

Silverdale

F U N D S

Silverdale Bond Fund

Communique as at 2nd December 2016

Bloomberg
TOP-5
ASIAN FUND

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 Dec'16 (US\$ 1.90 per share) [#]
Previous Dividend Dates	30 Sep'16 (US\$ 1.90 per share) 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)

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

For subscription & information, please

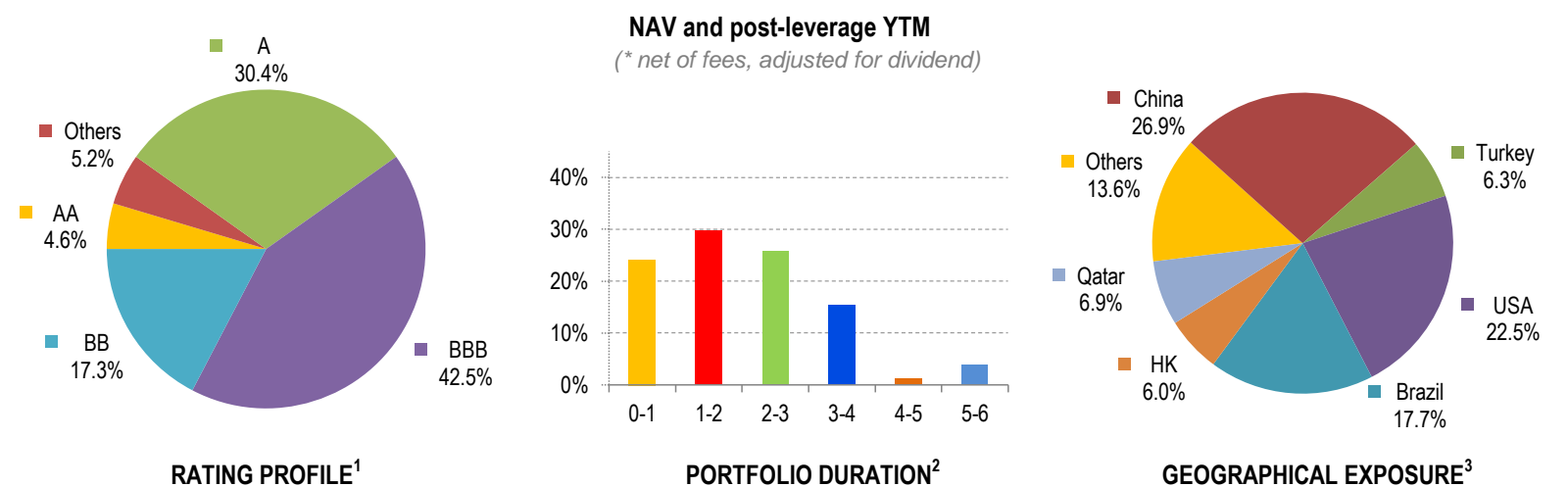
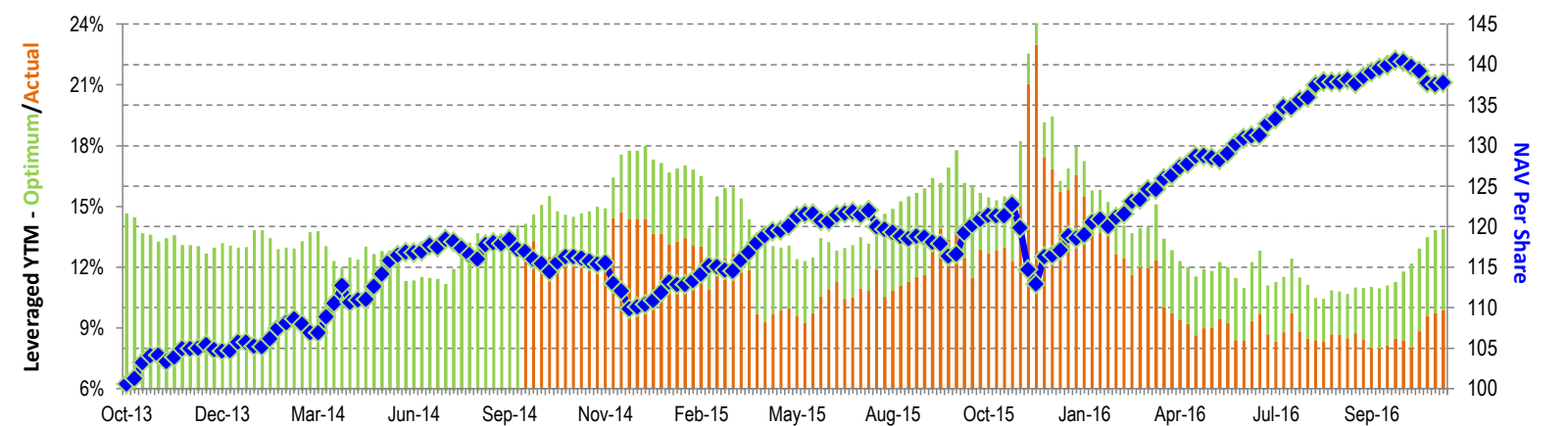
Email: spc@silverdalegroup.com

Or, Call: +65 6835 7130

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 2nd December 2016, the Fund NAV appreciated by 0.20% to US\$ 127.92 (previous week: US\$ 127.67), with actual portfolio yield (post-leverage) to 9.88% per annum (previous week: 9.75% p.a.), and average duration of 2.06 years (previous week: 2.07 years).

Portfolio Dashboard		Growth NAV US\$	137.7956	Ex-Dividend NAV US\$	127.9225
Performance*		Fund Statistics		Top Holdings	
Previous 1 week	0.1866 %	Portfolio Yield to Maturity	3.65 %	Gap Inc/The 2021	3.72 %
Trailing 1 month	-1.4101 %	Leveraged YTM - Actual	9.88 %	Seagate Hdd 2023	3.56 %
Trailing 3 months	-0.0499 %	Leveraged YTM - Optimum	13.87 %	Mcc Holding Hk 2017	3.50 %
Trailing 6 months	5.8147 %	Average Coupon	4.35 %	Qib Sukuk Ltd 2019	3.48 %
Trailing 12 months	20.1803 %	Average Duration [^]	2.06 years	Qnb Finance Ltd 2018	3.47 %
Trailing 3 years	9.50% p.a.	Total Dividend Paid	US\$ 9.87	Prospect Capital 2019	3.27 %
(*) after all fees, before dividends		Sharpe Ratio	1.29	Seagate Hdd 2018	3.25 %



Portfolio Update

During the week ended 2nd December 2016, Silverdale Bond Fund purchased Petrobras 2018 and Shougang Corp 2019 bonds.

Petroleo Brasileiro S.A. (Mkt Cap: US\$ 65.1bn), is an integrated energy company, with total assets of over ~US\$ 200bn. As at 30th Sep 2016, it reported TTM EBITDA of ~US\$ 24.3bn with Net Debt/EBITDA of ~4.1x and interest coverage ratio of ~3.2x. 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.

Shougang Corp is the second largest iron and steel company in China in terms of total assets. It is China's fifth largest steel producer by volume (2015: 28.6mn tons) and ranks among the top three producers in various high-value-add products, such as auto and appliance sheets. It also engages in mining, machinery and equipment manufacturing, healthcare, financial services, infrastructure construction, as well as property development. As at 30th June 2016, the Group had total assets of ~US\$ 66bn with operations and investments in over 24 countries. It reported total debt amounting to US\$ 33.6bn with cash & equivalents of ~US\$ 5bn and available line of credit at ~US\$ 43bn. It is owned by Beijing SASAC and has received funding support from the Beijing Government.

Silverdale Capital by **AI HEDGE fund**
Ranked as Best Fund Management Solution 2015 awards

HFM
AWARDS
ASIA 2016

Silverdale Bond Fund
Best Fixed Income Fund
Nominee

2016 ALTERNATIVE INVESTMENTS AWARDS
Best Emerging Markets Credit Fund



Investors' Choice Award
EM Credit Fund of 2015
Nominee

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.