

Silverdale FUNDS

**Bloomberg
TOP-5
ASIAN FUND**

Silverdale Bond Fund

Communique as at 23rd October 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	25 Sep'15 (US\$ 1.75 per share)
Next Dividend Date	24 Dec'15 (US\$ 1.75 per share) [#]
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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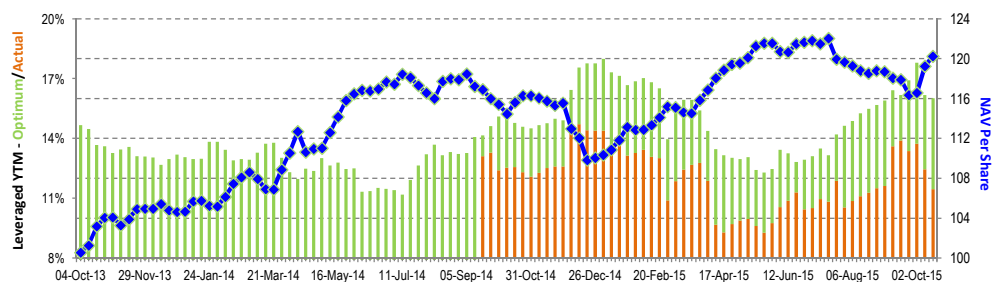
Or, Call: +65 6835 7130

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 week ended 23rd October 2015, the Fund NAV appreciated by 0.59% to US\$ 118.18 (previous week: US\$ 117.49), with optimum portfolio yield (post-leverage) of 15.68% per annum (previous week: 16.00% p.a.), and average duration of 1.94 years (previous week: 1.96 years).

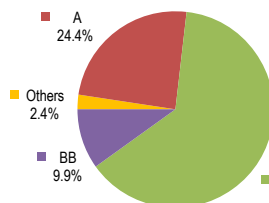
Portfolio Dashboard

Performance (Not annualised)*	Growth NAV US\$	120.9066	Ex-Dividend NAV US\$	118.1835
Previous 1 week	0.5751 %			
Trailing 1 month	3.9216 %			
Trailing 3 months	0.8055 %			
Trailing 6 months	1.2393 %			
Trailing 9 months	6.8585 %			
Trailing 12 months	3.9885 %			
(*) net of fees, adjusted for dividends				
Fund Statistics				
Portfolio Yield to Maturity	3.87 %			
Leveraged YTM - Actual	12.87 %			
Leveraged YTM - Optimum	15.68 %			
Average Coupon	4.39 %			
Average Duration ^{^^}	1.94 years			
Last Dividend Paid	US\$ 1.75			
Total Dividend Paid	US\$ 2.72			
Top Holdings				
Mcc Holding Hk Corp Ltd	5.12 %			
Ae Rotor Holding Bv	4.36 %			
Banco Btg Pactual/Cayman	3.90 %			
Israel Electric Corp Ltd	3.84 %			
Far East Horizon Ltd	3.79 %			
Hebei Iron & Steel	3.77 %			
Yuexiu Reit Mtn Co	3.65 %			

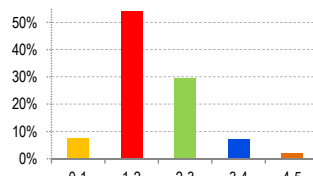


NAV and post-leverage YTM

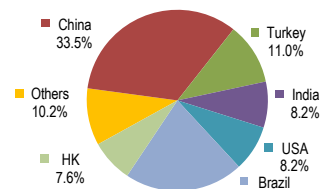
(*) net of fees, adjusted for dividend



RATING PROFILE¹



PORTFOLIO DURATION²



GEOGRAPHICAL EXPOSURE³

Portfolio Update

During the week, Silverdale Bond Fund sold Yapi Ve Kredi Bankasi 2017 bonds, while it purchased Raizen 2017, Zhejiang Energy 2017, Hebei 2018, AE Rotor 2018, BTG Investment 2018 and Bluestar Financer 2018 bonds.

Raizen Energia S.A. is the largest manufacturer in the sugar and ethanol sector in Brazil with crushing capacity of 65.8mn tons and 24 sugar-ethanol mills (~11% mkt share). It is part of Raizen, a 50:50 joint-venture between Cosan Group and Royal Dutch Shell. As at June'15 it reported total debt of ~US\$ 3.2bn against which it had cash & equivalents of ~US\$ 1bn and SBLC from promoters of US\$ 500mn.

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 assets 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.

Hebei Iron & Steel Group Co. Ltd (HBIS) is the third largest producer of crude steel globally and the largest producer in China with installed capacity in excess of 50MT (2013 production ~45 MT). The bonds are issued by its wholly owned subsidiary Hebei Iron & Steel (HK) International Trade Co. Ltd. HBIS is wholly owned by Hebei SASAC. Further the issue is supported by an irrevocable standby letter of credit from the Agricultural Bank of China Ltd (Assets: ~US\$ 2.8tn) and a keepwell deed by HBIS.

AE-Rotor Holding B.V. incorporated in the Netherlands, is subsidiary of the India-based Suzlon Group, one of the world's leading producer of wind turbine. Suzlon makes and installs windmills and has installed over 14GW of wind power globally. The said bonds are backed by irrevocable standby letter of credit from State Bank of India (India's largest bank with assets of US\$ 0.4tn).

China National Bluestar is the largest specialty chemicals manufacturer in China with 58 factories, and 16 R&D centres. For 2014 it reported ~US\$ 8.2bn revenue, ~US\$ 0.95bn EBITDA, and total assets of ~US\$ 12.8bn. It is owned ~63.6% by Central SASAC owned China National Chemical Corp and ~13.4% by The Blackstone Group. The bonds are issued by its wholly owned subsidiary and are guaranteed by it, as well as supported by a Keepwell Deed by China National Chemical Corp.

BTG Investments LP (BTGI) holds investments of BTG Pactual Group, including private equity funds and joint ventures. BTGI is majority owned (71.9%) by the BTG Pactual Group. As of 30 June 2015, it reported total assets of ~USD 8bn. The bonds are guaranteed by BTG Pactual Holding S.A., which is the majority owner of Banco BTG Pactual SA, which, in turn, is the largest investment bank in Latin America.

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". Ranking source: Bloomberg's special report on Asia's Hedge Fund dated June 26, 2015; category: Multi Strategy.