

# 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 <sup>†</sup>	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**

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### DISCLAIMER

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# Silverdale Bond Fund

Communique as at 5th June 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 5th June 2015, the Fund NAV declined by ~0.68% to US\$ 120.77 (previous week: US\$ 121.59), with optimum portfolio yield (post-leverage) of 13.43% per annum (previous week: 12.47% p.a.), and average duration of 2.01 years (previous week: 1.96 years).

### Portfolio Dashboard

#### Performance

Previous 1 week	-0.6791 %
Trailing 1 month	0.5423 %
Trailing 3 months	4.9404 %
Trailing 6 months	6.8879 %
Trailing 9 months	1.9525 %
Trailing 12 months	3.3602 %

(not annualised, net of fees)

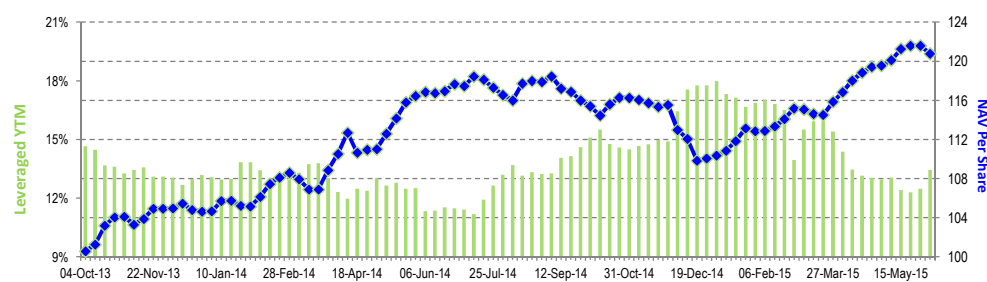
#### Fund Statistics

Leveraged Yield to Maturity <sup>A</sup>	13.43 %
Portfolio Yield to Maturity	3.44 %
Average Coupon	4.77 %
Average Duration <sup>AA</sup>	2.01 years
Average Maturity	2.17 years

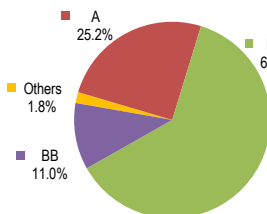
NAV US\$ 120.7662

#### Top Holdings

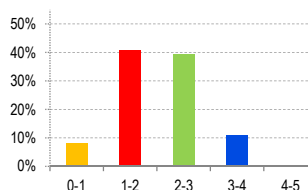
	% age
Mcc Holding HK Corp Ltd	5.52 %
Banco Btg Pactual/Cayman	4.70 %
Anglogold Holdings Plc	4.57 %
Far East Horizon Ltd	4.13 %
Hebei Iron & Steel	3.65 %
Yapi Ve Kredi Bankasi	3.32 %
Jingneng Inv Group Co	3.31 %



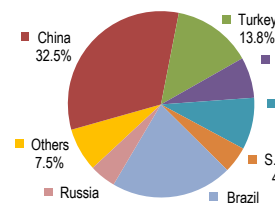
NAV and post-leverage YTM



RATING PROFILE<sup>1</sup>



PORTFOLIO DURATION<sup>2</sup>



GEOGRAPHICAL EXPOSURE<sup>3</sup>

### Portfolio Update

During the week, Silverdale Bond Fund sold Vale 2016 bonds and purchased Akbank 2017, Lukoil 2018, Bluestar Finance 2018, Ares 2018, and Prospect Capital 2019 bonds. The Fund also received proceeds from partial redemption of China Automation 2016 bonds.

Akbank (Mkt Cap ~US\$ 11.7bn) is the fourth largest commercial bank in Turkey in terms of assets and loans, with ~1,000 branches. As of Mar'15, it had total assets worth ~US\$ 90bn and book value of equity of ~US\$ 10bn. It reported Net Interest Margin at ~3.5% and Non-Performing Loans (NPL) at ~1.7% along with NPL coverage of ~186%. It reported capital adequacy ratio at ~14% with Tier-I ratio at ~12.9%.

Lukoil (Mkt Cap: US\$ 39bn) 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.

China National Bluestar is the largest specialty chemicals and materials manufacturer in China with 45 factories in over ten countries. For 2014 it reported ~US\$ 8.2bn revenue, ~US\$ 0.95bn EBITDA, and total assets of ~US\$ 12.8bn. It is owned ~63.6% by Central SASAC owned China National Chemical Corp and ~13.4% by The Blackstone Group. The bonds are issued by its wholly owned subsidiary and are guaranteed by it, and supported by a Keepwell Deed by China National Chemical Corp.

Ares Capital Corp (Mkt Cap: US\$ 5.2bn) 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. Ares has a diversified portfolio of investments in 201 companies with fair value of investment of ~US\$ 8.5bn.

Prospect Capital (Mkt Cap: US\$ 2.7bn) 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

