

# Silverdale

## FUNDS

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## Silverdale Bond Fund

Communique as at 20th 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 <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	31 Mar'17 (US\$ 1.90 per share) <sup>#</sup>
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

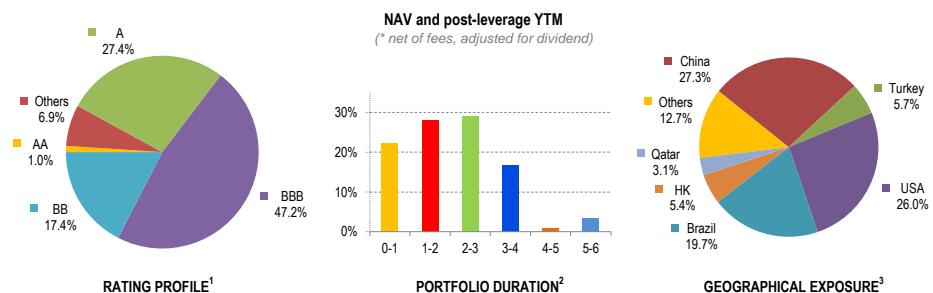
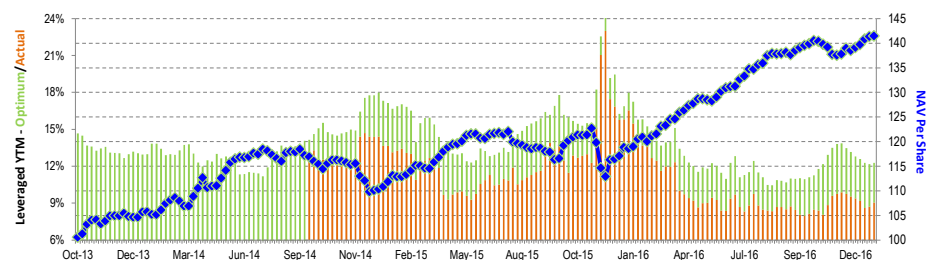
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Email: spc@silverdalegroup.com

### 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 week ended 20th January 2017, the Fund NAV appreciated by 0.09% to US\$ 129.68 (previous week: US\$ 129.57), with actual portfolio yield (post-leverage) of 9.05% per annum (previous week: 8.70% p.a.), and average duration of 2.07 years (previous week: 2.02 years).

### Portfolio Dashboard

Performance*	Growth NAV US\$	141.4551	Ex-Dividend NAV US\$	129.6820
Previous 1 week	0.0792 %			
Trailing 1 month	1.6775 %			
Trailing 3 months	0.6592 %			
Trailing 6 months	4.9965 %			
Trailing 12 months	18.8726 %			
Trailing 3 years	10.37% p.a.			
(*) after all fees, before dividends				
Fund Statistics				
Portfolio Yield to Maturity	3.52 %			
Leveraged YTM - Actual	9.05 %			
Leveraged YTM - Optimum	12.27 %			
Average Coupon	4.44 %			
Average Duration^	2.07 years			
Total Dividend Paid	US\$ 11.77			
Sharpe Ratio	1.38			
Top Holdings				
Seagate Hdd 2018	3.46 %			
Gap Inc/The 2021	3.39 %			
Prospect Capital 2019	3.33 %			
Seagate Hdd 2023	3.26 %			
Qib Sukuk Ltd 2019	3.14 %			
Mcc Holding Hk 2017	3.11 %			
Gtl Trade Finance Inc 2017	2.67 %			



### Portfolio Update

During the week ended 20th January 2017, Silverdale Bond Fund sold Caixa 2017 bonds while it purchased Transalta 2018, Seagate 2018, Wanda Properties 2018, Prospect Capital 2019, Embraer 2020, Changchun Urban Development & Investment 2020, H&R Block 2020, Beijing Capital Land 2020, HP 2021, and Vale 2021 bonds.

TransAlta Corporation (Mkt Cap: US\$ 1.7bn) headquartered in Calgary, Alberta, owns and operates 8,580 MW of coal, gas, solar, wind and hydro power plants, in Canada, USA and Australia. As at 30th Sep 2016, it reported net debt of US\$ 3bn and unutilised line of credit of US\$ 1.1bn. It reported TTM EBITDA of ~US\$ 670mn with Net Debt/EBITDA of ~4.4x and interest coverage ratio of ~3.7x.

H&R Block Inc. (Mkt Cap: US\$ 4.8bn) provides tax filing and related payment services. The majority of its revenue is generated by the preparation of tax returns sourced through its retail networks and by discounting of tax refunds primarily to lower and middle income customers. As at 31st Oct 2016, it reported net debt of ~US\$ 1.6bn and available line of credit amounting to ~US\$ 1bn. It reported TTM EBITDA of ~US\$ 840mn with Net Debt/EBITDA of ~1.8x and interest coverage ratio of ~9.3x. The bonds are issued by its wholly owned subsidiary and guaranteed by it.

Beijing Capital Land (BCL, Mkt Cap: US\$ 1.2bn) is a leading integrated real estate developer of residential, retail and office spaces, and social housing. Beijing Capital Group (BCG) is the largest shareholder with 54.5% stake, followed by China Resource Products (~9.1%), and GIC (~5.5%). BCG headquartered in Beijing, is one of the largest infrastructure developers in China which is into water treatment, infrastructure, real estate, and financial services. As at 30th June 2016, BCG reported total assets of ~US\$ 37bn. The notes are supported by a unconditional and irrevocable guarantee by International Financial Center Property Ltd (a wholly owned subsidiary of BCL), as well as a Keepwell Deed and a Deed of Equity Interest Purchase Undertaking by BCG.

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.

HP Inc. (Mkt Cap: US\$ 25.1bn), is a global supplier of imaging and printing systems, computing systems, mobile devices, solutions, and services for business and home. Its products include laser and inkjet printers, scanners, copiers and faxes, personal computers, workstations, storage solutions, and other computing and printing systems. As at 31st Oct 2016, it reported net debt of US\$ 550mn and available line of credit amounting to US\$ 800mn. It reported TTM EBITDA of ~US\$ 4.3bn with Net Debt/EBITDA of ~0.14x and interest coverage ratio of ~14.2x.



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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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