

# Silverdale FUND S

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## Silverdale Bond Fund

Communique as at 3rd February 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 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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### Fund Administrator

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Email: spc@silverdalegroup.com

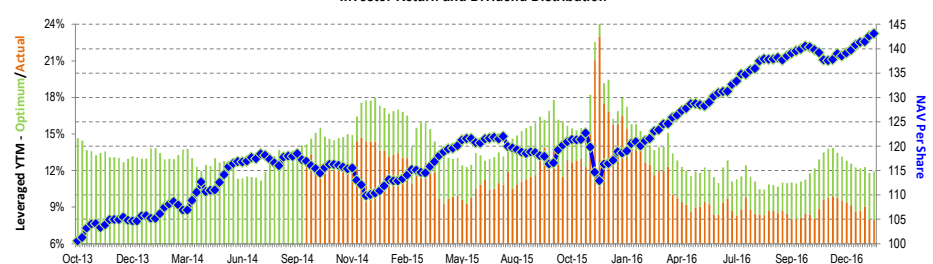
### Silverdale Fund SP-1

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 3rd February 2017, the Fund NAV appreciated by 0.42% to US\$ 131.35 (previous week: US\$ 130.80), with actual portfolio yield (post-leverage) of 7.95% per annum (previous week: 7.99% p.a.), and average duration of 2.07 years (previous week: 2.05 years).

Portfolio Dashboard		Growth NAV US\$ 143.1246		Ex-Dividend NAV US\$ 131.3515	
Performance*		Fund Statistics		Top Holdings	
Previous 1 week	0.4195 %	Portfolio Yield to Maturity	3.44 %	Gap Inc/The 2021	3.34 %
Trailing 1 month	1.7946 %	Leveraged YTM - Actual	7.95 %	Prospect Capital 2019	3.28 %
Trailing 3 months	2.5853 %	Leveraged YTM - Optimum	11.94 %	Seagate Hdd 2023	3.24 %
Trailing 6 months	5.6387 %	Average Coupon	4.06 %	Qib Sukuk Ltd 2019	3.11 %
Trailing 12 months	19.0977 %	Average Duration^	2.07 years	Mcc Holding Hk 2017	3.06 %
Trailing 3 years	10.48% p.a.	Total Dividend Paid	US\$ 11.77	Seagate Hdd 2018	2.91 %
(*) after all fees, grossing up for dividends		Sharpe Ratio	1.48	Block Financial Llc 2020	2.65 %

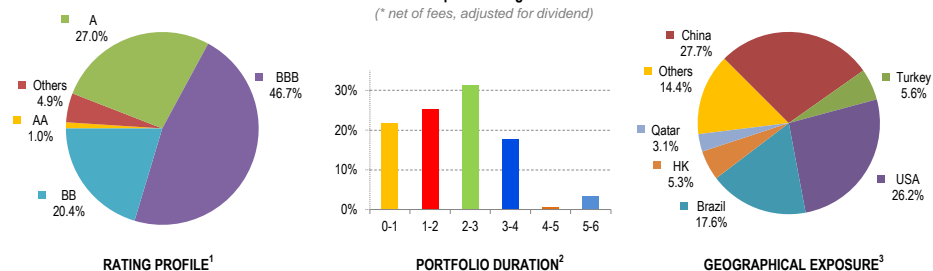
Period	Oct'13-Dec'13	2014	2015	Jan'16-Mar'16	Apr'16-Jun'16	Jul'16-Sep'16	Oct'16-Dec'16	2016
Dividend	-	-	4.4731	1.7500	1.7500	1.9000	1.9000	7.3000
Ex-Dividend Price	104.6428	110.3573	112.6058	118.3647	123.2694	129.1991	127.9435	127.9435
Return to Investor	4.06%	5.46%	6.09%	6.67%	5.62%	6.35%	0.50%	20.10%

### Investor Return and Dividend Distribution



### NAV and post-leverage YTM

(\*) net of fees, adjusted for dividend



### Portfolio Update

During the week ended 3rd February 2017, Silverdale Bond Fund sold Seagate 2018 bond while it purchased Tewoo 2019, Changchun Urban Development 2020, and H&R Block 2020 bonds. It also purchased a structured note based on Shriram Transport 2020 bonds. Further it received proceeds from tender of Petrobras 2019 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 being 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 historically provided financial support to Tewoo through equity infusions and grants.

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.

H&R Block Inc. (Mkt Cap: US\$ 4.4bn) 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.

Shriram Transport Finance (Market Cap: US\$ 3.3bn) established in 1979, is one of the largest non-bank asset financing companies in India with primary focus on financing pre-owned commercial vehicles, first time commercial vehicle users, and small road transport operators. It also provides financing for passenger commercial vehicles, multi-utility vehicles, etc. As at 31st Dec 2016, it reported total assets of US\$ 10.3bn. It reported net NPA at 1.7% along with provision coverage ratio of 75.4%. The structured note based on Shriram Transport INR bonds hedged into USD and issued by Watson Investments B.V.



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### 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](mailto:spc@silverdalegroup.com)

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