

Silverdale

FUNDS

Silverdale Bond Fund

Communique as at 17th January 2014

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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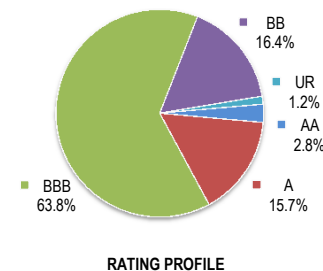
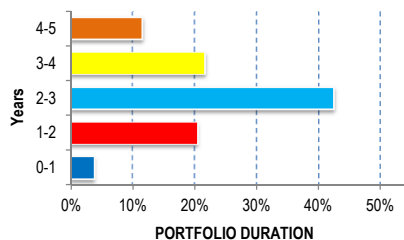
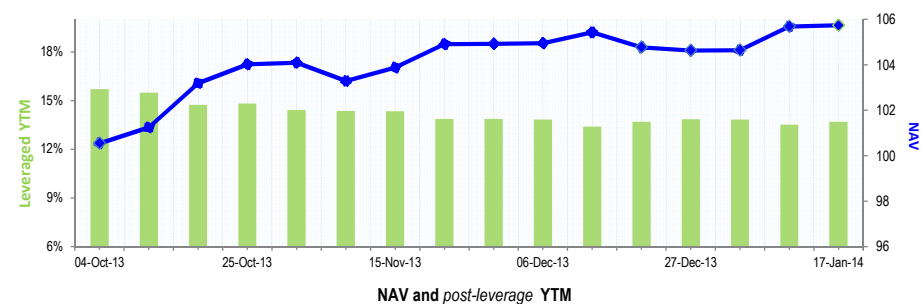
OVERVIEW

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 17th January 2014, the Fund NAV appreciated by 0.05% to US\$ 105.75 (previous week US\$ 105.70), with portfolio yield (post leverage) of ~13.70% (previous week 13.52%) and duration of 2.72 years (previous week 2.71 years).

Portfolio Dashboard

NAV US\$ 105.7440

Performance (not annualised)* †	Fund Statistics	Top Holdings	% age
Previous week	0.0454 %	Leveraged Yield to Maturity	13.70 %
Trailing 1 month	0.9166 %	Portfolio Yield to Maturity	4.14 %
Trailing 2 months	0.7854 %	Average Duration	2.72 years
Trailing 1 quarter	2.4686 %	Average Maturity	3.16 years
	(*) net of fees	Vedanta Resources Plc	8.90 %
		Türkiye İs Bankası A.S	7.53 %
		Zijin Intl Finance Co Lt	7.48 %
		Macquarie Group Ltd	7.37 %
		Vtb Bank (Vtb Capital Sa	7.00 %



Portfolio Update

During the week ended 17th Jan 2013, the Fund added China ZhengTong 2018 bonds, as well as increased its holding of Cliffs Natural 2018, and Time Warner 2019 bonds.

China ZhengTong (Mkt Cap US\$ 1.4bn) is a leading luxury car dealer in China with a diversified brand portfolio of 22 global auto brands. It is China's largest dealer for Jaguar Land Rover, the second largest for BMW and amongst the top five for Volvo. It generates annual EBITDA in excess of ~US\$ 250mn against the total outstanding debt of ~US\$ 850mn. Further, the said bonds are backed by irrevocable Stand-By Letter of Credit by Bank of China (BOC). BOC is one of the largest banks with total assets of US\$ 2.2tn and market cap of ~US\$ 116bn.

Cliffs Natural Resources (Mkt Cap US\$ 3.4bn) is a global major iron ore producer with ~28% market share of iron ore pellets. Except for US\$ 380 mn 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.

Time Warner Cable (Mkt Cap US\$ 38.2bn) is the second largest cable operator in USA. It offers video, high-speed data, and voice services in 29 states. TWC's biggest markets are New York State (including New York City), Southern California (including Los Angeles), North and South Carolina, the Midwest (including Ohio, Kentucky and Wisconsin), and Texas. It generates EBITDA of over ~US\$7.5 billion against an annual debt servicing obligation of under US\$ 4 billion.

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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