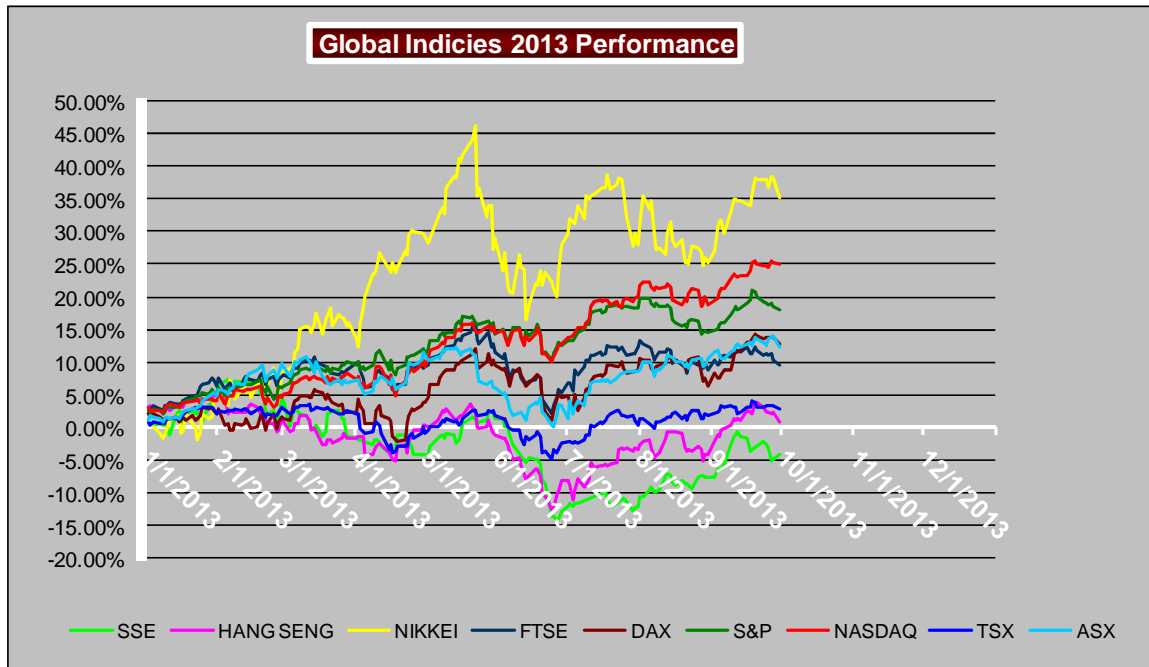


GDB October 2013 Newsletter

Monthly Market Summary:

2013 September Market Activity		
SSE COMPOSITE	2,174.67	+76.29 (+3.64%)
HANG SENG	22,859.86	+1,128.49 (+5.19%)
NIKKEI 225	14,455.80	+1,066.94 (+7.97%)
FTSE 100	6,462.20	+49.30 (+0.77%)
DAX	8,594.40	+491.25 (+6.06%)
DOW	15,129.67	+319.36 (+2.16%)
S&P 500	1,681.55	+48.58 (+2.97%)
NASDAQ COMPOSITE	3,771.48	+181.61 (+5.06%)
ASX 200	5,218.90	+83.90 (+1.63%)
TSX COMPOSITE	12,787.20	+133.30 (+1.05%)
TSX VENTURE	941.15	+1.84 (+0.20%)



Investment Themes:

As we are writing the October Newsletter, the debt limit and government shutdown battle between the Republicans and Democrats in Washington is approaching its final climax. Throughout the past weeks when politician in Washington are battling to raise the US debt ceiling so the country will not default on its obligations, the equity markets have been volatile. During the second week of October, the Dow saw triple digit moves on four out of five of its trading days. The VIX Index briefly breached 20, a level usually seen when there is distress.

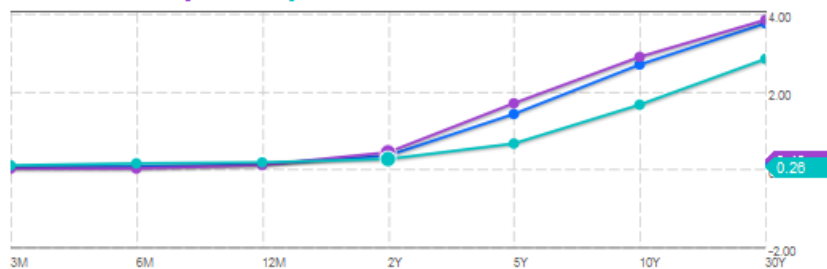
Nonetheless, the market has once again proved to be resilient. US equities rebounded strongly on October 10 with the Dow registering 323 points from its previous day close; the highest daily gain of this year. Further reinforcement came the following day with another 111 point gain heading into the weekend.

Other US denominated asset classes have demonstrated similar vote of confidence that US will not reach default status. A look at the US yield curve shows that the yields on longer term maturity bonds have actually decreased from a month ago:

United States Government Bonds

US Treasury Yields

2Y: Current 0.35 1M Ago 0.43 1Y Ago 0.26



Tenor	Coupon	Price	Last	1 Month	1 Year	Time
3 Month	0.0000	0.0550	0.06%	+4	-4	16:30:03
6 Month	0.0000	0.0650	0.07%	+5	-8	16:30:03
12 Month	0.0000	0.1250	0.13%	+2	-5	16:30:03
2 Year	0.2500	99-25¼	0.35%	-8	+9	16:30:03
5 Year	1.3750	99-25½	1.42%	-28	+76	16:30:03
10 Year	2.5000	98-12½	2.69%	-20	+103	16:30:03
30 Year	3.6250	97-26	3.75%	-9	+92	16:30:03

Change shown in basis points

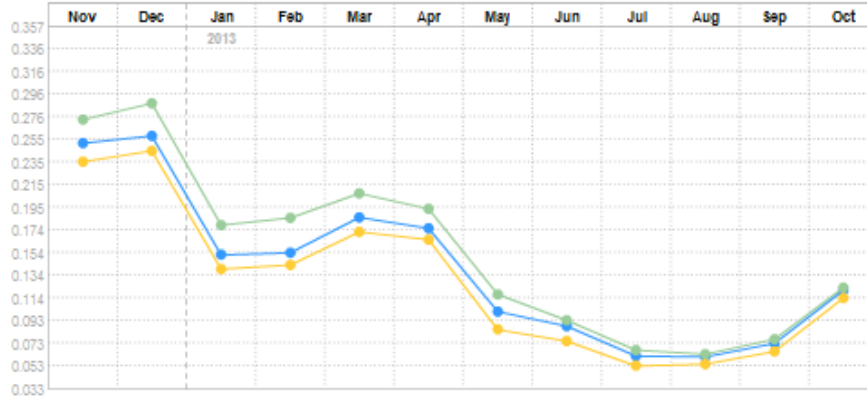
A peek into the DTCC GCF Repo Index, an index consist of three types of repos backed by: 1) US Treasury < 30 year maturity, 2) Non-Mortgage Backed US Agency Securities, 3) Fannie and Freddie Fixed Rate MBS shows that although the rates have gone up by 9 basis point from the previous week as of October 11, it's nowhere close to the level that was seen during the 2011 debt limit crisis where rates have gone up on average 22 basis points during the one week leading up to August 2, 2011.

Indices: Fri Oct 11 2013

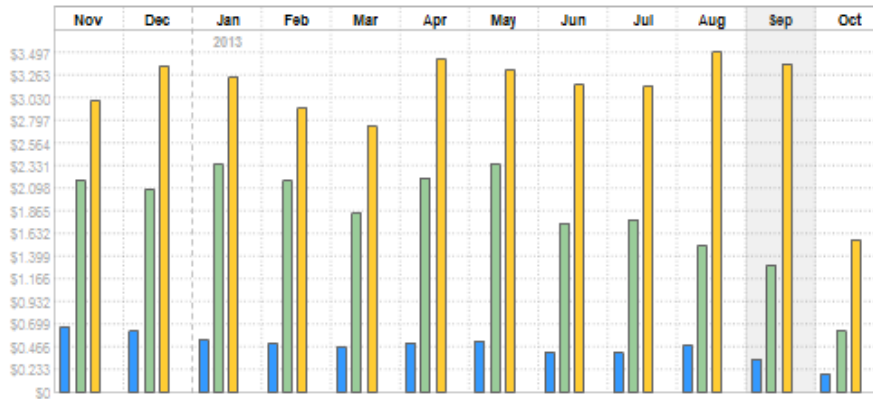
SECURITY	LATEST	1 WEEK	52 W/EEEK HIGH	LOW	PAR VALUE (BILLION \$ USD)
AGENCY	0.182	0.091	0.537	0.023	26.100
MBS	0.182	0.099	0.647	0.025	61.600
TREASURY	0.176	0.089	0.526	0.016	163.752

Agency
 MBS
 Treasury

Weighted Average Rate



Total PAR Value (in trillions USD)



We believe the self manufactured debt crisis by the US politicians will eventually be resolved with the country's debt limit raised. The whole ordeal though was an excellent litmus paper that tested the strength of the US equity market. We have detected robust optimism in the market during those days when even a slight hint of good news in the debt limit talks would drive up the market by triple digits. This tells us that there is sufficient greed in the market from missing a post crisis rally over the fear from the severe but remote downside risk. We also echo the view that a post crisis rally will come to fruition in the coming week(s) when Washington finally comes to senses and reach an agreement.

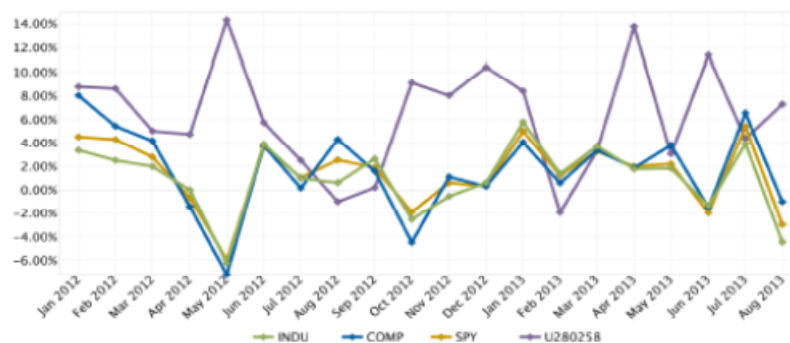
There is only one thing we believe will halt this market – the Fed tapering. We will discuss this in more details in our upcoming Newsletters. But as for now, it is green light for US equities as the party continues.

Investment Opportunities:

1. Sino-GDB Fund

Fund managed by GDB Capital. Event-driven investments using hedging strategies and combinations of long/short positions in equities, futures, and commodities and their derivatives. Fund targets gross pre-tax IRR of 20% per annum, and returned 107% in 2012. Minimum investment US\$100,000. GDB will insure against investment losses up to 5% of investor's original investment. Following are the benchmark comparisons of GDB Fund performance against the major US Indices.

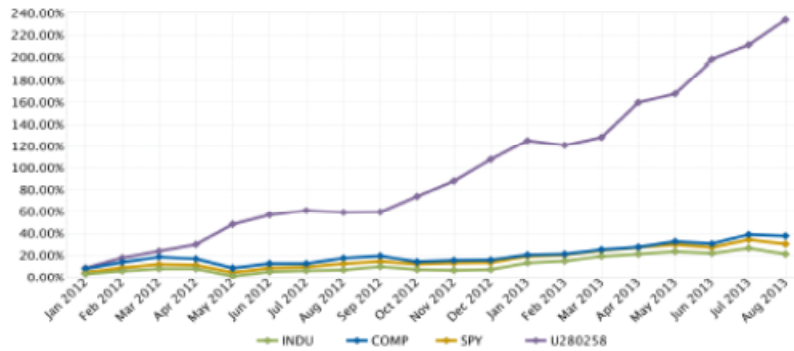
Time Period Benchmark Comparison



Date	INDU	COMP	SPY	U280258
Jan 2012	3.40%	8.01%	4.55%	8.77%
Feb 2012	2.53%	5.44%	4.31%	8.60%
Mar 2012	2.01%	4.20%	2.81%	5.03%
Apr 2012	0.01%	-1.46%	-0.68%	4.74%
May 2012	-6.21%	-7.19%	-5.92%	14.32%
Jun 2012	3.93%	3.81%	3.64%	5.73%
Jul 2012	1.00%	0.15%	1.06%	2.53%
Aug 2012	0.63%	4.34%	2.56%	-1.03%
Sep 2012	2.65%	1.61%	1.90%	0.18%
Oct 2012	-2.54%	-4.46%	-1.91%	9.12%
Nov 2012	-0.54%	1.11%	0.62%	8.03%
Dec 2012	0.60%	0.31%	0.32%	10.43%
Jan 2013	5.77%	4.06%	5.04%	8.38%
Feb 2013	1.40%	0.57%	1.22%	-1.94%

Date	INDU	COMP	SPY	U280258
Mar 2013	3.73%	3.40%	3.31%	3.37%
Apr 2013	1.79%	1.88%	2.00%	13.77%
May 2013	1.86%	3.82%	2.23%	3.09%
Jun 2013	-1.36%	-1.52%	-1.98%	11.38%
Jul 2013	3.96%	6.56%	5.41%	4.39%
Aug 2013	-4.45%	-1.01%	-2.97%	7.27%
Average	1.01%	1.68%	1.38%	6.31%

Cumulative Benchmark Comparison



Date	INDU	COMP	SPY	U280258
Jan 2012	3.40%	8.01%	4.55%	8.77%
Feb 2012	6.01%	13.89%	9.06%	18.13%
Mar 2012	8.14%	18.67%	12.13%	24.07%
Apr 2012	8.15%	16.94%	11.37%	29.95%
May 2012	1.44%	8.53%	4.77%	48.56%
Jun 2012	5.42%	12.66%	8.58%	57.06%
Jul 2012	6.48%	12.83%	9.73%	61.03%
Aug 2012	7.15%	17.73%	12.54%	59.38%
Sep 2012	9.98%	19.62%	14.69%	59.66%
Oct 2012	7.19%	14.28%	12.49%	74.22%
Nov 2012	6.61%	15.55%	13.20%	88.22%
Dec 2012	7.26%	15.91%	13.56%	107.84%
Jan 2013	13.45%	20.61%	19.28%	125.27%
Feb 2013	15.04%	21.31%	20.74%	120.90%

Date	INDU	COMP	SPY	U280258
Mar 2013	19.32%	25.43%	24.74%	128.34%
Apr 2013	21.46%	27.78%	27.24%	159.78%
May 2013	23.72%	32.66%	30.07%	167.80%
Jun 2013	22.03%	30.64%	27.50%	198.28%
Jul 2013	26.86%	39.20%	34.39%	211.37%
Aug 2013	21.22%	37.80%	30.40%	234.01%
Jan 2012 to Aug 2013	21.22%	37.80%	30.40%	234.01%