

Silverdale FUNDS

**Bloomberg
TOP-5
ASIAN FUND**

Silverdale Bond Fund

Communique as at 15th April 2016

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	24 Mar'16 (US\$ 1.75 per share)
Next Dividend Date	24 Jun'16 (US\$ 1.75 per share)*
NAV Computation	Weekly
Subscription	Weekly (Friday)*
Redemption	Weekly (Monday)*
Management Fee	0.50% p.a./ (Monday)*

Class 1A Details

ISIN	KYG8135U1076
CUSIP	G8135U 107
Swiss Valor No.	28213010
Bloomberg Code	SILV01A KY Equity
Morningstar SecID	F00000WLJR
Initial Sales Charge	1.00%
Exit Load	0.25%

Class 1B Details

ISIN	KYG8135U1159
CUSIP	G8135U 115
Bloomberg Code	SILV01B KY Equity
Morningstar SecID	F00000WLJW
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

Licensed by Monetary Authority of Singapore

Fund Administrator

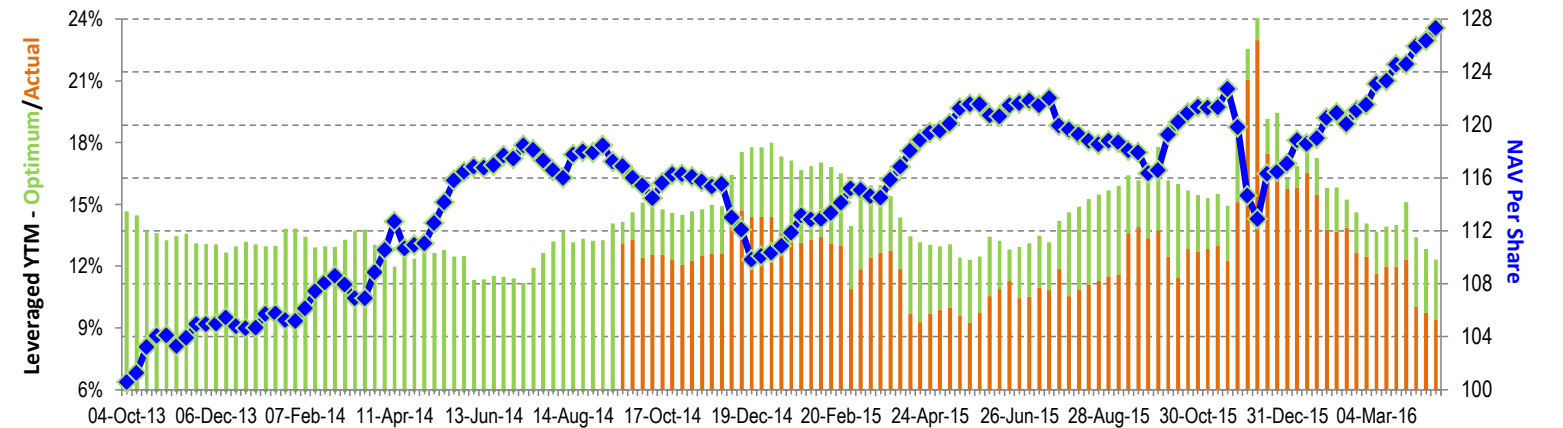
Orangefield (Mauritius) Limited
355 NeXTeracom Tower 1, Cybercity,
Ebene, Mauritius
Tel.: +230 464 7275 **Fax:** +230 464 3290
Email: spc@silverdalegroup.com

Silverdale Fund SP-1

Silverdale Bond Fund (or Silverdale Fund SP-1) generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 15th April 2016, the Fund NAV appreciated by 0.79% to US\$ 121.08 (previous week: US\$ 120.14), with actual portfolio yield (post-leverage) of 9.41% per annum (previous week: 9.73% p.a.), and average duration of 1.77 years (previous week: 1.75 years).

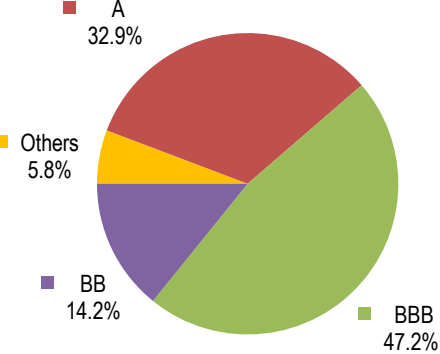
Portfolio Dashboard

Performance (Not annualised)*		Growth NAV US\$	127.3076	Ex-Dividend NAV US\$	121.0845
Fund Statistics		Top Holdings		% age	
Previous 1 week	0.7470 %	Portfolio Yield to Maturity	3.93 %	Mcc Holding Hk Corp Ltd	6.17 %
Trailing 1 month	2.2203 %	Leveraged YTM - Actual	9.41 %	Ae Rotor Holding Bv	5.25 %
Trailing 3 months	7.3609 %	Leveraged YTM - Optimum	12.31 %	Israel Electric Corp Ltd	4.61 %
Trailing 6 months	5.8997 %	Average Coupon	4.28 %	Hebei Iron & Steel	4.55 %
Trailing 9 months	4.3300 %	Average Duration [^]	1.77 years	Yuexiu Reit Mtn Co	4.42 %
Trailing 12 months	7.1127 %	Last Dividend Paid	US\$ 1.75	Ares Capital Corp	4.39 %
(*) net of fees, inclusive of dividends		Total Dividend Paid	US\$ 6.22	Vale Overseas Limited	4.31 %

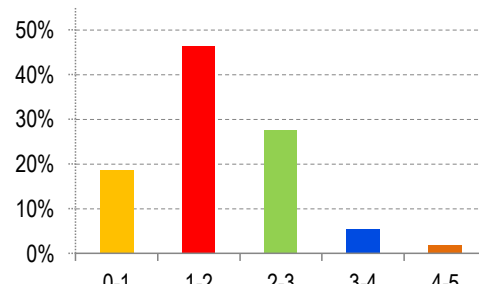


NAV and post-leverage YTM

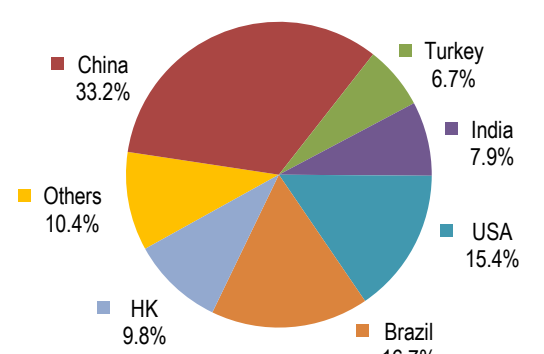
(*) net of fees, adjusted for dividend



RATING PROFILE¹



PORTFOLIO DURATION²



GEOGRAPHICAL EXPOSURE³

Portfolio Update

During the week, Silverdale Bond Fund sold Caixa 2017 bonds, while it purchased Vale 2017, AngloGold 2020, and Gap Inc 2021 bonds.

Vale SA (Mkt Cap ~US\$ 25bn) is one of the largest mining enterprises globally, being the largest global supplier of iron ore and the largest global producer of 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 31st Dec 2015, it reported debt at ~US\$ 28.9bn, against cash of ~US\$ 3.6bn and unutilized credit line of ~US\$ 6bn. It reported EBITDA of of ~US\$ 7.1bn, net debt/EBITDA at 3.6x with EBITDA to interest of ~4.8x. The bonds are issued by its wholly owned subsidiary and guaranteed by it.

AngloGold Ashanti Limited (Mkt Cap ~US\$ 6.1bn) is World's third largest gold producer operating 17 mines in 9 countries. It produced 3.95Moz of gold in 2015, generating US\$ 5.2bn in revenue. The average reserve life of its portfolio of mines is ~13 years. As at 31st Dec 2015, it reported debt at ~US\$ 2.7bn, against cash of ~US\$ 0.5bn and EBITDA of ~US\$ 1.2bn. It reported Net Debt/EBITDA at ~1.9x with EBITDA to Interest coverage of ~5.5x.

Gap Inc (Mkt Cap ~US\$ 9.5bn) headquartered in San Francisco, California, is a global apparel retailer whose products are available for purchase in more than 90 countries through 3,275 company-operated stores, 446 franchise stores, and e-commerce sites. It generates ~US\$ 15.8bn in sales and ~US\$ 2.2bn in EBITDA (FY ending Jan'16) worldwide through diverse brands including its namesake Gap, Banana Republic, Old Navy, Athleta, and Intermix. USA accounts for over 75% of FY 2016 sales followed by Asia (~10%). As at 30th Jan 2016 it reported total debt at ~US\$ 1.73bn (short term: ~US\$ 421mn) against which it had cash & equivalent at ~US\$ 1.4bn and unused line of credit of ~US\$ 500mn. Credit metrics looks manageable with Total Debt to TTM EBITDA of 0.8x and EBITDA to Interest coverage of ~35.9x (EBITDA to Fixed Charge: 4.2x). Gap Inc was founded by late Donald Fisher and his wife Doris Feigenbaum Fisher when they opened the first Gap store in 1969. The Fisher Family is the largest shareholder with ~41% stake.



Investors' Choice Award
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Nominee

Silverdale Capital
Ranked as
Best Fund Management Solution



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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

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