

Silverdale

FUND S

Bloomberg
TOP-5
ASIAN FUND

Silverdale Bond Fund

Communique as at 29th July 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 Dates	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 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

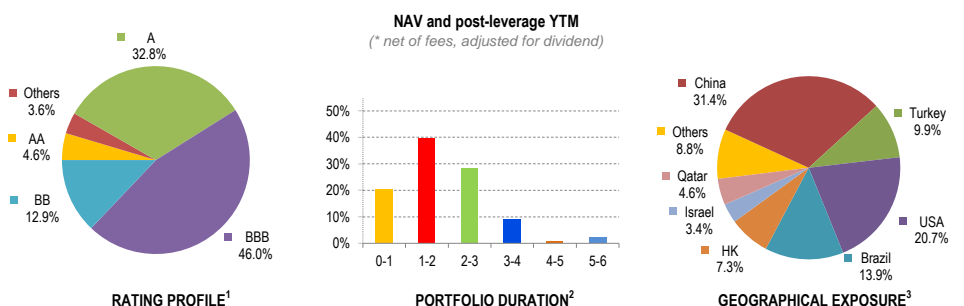
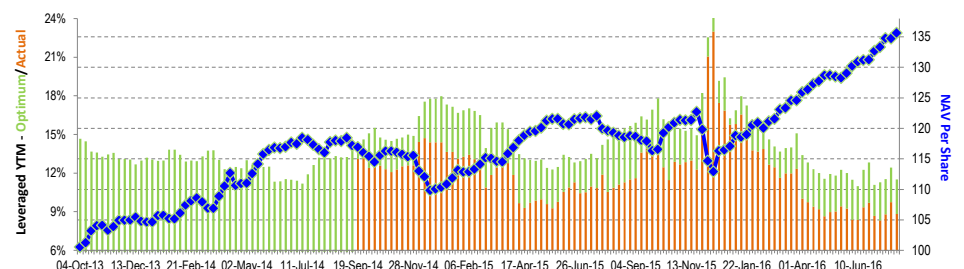
Visira (Mauritius) Limited
355 NeXTeracom Tower 1, Cybercity,
Ebene, Mauritius
Tel.: +230 464 7275 Fax: +230 464 3290
Email: spc@silverdalegroup.com

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 month ended 29th July 2016, the Fund NAV appreciated by 3.55% to US\$ 127.65 (previous month: US\$ 123.27), with actual portfolio yield (post-leverage) of 8.82% per annum (previous month: 9.70% p.a.), and average duration of 1.90 years (previous month: 1.84 years).

Portfolio Dashboard

Performance (Not annualised)*	Growth NAV US\$	135.6205	Ex-Dividend NAV US\$	127.6474
Previous 1 week	0.6657 %			
Trailing 1 month	2.2222 %			
Trailing 3 months	5.3845 %			
Trailing 6 months	12.5270 %			
Trailing 9 months	11.7406 %			
Trailing 12 months	13.3581 %			
(*) after all fees, before dividends				
Fund Statistics				
Portfolio Yield to Maturity	3.33 %			
Leveraged YTM - Actual	8.82 %			
Leveraged YTM - Optimum	11.50 %			
Average Coupon	4.32 %			
Average Duration [^]	1.90 years			
Last Dividend Paid	US\$ 1.75			
Total Dividend Paid	US\$ 7.97			
Top Holdings				
Mcc Holding Hk Corp Ltd	4.64 %			
Qnb Finance Ltd	4.62 %			
Gap Inc/The	4.41 %			
Tianjin City Constructio	3.93 %			
Yapi Ve Kredi Bankasi As	3.54 %			
Israel Electric Corp Ltd	3.43 %			
Hebei Iron & Steel	3.42 %			



Portfolio Update

During the week ended 29th July 2016, Silverdale Bond Fund purchased Yapi ve Kredi Bankasi 2017, Türkiye Halk Bankasi 2017, and Petrobras 2019 bonds. It also received proceeds from tender of Petrobras Argentina 2017, Petrobras 2018, and Petrobras 2019 bonds.

Yapi ve Kredi Bankasi (Mkt Cap: US\$ 5.1bn) is the fourth largest private bank in Turkey in terms of assets and loans, with ~1,000 branches. As of March 2016, it had total assets worth ~US\$ 84.4bn and book value of equity of ~US\$ 8.4bn. It reported Net Interest Margin at ~3.4% and Non-Performing Loans (NPL) at ~4.1% with NPL coverage of ~116%. It reported capital adequacy ratio at ~14.5% with Tier-I ratio at ~10.8%.

Türkiye Halk Bankasi (Mkt Cap: US\$ 3.4bn) 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%.

Petroleo Brasileiro S.A. (Mkt Cap: US\$ 52.6bn), is an integrated energy company, with total assets of over ~US\$ 200bn. As at 31st Mar 2016, it reported EBITDA of ~US\$ 20.6bn with Net Debt/EBITDA of ~5.1x and interest coverage ratio of ~3.1x. Brazilian Govt owns ~46% of its capital and ~60% of its voting shares. The bonds are issued by its wholly owned subsidiary and guaranteed by it.

During the month of July 2016, Silverdale Bond Fund NAV appreciated by 3.55%, two-third of which was contributed by yield tightening with the balance being contributed by bond interest. US credits were the key contributor to NAV appreciation followed by Brazilian credits, while Turkish credits marginally dragged the NAV.

During the month, Silverdale Bond Fund sold Petrobras Argentina 2017 bonds, while it purchased Yapi ve Kredi Bankasi 2017, Türkiye Halk Bankasi 2017, AE Rotor 2018, Seagate 2018, Yapi ve Kredi Bankasi 2018, Vale 2019, Petrobras 2019, Petrobras 2020, and Seagate 2023 bonds. It also received proceeds from tender/maturity of Petrobras Argentina, Petrobras and BTG Banco Pactual bonds.

The Fund continues to maintain its conservative position with ~83.5% of its investments being in investment grade bonds and continuing its weighted average duration of less than 2 years (1.90 years).



2016 ALTERNATIVE INVESTMENTS AWARDS FOR
Best Emerging Markets Credit Fund



Investors' Choice Award
EM Credit Fund of 2015
Nominee

For subscription & information, please
Email: spc@silverdalegroup.com
Or, Call: +65 6835 7130

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. (^) 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". (^) Based on Gross Assets. Ranking source: Bloomberg's special report on Asia's Hedge Fund dated June 26, 2015; category: Multi Strategy.