

Silverdale
FUNDS

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ASIAN FUND

Silverdale Bond Fund

Communique as at 17th June 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		
NAV Computation	Weekly		
Subscription	Weekly	(Friday)*	
Redemption	Weekly	(Monday)*	
Management Fee	0.50% p.a. ^{^^}	(Monday)*	
Next Dividend Date	24 Jun'16 (US\$ 1.75 per share) [#]		
Previous Dividend Date	24 Mar'16 (US\$ 1.75 per share)		
	24 Dec'15 (US\$ 1.75 per share)		
	25 Sep'15 (US\$ 1.75 per share)		
	26 Jun'15 (US\$ 0.97 per share)		

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

Regulated by Monetary Authority of Singapore
UEN# 200820921K

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 leverage, while actively managing the portfolio duration. During the week ended 17th June 2016, the Fund NAV appreciated by 0.21% to US\$ 124.95 (previous week: US\$ 124.70), with actual portfolio yield (post-leverage) increasing to 9.36% per annum (previous week: 8.38% p.a.), with average duration of 1.85 years (previous month: 1.84 years).

Portfolio Dashboard

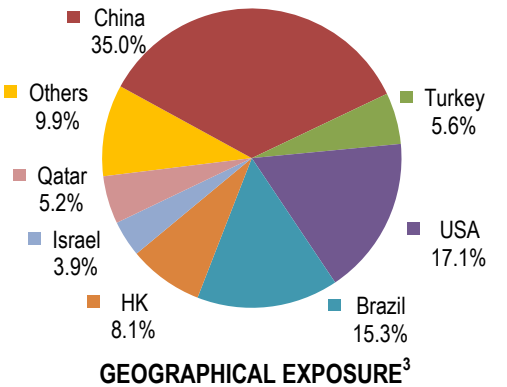
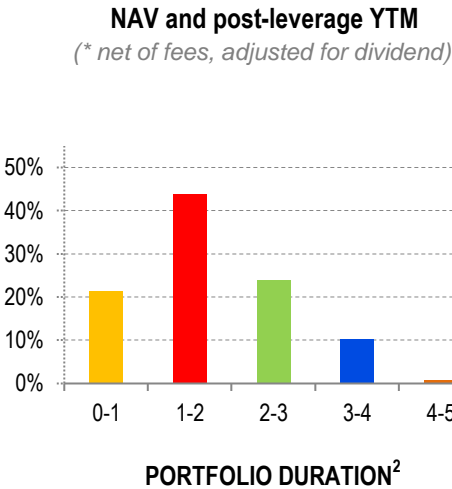
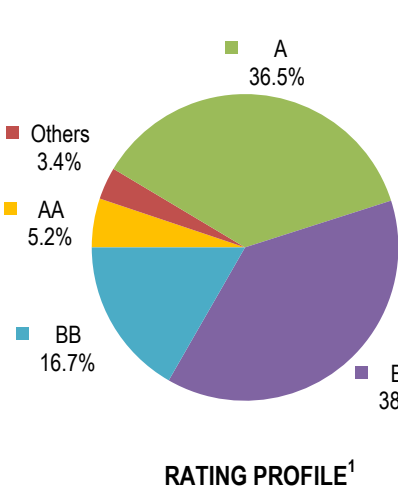
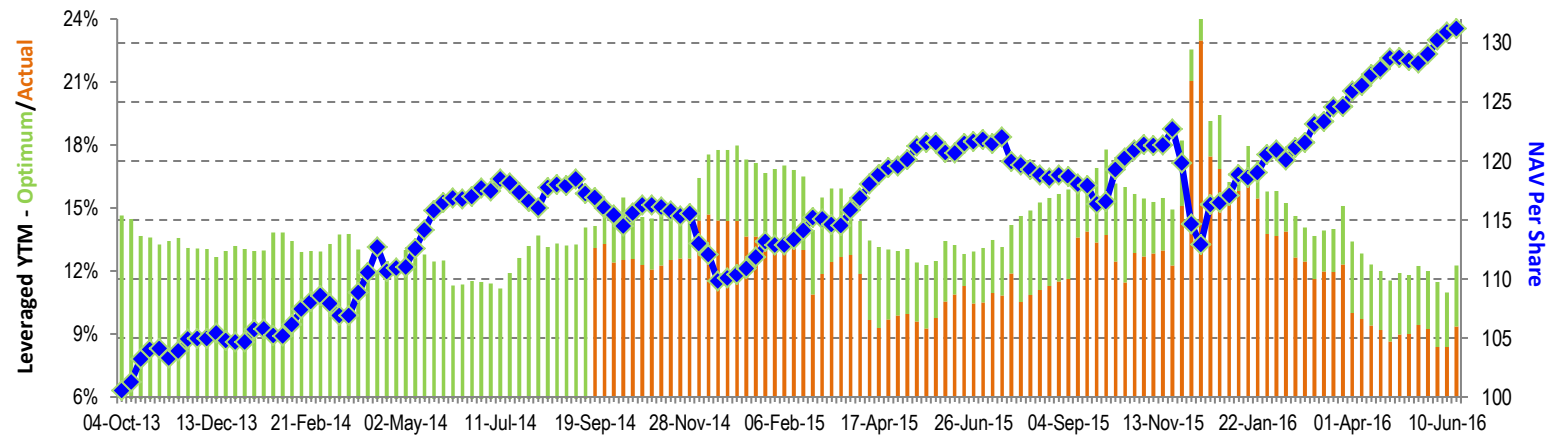
Performance (Not annualised)*		
Previous 1 week	0.1970	%
Trailing 1 month	2.2663	%
Trailing 3 months	5.3269	%
Trailing 6 months	12.7986	%
Trailing 9 months	11.2629	%
Trailing 12 months	7.9913	%

(*) net of fees, inclusive of dividends

Fund Statistics

Portfolio Yield to Maturity	3.62	%
Leveraged YTM - Actual	9.36	%
Leveraged YTM - Optimum	12.26	%
Average Coupon	4.18	%
Average Duration^	1.85	years
Last Dividend Paid	US\$ 1.75	
Total Dividend Paid	US\$ 6.22	

Ex-Dividend NAV US\$	124.9536
Top Holdings	
	% age
Mcc Holding Hk Corp Ltd	5.18 %
Qnb Finance Ltd	5.16 %
Gap Inc/The	4.75 %
Tianjin City Constructio	4.36 %
Israel Electric Corp Ltd	3.91 %
Vale Overseas Limited	3.86 %
Hebei Iron & Steel	3.82 %



Portfolio Update

During the week ended 17th June 2016, Silverdale Bond Fund purchased Cliff Natural Resource 2018, Banco BTG Pactual 2020, and Taqa 2021 bonds.

Cliff Natural Resource (Mkt Cap: US\$ 900mn) is the largest iron ore producer in North America with ~25.5 MTPA capacity. Additionally, it has 11 MTPA capacity in Australia. Recently, Cliff renewed iron ore pellet offtake contract with Arcelor Mittal for 10 years, thereby removing uncertainty around its revenue from its largest customer. As at March 2016, it reported total debt of US\$ 2.6bn, with ~US\$ 294mn due by Jan'18, against annual EBITDA of ~US\$ 250-300mn.

Banco BTG Pactual SA is a Rio de Janeiro-based multiple-service bank that provides various financial products and services, including investment banking, corporate lending, asset management, wealth management and investment products. As at 31 March 2016, it reported consolidated asset base of ~US\$ 65.8bn with BIS capital ratio of 15.5% (Tier I ratio at ~10.6%). Banco BTG Pactual is majority owned by (90%) by the BTG Pactual Group.

Abu Dhabi National Energy Company (TAQA, Mkt Cap: US\$ 900 mn) owns, invests and operates power-generation, water-desalination, and oil and gas companies in 11 countries across four continents. TAQA supplies over 90% of Abu Dhabi's power and water needs through eight majority-owned power and water plants in the UAE. TAQA has a total gross power generation capacity of 17,300 MW and a water desalination capacity of 887 MIGD. Further TAQA has a portfolio of oil and gas assets with operations in North America, the UK North Sea, Netherlands and Kurdistan region of Iraq. It reported oil and gas reserves of 522.3 million barrels of oil equivalent (boe) with average daily production of 158.9 thousand boe. It reported net debt at ~US\$ 19.5bn against which it had unused line of credit of ~US\$ 2.4bn. It reported Net Debt/EBITDA at 7.2x with EBITDA to Interest at 2.5x. TAQA is ~74.4% owned by Abu Dhabi Government.

Dividend

The Fund is likely to declare a dividend of US\$ 1.75 per share[#] on the shares held on Friday, June 24, 2016 (Dividend Record Date).

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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