

Silverdale FUNDS

Bloomberg
TOP-5
ASIAN FUND

Silverdale Bond Fund

Communique as at 4th December 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 Launch Date	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
Initial Sales Charge	1.00%
Exit Load	0.25%

Class 1B Details

ISIN	KYG8135U1159
CUSIP	G8135U 115
Bloomberg Code	SILV01B KY Equity
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

Fund Administrator

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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 week ended 4th December, the Fund NAV declined by 4.41% to US\$ 111.93 (previous week: US\$ 117.10), with actual portfolio yield (post-leverage) of 21.04% per annum (previous week: 15.11% p.a.), and average duration of 1.93 years (previous week: 1.92 years).

Portfolio Dashboard

Performance (Not annualised)*

Previous 1 week	-4.3080 %
Trailing 1 month	-5.4695 %
Trailing 3 months	-3.3885 %
Trailing 6 months	-5.0129 %
Trailing 9 months	-0.3679 %
Trailing 12 months	1.4811 %

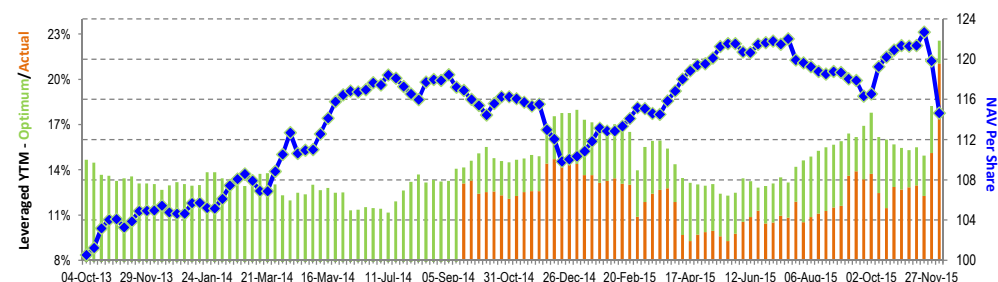
(*) net of fees, adjusted for dividends

Growth NAV US\$

Fund Statistics		
Portfolio Yield to Maturity	5.76	%
Leveraged YTM - Actual	21.04	%
Leveraged YTM - Optimum	22.55	%
Average Coupon	4.47	%
Average Duration^^	1.93	years
Last Dividend Paid	US\$ 1.75	
Total Dividend Paid	US\$ 2.72	

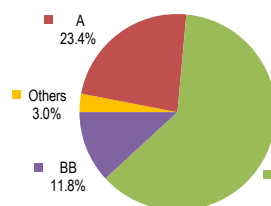
Ex-Dividend NAV US\$

Top Holdings	% age
Mcc Holding Hk Corp Ltd	4.96 %
Israel Electric Corp Ltd	4.42 %
Ae Rotor Holding Bv	4.24 %
Far East Horizon Ltd	3.68 %
Hebei Iron & Steel	3.61 %
Yuexiu Reit Mtn Co	3.50 %
Embraer Overseas Ltd	3.32 %

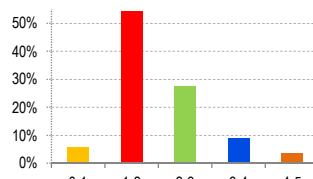


NAV and post-leverage YTM

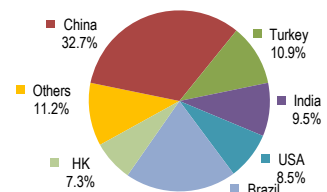
(* net of fees, adjusted for dividend)



RATING PROFILE¹



PORTFOLIO DURATION²



GEOGRAPHICAL EXPOSURE³

Portfolio Update

The primary reason for fall in NAV is fall in prices of BTG Pactual Group bonds, following the arrest of its CEO for alleged charges of obstructing investigation into Petrobras corruption scandal. During the week, Silverdale Bond Fund sold Petrobras 2016, and Jingneng 2017 bonds while it purchased Vale 2017, Indian Railway Finance Corp 2017, and Israel Electric 2018 bonds.

Vale SA (Mkt Cap ~US\$ 16bn) is one of the largest mining enterprises globally, being the world's largest producer of iron ore and nickel. Vale's principal mining operations are located in Brazil, Canada, Australia, Indonesia, and Mozambique. In addition, the company is active in exploration activities in nine countries. As at 30th Sep 2015, it reported debt at ~US\$ 28.7bn (~67% of which matures after 2018), against cash of ~US\$ 4.4bn and unutilized credit line of ~US\$ 6.4bn. It reported EBITDA of ~US\$ 8bn, net debt/EBITDA at 3.05x with EBITDA to interest of ~5.3x. The bonds are issued by its wholly owned subsidiary and guaranteed by it.

Indian Railway Finance Corp Ltd (IRFC) is dedicated financing arm of the Ministry of Railways (MOR) whose sole objective is to raise money from the market to part finance the plan outlay of Indian Railways. More than half of Indian Railways' rolling stock fleet has so far been financed by IRFC. IRFC enjoys legal ownership of the rolling stock assets, which are leased to MOR for a period of 30 years on Financial Lease terms. IRFC has funded acquisition of assets worth US\$ 18.8bn for MOR till end of March 2015. Government of India owns MOR and by extension IRFC.

Israel Electric Corporation Limited (IEC) generates, transmits and distributes substantially all the electricity consumed in Israel. It is owned ~99.85% by the Government 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.

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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