

# Silverdale

Fund Management

## 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. <sup>^</sup> (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

## Fund Administrator

Vistra (Mauritius) Limited  
355 NeXTeracom Tower 1, Cybercity,  
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Or, Call: +65 6835 7130

# Silverdale Bond Fund

Communique as at 17th March 2017

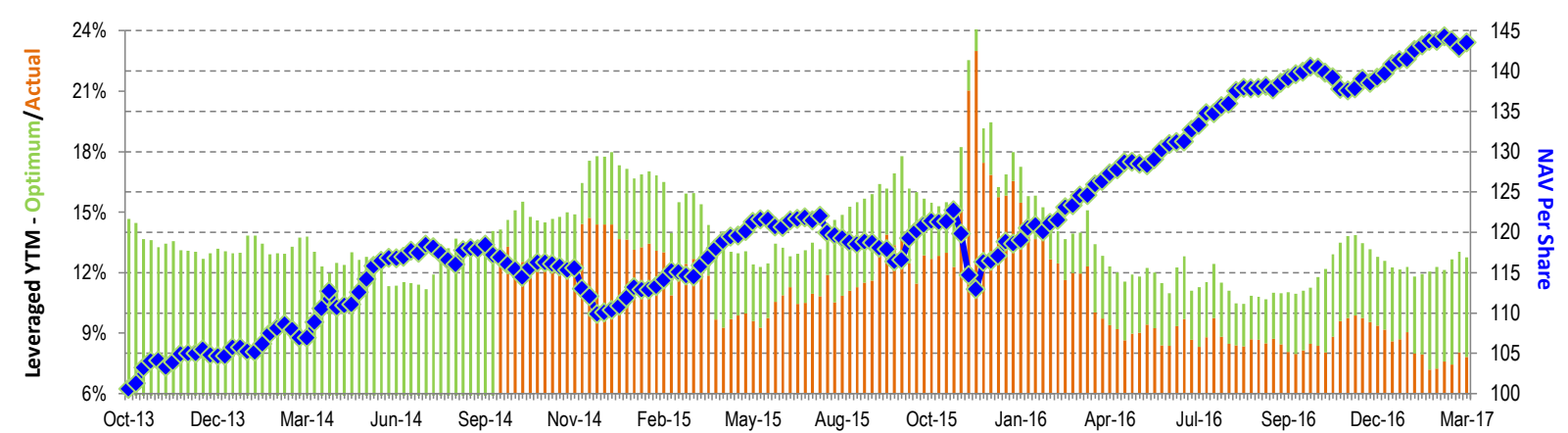
## Silverdale Fund SP-1

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 17th March 2017, the Fund NAV appreciated by 0.49% to US\$ 131.72 (previous week: US\$ 131.07), with actual portfolio yield (post-leverage) of 7.83% per annum (previous week: 8.05% p.a.), and average duration of 2.01 years (previous week: 2.11 years).

Portfolio Dashboard		Growth NAV US\$	143.4894	Ex-Dividend NAV US\$	131.7163
Performance*		Fund Statistics		Top Holdings	
Previous 1 week	0.4932 %	Portfolio Yield to Maturity	3.73 %	Block Financial Llc 2020	2.59 %
Trailing 1 month	-0.1803 %	Leveraged YTM - Actual	7.83 %	Gap Inc/The 2021	2.56 %
Trailing 3 months	3.8589 %	Leveraged YTM - Optimum	12.76 %	Chang Development 2020	2.52 %
Trailing 6 months	4.4849 %	Average Coupon	4.38 %	Prospect Capital 2019	2.49 %
Trailing 12 months	15.7801 %	Average Duration <sup>^</sup>	2.01 years	Seagate Hdd 2023	2.46 %
Trailing 3 years	10.31% p.a.	Total Dividend Paid	US\$ 11.77	Mcc Holding Hk 2017	2.32 %
(*) after all fees, grossing up for dividends		Sharpe Ratio	1.40	Reliance - Cln (Soc Gen) 201	2.30 %

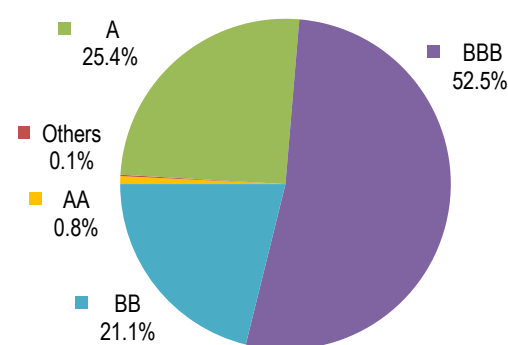
Period	Oct'13-Dec'13	2014	2015	Jan'16-Mar'16	Apr'16-Jun'16	Jul'16-Sep'16	Oct'16-Dec'16	2016
Dividend	-	-	4.4731	1.7500	1.7500	1.9000	1.9000	7.3000
Ex-Dividend Price	104.6428	110.3573	112.6058	118.3647	123.2694	129.1991	127.9435	127.9435
Return to Investor	4.06%	5.46%	6.09%	6.67%	5.62%	6.35%	0.50%	20.10%

### Investor Return and Dividend Distribution

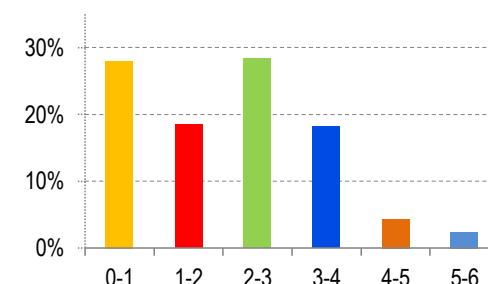


### NAV and post-leverage YTM

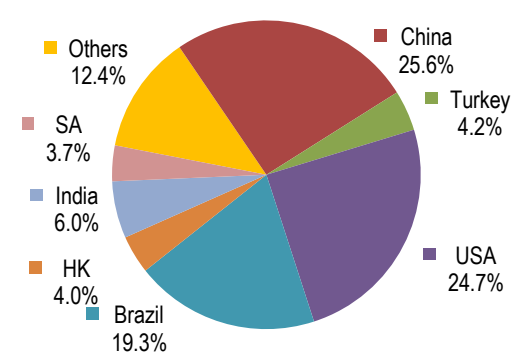
(\* net of fees, adjusted for dividend)



### RATING PROFILE<sup>1</sup>



### PORTFOLIO DURATION<sup>2</sup>



### GEOGRAPHICAL EXPOSURE<sup>3</sup>

## Portfolio Update

During the week ended 17th March 2017, Silverdale Bond Fund purchased China Hongqiao 2017 (BB-/BB), 3 year Credit Linked Note on Vale (BBB-/Ba3/BBB), and 5 year Credit Linked Note on Reliance Industries (BBB+/Baa2/BBB-).

China Hongqiao Group (Mkt Cap: US\$ 6.7bn) is China's largest aluminium producer with capacity of ~5.2 MTPA. As at 30 June 2016, it reported turnover of ~US\$ 7.3bn with EBITDA of ~US\$ 2.3bn. It reported total debt at ~US\$ 10.2bn against which it had cash & equivalent of ~US\$ 1.9bn; with Net Debt to EBITDA of ~3.7x and EBITDA to interest coverage of ~5.6x.

Vale SA (Mkt Cap ~US\$ 52.2bn) 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 BNP Paribas (Mkt Cap: US\$ 82.5bn / Rated A/A1/A+).

Reliance Industries (Mkt Cap ~US\$ 64.5bn) is a Fortune 500 and India's largest petrochemicals firm. It has businesses spanning across exploration and production of oil and gas, petroleum refining and marketing, petrochemicals (including the production of polyester, fiber intermediates, plastics and chemicals), as well as retailing, and telecommunications. It's Jamnagar complex houses one of the world's largest single-site refineries with a refining capacity of 1.2 million bbl/day. As at 31 Dec 2016, it reported debt at ~US\$ 27.2bn, against cash & equivalents of ~US\$ 7.4bn. It reported TTM EBITDA of ~US\$ 6.9bn, net debt/EBITDA at 2.9x with EBITDA to interest ratio of ~9.5x. The 5-year Credit Linked Note on Reliance have been issued by Societe Generale (Mkt Cap: US\$ 41.2bn / Rated A/A2/A).

## Dividend

The Fund is likely to declare a dividend of circa US\$ 1.90 per share on the shares held on Friday, March 31, 2017 (Dividend Record Date). All subscriptions received on or before 24th March 2017 are eligible for dividend distribution.



## 2016 ALTERNATIVE INVESTMENTS AWARDS



### Investors' Choice Award

## 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)

## DISCLAIMER

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