

Silverdale

F U N D S

Bloomberg
TOP-5
ASIAN FUND

Silverdale Bond Fund

Communique as at 26th August 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 Valer 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

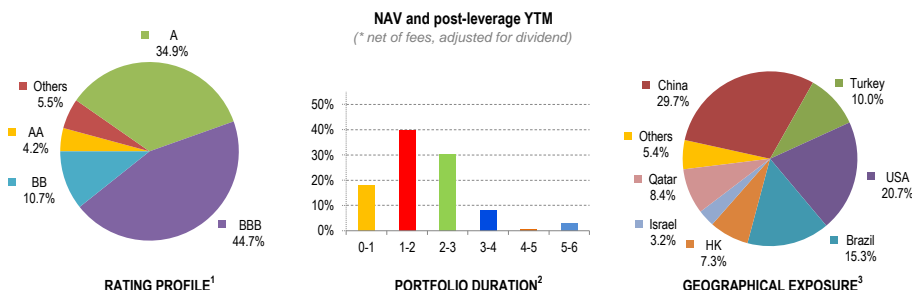
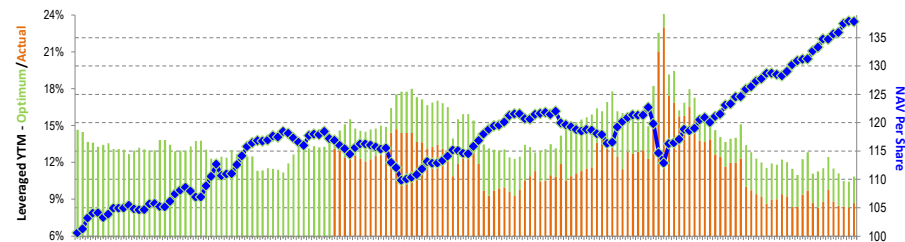
Fund Administrator

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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 month ended 26th August 2016, the Fund NAV appreciated by 1.73% to US\$ 129.85 (previous month: US\$ 127.65), with actual portfolio yield (post-leverage) of 8.69% per annum (previous month: 8.82% p.a.), and average duration of 1.92 years (previous month: 1.90 years).

Portfolio Dashboard		Growth NAV US\$	137.8248	Ex-Dividend NAV US\$	129.8517
Performance (Not annualised)*		Fund Statistics		Top Holdings	
Previous 1 week	-0.0567 %	Portfolio Yield to Maturity	3.14 %	Mcc Holding Hk Corp Ltd	4.24 %
Trailing 1 month	1.6253 %	Leveraged YTM - Actual	8.69 %	Qnb Finance Ltd	4.21 %
Trailing 3 months	6.8095 %	Leveraged YTM - Optimum	10.86 %	Seagate Hdd Cayman	4.20 %
Trailing 6 months	13.4022 %	Average Coupon	4.22 %	Qib Sukuk Ltd	4.20 %
Trailing 9 months	15.0273 %	Average Duration^	1.92 years	Gap Inc/The	4.11 %
Trailing 12 months	16.0214 %	Last Dividend Paid	US\$ 1.75	Tianjin City Constructio	3.60 %
(*) after all fees, before dividends		Total Dividend Paid	US\$ 7.97	Turkiye Halk Bankasi As	3.56 %



Portfolio Update

During the week ended 26th August 2016, Silverdale Bond Fund purchased Türkiye Halk Bankasi 2017, MCC Holdings 2017, and Zhejiang Energy 2017 bonds.

Türkiye Halk Bankasi (Mkt Cap: US\$ 3.8bn) 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%.

MCC Holding (Hong Kong) Corp. is the wholly owned subsidiary of Metallurgical Corp. of China Ltd (Market Cap: US\$ 11.6bn), which is part of China Metallurgical Group Corp (CMGC). CMGC is engaged in engineering and construction, equipment manufacturing, property development, and resource development business. CMGC is fully owned by State-owned Assets Supervision and Administration Commission (SASAC) of China. The said bonds are supported by irrevocable Stand-By Letter of Credit (SBLC) by Agriculture Bank of China Limited as well as a Keepwell Deed by CMGC.

Zhejiang Provincial Energy Group Co Ltd (ZEG) is the largest power producer in Zhejiang province. It is also into natural gas distribution and coal trading. As at June 2014, it had installed capacity of ~24GW. It reported total assets of ~US\$ 25.2bn with total debt of ~US\$ 8.2bn. ZEG is wholly owned by the Zhejiang SASAC. The bonds are issued by its subsidiary and supported by it.

During the month of August 2016, Silverdale Bond Fund NAV appreciated by 1.73%, a little over two-fifth of which was contributed by yield tightening with the balance being contributed by interest accrual. US credits were the dominant contributor to NAV appreciation followed by Turkish credits. There was not any significant laggard.

During the month, Silverdale Bond Fund sold Vale 2017, Taqa 2017, and Cliff Natural Resource 2018 bonds, while it purchased Yapi ve Kredi Bankasi 2017, Türkiye Halk Bankasi 2017, MCC Holdings 2017, Zhejiang Energy 2017, Petrobras 2018, Seagate 2018, Petrobras 2019, QIB Sukuk 2019, and Seagate 2023 bonds. It also received proceeds from tender of Yuexiu Property 2018, and AngloGold Ashanti 2020 bonds.

The Fund continues to maintain its conservative position with ~84% of its investments being in investment grade bonds and continuing its weighted average duration of less than 2 years (1.92 years). Short duration of the Fund would cushion against any significant gyrations in interest rate.



Silverdale Bond Fund
NOMINEE
Best Fixed Income Fund



Investors' Choice Award
EM Credit Fund of 2015
Nominee

Silverdale Capital by **AI HEDGEfund**
Best Fund Management Solution

2016 ALTERNATIVE INVESTMENTS AWARDS
Best Emerging Markets Credit Fund

For subscription & information, please
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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

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