

Silverdale FUNDS

**Bloomberg
TOP-5
ASIAN FUND**

Silverdale Bond Fund

Communique as at 24th 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

355 NeXTeracom Tower 1, Cybercity,
Ebene, Mauritius

Tel.: +230 464 7275

Fax: +230 464 3290

Email: spc@silverdalegroup.com

For subscription & information, please

Email: spc@silverdalegroup.com

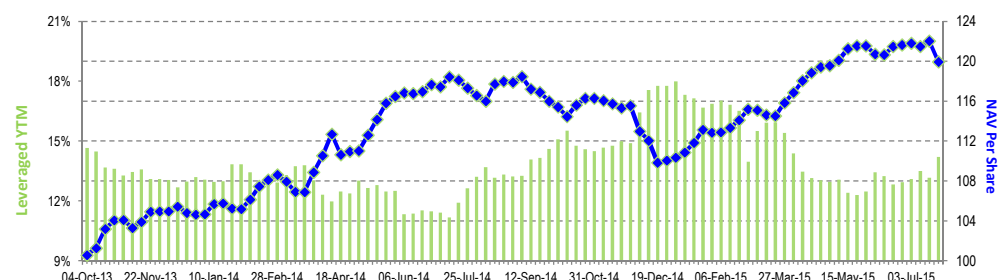
Or, Call: +65 6835 7130

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 long week ended 24th July 2015, the Fund NAV declined by 1.72% to US\$ 118.97 (previous week: US\$ 121.05), with optimum portfolio yield (post-leverage) of 14.20% per annum (previous week: 13.15% p.a.), and average duration of 2.12 years (previous week: 2.00 years).

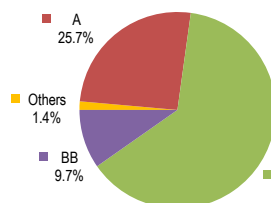
Portfolio Dashboard

| Performance (Not annualised)* | Growth NAV US\$ | 119.9405 | Ex-Dividend NAV US\$ | 118.9674 |
|--|-----------------|----------|----------------------|----------|
| Previous 1 week | -1.7075 % | | | |
| Trailing 1 month | -1.3970 % | | | |
| Trailing 3 months | 0.4304 % | | | |
| Trailing 6 months | 6.0046 % | | | |
| Trailing 9 months | 3.1575 % | | | |
| Trailing 12 months | 2.2526 % | | | |
| (*) net of fees, adjusted for dividends | | | | |
| Fund Statistics | | | | |
| Leveraged Yield to Maturity ^A | 14.20 % | | | |
| Portfolio Yield to Maturity | 3.58 % | | | |
| Average Coupon | 4.65 % | | | |
| Average Duration ^{AA} | 2.12 years | | | |
| Average Maturity | 2.29 years | | | |
| Dividend Paid | US\$ 0.97 | | | |
| Top Holdings | | | | |
| Mcc Holding Hk Corp Ltd | 5.18 % | | | |
| Banco Btg Pactual/Cayman | 4.01 % | | | |
| Far East Horizon Ltd | 3.93 % | | | |
| Anglogold Holdings Plc | 3.82 % | | | |
| Israel Electric Corp Ltd | 3.52 % | | | |
| Hebei Iron & Steel | 3.47 % | | | |
| Jingneng Inv Group Co | 3.14 % | | | |

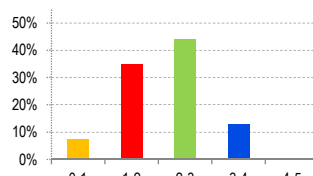


NAV and post-leverage YTM

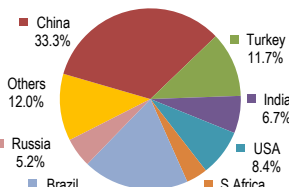
(*) net of fees, adjusted for dividend



RATING PROFILE¹



PORTFOLIO DURATION²



GEOGRAPHICAL EXPOSURE³

Portfolio Update

During the week, Silverdale Bond Fund sold Electrobras 2015, Vale 2016, Yapi Ve Kredi Bankasi 2017 and Cliff Natural 2018 bonds, and purchased Raizen 2017, Petrobras 2017, Embraer 2017, Yuexiu REIT 2018, China Zhengtong 2018, and Goldwind 2018 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.

Petroleo Brasileiro S.A. (Petrobras, Mkt Cap: US\$ 41.5bn), is the largest Brazilian company by revenue with total assets of ~US\$ 260bn. As at March 2015, it reported annual EBITDA of ~US\$ 26.7bn with Net Debt/EBITDA of ~6.1x and interest coverage ratio of ~3.8x. The Brazilian government directly and indirectly owns ~46% of Petrobras outstanding capital stock and ~60% of its voting shares. The bonds are issued by its wholly owned subsidiary Petrobras Global Finance and guaranteed by Petrobras.

Embraer SA (Mkt Cap ~US\$ 5.3bn) is the third largest manufacturer of mid-sized airplanes catering to commercial aviation, executive jets, and defense. As at 31st Mar 2015, it reported order book of ~US\$ 20.4bn. It reported debt at ~US\$ 2.8bn, against cash of ~US\$ 1.9bn, with EBITDA to interest of ~6x. The bonds are issued by its wholly owned subsidiary and guaranteed by it.

Yuexiu REIT (Mkt Cap: US\$ 1.5bn) is a Hong Kong based real estate investment trust. Its property portfolio consists of six properties in Guangzhou region: wholesale malls, Grade A offices, retail malls, premium international brand 5-star hotels and serviced apartments, with total area of ~680,971 square meters. The company is 36.11% held by Yuexiu Property Company Ltd, which in turn is 49.9% owned by the Guangzhou municipal government (SASAC).

China ZhengTong Auto Services (Mkt Cap: US\$ 1.2bn) 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.

Xinjiang Goldwind Science & Technology Co., Ltd. (Mkt Cap: US\$ 7.5bn) is the largest wind turbine manufacturer in China (~19.1% mkt share) and fourth largest globally (~9.2% mkt share). As at 31 Dec 2014, the accumulated installed capacity of WTGs manufactured by it exceeded 24 GW. The said bonds are issued by its wholly owned subsidiary (Goldwind New Energy), and supported by irrevocable Stand-By Letter of Credit (SBLC) by Bank of China Ltd.

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

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