

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 enhanced 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

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

DISCLAIMER

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Silverdale Bond Fund

Communique as at 15th May 2015

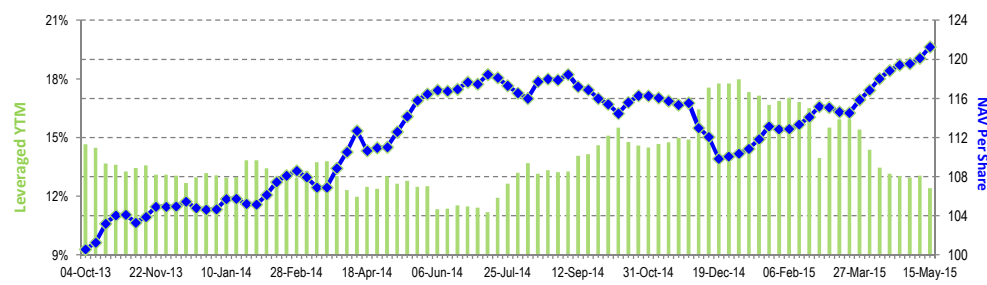
OVERVIEW

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 15th May 2015, the Fund NAV appreciated by 0.95% to US\$ 121.26 (previous week: US\$ 120.11), with optimum portfolio yield (post-leverage) of 12.41% per annum (previous week: 13.06% p.a.), and average duration of 1.96 years (previous week: 1.98 years).

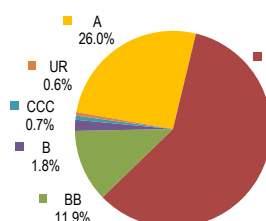
Portfolio Dashboard

Performance		Fund Statistics		Top Holdings		% age
Previous 1 week	0.9518 %	Leveraged Yield to Maturity ^A	12.41 %	Mcc Holding Hk Corp Ltd	6.00 %	
Trailing 1 month	2.0227 %	Portfolio Yield to Maturity	3.31 %	Banco Btg Pactual/Cayman	5.09 %	
Trailing 3 months	6.9961 %	Average Coupon	5.04 %	Anglogold Holdings Plc	4.97 %	
Trailing 6 months	4.7676 %	Average Duration ^{AA}	1.96 years	Far East Horizon Ltd	4.48 %	
Trailing 9 months	2.9892 %	Average Maturity	2.10 years	Hebei Iron & Steel	3.97 %	
Trailing 12 months	6.2286 %			Yapi Ve Kredi Bankasi	3.61 %	
(not annualised, net of fees)				Jin角度 Inv Group Co	3.60 %	

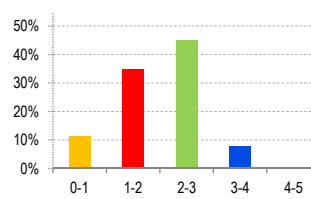
(not annualised, net of fees)



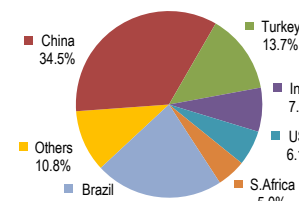
NAV and post-leverage YTM



RATING PROFILE¹



PORTFOLIO DURATION²



GEOGRAPHICAL EXPOSURE³

Portfolio Update

During the week, Silverdale Bond Fund booked profits in Zijin International 2016 bonds, and purchased Petrobras 2016, Banco Votorantim 2016, Embraer Overseas 2017, and Raizen Energy 2017 bonds.

Petroleo Brasileiro S.A. (Petrobras, Mkt Cap: US\$ 63.7bn), 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.

Banco Votorantim SA, is the 10th-largest Brazilian bank by assets, and the eighth largest by loan book. As of 31 Mar 2015, it reported assets of ~US\$ 35bn. It reported Net Interest Margin at ~5.4% and 90-day Non-Performing Loans (NPL) at ~6.5% with NPL coverage of ~115%. It reported capital adequacy ratio at ~13.8%, with Tier-I ratio at ~9.0%. 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\$ 5.8bn) 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 Mar 2015, it reported order book of ~US\$ 20.4bn which is ~3.4x LTM revenue. It reported total debt at ~US\$ 2.8bn, against cash & equivalent of ~US\$ 1.9bn. It reported debt to EBITDA of ~3.3x, net debt to EBITDA of ~1.1x and EBITDA to interest expense of ~6x. 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.

Raizen Energia S.A. is the largest manufacturer in the fragmented sugar and ethanol sector in Brazil with crushing capacity of 65.8mn tons and 24 sugar-ethanol mills (~11% market share). It is part of Raizen, a 50-50 joint-venture between Cosan Group and Royal Dutch Shell. The only other entity in JV being Raizen Combustiveis S.A., which distributes petroleum under the Shell brand. Cross-guarantees are provided by the two entities for each other's debt issuances. As at Dec 2014 Raizen reported revenue of ~US\$ 21.5bn with EBITDA of ~US\$ 1.5bn. It had cash & equivalents of ~US\$ 1bn against current debt at ~US\$ 1.2bn. Gross debt was at ~US\$ 4bn and net debt at ~US\$ 3bn, excluding SBLC of US\$ 500mn.

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

