

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

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Silverdale Bond Fund

Communique as at 22nd 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 22nd May 2015, the Fund NAV appreciated by 0.26% to US\$ 121.57 (previous week: US\$ 121.26), with optimum portfolio yield (post-leverage) of 12.29% per annum (previous week: 12.41% p.a.), and average duration of 1.94 years (previous week: 1.96 years).

Portfolio Dashboard

Performance

Previous 1 week	0.2610 %
Trailing 1 month	1.7986 %
Trailing 3 months	6.5474 %
Trailing 6 months	5.4125 %
Trailing 9 months	3.0390 %
Trailing 12 months	5.0016 %

(not annualised, net of fees)

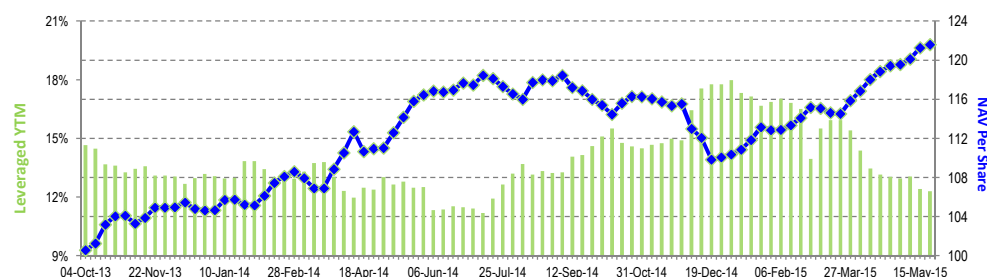
Fund Statistics

Leveraged Yield to Maturity ^A	12.29 %
Portfolio Yield to Maturity	3.29 %
Average Coupon	5.06 %
Average Duration ^{AA}	1.94 years
Average Maturity	2.09 years

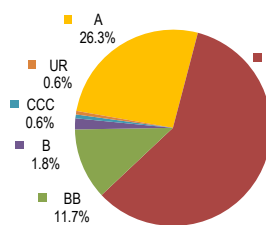
NAV US\$ 121.5745

Top Holdings

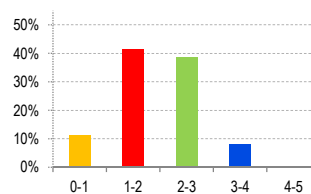
	% age
Mcc Holding HK Corp Ltd	5.89 %
Banco Btg Pactual/Cayman	4.99 %
Anglogold Holdings Plc	4.88 %
Far East Horizon Ltd	4.40 %
Hebei Iron & Steel	3.89 %
Yapi Ve Kredi Bankasi	3.54 %
Jingneng Inv Group Co	3.53 %



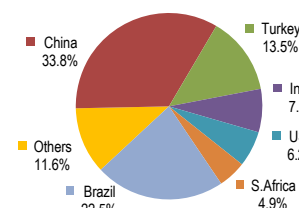
NAV and post-leverage YTM



RATING PROFILE¹



PORTFOLIO DURATION²



GEOGRAPHICAL EXPOSURE³

Portfolio Update

During the week, Silverdale Bond Fund purchased Raizen Energy 2017, Lukoil 2017, Zhejiang Energy 2014, and Ares Capital 2018 bonds.

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.

Lukoil (Mkt Cap: US\$ 43.1bn) is world's largest private owner of proven hydrocarbon reserves of ~17.6bn boe. It produced ~2.4mn boe/day in 2014 (~2% of global and ~16% of Russian oil production). It carries exploration activities in 14 countries and retails its products in 23 countries. For FY2014, it reported ~0.17x debt/equity, ~0.85x Debt/EBITDA, and ~25x EBITDA to interest coverage. It has ~US\$ 13.5bn debt against annual EBITDA of ~US\$ 16bn. The bonds are issued by its wholly owned subsidiary Lukoil International Finance, and are guaranteed by Lukoil.

Zhejiang Provincial Energy Group Co Ltd (ZEG) is the largest power producer in Zhejiang province. It is also into natural gas distribution and coal trading. As at end-June 2014, it had installed capacity of ~24GW. Further ZEG is the exclusive operator of the provincial pipeline network of ~722km. It reported total assets of ~US\$ 25.2bn with total debt of ~US\$ 8.2bn. ZEG is wholly owned by the Zhejiang SASAC and accounts for ~48.5% of the net profits of all 15 SOEs in Zhejiang Province. The bonds are issued by its subsidiary Zhejiang Energy Group (HK) Ltd and supported by a Keepwell Deed by ZEG.

Ares Capital Corp (Mkt Cap: US\$ 5.2bn) is an investment management firm that provides loans to middle-market companies with EBITDA of US\$10-250mn. As at Mar 2015, it reported total assets of US\$ 8.9bn, total debt outstanding of ~US\$ 3.4bn (net debt 3.3bn) against unused line of credit amounting to ~US\$ 2.2bn. Ares has a diversified portfolio of investments in 201 companies with fair value of investment of ~US\$ 8.5bn.

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



SILVERDALE BOND FUND