

Silverdale

Fund Management

Bloomberg
Top-5
ASIAN FUND

Silverdale Bond Fund

Communique as at 10th March 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 mutual fund, 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

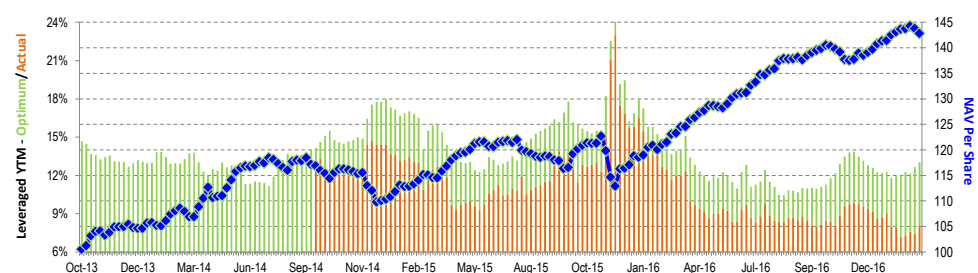
Silverdale Fund SP-1

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 10th March 2017, the Fund NAV declined by 0.71% to US\$ 131.07 (previous week: US\$ 132.01), with actual portfolio yield (post-leverage) of 8.05% per annum (previous week: 7.45% p.a.), and average duration of 2.11 years (previous week: 2.27 years).

Portfolio Dashboard		Growth NAV US\$		142.8429	Ex-Dividend NAV US\$		131.0698
Performance*		Fund Statistics		Top Holdings		% age	
Previous 1 week	-0.7086 %	Portfolio Yield to Maturity	3.70 %	Block Financial Llc 2020		2.71 %	
Trailing 1 month	-0.6332 %	Leveraged YTM - Actual	8.05 %	Gap Inc/The 2021		2.69 %	
Trailing 3 months	2.9944 %	Leveraged YTM - Optimum	13.04 %	Chang Development 2020		2.64 %	
Trailing 6 months	3.6028 %	Average Coupon	4.41 %	Prospect Capital 2019		2.60 %	
Trailing 12 months	16.4163 %	Average Duration^	2.11 years	Seagate Hdd 2023		2.57 %	
Trailing 3 years	10.14% p.a.	Total Dividend Paid	US\$ 11.77	Mcc Holding Hk 2017		2.43 %	
(*) after all fees, grossing up for dividends		Sharpe Ratio	1.40	Seagate Hdd 2022		2.38 %	

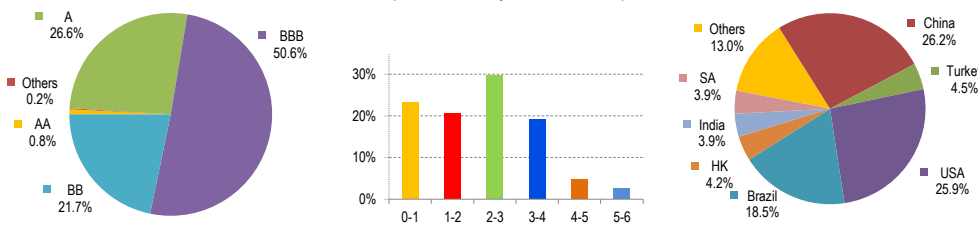
Period	Oct'13-Dec'13	2014	2015	Jan'16-Mar'16	Apr'16-Jun'16	Jul'16-Sep'16	Oct'16-Dec'16	2016
Dividend	-	-	4.4731	1.7500	1.7500	1.9000	1.9000	7.3000
Ex-Dividend Price	104.6428	110.3573	112.6058	118.3647	123.2694	129.1991	127.9435	127.9435
Return to Investor	4.06%	5.46%	6.09%	6.67%	5.62%	6.35%	0.50%	20.10%

Investor Return and Dividend Distribution



NAV and post-leverage YTM

(* net of fees, adjusted for dividend)



Portfolio Update

During the week ended 10th March 2017, Silverdale Bond Fund purchased PT Astra Sedaya Financ 2018 (-/Baa3/BBB-), IDBI 2018 (BB/Baa3/BBB-), The Chugoku Electric Power Co. 2020 (-/A3/-), and Credit Linked Note on Vale (BBB-/Ba3/BBB).

PT Astra Sedaya Finance (ASF) is the largest passenger car financing company in Indonesia by assets. It operates in both new and used car markets. Its parent Astra International (AI, ~86% stake) accounts for ~50% of domestic car sales. During 2015, ASF financed around 20% of new cars sold by AI. As at 30 June 2016, ASF reported total managed assets of ~US\$ 2.3bn, Net Interest Margin at 2.9%, and Non Performing Loans of ~1.2%.

IDBI Bank (Mkt Cap: US\$ 2.3bn) is a commercial bank, majority-owned by Government of India (~88.3% stake). As at 31 Dec 2016, it reported total assets of ~US\$ 56.6bn with book value of equity at ~US\$ 4.2bn. It reported Net Interest Margin at 1.60%, Net NPA at 9.61% along with provision coverage ratio at 54.63%. It reported Total Capital Ratio at 11.29% with Tier 1 Capital ratio at 8.71%.

Chugoku Electric Power Co (Market Cap: US\$ 4bn) is an integrated supplier of electricity in the Chugoku region of Japan. The company's operations include power generation, transmission, distribution and retail sales, as well as electric plant construction and maintenance. It has installed capacity of ~11.5GW consisting of ~7.8GW thermal, ~2.9GW hydro ~0.8GW nuclear power. As at 31 Dec 2016, it reported debt at ~US\$ 16.9bn, against cash of ~US\$ 650mn. It reported EBITDA of ~US\$ 1.5bn, net debt/EBITDA at 10.9x with EBITDA to interest of ~7.5x.

Vale SA (Mkt Cap ~US\$ 48.6bn) is the largest global supplier of iron ore and the largest global producer of nickel. As at 31 Dec 2016, it reported debt at ~US\$ 29.4bn, against cash & equivalents of ~US\$ 4.3bn and unutilized credit line of over US\$ 4.6bn. It reported TTM EBITDA of ~US\$ 10.4bn, net debt/EBITDA at 2.3x with EBITDA to interest ratio of ~5.9x. The 5 year Credit Linked Note is issued by Societe Generale (Mkt Cap: US\$ 41.2bn / Rated A/A2/A).



**2016 ALTERNATIVE
INVESTMENTS AWARDS**



Investors' Choice Award

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

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. (v) 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 3% has been clubbed as "Others". (v) Based on Gross Assets. Ranking source: Bloomberg's special report on Asia's Hedge Fund dated June 26, 2015; category: Multi Strategy.