

# 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  
Bank Julius Baer  
Barclays Bank  
ABN Amro Bank

### Fund Administrator

**Orangefield Trust (Mauritius) Ltd.**

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### DISCLAIMER

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# Silverdale Bond Fund

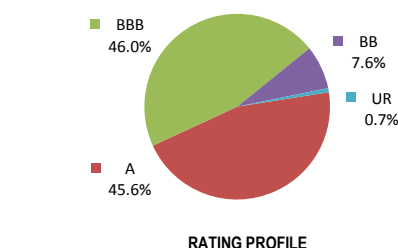
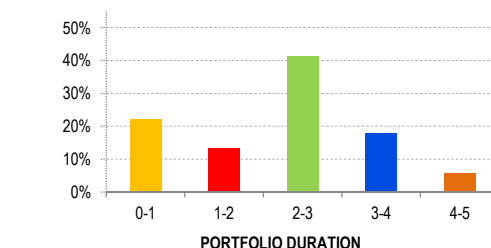
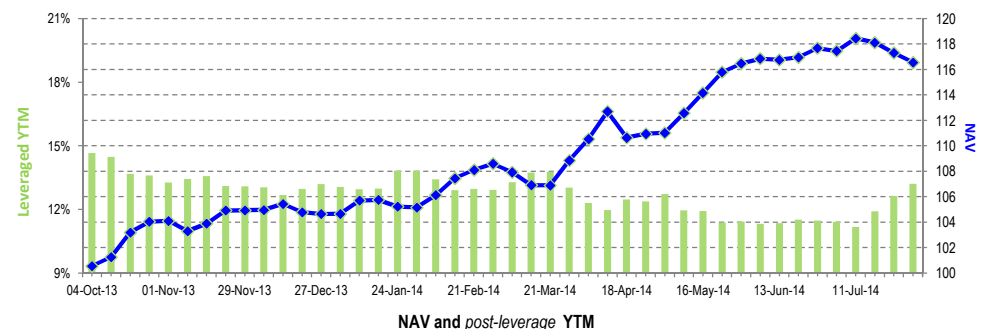
Communique as at 1st August 2014

### 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 1st August 2014, the Fund NAV dropped by ~0.63% to US\$ 116.56 (previous week US\$ 117.30) increasing optimum portfolio yield (post-leverage) to 13.20% per annum (previous week 12.63% p.a.) with average duration of 2.25 years (previous week 2.26 years).

### Portfolio Dashboard

Performance	(not annualised, net of fees)	Fund Statistics	NAV US\$	116.5571
Previous 1 week	-0.6316 %	Leveraged Yield to Maturity <sup>A</sup>	13.20 %	
Trailing 1 month	-0.7600 %	Portfolio Yield to Maturity	3.35 %	
Trailing 3 months	4.9873 %	Average Duration <sup>AA</sup>	2.25 years	
Trailing 6 months	10.8364 %	Average Maturity	2.47 years	
	(*) net of fees			
		<b>Top Holdings</b>		<b>% age</b>
		Agricultural Bk China Hk		11.01 %
		China Construct Bk Asia		7.78 %
		Cssc Capital 2013 Ltd		6.22 %
		Mcc Holding Hk Corp Ltd		5.79 %
		Zijin Intl Finance Co Lt		5.63 %



### Portfolio Update

During the week, the Fund booked profits in BOC Aviation 2017, and Macquarie Group 2019 bonds. It purchased Far East Horizon 2017, Yuexiu Property 2018, Petrobras International 2018, Caixa Economica 2018, International Game Technology 2019, and AngloGold 2020 bonds.

Far East Horizon (Mkt Cap: US\$ 2.5bn) 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%).

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). 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.

Petrobras International is a wholly-owned subsidiary of Petroleo Brasileiro S.A. (Mkt Cap: US\$ 106bn), which is owned ~50.3% by Brazilian Government. Petrobras is the largest Brazilian company by revenue. It generates annual EBITDA and operating cash flow of ~US\$ 25bn with Net Debt/EBITDA of ~3.6x and interest coverage ratio of ~5.2x.

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%. Established in 1861, Caixa is wholly owned by the Brazilian Government.

International Game Technology (Market Cap: US\$ 4.1bn) is a Las Vegas-based gaming equipment manufacturer and supplier. It has ~40% market share in North America market (which accounts for over ~75% of revenue). Its total debt outstanding was ~US\$2.2bn against which it has cash & equivalents of ~US\$425mn and unused line of credit amounting to ~US\$1bn. It generates annual EBITDA of ~US\$700mn. Recently it announced its intention to be acquired by GTECH S.p.A. thereby creating a leading global gaming company with expected synergies of ~US\$ 280mn.

AngloGold Ashanti Limited (Mkt Cap: US\$ 7bn) 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. The said bonds are callable.

### 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

