

# Silverdale

## FUNDS

### 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 Code	MU0308S00009
Bloomberg Code	SILV007 MP Equity
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.

### 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

### Bankers / Custodians

Standard Chartered Bank  
Barclays Bank  
ABN Amro Bank

### Fund Administrator

**Orangefield Trust (Mauritius) Ltd.**

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### DISCLAIMER

The above commentary does not provide a complete analysis of every material fact regarding the market, industry, security, portfolio or the fund. It is not a recommendation to buy or sell any security nor an investment advice. The portfolio holdings, opinions and information may change without notice. The contents of this document, including any narrative does not constitute an offer to sell or a solicitation of any offer to buy the units or shares in Silverdale Bond Fund, Silverdale Fixed Income Fund or Silverdale Equity Fund or any other Class of Sri Silverdale Opportunities Fund or any of the funds managed or advised by Silverdale Capital Pte Ltd., and is strictly for information only. Any application for units or shares must be made solely on the basis of the fund's private placement memorandum, class supplements, application form and appendices (together "the PPM"). Past performance is not necessarily a guide to the future performance. Opinions and estimates contained in this document are subject to change without notice, and the actual results would differ from the said opinions and estimates. Please refer to the PPM for Risk Factors. This document is written for the benefit of and being communicated only to expert investors as defined in Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008, issued under the Securities Act 2005 of Mauritius. The recipient should obtain opinion from independent professional adviser before making any decision based on this document. (\*) At optimum leverage. (\*\*) Average duration excludes favourable impact of interest rate hedges. (†) Based on: 1 month = 4 weeks, 3 months = 13 weeks, and 6 months = 26 weeks.

# Silverdale Bond Fund

Communique as at 23rd May 2014

### 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 23rd May 2014, the Fund NAV appreciated by ~1.43% to US\$ 115.78 (previous week US\$ 114.15) with portfolio yield (post-leverage) of 12.47% per annum (previous week 12.79% p.a.) and average duration of 2.24 years (previous week 2.25 years).

### Portfolio Dashboard

NAV US\$ 115.7835

#### Performance (not annualised)\* †

Previous 1 week	1.4326 %
Trailing 1 month	4.3669 %
Trailing 3 months	7.1090 %
Trailing 6 months	10.3541 %

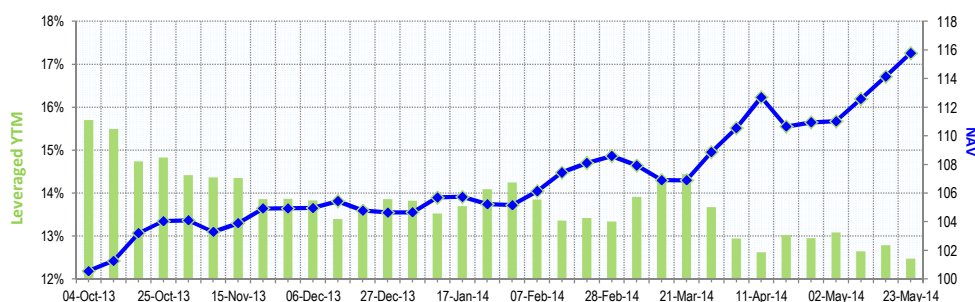
(\*) net of fees

#### Fund Statistics

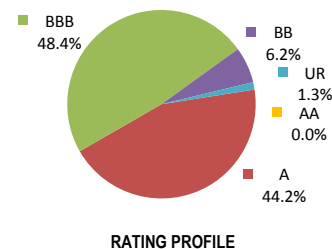
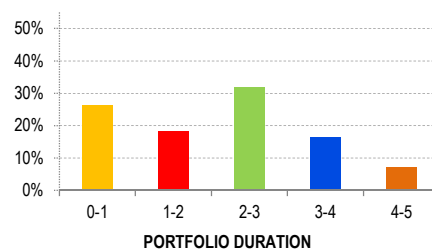
Leveraged Yield to Maturity <sup>^</sup>	12.47 %
Portfolio Yield to Maturity	3.16 %
Average Duration <sup>**</sup>	2.24 years
Average Maturity	2.46 years

#### Top Holdings

	% age
Agricultural Bk China Hk	11.62 %
China Construct Bk Asia	8.20 %
Cssc Capital 2013 Ltd	6.68 %
Zijin Intl Finance Co Lt	6.10 %
Macquarie Group Ltd	5.97 %



NAV and post-leverage YTM



### Portfolio Update

During the week ended 23rd May 2014, the Fund purchased Cliff Natural Resource 2020 bond while it booked profits in Vedanta Resources 2016 bond.

Cliffs Natural Resources (Mkt Cap US\$ 2.5bn) is a mining and natural resources company. It is a global major iron ore producer (~28% market share of iron ore pellets) and a significant producer of high- and low-volatile metallurgical coal. It operates iron ore and coal mines in North America and an iron ore mining complex in Western Australia. As of Mar 2014 it generated TTM EBITDA and cash flow from operations of ~US\$ 1.4bn and ~US\$ 1.1bn respectively. Total debt /Equity was ~0.48x with Total Debt/EBITDA at ~2.54x and Net Debt/EBITDA at ~2.26x. Further it has undrawn credit facility of ~US\$1.5bn along with ~US\$ 360mn cash and equivalents against total debt obligation of ~US\$ 3.2bn.

### 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

