

Silverdale FUNDS

Fund Description

Silverdale Fixed Income Fund is a diversified portfolio of primarily Asian investment grade US dollar bonds that is actively managed for consistent returns with minimal risks.

Investor Benefits

Active management with real time response, capitalizing on opportunistic investments, and employing prudent risk management systems. It yields quarterly distribution, with re-investment option.

Fund Information

Fund	Silverdale Fixed Income Fund
ISIN Code	MU0308S00058
Swiss Valor No.	22123988
Bloomberg Code	SILV009 MP Equity
Inception Date [†]	9 Sep 2010
Launch Date	19 Aug 2013
Previous Dividend Date	26 Dec 2014 (3% pro rata)
Next Dividend Date	27 Mar 2015 (3% pro rata) [#]

Subscription Details

Minimum Subscription	US\$ 100,000
NAV Computation	Weekly
Subscription	Weekly
Redemption	Weekly
Dividend Distribution	Quarterly
Management Fee	0.75% p.a.

Fund Management Details

THE FUND

Share Class-J 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
Bank Julius Baer
Barclays Bank

Fund Administrator

Orangefield (Mauritius) Limited

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DISCLAIMER

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Silverdale Fixed Income Fund

Communique as at 9th January 2015

OVERVIEW

Silverdale Fixed Income Fund is actively managed for stable returns and quarterly distributions; the portfolio duration is kept low to manage interest rate risks and credit risks. During the week ended 9th January 2015, the Fund NAV declined by ~2.73% to US\$ 98.34 (previous week: US\$ 101.10), taking portfolio yield to 6.47% per annum (previous week: 5.75% p.a.) with average portfolio duration of 2.51 years (previous week: 2.53 years).

Portfolio Dashboard

Growth NAV US\$ 102.5445 Ex-Dividend NAV US\$ 98.3366

Performance (not annualised)*

Previous 1 week	-2.6217 %
Trailing 1 month	-4.2489 %
Trailing 3 months	-4.3691 %
Trailing 6 months	-4.4802 %
Trailing 9 months	-2.1455 %
Trailing 12 months	-1.0563 %

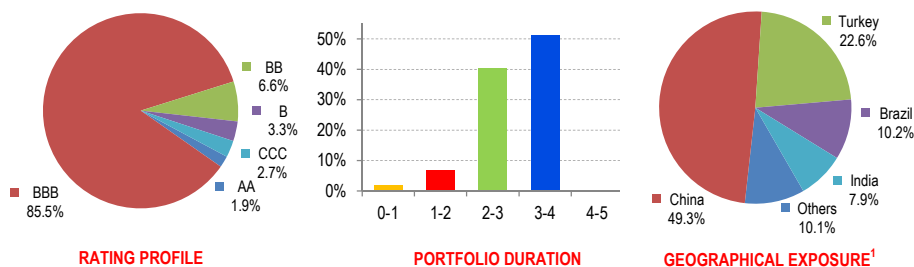
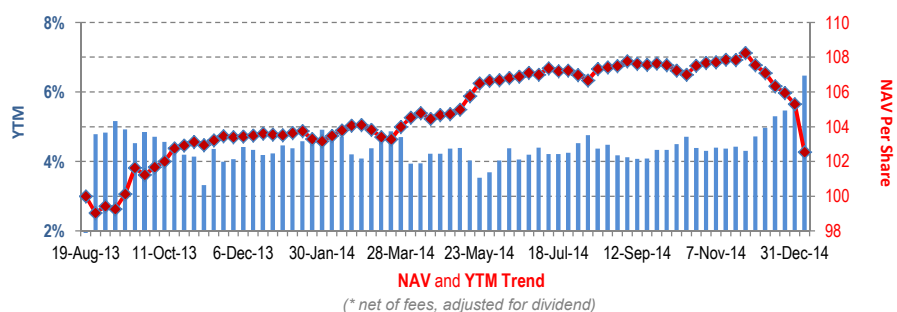
(* net of fees, adjusted for dividends)

Fund Statistics

Yield to Maturity	6.47 %
Effective Duration	2.51 years
Average Maturity	2.78 years
Average Coupon	5.17 %
Total Dividend Paid	US\$ 4.2079

Top Holdings

Poly Real Estate	9.02 %
Far East Horizon	9.01 %
Yuexiu Property	8.65 %
Ae Rotor Holding	7.86 %
Wanda Properties	7.80 %
Türkiye Halk Bankası	5.72 %
Türkiye Vakıflar	5.39 %



Portfolio Update

During the week ended 9th January 2015, Silverdale Fixed Income Fund NAV declined primarily due to drop in prices of Kaisa Group bonds.

As this Communique is being written Kaisa bonds have marginally improved. Your fund had circa 6.4% exposure to Kaisa, and the sudden sharp fall in the Kaisa prices in last 3 weeks have led to NAV erosion of ~3.8%. According to unverified reports, an erstwhile Chairman of the Board of Immigration is being investigated under graft charges. This ex-Chairman is said to be the key investor in Kaisa Group. He has since moved to Hong Kong, and is said to be non-cooperative. The resignation of Kaisa Group's Chairman (in Dec '14) triggered payment of circa USD 52m to HSBC. The Company failed to pay HSBC despite having circa USD 1.5bn of unrestricted funds in the bank. Further, the company allegedly has not paid the interest due on Kaisa 2020 bonds of ~USD 26mn payable on 8th January 2015. This, if not paid in 30 days, would accelerate payment of all borrowings by the Company, and push it into bankruptcy. As the Company is asset rich and has credible execution track-record, it is likely that the government would step-in to take-over, which could lead to recovery of full value of bonds, and circa 4% uptick in your fund NAV. It would also avoid significant losses to thousands of retail home-buyers. We are keeping a close eye on the developments, and shall keep you posted on the course of our action.

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 FIXED INCOME FUND