

Silverdale

F U N D S

Bloomberg
TOP-5
ASIAN FUND

Silverdale Bond Fund

Communique as at 16th July 2015

Fund Description

Silverdale Bond Fund is a diversified portfolio of primarily investment grade short duration US dollar bonds, actively managed for enhanced 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, or Silverdale Fund SP-1
Fund Type	Segregated Portfolio Company
Domicile	Cayman Islands
Inception Date [†]	9 Sep 2010
Weekly NAV Launch Date	1 Oct 2013
Cayman Feeder Launch Dt	8 May 2015
Previous Dividend Date	26 June 2015 (6% pro rata)
Next Dividend Date	25 Sep 2015 (6% pro rata [#])
NAV Computation	Weekly (Friday [*])
Subscription	Weekly (Monday [*])
Redemption	Weekly (Monday [*])
Management Fee	0.50% p.a.

Class 1A Details

ISIN	KYG8135U1076
CUSIP	G8135U 107
Swiss Valor No.	28213010
Bloomberg Code	SILV01A KY Equity
Minimum Investment	US\$ 1,000,000
Initial Sales Charge	1.00%
Exit Load	0.25%

Class 1B Details

ISIN	KYG8135U1159
CUSIP	G8135U 115
Swiss Valor No.	TBC
Bloomberg Code	SILV01B KY Equity
Minimum Investment	US\$ 100,000
Initial Sales Charge	0.00%
Contingent Load	3.00% - 0.25%
Exit Load	1.00%

Fund Management Details

THE FUND

Silverdale Bond Fund or Silverdale Fund SP-1 is a segregated portfolio of Silverdale Fund SPC, a Cayman Islands domiciled segregated portfolio company, registered with Cayman Islands Monetary Authority

FUND MANAGER

Silverdale Capital Pte Ltd

Monetary Authority of Singapore Registered Fund Manager

Banker/Custodian

Standard Chartered Bank
Bank Julius Baer & Co., Singapore Branch

Fund Administrator

Orangefield (Mauritius) Limited

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Silverdale Fund SP-1

Silverdale Bond Fund (or Silverdale Fund SP-1) generates enhanced investor returns by clever use of asset-level segregated leverage, while actively managing its portfolio duration. During the short week ended 16th July 2015, the Fund NAV appreciated by 0.46% to US\$ 121.05 (previous week: US\$ 120.50), with optimum portfolio yield (post-leverage) of 13.15% per annum (previous week: 13.49% p.a.), and average duration of 2.00 years (previous week: 2.01 years).

Portfolio Dashboard

Performance (Not annualised)*

Previous 1 week	0.4557 %
Trailing 1 month	0.4563 %
Trailing 3 months	2.6672 %
Trailing 6 months	9.1126 %
Trailing 9 months	5.5598 %
Trailing 12 months	3.3123 %

(* net of fees, adjusted for dividends)

Growth NAV US\$

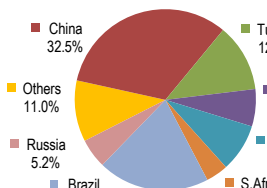
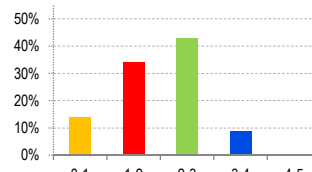
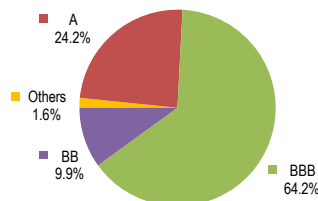
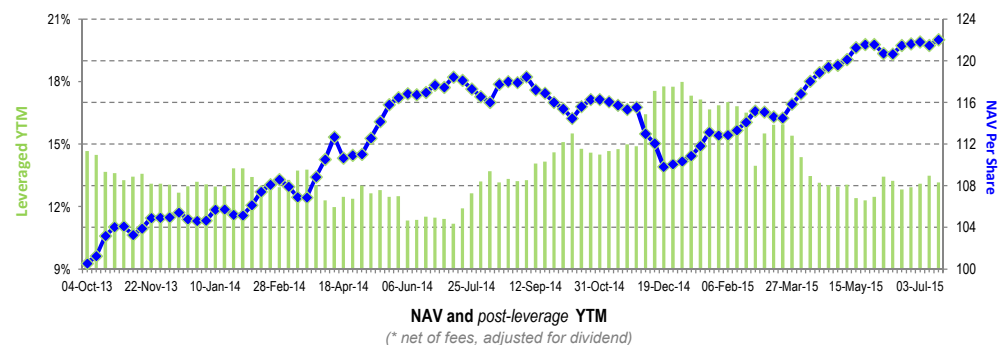
Fund Statistics

Leveraged Yield to Maturity [^]	13.15 %
Portfolio Yield to Maturity	3.37 %
Average Coupon	4.76 %
Average Duration ^{^^}	2.00 years
Average Maturity	2.15 years
Dividend Paid	US\$ 0.97

Ex-Dividend NAV US\$

Top Holdings

Mcc Holding Hk Corp Ltd	5.19 %
Banco Btg Pactual/Cayman	4.05 %
Anglogold Holdings Plc	4.03 %
Far East Horizon Ltd	3.94 %
Israel Electric Corp Ltd	3.53 %
Hebei Iron & Steel	3.48 %
Yapi Ve Kredi Bankasi	3.17 %



Portfolio Update

During the week, Silverdale Bond Fund sold Petrobras 2016, and Transocean 2016 bonds, and purchased Raizen 2017, Skyland Mining 2017, Zhejiang Energy 2017, China Zhengtong 2018, and Semiconductor Manufacturing Intt Corp 2019 bonds

Raizen Energia S.A. is the largest manufacturer in the fragmented sugar and ethanol sector in Brazil with crushing capacity of 65.8mn tons and 24 sugar-ethanol mills (~11% market share). It is part of Raizen, a 50:50 joint-venture between Cosan Group and Royal Dutch Shell. As at Dec 2014, Raizen reported revenue of ~US\$ 21.5bn with EBITDA of ~US\$ 1.5bn. It reported cash & equivalents of ~US\$ 1bn and SBLC from promoters of US\$ 500mn, against current debt at ~US\$ 1.2bn and net debt at ~US\$ 3bn. Skyland Mining is a wholly-owned SPV of its guarantor, China Gold International Resources Corp Ltd. (CGG, Mkt Cap: US\$ 0.5bn). CGG is a mining company headquartered in Canada, principally producing gold and copper from two mines in Tibet and Inner Mongolia. It has gold reserve of ~5.9mn oz and copper reserves of 2.7 mn tons. CGG is the flagship and the only overseas listing vehicle of state-owned China National Gold (which owns ~39% of CGG); and is the largest gold producer in China.

Zhejiang Provincial Energy Group Co Ltd (ZEG) is the largest power producer in Zhejiang province. It is also into natural gas distribution and coal trading. As at June 2014, it had installed capacity of ~24GW. It reported total assts of ~US\$ 25.2bn with total debt of ~US\$ 8.2bn. ZEG is wholly owned by the Zhejiang SASAC. The bonds are issued by its subsidiary and supported by it.

China ZhengTong Auto Services (Mkt Cap: US\$ 1.3bn) is a leading dealer of luxury cars in China with 105 retail outlets in 14 provinces, covering 32 cities. It has 13 premium brands, which accounted for 88.5% of its new car sales in 1H 2014. The said bonds are supported by irrevocable Stand-By Letter of Credit (SBLC) by Bank of China Ltd.

Semiconductor Manufacturing International Corporation (SMIC, Mkt Cap US\$ 4.5bn) is one of the leading semiconductor foundries in the world and the largest and most advanced foundry in China. It provides integrated circuit (IC) foundry and technology services on 0.35-micron to 28-nanometer process technologies. SMIC has marketing and customer service offices in the US, Europe, Japan, and Taiwan, and a representative office in Hong Kong. Its principal markets are North America (~41% of 2014 revenue), Eurasia (~12%), and China (~47%). Its key clients include Qualcomm, Broadcom and Texas Instruments. SMIC's primary shareholders are SOEs: Datang Holdings (19.45%), China Investment Corp (8.43%) and Shanghai Industrial Investment Holdings (4.35%). As at Mar 2015, it reported total debt at ~US\$ 1.1bn against which it had cash & equivalent of ~US\$ 1bn.

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 spc@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 (or Silverdale Fund SP-1), or any other segregated portfolio or Class of Silverdale Fund SPC or any of the funds managed or advised by Silverdale Capital Pte Ltd., and is strictly for information only. Any subscription 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 Composite 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. The Fund may use or invest in financial derivative instruments. Please refer to the Composite PPM for Risk Factors. This document is written for the benefit of and being communicated only to Accredited Investors or Institutional Investors as defined under the Securities and Futures Act (Cap. 289) of Singapore or any similarly defined investor in any other securities legislation. The recipient should obtain opinion from independent professional adviser before making any decision based on this document. The NAV performance is computed taking: 1 month = 4 weeks, 3 months = 13 weeks, 6 months = 26 weeks, 9 months = 39 weeks, and 12 months = 52 weeks. NAV prior to 8 May 2015 is based on NAV of underlying fund (Class E of Sri Silverdale Opportunities Fund). (*) Assuming to be Business Day. (#) Indicative. (**) At optimum leverage. (***) Average duration excludes favourable impact of interest rate hedges. (†) Initially launched as multi-assets fund with quarterly NAV. (1), (2) & (3) Based on gross investments into securities. (1) Credit exposure of those rated below "BB" has been clubbed as "Others". (3) Country exposure of less than 4% has been clubbed as "Others".