

# Silverdale

## F U N D S

### Fund Description

Silverdale Bond Fund is a diversified portfolio of primarily investment grade short duration US dollar bonds, actively managed for superior absolute returns, using ring-fenced leverage.

### Investor Benefits

Active management with real time response, capitalizing on opportunistic investments and employing prudent risk management systems. Embedded leverage for higher return without hassles of loan management.

### Fund Information

Fund	Silverdale Bond Fund
ISIN Code	MU0308S00009
Bloomberg Code	SILV007 MP Equity
Monthly NAV Launch Date	2 July 2012
Weekly NAV Launch Date	1 Oct 2013

### Subscription Details

Minimum Investment	US\$ 100,000
NAV Computation	Weekly
Subscription	Weekly
Redemption	Weekly
Management Fee	1% p.a.

### Fund Management Details

#### THE FUND

Share Class-E of Sri Silverdale Opportunities Fund, a Mauritius based umbrella fund, authorised and regulated by Financial Services Commission

#### FUND MANAGER

**Silverdale Capital Pte Ltd**

Monetary Authority of Singapore Registered Fund Manager

### Bankers / Custodians

Standard Chartered Bank  
Barclays Bank  
ABN Amro Bank

### Fund Administrator

**Orangefield Trust (Mauritius) Ltd.**

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# Silverdale Bond Fund

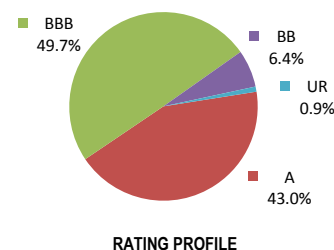
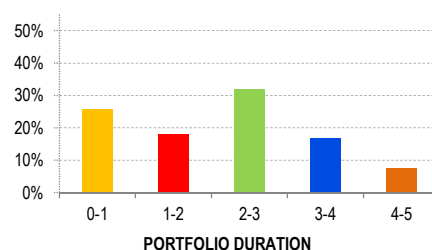
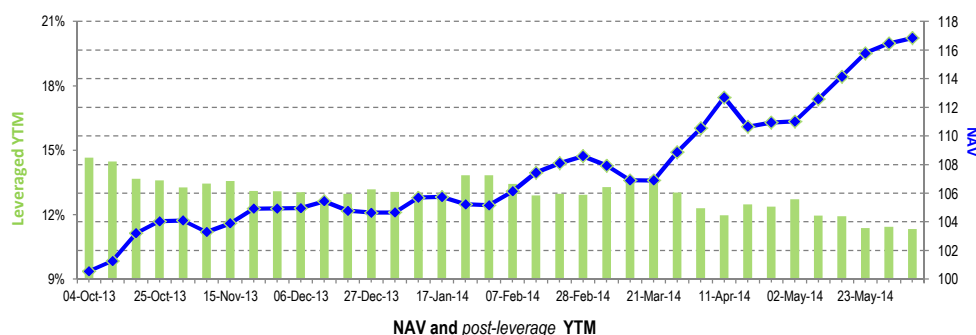
Communique as at 6th June 2014

### OVERVIEW

Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level ring-fenced leverage, while actively managing its portfolio duration. During the week ended 6th June 2014, the Fund NAV appreciated by ~0.33% to US\$ 116.84 (previous week US\$ 116.46) with portfolio yield (post-leverage) of 11.32% per annum (previous week 11.43% p.a.) and average duration of 2.22 years (previous week 2.23 years).

### Portfolio Dashboard

Performance (not annualised)* †	Fund Statistics	NAV US\$	116.8402
Previous 1 week	Leveraged Yield to Maturity <sup>A</sup>	11.32 %	
Trailing 1 month	Portfolio Yield to Maturity	3.12 %	
Trailing 3 months	Average Duration <sup>AA</sup>	2.22 years	
Trailing 6 months	Average Maturity	2.44 years	
(*) net of fees			
		<b>Top Holdings</b>	<b>% age</b>
		Agricultural Bk China Hk	11.30 %
		China Construct Bk Asia	7.98 %
		Cssc Capital 2013 Ltd	6.52 %
		Zijin Intl Finance Co Lt	5.95 %
		Macquarie Group Ltd	5.80 %



### Portfolio Update

During the week ended 6th June 2014, the Fund purchased Far East Horizon 2017, Cliff Natural Resource 2018, Yuexiu Property 2018 and AngloGold 2020 bonds.

Far East Horizon (Mkt Cap: US\$ 2.3bn) is a leading Chinese leasing company with ~4% market share. It has net interest margin of 4.02% and return on assets of ~2.61%. Its NPA is 0.80% with 30-days lease overdue ratio of 0.45%. Its key shareholders are Sinochem (~28%), KKR (~17%), Cathay Life (~9%), and Singapore SWF (~7%).

Yuexiu Property (Market Cap: US\$ 1.8bn) is a real estate developer controlled by Guangzhou Yuexiu (a state-owned enterprise under the supervision of the Guangzhou SASAC). It has established a niche in Guangzhou real estate market, and has entered the other provincial markets including Hainan and Hong Kong. As of Dec 2013, it had total landbank of 15.26mm sqm with 34 projects under construction with GFA of 7.73mm sqm. Its debt outstanding was ~US\$4bn against which it had cash & equivalents of ~US\$ 835mn. It had a net debt to equity ratio of 0.75x. It also owns ~35.14% of Yuexiu REIT, which manages six commercial properties in Guangzhou.

Cliffs Natural Resources (Mkt Cap: US\$ 2.5bn) is global major iron ore producer (~28% market share of iron ore pellets) and a significant producer of metallurgical coal. As of Mar 2014, it generated TTM EBITDA and cash flow from operations of ~US\$ 1.4bn and ~US\$ 1.1bn respectively. Total debt /Equity was ~0.48x with Total Debt/EBITDA at ~2.54x and Net Debt/EBITDA at ~2.26x. Further it has undrawn credit facility of ~US\$1.5bn along with ~US\$ 360mn cash and equivalents against total debt obligation of ~US\$ 3.2bn.

AngloGold Ashanti Limited (Mkt Cap: US\$ 6.9bn) is a global gold mining and exploration company and world's third largest gold producer. It produced ~4.105Moz of gold in 2013. It has ore reserves of ~233.02Moz and resources of ~67.9 Moz. It has 21 mining operations in 11 countries. It has cash & equivalents of US\$ ~526mn against total debt at US\$ 3.6bn. It has Net Debt/EBITDA of ~1.95x and EBITDA to Interest coverage of ~4.5x.

### Subscription Details

Subscription can be made only as per terms & conditions of the composite Private Placement Memorandum (including Class Supplement) which may be obtained free of cost from the Fund Administrator at mauritius@silverdalegroup.com

