

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
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.

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 3rd October 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 3rd October, the Fund NAV declined by ~0.52% to US\$ 115.40 (previous week US\$ 116.00), with optimum portfolio yield (post-leverage) of 15.09% per annum (previous week 14.61% p.a.), and average duration of 2.20 years (previous week 2.18 years).

Portfolio Dashboard

Performance

Previous 1 week	-0.5155 %
Trailing 1 month	-2.5779 %
Trailing 3 months	-1.7454 %
Trailing 6 months	4.4002 %
Trailing 9 months	10.2664 %
Trailing 12 months	14.7614 %

(not annualised, net of fees)

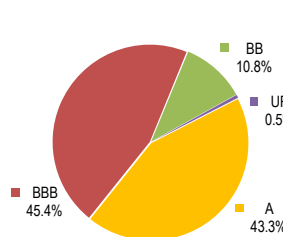
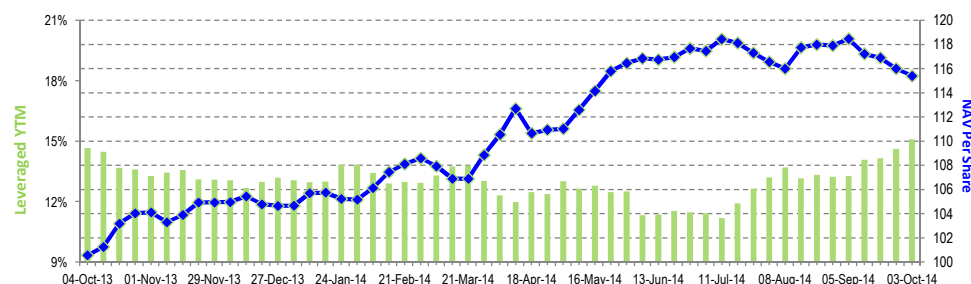
Fund Statistics

Leveraged Yield to Maturity [^]	15.09 %
Portfolio Yield to Maturity	3.70 %
Average Coupon	5.12 %
Average Duration ^{**}	2.20 years
Average Maturity	2.42 years

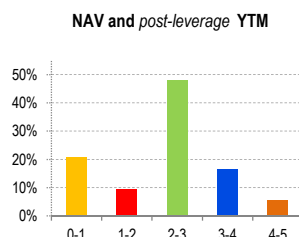
Top Holdings

Agricultural Bk China Hk	10.21 %
China Construct Bk Asia	7.21 %
Cssc Capital 2013 Ltd	5.75 %
Mcc Holding Hk Corp Ltd	5.36 %
Zijin Intl Finance Co Lt	5.20 %
Macquarie Group Ltd	4.96 %
Vtb Bank (Vtb Capital Sa	4.94 %

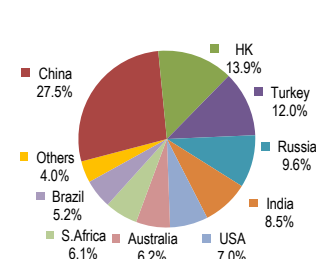
NAV US\$ 115.3998



RATING PROFILE¹



PORTFOLIO DURATION²



GEPGRAPHICAL EXPOSURE³

Portfolio Update

During the week ended 3rd October 2014, Silverdale Bond Fund booked profits in Union Bank of India 2017, BOC Aviation 2017, and China Merchant Land 2018 bonds; and purchased Petrobras Argentina 2017, China Great Wall 2017, Caixa Economica 2017, and International Game Tech 2019 bonds.

Petrobras Argentina (Mkt Cap: US\$ 1.2bn) is a subsidiary of Petroleo Brasileiro S.A. (Petrobras, Mkt Cap US\$: 94.1bn), which is owned ~50.3% by Brazilian Government. 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. The said bonds are supported by standby purchase agreement from Petrobras.

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.

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 at June'14, it had net interest margin of ~3.73%, with non-performing loans of ~3%. Its capital adequacy ratio is at ~13.3%. Established in 1861, Caixa is wholly owned by the Brazilian Government.

International Game Tech (Mkt Cap: US\$ 4.2bn) is a gaming equipment manufacturer and supplier with ~40% market share in North America. Its total debt outstanding was ~US\$2bn against which it had cash & equivalents of ~US\$290mn and unused line of credit of ~US\$ 350mn. It generates annual EBITDA of ~US\$ 700mn.

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