



Bloomberg
TOP-5
ASIAN FUND

Silverdale Bond Fund

Communique as at 24th 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	30 Sep'16 (US\$ 1.75 per share)*
Previous Dividend Date	24 Jun'16 (US\$ 1.75 per share)
	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 SeclD	F00000WLJR
Initial Sales Charge	1.00%
Exit Load	0.25%

Class 1B Details

ISIN	KYG8135U1159
CUSIP	G8135U 115
Bloomberg Code	SILV01B KY Equity
Morningstar SeclD	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

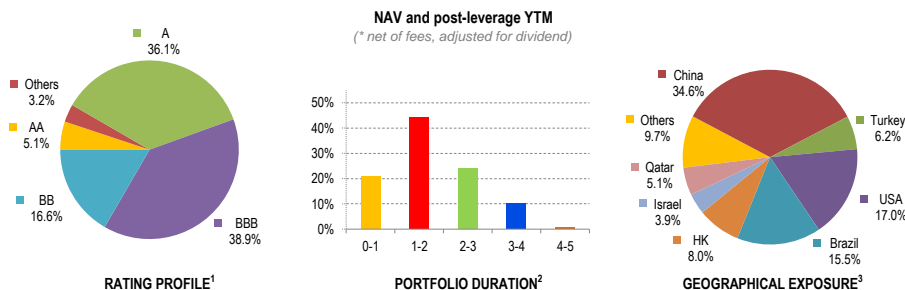
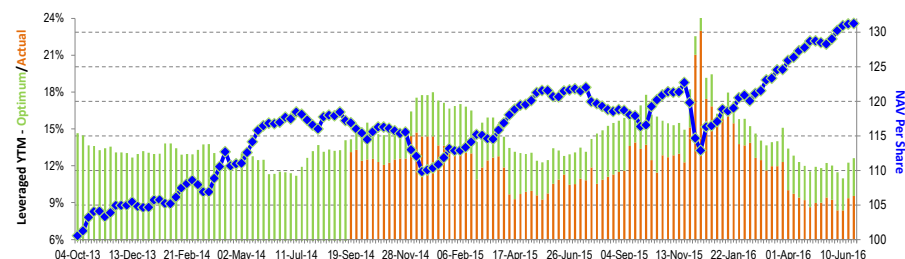
Fund Administrator

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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. As at 24th June 2016, the Fund declared quarterly dividend amounting to US\$ 1.75 per share; the ex-dividend NAV of the Fund was US\$ 123.27 as compared to previous month (cum-dividend) NAV of US\$ 122.81. The actual portfolio yield (post-leverage) of 9.70% per annum (previous month: 9.24% p.a.), and average duration of 1.84 years (previous month: 1.80 years).

Portfolio Dashboard		Growth NAV US\$	131.5308	Ex-Dividend NAV US\$	123.2694
Performance (Not annualised)*		Fund Statistics		Top Holdings	
Previous 1 week	0.0502 %	Portfolio Yield to Maturity	3.74 %	Mcc Holding Hk Corp Ltd	5.12 %
Trailing 1 month	1.7084 %	Leveraged YTM - Actual	9.70 %	Qnb Finance Ltd	5.11 %
Trailing 3 months	5.3414 %	Leveraged YTM - Optimum	12.82 %	Gap Inc/The	4.77 %
Trailing 6 months	12.7050 %	Average Coupon	4.20 %	Tianjin City Constructio	4.31 %
Trailing 9 months	12.8055 %	Average Duration^	1.84 years	Israel Electric Corp Ltd	3.86 %
Trailing 12 months	7.8944 %	Last Dividend Paid	US\$ 1.75	Vale Overseas Limited	3.83 %
(*) net of fees, inclusive of dividends		Total Dividend Paid	US\$ 7.97	Hebei Iron & Steel	3.78 %



Portfolio Update

During the week ended 17th June 2016, Silverdale Bond Fund purchased Vale 2019, Türkiye Is Bankasi 2019, and Türkiye Halk Bankasi 2019 bonds.

Vale SA (Mkt Cap ~US\$ 22bn) 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 Mar 2016, it reported debt at ~US\$ 31.5bn, against cash of ~US\$ 3.8bn and unutilized credit line of ~US\$ 3bn. It reported EBITDA of ~US\$ 7bn, net debt/EBITDA at 3.7x with EBITDA to interest of ~5.2x. The bonds are issued by its wholly owned subsidiary and guaranteed by it.

Türkiye Is Bankasi (Mkt Cap ~US\$6.9bn) is the largest privately-owned commercial bank in Turkey in terms of assets and loans, with 1,355 domestic and 23 overseas branches. As of March 2016, it had total assets worth ~US\$ 116bn and book value of equity of ~US\$ 11.9bn. It reported Net Interest Margin at ~4.06% and Non-Performing Loans (NPL) at 2.2% along with NPL coverage of 76.5%. It had capital adequacy ratio of ~15.5% with Tier-I ratio of ~13.9%.

Türkiye Halk Bankasi (Mkt Cap: US\$ 3.7bn) is the sixth largest commercial bank in Turkey in terms of assets and loans, with ~951 branches. As of March 2016, it had total assets worth ~US\$ 66.46bn and book value of equity of ~US\$ 6.94bn. It reported Net Interest Margin at ~3.9% and Non-Performing Loans (NPL) at ~3.0% with NPL coverage of ~75.8%. It reported capital adequacy ratio at ~13.7% with Tier-I ratio at ~13.0%.

During the month of June 2016, Silverdale Bond Fund NAV appreciated by 1.80%, three-fifth of which was contributed by yield tightening with the balance being contributed by bond interest. US credits where the key contributor to price appreciation followed by Chinese credit, while Indian credits marginally dragged the NAV.

During the month, Silverdale Bond Fund purchased GTL Trade 2017, Cliff 2018, Türkiye Halk Bankasi 2019, Türkiye Is Bankasi 2019, Midea 2019, Baidu (BREXIT), Tianjin Infra 2019, Vale 2019, Banco BTG Pactual 2020, and Taqa 2021 bonds. It also received proceeds from tender/maturity of Petrobras and Vedanta bonds.

British decision to exit EU (BREXIT) did not directly impact Silverdale Bond Fund as the Fund does not have any direct exposure to British bonds or GBP. Further, the short duration of the Fund (of less than 2 years) would cushion any significant gyrations in interest rate. Also, the above average level of cash holdings of the Fund, would enable the fund to opportunistically invest. The Fund continues to maintain its conservative position with ~80% of its investments being in investment grade bonds and continuing its weighted average duration of less than 2 years (1.84 years).

Dividend

For the June 2016 quarter the Fund has declared a dividend of US\$ 1.75 per share (Record date: 24 June 2016).



2016 ALTERNATIVE INVESTMENTS AWARDS FOR
Best Emerging Markets Credit Fund



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EM Credit Fund of 2015
Nominee

For subscription & information, please
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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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