



Fund Description

Silverdale Bond Fund is a diversified portfolio of primarily investment grade short duration US dollar 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 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 umbrella 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.

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Silverdale Bond Fund

Communique as at 25th April 2014

OVERVIEW

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 25th April 2014, the Fund NAV appreciated by 0.27% to US\$ 110.94 (previous week US\$ 110.64) with portfolio yield (post-leverage) of 12.95% p.a. (previous week 13.02% p.a.) and average duration of 1.79 years (previous week 1.79 years).

Portfolio Dashboard

Performance (not annualised)* †

Previous 1 week	0.2683 %
Trailing 1 month	1.9135 %
Trailing 3 months	5.4297 %
Trailing 6 months	6.6338 %

(*) net of fees

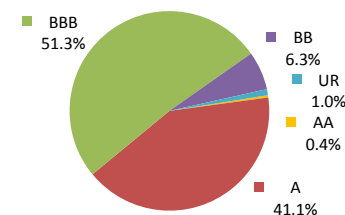
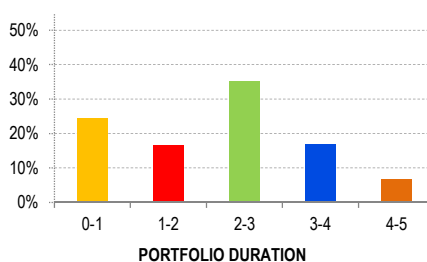
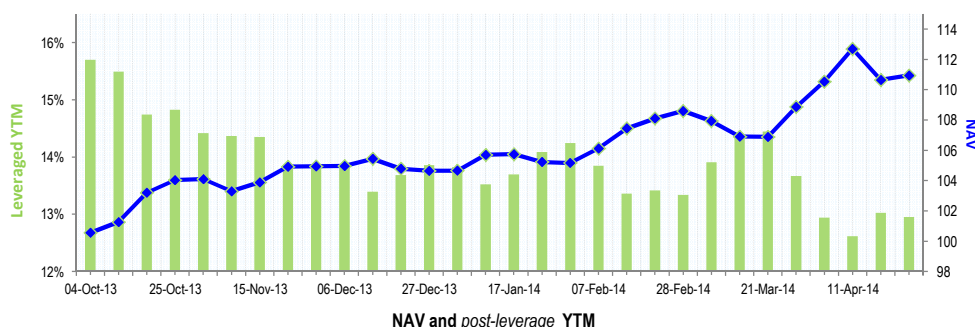
Fund Statistics

Leveraged Yield to Maturity	12.95 %
Portfolio Yield to Maturity	3.40 %
Average Duration [^]	1.79 years
Average Maturity	2.47 years

NAV US\$ 110.9389

Top Holdings

	% age
Agricultural Bk China Hk	10.82 %
China Construct Bk Asia	7.64 %
Cssc Capital 2013 Ltd	6.21 %
Turkiye Is Bankasi A.S	5.69 %
Zijin Intl Finance Co Lt	5.69 %



Portfolio Update

During the week, the Fund purchased CSSC Capital 2016, Lukoil 2017, Poly Real Estate 2018 and Ares Capital 2018 bonds. CSSC Capital 2013 is an indirect subsidiary of China State Shipbuilding Corporation which is indirectly owned by Central SASAC. The said bonds are backed by irrevocable Stand-By Letter of Credit (SBL) by China Construction Bank as well as a Keepwell Deed by China State Shipbuilding Corp.

Lukoil (Market Cap: US\$ 44.5bn) is the largest private oil reserve holder in the world with 17.3 bln boe of proved hydrocarbon reserves accounting for 0.8% of global oil reserves. With 2.3 mln bpd of hydrocarbon production it accounts for 2.1% of global oil production and 16.3% of Russian oil production. It markets its petroleum products through a network of ~5,600 petrol stations in 26 countries. It has a conservative financial profile with ~0.14x debt/equity, 0.6x Debt/EBITDA, and ~38x EBITDA to interest coverage. As of 2013 it had ~US\$ 10.8bn debt outstanding against annual EBITDA of ~US\$18.5bn. Lukoil managers Vagit Alekperov and Leonid Fedun control 30.4% of Lukoil shares. The bonds are issued by Lukoil International Finance which is the wholly owned subsidiary of Lukoil, and are guaranteed by Lukoil.

Poly Real Estate Group Co Ltd (Market Cap: US\$ 8.8bn) is the largest state-owned property developer in the People's Republic of China. At the end of 2013 it owned landbank of GFA ~80.8mn square meters with GFA of ~44.7mn square meters under construction across 49 cities. It's liquid cash and equivalents are ~42% of the total gross debt outstanding and ~25x of the short term debt due within a year. It's net debt to equity was ~0.88x while net debt/EBITDA was at ~2.8x, with interest coverage of ~16.5x. The company is subsidiary of China Poly Group Corp which in turn is one of the first five enterprises to be approved by SASAC for real estate development. The company is the largest subsidiary of China Poly Group accounting for ~68.9%, ~71.5% and ~80.7% of its total assets, operating income and net profits, respectively.

Ares Capital Corp (Mkt Cap: US\$5.2bn) primarily provides loans to middle-market companies with EBITDA of US\$10-250mn. Its total debt outstanding was ~US\$ 3bn against unused line of credit amounting to ~US\$ 2bn and fair value of its portfolio at ~US\$ 7.6 bn.

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, 3 months = 13 weeks, and 6 months = 26 weeks.

