1,852,192</u>	<u>1,217,010</u>	<u>553,162</u>	<u>25,259</u>	<u>3,647,623</u>
Operating income	<u>8,077,469</u>	<u>8,231,194</u>	<u>1,176,504</u>	<u>177,280</u>	<u>17,662,447</u>
Net increase in net assets available for benefits resulting from operations	<u>\$ 8,077,469</u>	<u>\$ 8,231,194</u>	<u>\$ 1,176,504</u>	<u>\$ 177,280</u>	<u>\$ 17,662,447</u>

THE SILVER THATCH PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

15. Subsequent events

The following table shows the percentage movements in the net asset value (“NAV”) of each of the Plan’s four portfolios for the period June 30, 2014 to July 31, 2014, based on the unaudited NAVs at July 31, 2014.

	NAV at June 30, 2014	NAV at July 31, 2014 (as provided by administrator)	% movement in NAV between June 30,2014 and July 31, 2014 (as provided by administrator)*
Balanced	1.4913	1.4752	-1.08%
Growth	1.4913	1.4705	-1.40%
Conservative	1.4554	1.4422	-0.90%
Aggressive Growth	1.5644	1.5443	-1.28%

* This is a simple, straight-line calculation of the percentage change in NAV between June 30, 2014 and July 31, 2014. The Board of Trustees draws attention to the fact that this calculation has not been prepared in accordance with the methodology required under the Global Investment Performance Standards (“GIPS”; see Note 3) as this calculation is not yet available.