

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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Silverdale Bond Fund

Communique as at 10th January 2014

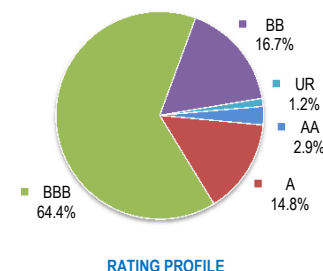
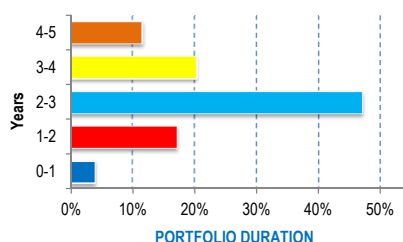
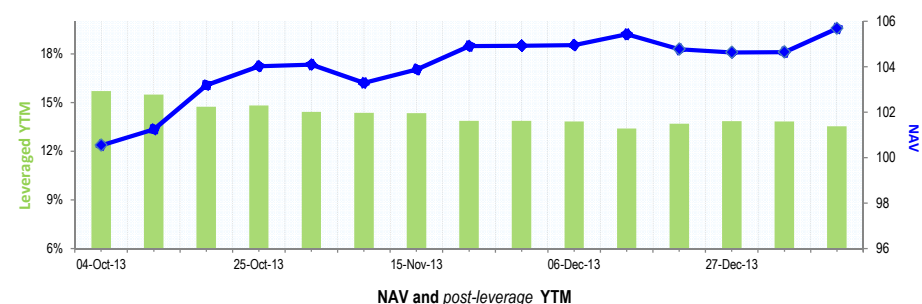
OVERVIEW

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 10th January 2014, the Fund NAV appreciated by 0.99% to US\$ 105.70 (previous week US\$ 104.66), with portfolio yield (post leverage) of ~13.52% (previous week 13.82%) and duration of 2.71 years (previous week 2.72 years).

Portfolio Dashboard

Performance (not annualised)* †		Fund Statistics		Top Holdings	
1 Week	0.9942 %	Leveraged Yield to Maturity	13.52 %	Vedanta Resources Plc	9.05 %
Trailing 1 month	0.2464 %	Portfolio Yield to Maturity	4.15 %	Türkiye İs Bankası A.S	7.68 %
Trailing 2 months	1.7390 %	Average Duration	2.71 years	Zijin Intl Finance Co Ltd	7.64 %
Trailing 1 quarter	4.3795 %	Average Maturity	3.16 years	Macquarie Group Ltd	7.57 %
				Vtb Bank (Vtb Capital Sa	7.11 %

(*) net of fees



Portfolio Update

During the week ended 10th Jan 2013, the Fund increased its holdings of CSSC Capital 2016, Cliff Natural 2018 and Time Warner 2019 bonds.

CSSC Capital 2013 is an indirect subsidiary of China State Shipbuilding Corporation which is indirectly owned by State-owned Assets Supervision and Administration Commission (SASAC) of China. 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 with total new orders of ~7.7mn dwt (~17.1% global market share for new orders). The said bonds are backed by irrevocable Stand-By Letter of Credit (SBLC) by China Construction Bank (Market Cap: ~US\$179bn) 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.

Cliffs Natural Resources (Mkt Cap US\$ 3.5 bn) is a global major iron ore producer with ~28% market share of iron ore pellets. Except for US\$ 380 mn payable in 2017, Cliff does not have any major debt obligation until 2018. It generates annual EBITDA of over US\$1bn and has cash & equivalent of ~US\$300mn.

Time Warner Cable (Mkt Cap US\$ 37.5 bn) is the second largest cable operator in USA. It offers video, high-speed data, and voice services in 29 states. TWC's biggest markets are New York State (including New York City) and Southern California (including Los Angeles), as well as North and South Carolina, the Midwest (including Ohio, Kentucky and Wisconsin), and Texas. It generates EBITDA of over ~US\$7.5 billion against an annual debt servicing obligation of under US\$ 4 billion.

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

DISCLAIMER

The above commentary does not provide a complete analysis of every material fact regarding the market, industry, security, portfolio or the fund. It is not a recommendation to buy or sell any security nor an investment advice. The portfolio holdings, opinions and information may change without notice. The contents of this document, including any narrative does not constitute an offer to sell or a solicitation of any offer to buy the units or shares in Silverdale Bond Fund, Silverdale Fixed Income Fund or Silverdale Equity Fund or any other Class of Sri Silverdale Opportunities Fund or any of the funds managed by Sri Silverdale Capital Partners or advised by Silverdale Capital Pte Ltd., and is strictly for information only. Any application for units or shares must be made solely on the basis of the fund's private placement memorandum, class supplements, application form and appendices (together "the PPM"). Past performance is not necessarily a guide to the future performance. Opinions and estimates contained in this document are subject to change without notice, and the actual results would differ from the said opinions and estimates. Please refer to the PPM for Risk Factors. This document is written for the benefit of and being communicated only to expert investors as defined in Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008, issued under the Securities Act 2005 of Mauritius. The recipient should obtain opinion from independent professional adviser before making any decision based on this document. (†) Based on: 1 month = 4 weeks, 2 month = 8 weeks and 1 quarter = 13 weeks.

