

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

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Silverdale Bond Fund

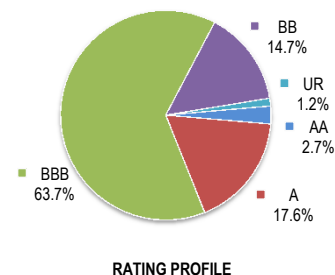
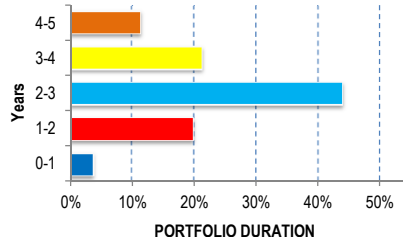
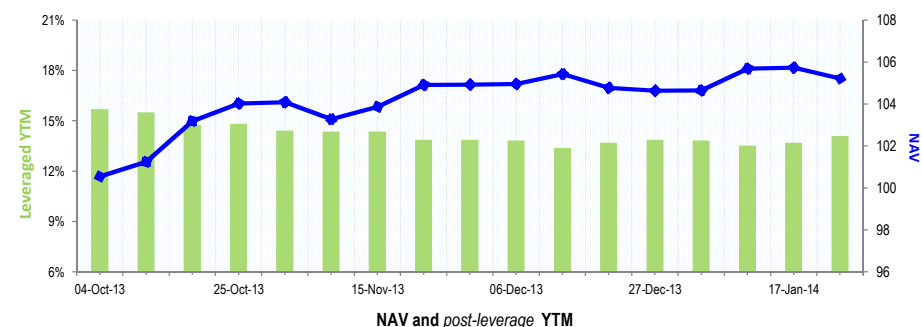
Communique as at 24th January 2014

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 24th January 2014, the Fund NAV declined 0.49% to US\$ 105.23 (previous week US\$ 105.74), increasing portfolio yield (post-leverage) to ~14.09% (previous week 13.70%) with duration of 2.71 years (previous week 2.72 years).

Portfolio Dashboard

Performance (not annualised)* †		Fund Statistics		NAV US\$ 105.2254		Top Holdings	
Previous week	-0.4904 %	Leveraged Yield to Maturity	14.09 %			Vedanta Resources Plc	7.41 %
Trailing 1 month	0.5568 %	Portfolio Yield to Maturity	4.25 %			Turkiye Is Bankasi A.S	7.32 %
Trailing 2 months	0.2762 %	Average Duration	2.71 years			Zijin Intl Finance Co Lt	7.30 %
Trailing 1 quarter	1.1421 %	Average Maturity	3.15 years			Macquarie Group Ltd	7.26 %
	(*) net of fees					Cssc Capital 2013 Ltd	7.02 %



Portfolio Update

During the week, the Fund bought Bank of China 2017 and Kuwait Project 2016 bonds, as well as increased its holdings of CSSC Capital 2016 and Cliffs Natural 2018 bonds. The Fund booked profits in Vedanta 2016 bonds.

Bank of China is ninth largest bank in the world with a market cap of US\$ 116.2bn, and total assets of US\$ 2.2 trillion. It provides full suite of commercial banking, private banking, investment banking, insurance, fund management, treasury management etc. It has over 11,000 Chinese and international branches.

Kuwait Projects (Mkt Cap US\$ 3.3bn) is a leading investment holding company of the royal family of Kuwait. It has a strong balance sheet with net debt to equity ratio of 0.71x and no major debt maturities till 2016. Its cash and equivalents exceed all bonds outstanding.

CSSC Capital 2013 is an indirect wholly owned subsidiary of Chinese Govt. It 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\$ 3.1bn) is a global major iron ore producer with ~28% market share of iron ore pellets. Except for US\$ 380mn 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.

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

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