

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 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
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.

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

Fund Administrator

Orangefield Trust (Mauritius) Ltd.
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Silverdale Bond Fund

Communique as at 12th September 2014

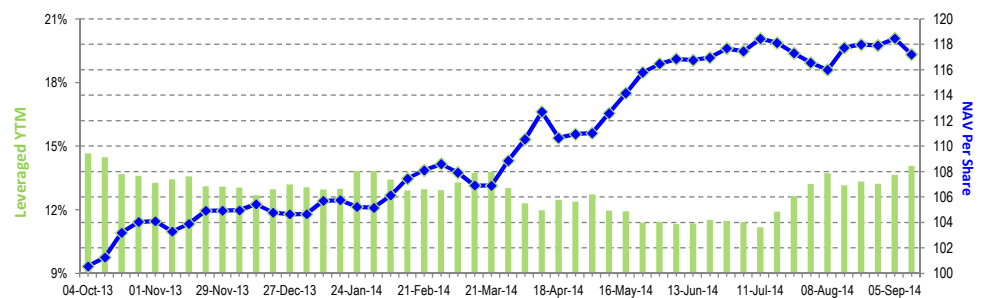
OVERVIEW

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 12th September 2014, the Fund NAV depreciated by ~1.05% to US\$ 117.21 (previous week US\$ 118.45), with optimum portfolio yield (post-leverage) of 14.07% per annum (previous week 13.64% p.a.), and average duration of 2.22 years (previous week 2.19 years).

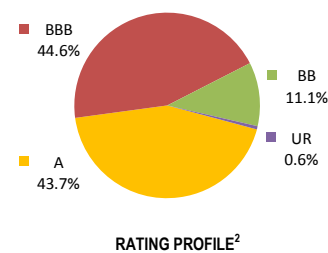
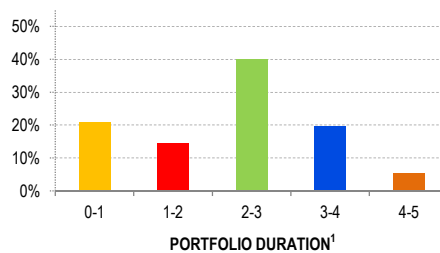
Portfolio Dashboard

Performance	(not annualised, net of fees)	Fund Statistics	NAV US\$	117.2065
Previous 1 week	-1.0527 %	Leveraged Yield to Maturity [^]	14.07 %	
Trailing 1 month	-0.4519 %	Portfolio Yield to Maturity	3.48 %	
Trailing 3 months	0.3911 %	Average Duration ^{^^}	2.22 years	
Trailing 6 months	9.6383 %	Average Maturity	2.44 years	

Top Holdings	% age
Agricultural Bk China Hk	10.26 %
China Construct Bk Asia	7.24 %
Cssc Capital 2013 Ltd	5.75 %
Mcc Holding Hk Corp Ltd	5.36 %
Zijin Intl Finance Co Lt	5.21 %



NAV and post-leverage YTM



Portfolio Update

During the week ended 12th September 2014, the Fund booked profits in Autonation 2020 bond, and purchased Far East Horizon 2017, China Great Wall 2017, Petrobras International 2018, Lukoil International 2018, International Game Technology 2019, Banco BTG Pactual S.A 2020 and AngloGold 2020 bonds.

Far East Horizon (Mkt Cap: US\$ 2.5bn) is a leading Chinese leasing company with ~4% market share. It has net interest margin of 4.02% and return on assets of ~2.61%. Its NPA is 0.80% with 30 days lease overdue ratio of 0.45%. Its key shareholders are Sinochem (~28%), KKR (~17%), JP Morgan (~10%) and Cathay Life (~9%).

China Great Wall International Holdings Ltd. is wholly owned subsidiary of China Great Wall Asset Management Corp (CGW), which is one of the leading asset management companies in China. It is wholly owned by Ministry of Finance. The said bonds are supported by irrevocable Stand-By Letter of Credit (SBLC) by Bank of China Ltd as well as a Keepwell Deed by CGW.

Petrobras International is a wholly-owned subsidiary of Petroleo Brasileiro S.A. (Petrobras, Mkt Cap: US\$ 70bn), which is owned ~50.3% by Brazilian Govt. Petrobras is the largest Brazilian company by revenue. It generates annual EBITDA of ~US\$ 25bn with Net Debt/EBITDA of ~4.2x and interest coverage ratio of ~4.1x.

Lukoil (Mkt Cap: US\$ 44.5bn) is world's largest private oil reserve holder with 17.3bn boe, and produces 2.3mn bpd (~2.1% of global and ~16.3% of Russian oil production). It sells its products in 26 countries. It has ~0.14x debt/equity, ~0.6x Debt/EBITDA, and ~38x EBITDA to interest coverage. It has ~US\$ 10.8bn debt against annual EBITDA of ~US\$ 18.5bn. The bonds are issued by Lukoil International Finance which is the wholly owned subsidiary of Lukoil, and are guaranteed by Lukoil.

Banco BTG Pactual SA is a Rio de Janeiro-based multiple-service bank that provides various financial products and services, including investment banking, corporate lending, asset management, wealth management and investment products. As of June 30, 2014, it reported consolidated asset base of ~US\$ 56.6bn with BIS capital ratio of 16.0% (Tier I ratio at ~11.8%).

AngloGold Ashanti Ltd (Mkt Cap: US\$ 6.8bn) is world's third largest gold producer. It has ore reserves of ~233.02 Moz and resources of ~67.9 Moz. It has cash & equivalents of ~US\$ 600mn against total debt at US\$ 3.8bn. It has Net Debt/EBITDA of ~1.93x and EBITDA to Interest coverage of ~5.7x. 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

