

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
Subscription	Weekly (Friday)*
Redemption	Weekly (Monday)*
Management Fee	0.50% p.a.^ (Monday)*
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	F00000WLJW
Initial Sales Charge	0.00%
Contingent Load	3% / 2% / 1%
Exit Load	1.00%

Class 1C Details

ISIN	KYG8135U2066
CUSIP	G8135U 206
Bloomberg Code	SILV01C KY Equity
Morningstar SecID	TBC
Initial Sales Charge	Upto 5%
Contingent Load	0.00%
Exit Load	0.25%

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 Bond Fund

Communique as at 21st April 2017

Silverdale Fund SP-1

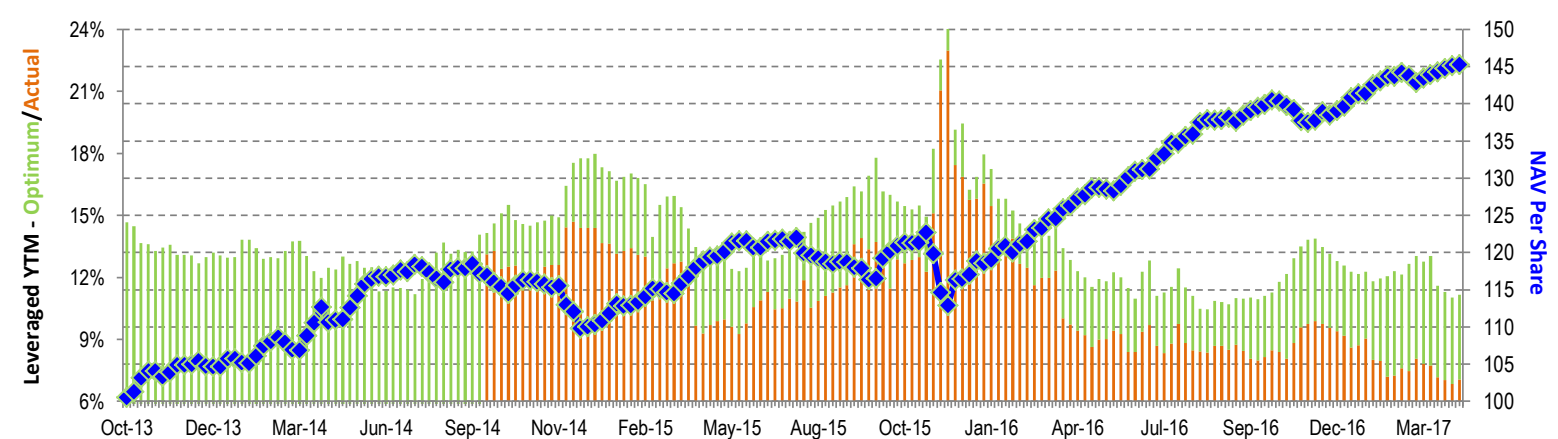
Silverdale Bond Fund (or Silverdale Fund SP-1) generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 21st April 2017, the Fund NAV appreciated by 0.13% to US\$ 131.61 (previous week: US\$ 131.43), with actual portfolio yield (post-leverage) of 7.05% per annum (previous week: 6.84% p.a.), and average duration of 2.06 years (previous week: 2.07 years).

Portfolio Dashboard

Performance*		Growth NAV US\$	145.2791	Ex-Dividend NAV US\$	131.6060
Fund Statistics		Top Holdings		% age	
Previous 1 week	0.1313 %	Portfolio Yield to Maturity	3.45 %	Seagate Hdd 2022	2.66 %
Trailing 1 month	0.9974 %	Leveraged YTM - Actual	7.05 %	Prospect Capital 2019	2.63 %
Trailing 3 months	2.9488 %	Leveraged YTM - Optimum	11.15 %	Block Financial Llc 2020	2.42 %
Trailing 6 months	3.6358 %	Average Coupon	4.51 %	Vale Overseas 2020	2.33 %
Trailing 12 months	14.4191 %	Average Duration^	2.06 years	Chang Development 2020	2.30 %
Trailing 3 years	9.41% p.a.	Total Dividend Paid	US\$ 13.67	Seagate Hdd 2023	2.27 %
(*) after all fees, grossing up for dividends		Sharpe Ratio	1.38	Embraer Overseas 2020	2.15 %

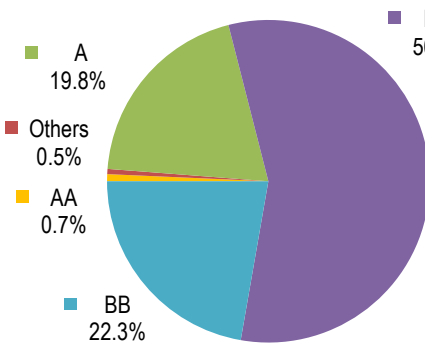
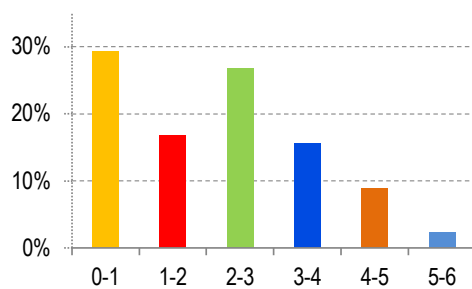
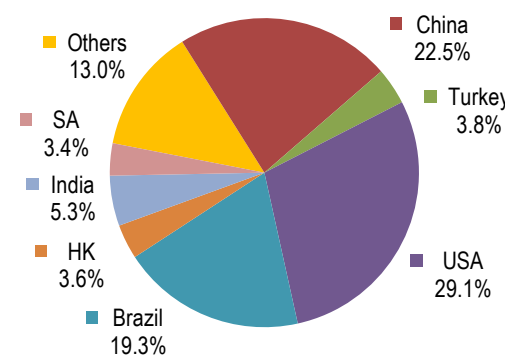
Period	Oct'13-Dec'13	2014	2015	2016	Apr'16-Jun'16	Jul'16-Sep'16	Oct'16-Dec'16	Jan'17-Mar'17
Dividend	-	-	4.47	7.3000	1.7500	1.9000	1.9000	1.9000
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	123.2694	129.1991	127.9435	130.6642
Return to Investor	4.06%	5.46%	6.09%	20.10%	5.62%	6.35%	0.50%	3.61%

Investor Return and Dividend Distribution



NAV and post-leverage YTM

(* net of fees, adjusted for dividend)

RATING PROFILE¹PORTFOLIO DURATION²GEOGRAPHICAL EXPOSURE³

Portfolio Update

During the week ended 21st April 2017, Silverdale Bond Fund sold Macquarie 2019 (BBB/A3/A-) and HP 2021 (BBB/Baa2/BBB+), bonds while it purchased TransAlta 2018 (BBB-/Ba1/BBB-), Prospect Capital 2019 (BBB-/A-/), Vale 2020 (BBB-/Ba2/BBB), Jabil Circuit 2020 (BBB-/Ba1/BBB-), Vale 2021 (BBB-/Ba2/BBB), Seagate 2022 (BBB-/A-/BBB-), Staples 2023 (BBB-/Baa2/BBB+), and Western Digital 2023 (BBB-/Ba1/BBB-). It also purchased a 6 month structured note based on spread between 10years and 2year swap. Further it received proceeds from maturity of Shenzhen 2017 (BBB-/Baa2/-) bonds.

TransAlta (Mkt Cap: US\$ 1.7bn) headquartered in Calgary, 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.

Vale SA (Mkt Cap ~US\$ 45.1bn) 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.

Jabil Circuit (Mkt Cap ~US\$ 5.3bn) is the third largest electronics contract manufacturer in the world with 90 facilities in 23 countries. It has primarily two segments: Electronic Manufacturing Services (~60% of FY16 revenue) & Diversified Manufacturing Services (~40% of FY16 revenue). Apple Inc is its largest customer (~24%) with top 5 customers accounting for ~49% of FY16 revenue. As at 31 Dec 2016, it reported debt at ~US\$ 2.1bn, against cash & equivalents of ~US\$ 755mn and unutilized credit line of ~US\$ 3.1bn. It reported TTM EBITDA of ~US\$ 1.2bn, net debt/EBITDA at ~1.2x with EBITDA to interest of ~8.1x.

Seagate (Mkt Cap: US\$ 14.3bn) is a worldwide leader in the design, manufacture and marketing of hard disk drive products in a duopolist market with over 40% market share. As at 30 Dec 2016, it reported debt at ~US\$ 4.1bn, against cash of ~US\$ 1.7bn and unutilized credit line of ~US\$ 700mn. It reported EBITDA of ~US\$ 1.3bn, net debt/EBITDA at 2.4x with EBITDA to interest of ~6.5x.

Staples, Inc. (Mkt Cap: ~US\$ 6.4bn) is the world's largest dedicated retailer of office supplies, with over 3,000 stores worldwide in 26 countries. It generates annual revenues of ~US\$ 18.3bn with North America accounting for ~85% of its sales. As at 28 Jan'17, it reported debt at ~US\$ 1.1bn, against cash & equivalents of ~US\$ 1.1bn and unutilized credit line of US\$ ~1.1bn. It reported TTM EBITDA of ~US\$ 1.3bn, net debt/EBITDA at ~0.07x with EBITDA to interest of ~16.6x.

Western Digital (Mkt Cap ~US\$ 24bn) is a worldwide leader in the design, manufacture and marketing of hard disk drive products in a duopolist market with ~45% market share. It is the second largest player (~16% share) in solid state drive market. As at 30 Dec 2016, it reported debt at ~US\$ 13.1bn, against cash of ~US\$ 5.1bn and unutilized credit line of ~US\$ 800mn. It reported EBITDA of ~US\$ 3.3bn, and net debt/EBITDA at 2.5x.



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

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