

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

Fund Administrator

Vistra (Mauritius) Limited
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Bloomberg
TOP-5
ASIAN FUND

Silverdale Bond Fund

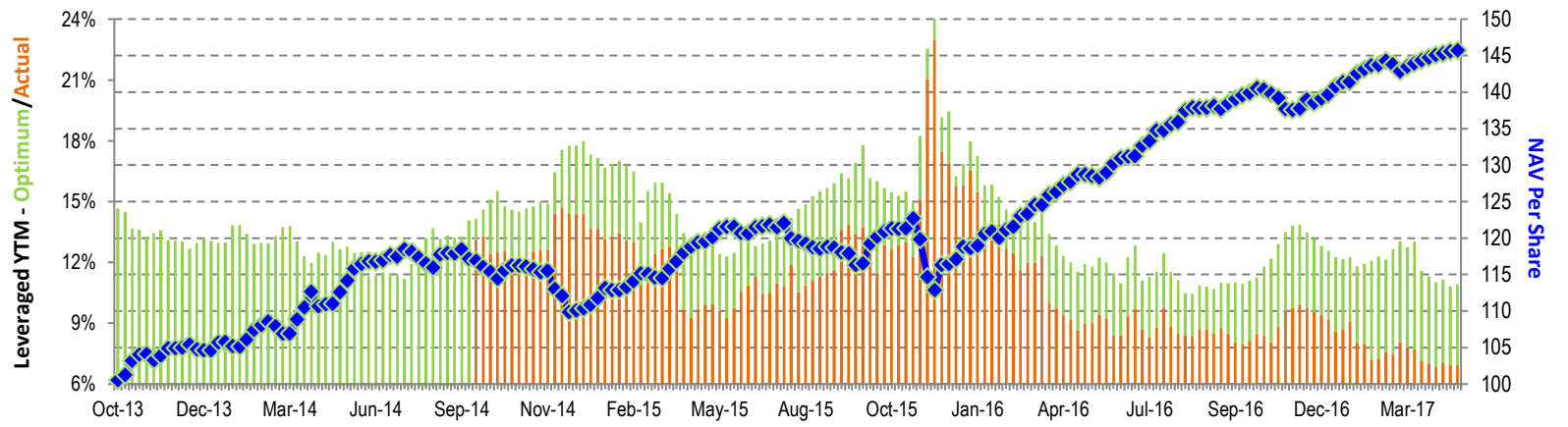
Communique as at 5th May 2017

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 5th May 2017, the Fund NAV appreciated by 0.11% to US\$ 132.04 (previous week: US\$ 131.90), with actual portfolio yield (post-leverage) of 6.95% per annum (previous week: 6.95% p.a.), and average duration of 2.12 years (previous week: 2.12 years).

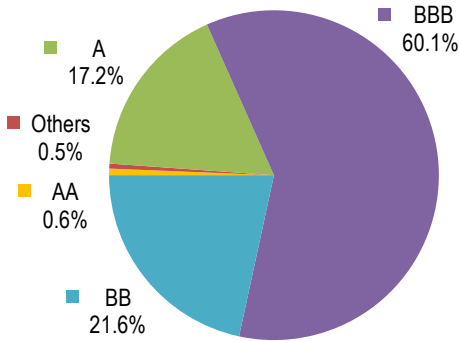
Portfolio Dashboard			Growth NAV US\$		145.7121		Ex-Dividend NAV US\$		132.0390		
Performance*			Fund Statistics				Top Holdings			% age	
Previous 1 week		0.1080 %	Portfolio Yield to Maturity		3.44 %		Prospect Capital 2019		3.07 %		
Trailing 1 month		0.7349 %	Leveraged YTM - Actual		6.95 %		Block Financial Llc 2020		2.87 %		
Trailing 3 months		1.9699 %	Leveraged YTM - Optimum		10.91 %		Macys Retail 2020		2.46 %		
Trailing 6 months		4.5773 %	Average Coupon		4.57 %		Seagate Hdd 2022		2.45 %		
Trailing 12 months		13.8637 %	Average Duration^		2.12 years		Embraer Overseas 2020		2.25 %		
Trailing 3 years		8.98% p.a.	Total Dividend Paid		US\$ 13.67		Tewoo Group Fin 2019		2.23 %		
(*) after all fees, grossing up for dividends			Sharpe Ratio		1.33		Petrobras 2021		2.23 %		
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

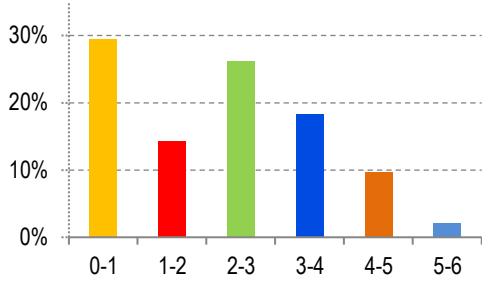


NAV and post-leverage YTM

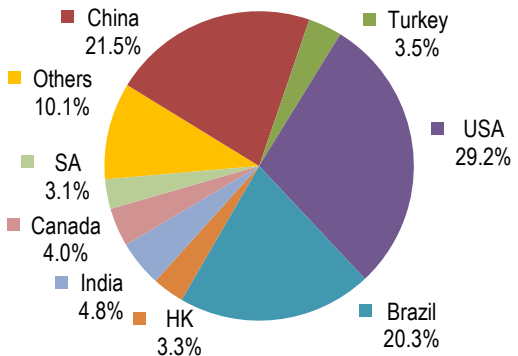
(* net of fees, adjusted for dividend)



RATING PROFILE¹



PORTFOLIO DURATION²



GEOGRAPHICAL EXPOSURE³

Portfolio Update

During the week ended 5th May 2017, the Fund purchased Gerdau 2017 (BBB-/BBB-), Tianjin Port FTZ 2018 (Baa2/BBB+), Tewoo Group 2019 (BBB-/BBB-), Gerdau 2020 (BBB-/BBB-), Tewoo Group 2020 (BBB-/BBB-), Macys 2021 (BBB-/Baa3/BBB), and Gerdau 2021 (BBB-/BBB-) bonds. Further, it received proceeds from early call of Seagate 2021 (BBB-/Baa3/BBB-) bonds.

Gerdau SA (Market Cap: US\$ 5bn) is the second largest producer of long-steel in the world. It has operations in 14 countries across the Americas, Europe and Asia; with a combined installed capacity of ~25 MMTA. It is one of the lowest cost producer with vertically integrated operations. As at 31st March 2017, it reported cash & equivalent of ~US\$ 1.7bn, against total debt of ~US\$ 6.3bn. It reported Net Debt/EBITDA at 3.2x and EBITDA to interest at 3.1x.

Tianjin Port FTZ develops and maintains Tianjin Port Free Trade Zone, Tianjin Airport Economic Area, and Tianjin Airport International Logistics Zone in Binhai. Its other operations include assembly of Airbus A320 series planes (JV with Airbus), real estate development, financial services, utility services, car dealerships, and equity investments. It is 100% owned by the Tianjin Port Free Trade Zone SASAC which is under the Tianjin government. It is the single largest shareholder of Bank of Tianjin with 15.88% stake. The bonds are issued by its wholly owned subsidiary HK Baorong Development and supported by keepwell and liquidity support deed issued by it.

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.

Macy's Inc (Mkt Cap: US\$ 8.8bn) is one of the largest fashion goods retailers in the world with FY 2017 sales at ~US\$ 25.8bn. It operates through 880 stores along with websites such as macys.com, bloomingdales.com, and bluemercury.com. As at 28th Jan 2017, it reported net debt of ~US\$ 5.5bn and available line of credit amounting to ~US\$ 1.5bn. It reported EBITDA of ~US\$ 2.4bn with Net Debt/EBITDA of ~2.4x and interest coverage ratio of ~6.5x.



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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

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