

Silverdale

FUNDS

Silverdale Bond Fund

Communique as at 7th February 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 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 (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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Or, Call: +65 6835 7130

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 7th February 2014, the Fund NAV appreciated by 0.92% to US\$ 106.13 (previous week US\$ 105.16) with portfolio yield (post-leverage) of ~13.85% (previous week 14.25%) and duration of 2.73 years (previous week 2.72 years).

Portfolio Dashboard

NAV US\$ 106.1259

Performance (not annualised)* †

Previous week	0.9171 %
Trailing 1 month	0.4068 %
Trailing 2 months	0.6542 %
Trailing 3 months	2.7432 %

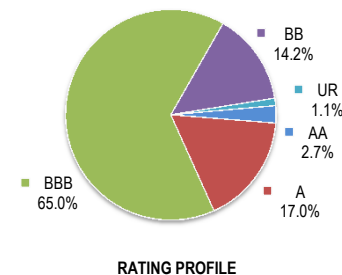
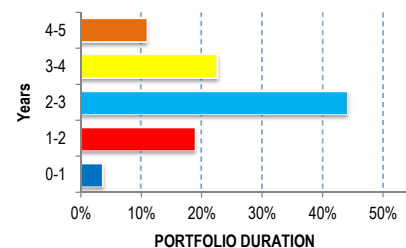
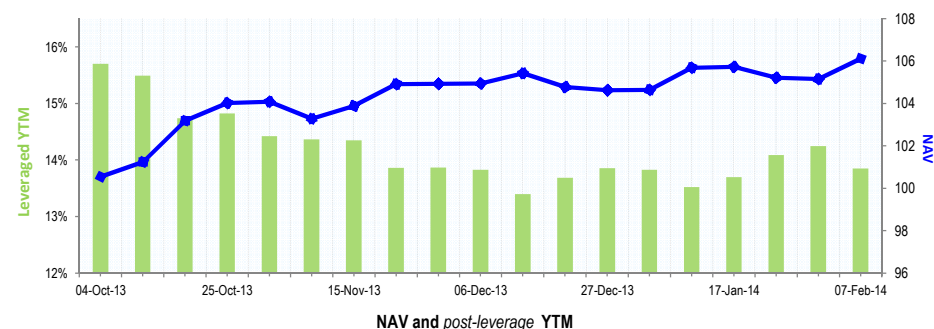
(*) net of fees

Fund Statistics

Leveraged Yield to Maturity	13.85 %
Portfolio Yield to Maturity	4.14 %
Average Duration	2.73 years
Average Maturity	3.14 years

Top Holdings

Vtb Bank (Vtb Capital Sa	7.82 %
Vedanta Resources Plc	7.15 %
Zijin Intl Finance Co Lt	7.04 %
Macquarie Group Ltd	6.99 %
Turkiye Is Bankasi A.S	6.90 %



Portfolio Update

During the week ended 7th February 2014 the Fund bought Yuexiu REIT 2018 bonds.

Yuexiu REIT (Mkt Cap: US\$ 1.3bn) is a Hong Kong based real estate investment trust. It has six prime commercial properties in Guangzhou; namely, White Horse Building Units, Fortum Plaza Units, City Development Plaza Units, Victory Plaza Units, Yue Xiu Neo Metropolis Plaza Units and Guangzhou IFC (GZIFC). The aggregate area is ~680,971.1 sq.m. with total rentable area of 441,297.9 sq.m. The weighted average lease expiry by gross rents is about 6.4 years which is relatively long compared to its peers. As at 30 June 2013, the overall occupancy rate of properties was ~88.20%. The occupancy rate of the original five properties (except Guangzhou IFC) was 98.47%. Yuexiu REIT's has a highly diversified tenant mix with Office/wholesale (44.4%) & Retail (34.6%) accounting for ~79% of total revenue while hotels/service apartments contributing the balance ~21%. Further the top five tenants contributed just 21% of gross rental income. Yuexiu REIT is 35% owned by Yuexiu Property, which in turn is 49.9% owned by the Guangzhou municipal government (SASAC).

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, 2 months = 8 weeks and 3 months = 13 weeks.

