

Silverdale FUNDS

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
Bank Julius Baer
Barclays Bank
ABN Amro Bank

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DISCLAIMER

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Silverdale Bond Fund

Communique as at 18th July 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 18th July 2014, the Fund NAV dropped by ~0.28% to US\$ 118.11 (previous week US\$ 118.44) increasing optimum portfolio yield (post-leverage) to 11.91% per annum (previous week 11.18% p.a.) with average duration of 2.25 years (previous week 2.21 years).

Portfolio Dashboard

Performance (not annualised, net of fees)

Previous 1 week	-0.2799 %
Trailing 1 month	0.9898 %
Trailing 3 months	6.7512 %
Trailing 6 months	11.6960 %

(*) net of fees

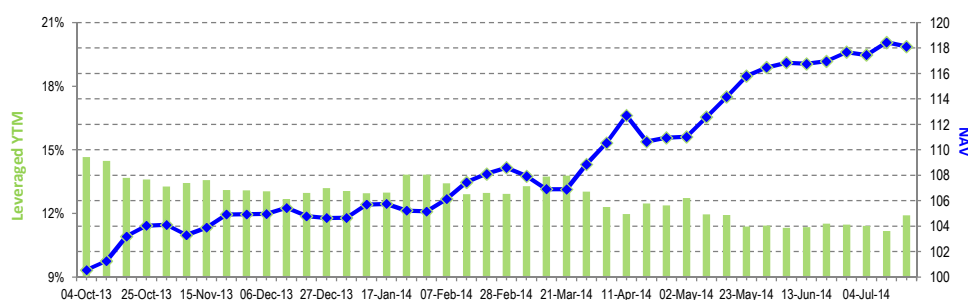
Fund Statistics

Leveraged Yield to Maturity^	11.91 %
Portfolio Yield to Maturity	3.17 %
Average Duration^^	2.25 years
Average Maturity	2.47 years

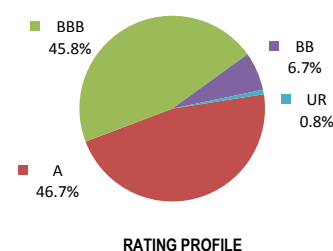
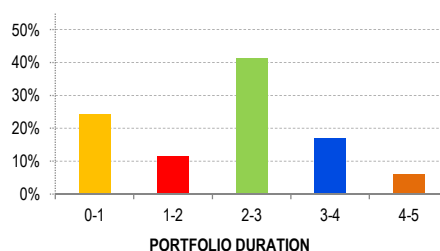
NAV US\$ 118.1117

Top Holdings

	% age
Agricultural Bk China Hk	11.10 %
China Construct Bk Asia	7.84 %
Cssc Capital 2013 Ltd	6.30 %
Zijin Intl Finance Co Lt	5.70 %
Macquarie Group Ltd	5.69 %



NAV and post-leverage YTM



Portfolio Update

During the week, the Fund booked profits in Turkiye Is Bankasi 2016, Vedanta Resources 2016, and Standard Chartered Bank 2049 bonds. It purchased Far East Horizon 2017, MCC Holding Hong Kong 2017, and Caixa Economica 2018 bonds.

Far East Horizon (Mkt Cap: US\$ 2.6bn) is a leading Chinese leasing company with ~4% market share. It has net interest margin of 4.02% and generates return on assets of ~2.61%. Its non performing asset ratio was at ~0.80%, with 30-days lease overdue ratio of ~0.45%. Established in 1991, it was acquired by Sinochem Group in 2000. Its key shareholders are Sinochem (~27.9%), KKR (~17%), Cathay Life (~9.0%), and a Government of Singapore Sovereign Wealth Fund (~7.0%).

MMC Holding (Hong Kong) Corp. is the wholly owned subsidiary of Metallurgical Corp. of China Ltd (Market Cap: US\$ 5bn), which is part of China Metallurgical Group Corp (CMGC). CMGC is fully owned by State-owned Assets Supervision and Administration Commission (SASAC) of China. CMGC is engaged in engineering and construction, equipment manufacturing, property development, and resource development business. The said bonds are supported by irrevocable Stand-By Letter of Credit by Bank of China as well as a Keepwell Deed by CMGC.

Caixa Economica Federal SA is the third-largest bank in Brazil in terms of total assets (market share ~13.06%) and the second-largest bank in terms of both deposits (market share ~19.10%) and loans and leases (market share ~17.66%). As of 31 March 2014 it had net interest margin of ~3.9%, with non-performing loans of ~3%. Its capital adequacy ratio is at ~13.7%, with Tier-I ratio of ~11.3%. As at 31 December 2013, Caixa operated domestically through a network of 3,288 branches, 724 banking service points, 4,154 electronic service points, 12,905 lottery outlets, and 29,397 ATMs, and serviced ~69.7mn retail customers, and ~1.9mn corporate customers. The bank also maintains representative offices in Tokyo, New Jersey and Caracas. Established in 1861, Caixa is wholly owned by the Brazilian Government.

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

