

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
 Launch Date* 2 July 2012
 Weekly NAV since 1st October 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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DISCLAIMER

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Silverdale Bond Fund

Communique as at 13th December 2013

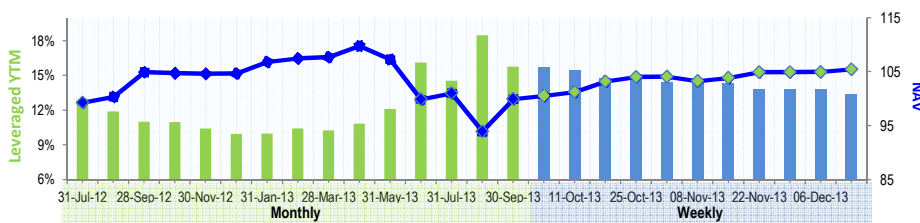
OVERVIEW

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 13th December 2013, the Fund NAV appreciated by 0.45% to US\$ 105.44 (previous week US\$ 104.94), with portfolio yield (post leverage) of ~13.39% (previous week 13.83%) and duration of 2.84 years (previous week 2.94 years).

With effect from 1st Oct 2013, the erstwhile Silverdale Multi Strategy Fund had exited equity & non-USD exposure and was re-christened as Silverdale Bond Fund with Weekly (earlier Monthly) subscription/redemption facility.

Portfolio Dashboard

NAV US\$ 105.4361

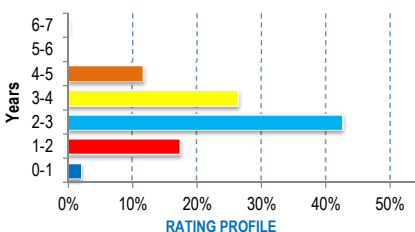


Performance (net of fees)

1 Week (not annualised) 0.4547 %
 Previous Week (not annualised) 0.0221 %
 Trailing 4 Weeks (not annualised) 1.4889 %
 Trailing 8 Weeks (not annualised) 2.1703 %

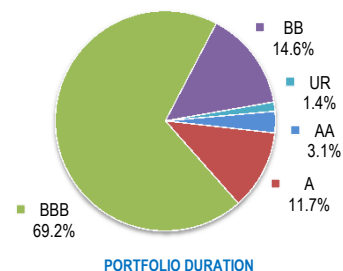
Fund Statistics

Leveraged Yield to Maturity 13.39 %
 Portfolio Yield to Maturity 4.11 %
 Average Duration 2.84 years
 Average Maturity 3.27 years



Top Holdings

Top Holdings	% age
Vedanta Resources Plc	9.83 %
Zijin Intl Finance Co Lt	8.51 %
Turkiye Is Bankasi A.S	8.43 %
Macquarie Group Ltd	8.16 %
Vtb Bank (Vtb Capital Sa	7.73 %
Ae Rotor Holding Bv	5.86 %
Yapi Ve Kredi Bankasi	5.21 %



Portfolio Update

During the week ended 13th December 2013, the Fund booked profits in ICICI 2016 and Turkiye Vakiflar 2018 bonds; and bought Rural Electrification Corp 2016, Bank of Baroda 2016, CSSC Capital 2016, Country Garden 2017 as well as added BOC Aviation 2017 bonds.

Rural Electrification Corp (Market Cap: US\$3.2bn), a Government of India enterprise (~66.8% stake), finances power infrastructure (including power generation and distribution equipment). It has total assets of ~US\$ 24bn, net worth of ~US\$ 3.2bn, and international funding tie up with Standard Chartered Bank, KfW (Germany), Japan International Cooperation Agency, etc.

Bank of Baroda (BOB), a Govt. of India enterprise (~55.4% stake), has over 4,483 domestic branches and 101 offices in 24 countries outside India. It has total assets of ~US\$ 102.6bn with Capital Adequacy Ratio (CAR) of 12.07% (Tier-I Basel-III compliant capital of 9.25%).

CSSC Capital 2013 is an indirect subsidiary of China State Shipbuilding Corporation which is indirectly owned by State-owned Assets Supervision and Administration Commission of the PRC (SASAC). 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, total new orders of ~7.7mn dwt, representing a global market share of 17.1%. The said bonds are backed by irrevocable Stand-By Letter of Credit (SBLC) by China Construction Bank (Market Cap: US\$193bn) 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.

Country Garden Holdings is one of China's largest property developers, with a total land bank of ~62.7 million sqm. It has 134 projects in 15 Chinese provinces and 3 property development projects in Malaysia. It has cash and equivalents amounting to ~US\$2.5bn (i.e. ~11.5% of the total balance sheet and ~33% of the total outstanding debt). Its Debt/EBITDA is 3.05x and EBITDA to Interest Expense is 43.21x.

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

