

Silverdale

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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	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.

Cayman Feeder

Fund	Silverdale Fund SP-1
ISIN	KYG8135U1076
CUSIP	G8135U 107

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

Custodian

Standard Chartered Bank

Fund Administrator

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DISCLAIMER

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Silverdale Bond Fund

Communique as at 24th April 2015

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 24th April 2015, the Fund NAV appreciated by 0.48% to US\$ 119.43 (previous week: US\$ 118.85), with optimum portfolio yield (post-leverage) of 13.03% per annum (previous week: 13.15% p.a.), and average duration of 2.00 years (previous week: 2.03 years).

Portfolio Dashboard

Performance

Previous 1 week	0.4818 %
Trailing 1 month	3.0931 %
Trailing 3 months	5.5503 %
Trailing 6 months	2.7155 %
Trailing 9 months	1.8144 %
Trailing 12 months	7.6507 %

(not annualised, net of fees)

Fund Statistics

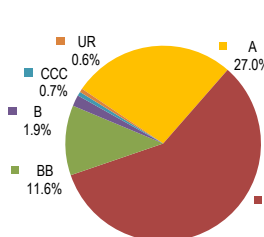
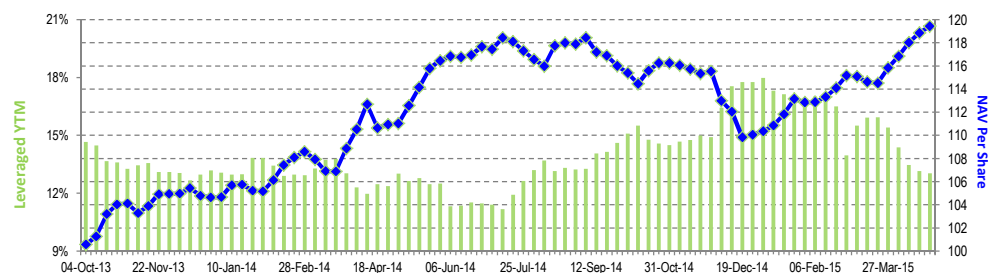
Leveraged Yield to Maturity ^A	13.03 %
Portfolio Yield to Maturity	3.45 %
Average Coupon	5.04 %
Average Duration ^{AA}	2.00 years
Average Maturity	2.15 years

NAV US\$

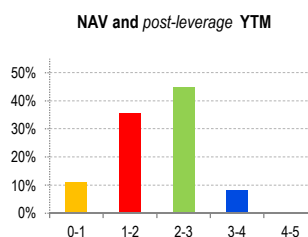
119.4265

Top Holdings

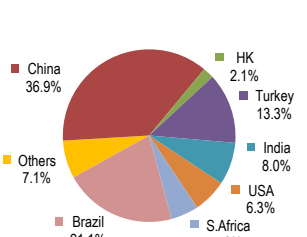
	% age
Mcc Holding HK Corp Ltd	6.27 %
Banco Btg Pactual/Cayman	5.29 %
Anglogold Holdings Plc	5.20 %
Far East Horizon Ltd	4.68 %
Hebei Iron & Steel	4.20 %
Jingneng Inv Group Co	3.75 %
Yapi Ve Kredi Bankasi	3.74 %



RATING PROFILE¹



PORTFOLIO DURATION²



GEOGRAPHICAL EXPOSURE³

Portfolio Update

During the week, Silverdale Bond Fund sold VTB 2017 bonds, and it purchased Petrobras 2016, Banco Votorantim 2016, Embrapa 2017, Akbank 2017, Franshion 2017, and Ares Capital 2018 bonds.

Petroleo Brasileiro S.A. (Petrobras, Mkt Cap: US\$ 62.2bn), is the largest Brazilian company by revenue with total assets of ~US\$ 299bn. As at FY14 it reported EBITDA of ~US\$ 25bn with Net Debt/EBITDA of ~4.8x and interest coverage ratio of ~3.7x. The Brazilian government directly and indirectly owns ~46% of Petrobras' outstanding capital stock and ~60% of its voting shares. The bonds are issued by its wholly owned subsidiary Petrobras International Finance Company and guaranteed by Petrobras. The release of annual report removed the uncertainty of the damages due to graft charges; providing above normal G-spread.

Banco Votorantim SA (Banco Votorantim), is the 10th-largest Brazilian bank by assets, and the eighth largest by loan book. As of 31 Dec 2014, it reported assets of ~US\$ 37bn. It reported Net Interest Margin at ~5% and 90-day Non-Performing Loans (NPL) at ~5.7% with NPL coverage of ~130%. It reported capital adequacy ratio at ~15%, with Tier-I ratio at ~9.5%. The bank was established in 2009 as a strategic partnership between Votorantim Group (50.01% voting shares), one of Latin America's largest private-sector conglomerates and Banco do Brasil (49.99% voting shares), the country's largest financial institution.

Embraer SA (Mkt Cap ~US\$ 5.7bn) is the third largest manufacturer of mid-sized airplanes catering to commercial aviation (~50% of FY14 turnover), executive jets (~26%) and defense & security (~23%). As at end Dec 2014, it reported order book of ~US\$ 20.9bn which is ~3.3x FY14 revenue. It reported total debt at ~US\$ 2.9bn, against cash & equivalent of ~US\$ 2.4bn. It reported debt to EBITDA of ~3.4x, net debt to EBITDA of ~0.5x and EBITDA to interest expense of ~5.2x. Founded in 1969 by the Brazilian Government, it was privatized in 1994. The bonds are issued by its wholly owned subsidiary and guaranteed by it.

Akbank (Mkt Cap ~US\$ 11.6bn) is the fourth largest commercial bank in Turkey in terms of assets and loans, with ~1,000 branches. As of Dec'14, it had total assets worth ~US\$ 93.6bn and book value of equity of ~US\$ 11.2bn. It reported Net Interest Margin at ~3.5% and Non-Performing Loans (NPL) at ~1.7% along with NPL coverage of ~184%. It reported capital adequacy ratio at ~14.9% with Tier-I ratio at ~13.8%.

Franshion Properties (Mkt Cap: US\$ 3.5bn) develops commercial and integrated properties in first-tier and major second-tier cities in China. As of 31 December 2013, the company had a total property development land bank of ~7.8 mn sqm. In addition, the company had invested in primary land development project of ~18.7 mn sqm in Hunan & Hainan provinces. As at June 2014, it reported Debt/EBITDA at 5.9x and EBITDA to interest at 3.4x. Its major shareholder is Sinochem Corp. (controlled by SASAC) with ~62.87% stake. The underlying bonds are issued by Franshion Investment and guaranteed by Franshion Properties.

Ares Capital Corp (Mkt Cap: US\$ 5.4bn) is an investment management firm that provides loans to middle-market companies with EBITDA of US\$10-250mn. As at Dec 2014, it reported total assets worth US\$ 9.5bn. Its total debt outstanding was ~US\$ 3.9bn (net debt 3.7bn) against unused line of credit amounting to ~US\$ 1.6bn. Ares has a diversified portfolio of investments in 205 companies with fair value of investment of ~US\$ 9bn.

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

