

Silverdale FUNDS

Fund Description

Silverdale Bond Fund is a diversified portfolio of primarily investment grade short duration USD 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 Identifiers

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 (FSC)

Investment Manager

Sri Silverdale Capital Partners

Authorised & Regulated by FSC

Investment Advisor

Silverdale Capital Pte Ltd

Monetary Authority of Singapore Registered Fund Manager

Bankers / Custodians

Standard Chartered Bank
Barclays Bank
Bank Julius Baer
ABN Amro Bank

Fund Administrator

Orangefield Trust (Mauritius) Ltd.

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DISCLAIMER

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Silverdale Bond Fund

Communique as at 20th December 2013

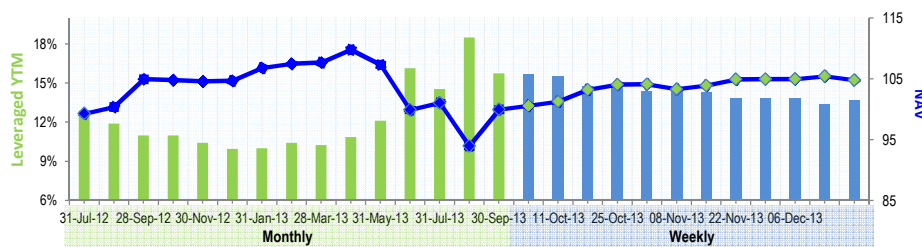
OVERVIEW

Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level ring-fenced leverage, while actively managing its portfolio duration. For the week ended 20th December 2013, the Fund NAV declined by 0.62% to US\$ 104.78 (previous week US\$ 105.44), increasing the portfolio yield (post leverage) to ~13.68% (previous week 13.39%) with duration of 2.75 years (previous week 2.83 years).

With effect from 1st Oct 2013, the erstwhile Silverdale Multi Strategy Fund had exited equity & non-USD exposure and was re-christened as Silverdale Bond Fund with Weekly (earlier Monthly) subscription/redemption facility.

Portfolio Dashboard

NAV US\$ 104.7836



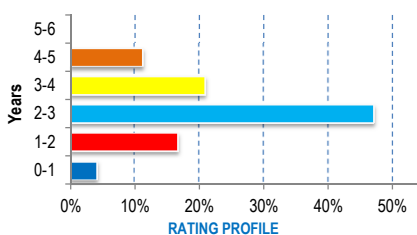
NAV and post-leverage YTM

Performance (net of fees)

1 Week	(not annualised)	0.6189 %
Previous Week	(not annualised)	0.4547 %
Trailing 4 Weeks	(not annualised)	0.1300 %
Trailing 8 Weeks	(not annualised)	0.7174 %

Fund Statistics

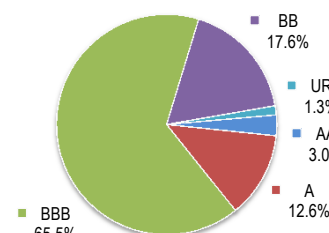
Leveraged Yield to Maturity	13.68 %
Portfolio Yield to Maturity	4.24 %
Average Duration	2.75 years
Average Maturity	3.21 years



RATING PROFILE

Top Holdings

	% age
Vedanta Resources Plc	9.48 %
Zijin Intl Finance Co Lt	8.22 %
Turkiye Is Bankasi A.S	8.10 %
Macquarie Group Ltd	7.87 %
Vtb Bank (Vtb Capital Sa	7.47 %
Yapi Ve Kredi Bankasi	5.00 %



PORTFOLIO DURATION

Portfolio Update

During the week ended 20th December 2013, the Fund sold AE Rotor 2018 bonds; and bought STATS ChipPAC 2016, China Automation 2016, CSSC Capital 2016, Country Garden 2017 and Domtar Corp 2017 bonds.

STATS ChipPAC (Mkt Cap: ~US\$ 565mn), is leading provider of semiconductor packaging design, assembly, test and distribution solutions. It is indirectly owned by Govt. of Singapore (~83.8% stake).

China Automation Group (CAG) is a leading provider of safety and critical control systems to the petrochemical and railway industries in China. As of June 2013, CAG had a cash balance of ~US\$ 68mn and unutilized banking facilities (~US\$ 163mn) against total debt of ~US\$ 260mn. CAG does not have any significant debt maturities until 2016.

CSSC Capital 2013 is an indirect subsidiary of China State Shipbuilding Corporation which is indirectly owned by State-owned Assets Supervision and Administration Commission of the PRC (SASAC). China State Shipbuilding Corp is world's second largest shipbuilder. As of Dec 2012, the company had a total order book of ~25.5mn dwt, total new orders of ~7.7mn dwt, representing a global market share of 17.1%. The said bonds are backed by irrevocable Stand-By Letter of Credit (SBLC) by China Construction Bank (Market Cap: US\$193bn) which is one of the largest banks in the world with ~US\$ 2.5 trillion of assets. Bonds are also supported by a Keepwell Deed by China State Shipbuilding Corp.

Country Garden Holdings (Mkt Cap: ~US\$ 11.4bn) is one of China's largest property developers, with a total land bank of ~62.7 million sqm. It has 134 projects in 15 Chinese provinces and 3 property development projects in Malaysia. It has cash and equivalents amounting to ~US\$2.5bn (i.e. ~11.5% of the total balance sheet and ~33% of the total outstanding debt). Its Debt/EBITDA is 3.05x and EBITDA to Interest Expense ratio is 43.21x.

Domtar Corp. (Mkt Cap: ~US\$ 3bn) is the largest integrated manufacturer and marketer of uncoated free sheet paper (UFS) in North America and the third largest in the world. It has 10 mills (8 in US and 2 in Canada), with capacity of 3.4 million tons of UFS paper. It generates free cash flow of ~US\$ 250m p.a., and has unutilised credit facility of ~US\$ 600mn; against debt servicing amount of ~US\$ 870mn till 2017.

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