<u>Silverdäle</u>

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 hasseles of loan management

Fund Information

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 umberalla fund, authorised and regulated by Financial Services Commission

INVESTMENT MANAGER

Sri Silverdale Capital Partners

Authorised & Regulated by Financial Services Commission

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.

355 NeXTeracom Tower 1, Cybercity, Ebene, Mauritius

Tel.: +230 464 7275 Fax: +230 464 3290

Email: mauritius@silverdalegroup.com

For subscription & information, please Email: mauritius@silverdalegroup.com Or, Call: +65 6835 7130

Silverdale Bond Fund

Communique as at 21st March 2014

OVERVIEW

Trailing 3 months

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 21st March 2014, the Fund NAV declined marginally to US\$ 106.89 (previous week US\$ 106.90) increasing portfolio yield (post-leverage) to ~14.44% (previous week 14.33%) with duration of 2.62 years (previous week 2.66 years).

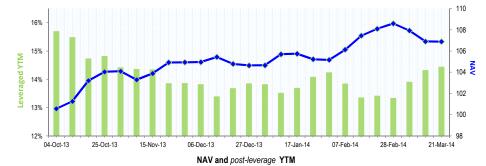
Portfolio Dashboard Performance (not annualised)* ↑ Fund Previous week -0.0152 % Levera Trailing 1 month -1.1213 % Portfolion Trailing 2 months 1.5787 % Average

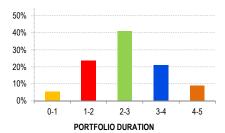
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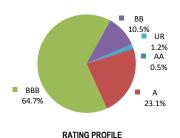
(*) net of fees

Fund StatisticsLeveraged Yield to Maturity14.44%Portfolio Yield to Maturity4.16%Average Duration2.62yearsAverage Maturity2.95years

NAV US\$	106.8866
Top Holdings	% age
Vtb Bank (Vtb Capital Sa	8.71 %
Zijin Intl Finance Co Lt	7.31 %
Turkiye Is Bankasi A.S	7.20 %
Cssc Capital 2013 Ltd	7.03 %
Macquarie Group Ltd	7.02 %







Portfolio Update

During the week, the Fund purchased VTB 2015, Jingneng 2017, Petrobras 2018, and Standard Chartered Bank Perpetual bonds, and booked profits in Safeway 2017 bonds.

VTB Bank (Mkt Cap: US\$ 12.4bn) is the second-largest lender in Russia, with ~15% market share by assets (Total Assets US\$ 262bn). It has taken-over 12 banks in past 10 years, achieving significant market shares in various business segments, viz, corporate loan ~16%, retail loan ~13.7%, corporate deposit ~18.5%, and retail deposit ~9.1%. It has capital adequacy ratio of 14.1% with Tier-I capital at 10.3%. It is owned ~61% by the Russian Government. The bonds have been issued by VTB Capital, wholly owned investment and investment banking arm of VTB Bank.

Jingneng Investment Group Co. is an indirect subsidiary of Beijing Energy Investment Holding (BEIH) which in turn is wholly owned by Beijing Municipal SASAC. BEIH generates ~63bn KWh of power, accounting for ~70% of total power consumed in Beijing (Installed Capacity 14,062 MW). It operates the largest centralized heating network in China serving ~27% of Beijing's total heated floor area. The Bonds are supported by a Keepwell Deed by BEIH and are backed by irrevocable Stand-By Letter of Credit (SBLC) by Agricultural Bank of China (Market Cap: ~US\$128bn), one of the largest banks in the world with ~US\$ 2.4tn of assets.

Petrobras International is a wholly-owned subsidiary of Petroleo Brasileiro S.A. (Mkt Cap: US\$ 76.5bn). It is primarily into exploration, production and refining of oil, and is present in over 24 countries. The company operates over 100 platforms, 242 vessels, 15 refineries and ~30km of pipelines, and has reserves of over 16bn boe.

Standard Chartered Bank is indirect subsidiary of Standard Chartered Plc and holding company for several overseas subdiaries including Hong Kong, Pakistan, Taiwan, China, Korea, and Malaysia. Standard Chartered Plc (Market Cap: US\$ 48.1bn) operates over 1,700 branches and offices in 68 countries throughout Asia, Africa, the Middle East, Europe and the Americas. Bank's Tier-1 ratio is 13.0%. Temasek Holdings (Singapore Sovereign Fund) is the largest shareholder with 18.06% stake. The bonds are callable on 24 Dec 2014.

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 commentry 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 Silverdale Capital Partners or advised by Silverdale Capital Pet 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 months = 8 weeks and 3 months = 13 weeks.