

# 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  
Bank Julius Baer  
Barclays Bank  
ABN Amro Bank

### Orangefield Trust (Mauritius) Ltd.

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 25th July 2014

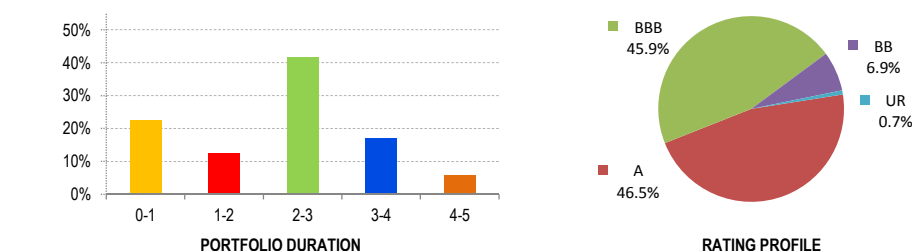
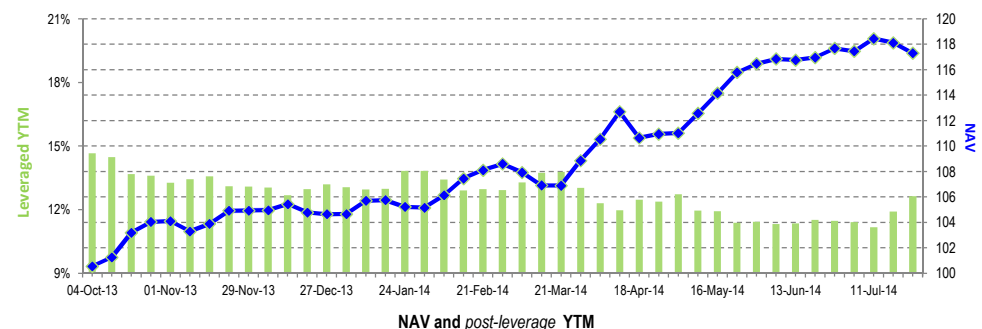
### OVERVIEW

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 25th July 2014, the Fund NAV dropped by ~0.69% to US\$ 117.30 (previous week US\$ 118.11) increasing optimum portfolio yield (post-leverage) to 12.63% per annum (previous week 11.91% p.a.) with average duration of 2.26 years (previous week 2.25 years).

### Portfolio Dashboard

Performance	Fund Statistics	NAV US\$	117.2982
Previous 1 week	Leveraged Yield to Maturity <sup>^</sup>	12.63 %	
Trailing 1 month	Portfolio Yield to Maturity	3.25 %	
Trailing 3 months	Average Duration <sup>^^</sup>	2.26 years	
Trailing 6 months	Average Maturity	2.48 years	

(\*) net of fees



### Portfolio Update

During the week, the Fund booked profits in Autonation 2020, and Standard Chartered 2049 bonds. It purchased MMC Holding 2017, Caixa Economica 2018, Ares Capital 2018, International Game Technology 2019, and AngloGold 2020 bonds.

MMC Holding (Hong Kong) Corp. is subsidiary of Metallurgical Corp. of China Ltd (Market Cap: US\$ 5.4bn), controlled by China Metallurgical Group Corp (CMGC). CMGC is into engineering, construction, and resource development. It is owned by Central SASAC. The said bonds are supported by irrevocable Stand-By Letter of Credit by Bank of China as well as a Keepwell Deed by CMGC.

Caixa Economica Federal SA is the third-largest bank in Brazil in terms of total assets (market share ~13.06%) and the second-largest bank in terms of both deposits (market share ~19.10%) and loans and leases (market share ~17.66%). As of 31 March 2014 it had net interest margin of ~3.9%, with non-performing loans of ~3%. Its capital adequacy ratio is at ~13.7%. Established in 1861, Caixa is wholly owned by the Brazilian Government.

Ares Capital Corp (Mkt Cap: US\$5.1bn) provides loans to middle-market companies with EBITDA of US\$10-250mn. Its total debt outstanding was ~US\$ 3bn against unused line of credit amounting to ~US\$ 2bn and fair value of portfolio at ~US\$ 7.8bn.

International Game Technology (Market Cap: US\$ 4.3bn) is a Las Vegas-based gaming equipment manufacturer and supplier. It has ~40% market share in North America market (which accounts for over ~75% of revenue). Its total debt outstanding was ~US\$2.2bn against which it has cash & equivalents of ~US\$425mn and unused line of credit amounting to ~US\$1bn. It generates annual EBITDA of ~US\$700mn. Recently it announced its intention to be acquired by GTECH S.p.A. thereby creating a leading global gaming company with expected synergies of ~US\$ 280mn.

AngloGold Ashanti Limited (Mkt Cap: US\$ 7.2bn) is a global gold mining and exploration company and world's third largest gold producer. It produced ~4.105Moz of gold in 2013. It has ore reserves of ~233.02Moz and resources of ~67.9 Moz. It has 21 mining operations in 11 countries. It has cash & equivalents of US\$ ~526mn against total debt at US\$ 3.6bn. It has Net Debt/EBITDA of ~1.95x and EBITDA to Interest coverage of ~4.5x. The said bonds are callable.

### 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