

Silverdale

F U N D S

Bloomberg
TOP-5
ASIAN FUND

Silverdale Bond Fund

Communique as at 13th January 2017

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	31 Mar'17 (US\$ 1.90 per share)*
Previous 4 Dividend Dates	30 Dec'16 (US\$ 1.90 per share) 30 Sep'16 (US\$ 1.90 per share) 24 Jun'16 (US\$ 1.75 per share) 24 Mar'16 (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

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Fund Administrator

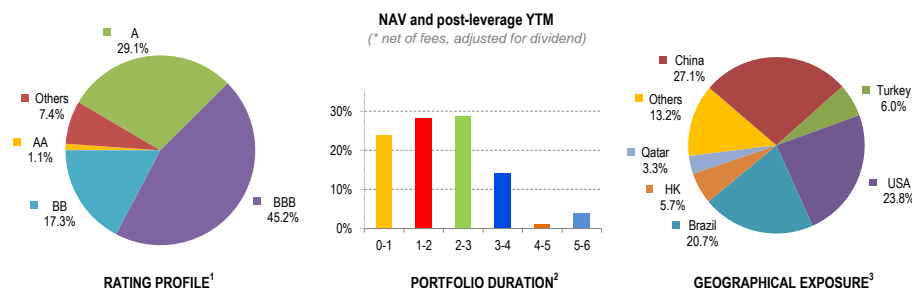
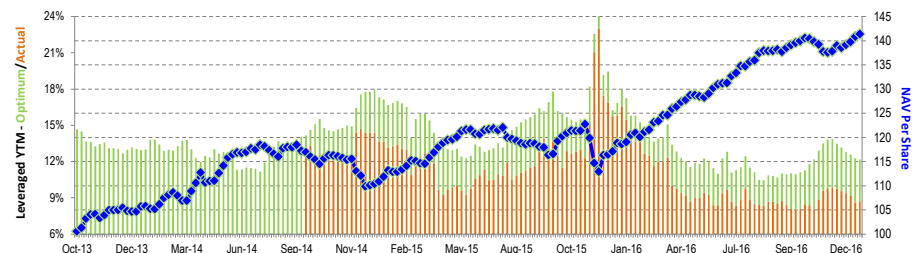
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Silverdale Fund SP-1

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 week ended 13th January 2017, the Fund NAV appreciated by 0.41% to US\$ 129.57 (previous week: US\$ 129.04), with actual portfolio yield (post-leverage) of 8.70% per annum (previous week: 8.60% p.a.), and average duration of 2.02 years (previous week: 2.01 years).

Portfolio Dashboard

Performance*	Growth NAV US\$	141.3432	Ex-Dividend NAV US\$	129.5701
Previous 1 week	0.3795 %			
Trailing 1 month	2.0345 %			
Trailing 3 months	1.0319 %			
Trailing 6 months	4.8882 %			
Trailing 12 months	19.1974 %			
Trailing 3 years	10.16% p.a.			
(*) after all fees, before dividends				
Fund Statistics				
Portfolio Yield to Maturity	3.52 %			
Leveraged YTM - Actual	8.70 %			
Leveraged YTM - Optimum	12.17 %			
Average Coupon	4.44 %			
Average Duration^	2.02 years			
Total Dividend Paid	US\$ 11.77			
Sharpe Ratio	1.38			
Top Holdings				
Gap Inc/The 2021	3.58 %			
Seagate Hdd 2023	3.47 %			
Qib Sukuk Ltd 2019	3.33 %			
Mcc Holding Hk 2017	3.30 %			
Prospect Capital 2019	3.16 %			
Seagate Hdd 2018	3.11 %			
Gtl Trade Finance Inc 2017	2.83 %			



Portfolio Update

During the week ended 13th January 2017, Silverdale Bond Fund sold Caixa 2017 bonds while it purchased Tewoo 2019, Petrobras 2019, Shougang 2019, Changchun Urban Development & Investment 2020, Vale 2021, and Petrobras 2021 bonds.

Tewoo Group is the largest commodities trading and metals distribution company in China by total revenue (~US\$ 60bn); with 60% of its gross profit generated from selling iron ore, coking coal and steel products in China. The Group is headquartered in Tianjin, with operations across China, United States, Germany, Japan, Singapore, Philippines and Hong Kong. As at 30th June 2016 it reported total assets of US\$ 34bn. It is a wholly owned subsidiary of Tianjin SASAC. The Tianjin government has provided periodic financial support to Tewoo through equity infusions and grants.

Petroleo Brasileiro S.A. (Mkt Cap: US\$ 69.4bn), 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-added products, such as auto and appliance sheets. It is also into mining, machinery and equipment manufacturing, healthcare, financial services, infrastructure construction, and 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 of US\$ 33.6bn with cash & equivalents of ~US\$ 5bn and unutilised line-of-credit of ~US\$ 43bn. It is owned by Beijing SASAC.

Changchun Urban Development Investment Holdings (CCDG) constructs roads, train stations and public housing, and is the monopoly water and sewage treatment provider for Changchun, which is the capital city of Jilin Province. CCDG is wholly owned by Changchun SASAC and is the largest local SOE in Jilin Province, owning over 80% of assets under Changchun SASAC as at end-2015. The bonds are issued by its wholly owned subsidiary and guaranteed by it.

Vale SA (Mkt Cap ~US\$ 48.7bn) is one of the largest mining enterprises globally, being the largest global supplier of iron ore and the largest global producer of nickel. As at 30th Sep 2016, it reported debt at ~US\$ 31.5bn, against cash & equivalents of ~US\$ 5.5bn and unutilised credit line of over US\$ 3bn. It reported TTM EBITDA of ~US\$ 8.8bn, net debt/EBITDA at 2.9x with EBITDA to interest of ~5x. The bonds are issued by its wholly owned subsidiary and guaranteed by it.



Silverdale Bond Fund
Best Fixed Income Fund
Nominee

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

2016 ALTERNATIVE INVESTMENTS AWARDS
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

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