

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 [†]	9 Sep 2010
Weekly NAV Launch Date	1 Oct 2013
Cayman Launch Date	8 May 2015
NAV Computation	Weekly (Friday)*
Subscription	Weekly (Monday)*
Redemption	Weekly (Monday)*
Management Fee	0.50% p.a.^
Next Dividend Date	30 Jun'17 (US\$ 1.90 per share)*
Previous 4 Dividend Dates	31 Mar'17 (US\$ 1.90 per share) 30 Dec'16 (US\$ 1.90 per share) 30 Sep'16 (US\$ 1.90 per share) 24 Jun'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	F00000VLJW
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

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Bloomberg
Top-5
ASIAN FUND

Silverdale Bond Fund

Communique as at 31st 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. As at 31st March 2017, the Fund declared quarterly dividend payout of US\$ 1.90 per share; the ex-dividend NAV of the Fund was US\$ 130.66 as compared to previous month (cum-dividend) NAV of US\$ 132.49. The actual portfolio yield (post-leverage) of 7.16% per annum (previous month: 7.60% p.a.), and average duration of 2.02 years (previous month: 2.29 years).

Portfolio Dashboard		Growth NAV US\$ 144.3327		Ex-Dividend NAV US\$ 130.6596	
Performance*		Fund Statistics		Top Holdings	
Previous 1 week	0.2815 %	Portfolio Yield to Maturity	3.54 %	Block Financial Llc 2020	2.52 %
Trailing 1 month	0.4200 %	Leveraged YTM - Actual	7.16 %	Gap Inc/The 2021	2.48 %
Trailing 3 months	3.6079 %	Leveraged YTM - Optimum	11.60 %	Chang Development 2020	2.44 %
Trailing 6 months	4.0716 %	Average Coupon	4.45 %	Prospect Capital 2019	2.40 %
Trailing 12 months	15.3870 %	Average Duration^	2.02 years	Seagate Hdd 2023	2.38 %
Trailing 3 years	9.30% p.a.	Total Dividend Paid	US\$ 13.67	Reliance - Cln 2022	2.22 %
(*) after all fees, grossing up for dividends		Sharpe Ratio	1.38	Seagate Hdd 2022	2.21 %

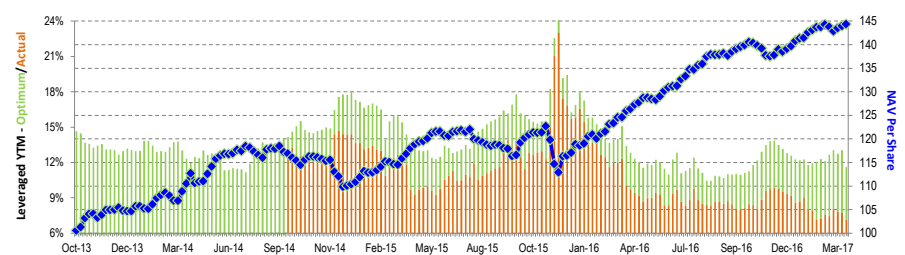
Period	Oct'13-Dec'13	2014	2015	2016	Apr'16-Jun'16	Jul'16-Sep'16	Oct'16-Dec'16	Jan'17-Mar'17
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Dividend	-	-	4.47	7.3000	1.7500	1.9000	1.9000	1.9000
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Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	123.2694	129.1991	127.9435	130.6642
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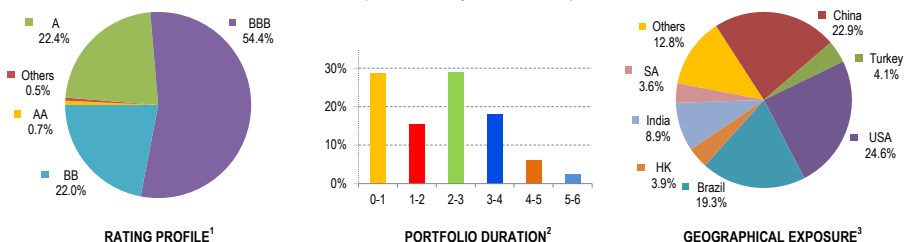
Return to Investor	4.06%	5.46%	6.09%	20.10%	5.62%	6.35%	0.50%	3.61%
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Investor Return and Dividend Distribution



NAV and post-leverage YTM

(* net of fees, adjusted for dividend)



Portfolio Update

During the week ended 31st March 2017, Silverdale Bond Fund purchased Transalta 2018 (BBB-/Ba1/BBB-), Vale 2020 (BBB-/Ba2/BBB-), BRF SA 2020 (BBB/Ba1/BBB), Petrobras 2021 (BB-/B2/BB), Macys 2022 (BBB-/Baa3/BBB), Transalta 2022 (BBB-/Ba1/BBB-), 5 Year Credit Linked Note on Marks & Spencer (BBB-/Baa3/BBB-), and 5 Year Credit Linked Note on Gap (BB+/Baa2/BB+). Additionally, it received proceeds from early call of Viacom 2019 bonds (BBB-/Baa3/BBB-).

TransAlta Corp (Mkt Cap: US\$ 1.7bn) headquartered in Calgary, Alberta, owns and operates 8,557 MW of coal, gas, solar, wind and hydro power plants, in Canada, USA and Australia. As at 31st Dec 2016, it reported net debt of US\$ 3bn and unutilised line of credit of ~US\$ 2.1bn. It reported TTM EBITDA of ~US\$ 880mn with Net Debt/EBITDA of ~3.6x and interest coverage ratio of ~4.8x.

Marks & Spencer Plc (Mkt Cap ~US\$ 6.8bn) is UK-based clothing and food retailer which operates through owned and franchised stores as well as online platform. UK accounts for ~90% of sales and ~93% of operating profit. As at 1st Oct 2016, it reported total debt at ~US\$ 2.9bn against which it had cash & equivalent at ~US\$ 230mn and unused line of credit of ~US\$ 1.1bn. It reported Total Debt to TTM EBITDA of 2.28x and EBITDA to Interest coverage of ~7.08x. The 5 year Credit Linked Note is issued by Societe Generale (Mkt Cap: US\$ 40.6bn / Rated A/A2/A).

Gap Inc (Mkt Cap ~US\$ 9.7bn) headquartered in San Francisco, California, is a global apparel retailer in ~90 countries through 3,200 company-operated stores, 459 franchise stores, and numerous e-commerce sites. As at 28th Jan 2017, it reported total debt at ~US\$ 1.3bn against which it had cash & equivalent at ~US\$ 1.8bn and unused line of credit of ~US\$ 500mn. It reported Total Debt to TTM EBITDA of 0.74x and EBITDA to Interest coverage of ~23.8x. The Fisher Family is the largest shareholder with ~41% stake. The 5 year Credit Linked Note is issued by Societe Generale (Mkt Cap: US\$ 40.6bn / Rated A/A2/A).

During the month of March 2017, Silverdale Bond Fund NAV appreciated marginally by 0.05% driven by interest accruals. The drop in bond prices were a drag led primary by Brazilian credits and followed by US, Chinese and South African credits.

During the month, the Fund sold Deutsche Bank 2017, MCC 2017, Shenhua Overseas 2018, and Petrobras 2018 bonds while it purchased China Hongqiao 2017, Astra Sedaya Finance 2018, TransAlta 2018, IDBI 2018, BTG Investments 2018, Tewoo Group 2019, Chugoku Electric 2020, Embraer 2020, Vale 2020, Jabil Circuit 2020, BRF SA 2020, Petrobras 2020, Petrobras 2021, Macys 2022, TransAlta 2022, Seagate 2022, and Credit Linked Notes on Republic of South Africa (3yr), Vale (3 & 5 yr), Reliance (5yr), Marks & Spencer (5yr), Gap (5yr). Further it received proceeds from maturity/early call of Petrobras 2017, and Viacom 2019 bonds.

The Fund continues to maintain its conservative position with ~77.5% of its investments in investment grade bonds and maintaining its duration around 2 years (~2.02 years). The short duration of the portfolio could help it against any significant gyrations in interest rate.

Dividend

The Fund has declared Eighth Quarterly Dividend amounting to US\$ 1.90 per share for March 2017 quarter. All shareholders holding shares on March 31, 2017 (Dividend Record Date) have been paid dividend.

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