Silverdäle FUNDS

# Silverdale Bond Fund

**Communique as at 21st November 2014**

## 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 |
| SEDOL No. | B6SKGT4 |
| Swiss Valor No. | 21462609 |
| Bloomberg Code | SILV007 MP Equity |
| Inception Date† | 9 Sep 2010 |
| 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 umberalla 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 (Mauritius) Limited**
355 NeXTeracom Tower 1, Cybercity,
Ebene, Mauritius
**Tel.:** +230 464 7275
**Fax**: +230 464 3290
**Email:** mauritius@silverdalegroup.com

***For subscription & information, please***
***Email: mauritius@silverdalegroup.com***
***Or, Call: +65 6835 7130***

## 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 21st November 2014, the Fund NAV declined by ~0.35% to US$ 115.33 (previous week: US$ 115.74), with optimum portfolio yield (post-leverage) of 14.99% per annum (previous week: 14.76% p.a.), and average duration of 2.08 years (previous week: 2.11 years).

## Portfolio Dashboard

**NAV US$ 115.3321**

### Performance

| | |
|---|---|
| Previous 1 week | -0.3524 % |
| Trailing 1 month | -0.8060 % |
| Trailing 3 months | -2.2517 % |
| Trailing 6 months | -0.3898 % |
| Trailing 9 months | 6.6915 % |
| Trailing 12 months | 9.9239 % |

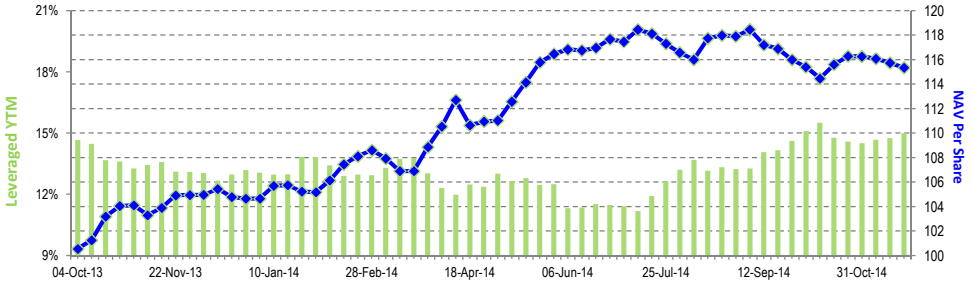
*(not annualised, net of fees)*

### Fund Statistics

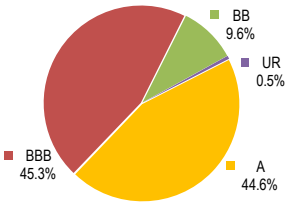
| | | |
|---|---|---|
| Leveraged Yield to Maturity^ | 14.99 | % |
| Portfolio Yield to Maturity | 3.74 | % |
| Average Coupon | 5.03 | % |
| Average Duration^^ | 2.08 | years |
| Average Maturity | 2.29 | years |

### Top Holdings

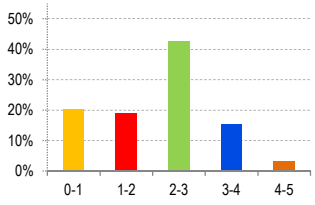
| | % age |
|---|---|
| Agricultural Bk China Hk | 9.95 % |
| China Construct Bk Asia | 7.02 % |
| Cssc Capital 2013 Ltd | 5.57 % |
| Mcc Holding Hk Corp Ltd | 5.19 % |
| Zijin Intl Finance Co Lt | 5.04 % |
| Anglogold Holdings Plc | 4.60 % |
| Vtb Bank (Vtb Capital Sa | 4.59 % |



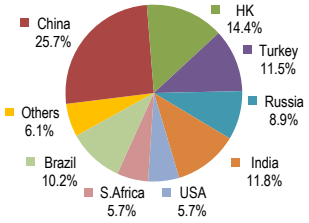

**NAV and *post-leverage* YTM**




**RATING PROFILE[1]**




**PORTFOLIO DURATION[2]**




**GEPGRAPHICAL EXPOSURE[3]**

## Portfolio Update

During the week ended 21st November, the Fund sold Cliff Natural 2018, Israel Electric 2018, and Autonation 2019 bonds. Further it purchased Hebei Iron & Steel 2017, and Eastern Creation II Investment Holdings 2017 bonds.

Hebei Iron & Steel Group Co. Ltd (HBIS) is the third largest producer of crude steel globally and the largest producer in China; producing ~45 MT in 2013, with installed capacity in excess of 50MT. HBIS is wholly owned by Hebei SASAC. It was established in 2008 with the merger of Tangsteel and Hansteel in Hebei province. The bonds are issued by its wholly owned subsidiary - Hebei Iron & Steel (HK) International Trade Co. Ltd. Further the bonds are supported by an irrevocable standby letter of credit from the Agricultural Bank of China Ltd and a keepwell deed by HBIS.

Beijing Infrastructure Investment Co Ltd (BII) is a fully integrated subway service company wholly owned by the Beijing SASAC. As at Mar'14, there were 17 inter-connecting lines in operation in the Beijing urban rail transit system, out of which BII operated 14 lines totaling 403km and consisting of 239 stations. It is the largest subway company in China in terms of operating mileage. Daily passenger traffic exceeds 8mn people, making it China's largest subway system based on ridership. The company also engages in businesses complementary to its rail operations, notably vehicle sales related to subway operations and property development along its railways. The bonds are issued by Eastern Creation II Investment Holdings Ltd. which is indirectly owned by BII. Further it is supported by a guarantee from Beijing Infrastructure Investment (HK) Ltd and a keepwell deed by BII.

## 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

**DISCLAIMER**

The above commentary does not provide a complete analysis of every material fact regarding the market, industry, security, portfolio or the fund. It is not a recommendation to buy or sell any security nor an investment advice. The portfolio holdings, opinions and information may change without notice. The contents of this document, including any narrative does not constitute an offer to sell or a solicitation of any offer to buy the units or shares in Silverdale Bond Fund, Silverdale Fixed Income Fund or Silverdale India Equity Fund or any other Class of Sri Silverdale Opportunities Fund or any of the funds managed or advised by Silverdale Capital Pte Ltd., and is strictly for information only. Any application for units or shares must be made solely on the basis of the fund's private placement memorandum, class supplements, application form and appendices (together "the PPM"). Past performance is not necessarily a guide to the future performance. Opinions and estimates contained in this document are subject to change without notice, and the actual results would differ from the said opinions and estimates. The Fund may use or invest in financial derivative instruments. Please refer to the PPM for Risk Factors. This document is written for the benefit of and being communicated only to expert investors as defined in Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008, issued under the Securities Act 2005 of Mauritius. The recipient should obtain opinion from independent professional adviser before making any decision based on this document. The NAV performance is computed taking: 1 month = 4 weeks, 3 months = 13 weeks, 6 months = 26 weeks, 9 months = 39 weeks, and 12 months = 52 weeks. (^) At optimum leverage. (^^) Average duration excludes favourable impact of interest rate hedges. (†) Initially launched as multi-assets fund with quarterly NAV. (1) & (2) Based on gross investments into securities. (3) Based on gross investments into securities (excluding Certificate of Deposit), country exposure of less than 5% has been clubbed as 'Others'.

SILVERDALE BOND FUND