

Silverdale

F U N D S

Bloomberg
TOP-5
ASIAN FUND

Silverdale Bond Fund

Communique as at 27th 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 ¹	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 mutual fund, registered with Cayman Islands Monetary Authority

FUND MANAGER

Silverdale Capital Pte Ltd

Regulated by Monetary Authority of Singapore
UEN# 200820921K

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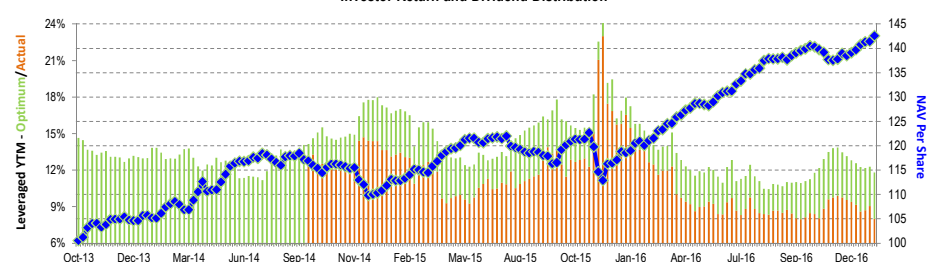
Silverdale Fund SP-1

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 ending 27th January 2017, the Fund NAV appreciated by 2.23% to US\$ 130.80 (previous month: US\$ 127.94), with actual portfolio yield (post-leverage) of 7.99% per annum (previous month: 9.17% p.a.), and average duration of 2.05 years (previous month: 2.00 years).

Portfolio Dashboard		Growth NAV US\$	142.5759	Ex-Dividend NAV US\$	130.8028
Performance*		Fund Statistics		Top Holdings	
Previous 1 week	0.8643 %	Portfolio Yield to Maturity	3.45 %	Seagate Hdd 2018	3.48 %
Trailing 1 month	2.2348 %	Leveraged YTM - Actual	7.99 %	Gap Inc/The 2021	3.38 %
Trailing 3 months	1.7032 %	Leveraged YTM - Optimum	11.80 %	Seagate Hdd 2023	3.32 %
Trailing 6 months	5.4489 %	Average Coupon	4.44 %	Prospect Capital 2019	3.32 %
Trailing 12 months	19.0034 %	Average Duration^	2.05 years	Qib Sukuk Ltd 2019	3.14 %
Trailing 3 years	10.68% p.a.	Total Dividend Paid	US\$ 11.77	Mcc Holding Hk 2017	3.11 %
(*) after all fees, grossing up for dividends		Sharpe Ratio	1.48	Gtl Trade Finance Inc 2017	2.67 %

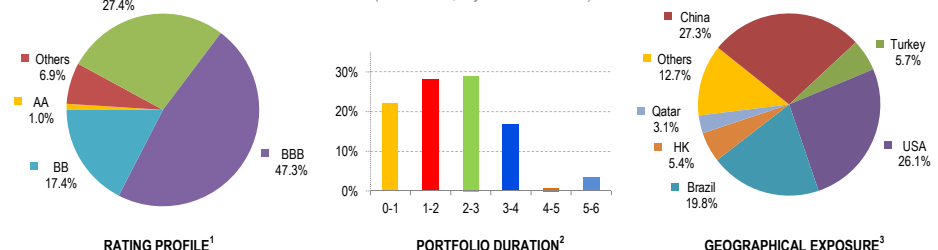
Period	Oct'13-Dec'13	2014	2015	Jan'16-Mar'16	Apr'16-Jun'16	Jul'16-Sep'16	Oct'16-Dec'16	2016
Dividend	-	-	4.4731	1.7500	1.7500	1.9000	1.9000	7.3000
Ex-Dividend Price	104.6428	110.3573	112.6058	118.3647	123.2694	129.1991	127.9435	127.9435
Return to Investor	4.06%	5.46%	6.09%	6.67%	5.62%	6.35%	0.50%	20.10%

Investor Return and Dividend Distribution



NAV and post-leverage YTM

(* net of fees, adjusted for dividend)



Portfolio Update

During the week ended 27th January 2017, Silverdale Bond Fund purchased Embraer 2020 bonds.

Embraer S.A. (Mkt Cap ~US\$ 4.2bn) is the leading manufacturer of regional jet airplanes (up to 120 seats), with a growing defense & security segment and a line of mid-size business jets. As at 30th Sep 2016, it reported order book of ~US\$ 21.4bn with North America accounting for over 50% of it. It reported debt at ~US\$ 3.8bn, against cash of ~US\$ 3.2bn, with Net Debt to EBITDA at ~0.85x. The bonds are issued by its wholly owned subsidiary and guaranteed by it. Founded in 1969 by the Brazilian federal government, the company was privatized in 1994 and transformed into a publicly-held corporation.

During the month of January 2017, Silverdale Bond Fund NAV appreciated by 2.23%, with circa three-fifth of appreciation contributed by price appreciation while remaining comes from interest accruals. US and Brazilian credits contributed over three-fourth of price appreciation, with no significant laggard.

During the month, the Fund sold Caixa 2017 and QNB Finance 2018 bonds, while it purchased Autonation 2018, Transalta 2018, Seagate 2018, Wanda Properties 2018, Prospect Capital 2019, Petrobras 2019, Shougang 2019, Embraer 2020, Changchun Urban Development 2020, H&R Block 2020, Petrobras 2020, Beijing Capital 2020, HP 2021, Petrobras 2021, and Vale 2021 bonds.

The Fund continues to maintain its conservative position with ~76% of its investments in investment grade bonds and continuing its weighted average duration of ~2 years. Short duration of the Fund could help it against any significant gyration in interest rate.



Investors' Choice Award

**2016 ALTERNATIVE
INVESTMENTS AWARDS**

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

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