

# Silverdale

F U N D S

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ASIAN FUND

# Silverdale Bond Fund

Communique as at 23rd September 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 <sup>†</sup> | 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\$ 1.80 per share)#  |
| Previous Dividend Dates     | 24 Jun'16 (US\$ 1.75 per share)<br>24 Mar'16 (US\$ 1.75 per share)<br>24 Dec'15 (US\$ 1.75 per share)<br>25 Sep'15 (US\$ 1.75 per share)<br>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% / 2% / 1%      |
| 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**

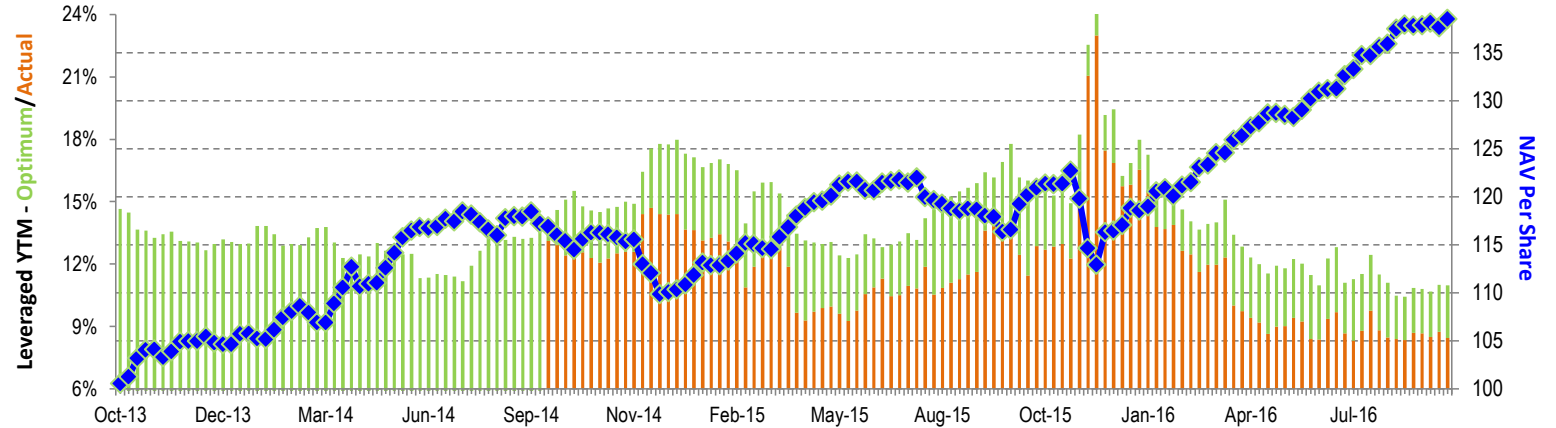
Regulated by Monetary Authority of Singapore  
UEN# 200820921K

### Fund Administrator

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

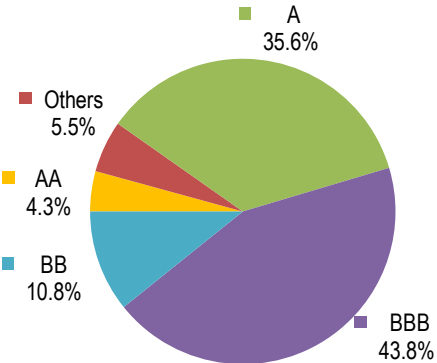
Silverdale Bond Fund (or Silverdale Fund SP-1) generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 23rd September 2016, the Fund NAV appreciated by 0.65% to US\$ 130.54 (previous week: US\$ 129.70), with actual portfolio yield (post-leverage) of 8.45% per annum (previous week: 8.73% p.a.), and average duration of 1.92 years (previous week: 1.88 years).

| Portfolio Dashboard                  |           | Growth NAV US\$             | 138.5171   | Ex-Dividend NAV US\$     | 130.5440 |
|--------------------------------------|-----------|-----------------------------|------------|--------------------------|----------|
| Performance (Not annualised)*        |           | Fund Statistics             |            | Top Holdings             |          |
| Previous 1 week                      | 0.6135 %  | Portfolio Yield to Maturity | 3.16 %     | Mcc Holding Hk Corp Ltd  | 4.29 %   |
| Trailing 1 month                     | 0.5023 %  | Leveraged YTM - Actual      | 8.45 %     | Qnb Finance Ltd          | 4.26 %   |
| Trailing 3 months                    | 5.5429 %  | Leveraged YTM - Optimum     | 10.97 %    | Seagate Hdd Cayman       | 4.26 %   |
| Trailing 6 months                    | 11.1803 % | Average Coupon              | 4.23 %     | Qib Sukuk Ltd            | 4.25 %   |
| Trailing 9 months                    | 18.9521 % | Average Duration^           | 1.92 years | Gap Inc/The              | 4.08 %   |
| Trailing 12 months                   | 19.0581 % | Last Dividend Paid          | US\$ 1.75  | Tianjin City Constructio | 3.65 %   |
| (*) after all fees, before dividends |           | Total Dividend Paid         | US\$ 7.97  | Turkiye Halk Bankasi As  | 3.60 %   |

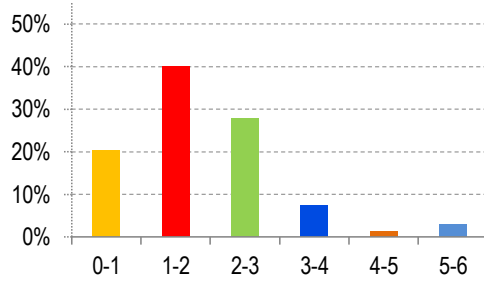


NAV and post-leverage YTM

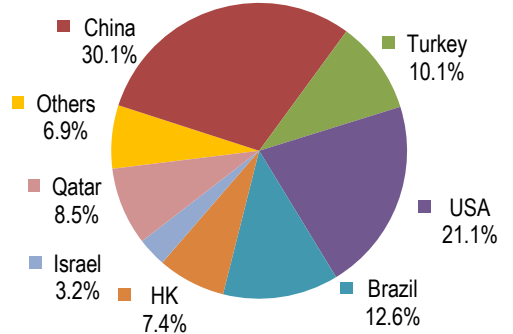
(\* net of fees, adjusted for dividend)



RATING PROFILE<sup>1</sup>



PORTFOLIO DURATION<sup>2</sup>



GEOGRAPHICAL EXPOSURE<sup>3</sup>

### Portfolio Update

During the week ended 23rd September 2016, Silverdale Bond Fund sold Caixa 2017 bonds while it purchased GTL Trade 2017, AE Rotor 2018, and Prospect 2019 bonds. Additionally the Fund received early call proceeds of Vale 2017 bonds.

Gerdau SA (Market Cap: US\$ 4.2bn) is the second largest producer of long-steel in the world. It has operations in 14 countries across the Americas, Europe and Asia; with a combined installed capacity of ~25 MMTPA. It is one of the lowest cost producer with vertically integrated operations. As at 30th June 2016, it reported cash & equivalent of ~US\$ 1.5bn, against total debt of ~US\$ 6.5bn. It reported Net Debt/EBITDA at 3.9x and EBITDA to interest at 2.8x. The bonds are issued by GTL Trade Finance Inc which is a wholly owned subsidiary of Gerdau SA and is guaranteed by it.

AE-Rotor Holding incorporated in the Netherlands, is subsidiary of the India-based Suzlon Group. Suzlon makes and installs windmills and has installed over 14GW of wind power globally. The said bonds are backed by irrevocable standby letter of credit (SBLC) from State Bank of India (India's largest bank with assets of US\$ 440bn).

Prospect Capital Corp (Mkt Cap: US\$ 3bn) is a investment management firm that provides loans to middle-market companies. As at June 2016, it reported total assets of US\$ 6.3bn, and net debt of ~US\$ 2.4bn against unused line of credit of ~US\$ 885mn. Prospect has a staggered debt maturity profile with no material debt maturities until 2017. Prospect has a diversified portfolio of investments in 125 companies with fair value of investment of ~US\$ 5.9bn.

### Dividend

The Fund is likely to declare a dividend of circa US\$ 1.80 per share on the shares held on Friday, September 30, 2016 (Dividend Record Date). Subscriptions received on or before 24th September 2016 are only eligible for dividend distribution.



### Silverdale Bond Fund

NOMINEE

Best Fixed Income Fund

### 2016 ALTERNATIVE INVESTMENTS AWARDS

Best Emerging Markets Credit Fund



### Investors' Choice Award

EM Credit Fund of 2015

Nominee

**Silverdale Capital**  
Best Fund Management Solution

by **AI HEDGEfund**  
2015 awards  
awarded by BarclayHedge

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.