

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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DISCLAIMER

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Silverdale Bond Fund

Communique as at 29th May 2015

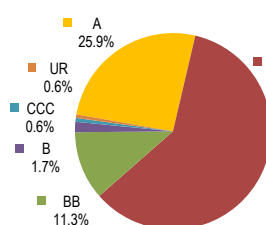
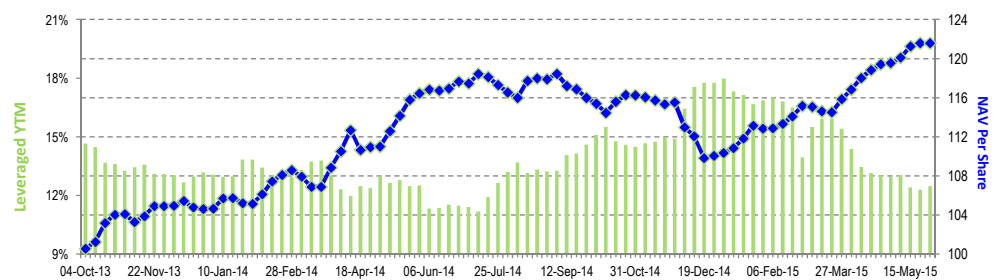
OVERVIEW

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 29th May 2015, the Fund NAV was flat at US\$ 121.59 (previous week: US\$ 121.57), with optimum portfolio yield (post-leverage) of 12.47% per annum (previous week: 12.29% p.a.), and average duration of 1.96 years (previous week: 1.94 years).

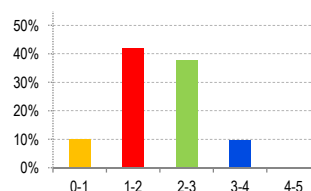
Portfolio Dashboard

Performance	Fund Statistics	NAV US\$	121.5919
Previous 1 week	Leveraged Yield to Maturity ^A	12.47 %	
Trailing 1 month	Portfolio Yield to Maturity	3.34 %	
Trailing 3 months	Average Coupon	5.02 %	
Trailing 6 months	Average Duration ^{AA}	1.96 years	
Trailing 9 months	Average Maturity	2.12 years	
Trailing 12 months			

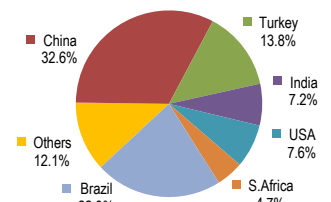
(not annualised, net of fees)



RATING PROFILE¹



PORTFOLIO DURATION²



GEPGRAPHICAL EXPOSURE³

Portfolio Update

During the week, Silverdale Bond Fund sold Vale 2016 bonds and purchased Embraer 2017, Lukoil 2017, Türkiye Garanti 2017, Caixa 2017, Zhejiang Energy 2017, Türkiye Is Bankasi 2018, Ares 2018, and Prospect Capital 2019 bonds.

Embraer SA (Mkt Cap ~US\$ 6.2bn) is the third largest manufacturer of mid-sized airplanes catering to commercial aviation, executive jets, and defense. As at end Mar 2015, it reported order book of ~US\$ 20.4bn. It reported total debt at ~US\$ 2.8bn, against cash of ~US\$ 1.9bn, with EBITDA to interest expense of ~6x. The bonds are issued by its wholly owned subsidiary and guaranteed by it.

Lukoil (Mkt Cap: US\$ 39.9bn) 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). 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.

Türkiye Garanti (Mkt Cap ~US\$ 13.1bn) is the third largest bank in Turkey with assets worth ~US\$ 106bn. It reported Net Interest Margin at ~4.3% and Non-Performing Loans (NPL) at ~3%, along with NPL coverage of ~81%. It reported capital adequacy ratio at ~13.9% with Tier-I ratio at ~12.9%.

Caixa Economica Federal SA is the third-largest bank in Brazil in terms of total assets. As at Dec'14, it reported non-performing loans at ~2.6%, capital adequacy ratio at ~16.1% and Tier I capital ratio at 12.0%. Established in 1861, Caixa is wholly owned by the Brazilian Government.

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 June 2014, it had installed capacity of ~24GW. It reported total assets of ~US\$ 25.2bn with total debt of ~US\$ 8.2bn. ZEG is wholly owned by the Zhejiang SASAC. The bonds are issued by its subsidiary and supported by it.

Türkiye Is Bankasi (Mkt Cap ~US\$ 9.4bn) is the largest privately-owned bank in Turkey. As of Dec'14, it had total assets worth ~US\$ 118bn and book value of equity of ~US\$ 12.1bn. It reported Net Interest Margin at ~3.89% and Non-Performing Loans (NPL) at 1.5% along with NPL coverage of 76.9%. It had capital adequacy ratio of ~16.0% with Tier-I ratio of ~13.6%.

Ares Capital Corp (Mkt Cap: US\$ 5.3bn) is an investment management firm that provides loans to middle-market companies. As at Mar 2015, it reported total assets of US\$ 8.9bn, and net debt of ~US\$ 3.3bn against unused line of credit of ~US\$ 2.2bn.

Prospect Capital (Mkt Cap: US\$ 2.8bn) is an investment management firm that provides loans to middle-market companies. As at Mar 2015, it reported total assets of US\$ 6.8bn, total debt of ~US\$ 3bn against unused line of credit of ~US\$ 550mn. Prospect has a diversified portfolio of investments in 132 companies across 29 industries with fair value of investment of ~US\$ 6.6bn.

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

