

# Silverdale

Fund Management

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ASIAN FUND**

## Silverdale Bond Fund

Communique as at 19th May 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 <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.^ (Monday)*
Next Dividend Date	30 Jun'17 (US\$ 1.90 per share) <sup>#</sup>
Previous Dividend Date	31 Mar'17 (US\$ 1.90 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  
355 NeXTeracom Tower 1, Cybercity,  
Ebene, Mauritius  
**Tel.:** +230 464 7275  
**Fax:** +230 464 3290  
**Email:** spc@silverdalegroup.com

### Silverdale Fund SP-1

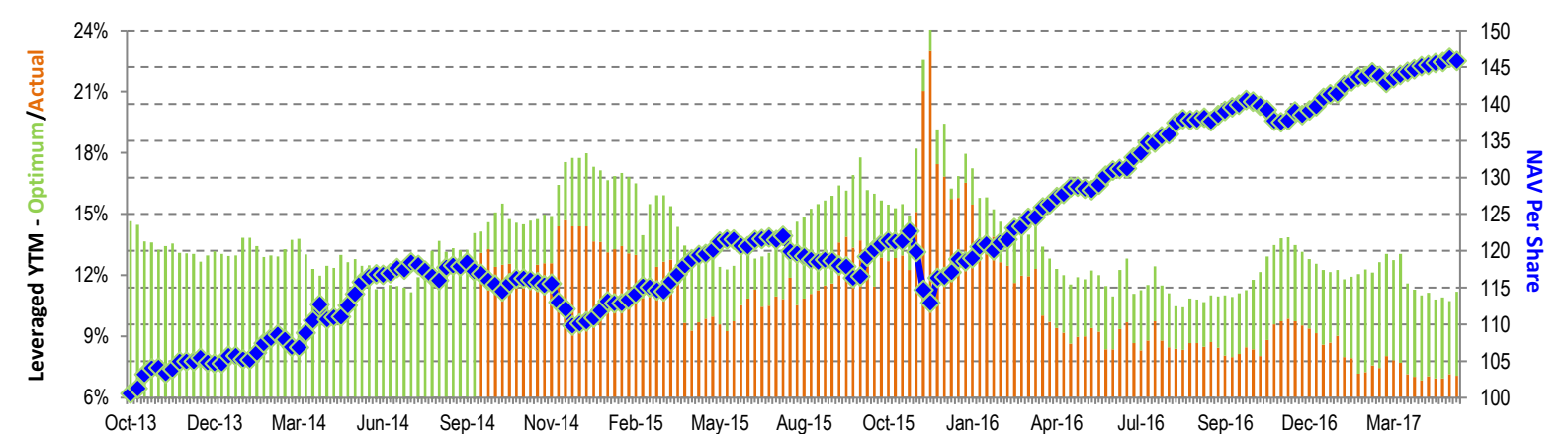
Silverdale Bond Fund (or Silverdale Fund SP-1) generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 19th May 2017, the Fund NAV declined by 0.33% to US\$ 132.19 (previous week: US\$ 132.63), with actual portfolio yield (post-leverage) of 7.07% per annum (previous week: 7.15% p.a.), and average duration of 2.06 years (previous week: 2.07 years).

### Portfolio Dashboard

Performance*	Growth NAV US\$	145.8655	Ex-Dividend NAV US\$	132.1924
Fund Statistics	Top Holdings	% age		
Previous 1 week	Portfolio Yield to Maturity	3.53 %	Prospect Capital 2019	2.74 %
Trailing 1 month	Leveraged YTM - Actual	7.07 %	Transalta Corp 2022	2.63 %
Trailing 3 months	Leveraged YTM - Optimum	11.21 %	Block Financial Llc 2020	2.57 %
Trailing 6 months	Average Coupon	4.60 %	Macys Retail 2020	2.44 %
Trailing 12 months	Average Duration^	2.06 years	Staples - Cln 2022	2.27 %
Trailing 3 years	Total Dividend Paid	US\$ 13.67	Seagate Hdd 2022	2.20 %
(*) after all fees, grossing up for dividends		Sharpe Ratio	Embraer Overseas 2020	2.16 %
		1.33		

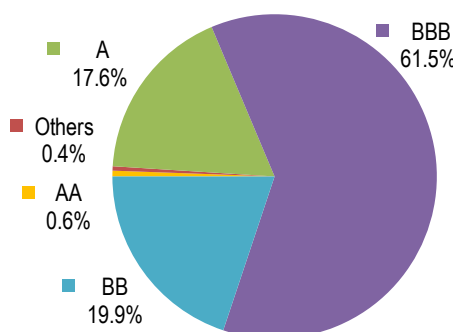
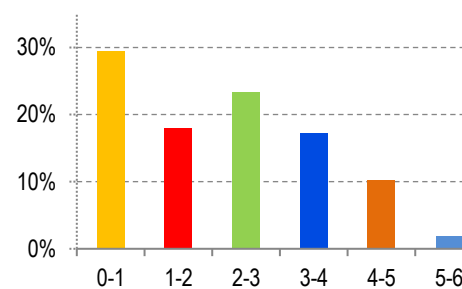
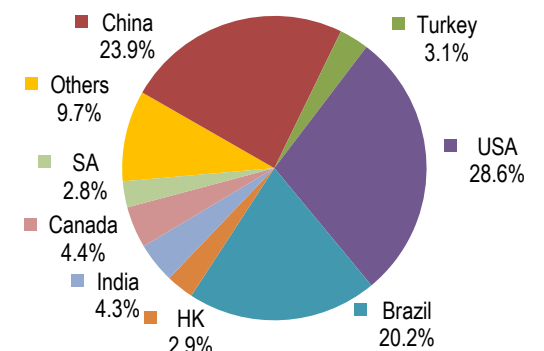
Period	Oct'13-Dec'13	2014	2015	2016	Apr'16-Jun'16	Jul'16-Sep'16	Oct'16-Dec'16	Jan'17-Mar'17
Dividend	-	-	4.47	7.3000	1.7500	1.9000	1.9000	1.9000
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	123.2694	129.1991	127.9435	130.6642
Return to Investor	4.06%	5.46%	6.09%	20.10%	5.62%	6.35%	0.50%	3.61%

### Investor Return and Dividend Distribution



### NAV and post-leverage YTM

(\* net of fees, adjusted for dividend)

RATING PROFILE<sup>1</sup>PORTFOLIO DURATION<sup>2</sup>GEOGRAPHICAL EXPOSURE<sup>3</sup>

### Portfolio Update

During the week ended 19th May 2017, Silverdale Bond Fund purchased Zhaohai Investment 2018 (BBB+/BaaA/A-), Embraer 2020 (BBB/Ba1/BBB-), Gerdau 2020 (BBB-/BBB-), Gerdau 2021 (BBB-/BBB-), and DNB Bank ASA Perp (BBB/Baa3/-) bonds.

Tianjin Binhai New Area Construction & Investment Group Co. Ltd is the sole Government company responsible for developing and maintaining the construction and operation of infrastructure in the Binhai New Area. It has been involved in building over 70% of the urban road networks as well as in constructing bridges, tunnels, railways, schools, hospitals, health-care centers, tourist sites and affordable housing. It also operates toll roads, power plants and waste treatment facilities. It is wholly owned by the Tianjin SASAC. The bonds are issued by its wholly owned subsidiary Zhaohai Investment and supported by keepwell deed.

Embraer S.A. (Mkt Cap US\$ 3.5bn) is the leading manufacturer of regional jet airplanes (up to 120 seats), with a growing defense & security segment and a line of mid-size business jets. As at 31st Mar 2017, it reported order book of ~US\$ 19.2bn which is ~3.2x TTM Mar'17 revenue. It reported debt at ~US\$ 4.3bn, against cash of ~US\$ 3.5bn, with Net Debt to EBITDA at ~1.5x.

Gerdau SA (Market Cap: US\$ 5bn) is the second largest producer of long-steel in the world with aggregate capacity of ~25 MMTPA in 14 countries. 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.

DNB ASA (Market Cap: US\$ 28.4bn) is Norway's largest financial services group with total assets of over US\$ 330bn. The Bank's services include retail, commercial, corporate, and investment banking, real estate broking and life and non-life insurance. As of 31 Mar 2017, it reported Net non-performing and net doubtful loans and guarantees at 1.3%. Further, it reported Common Equity Tier-1 Capital ratio at 15.8%, Tier-1 capital ratio at 17.2% and Total Capital Ratio at 19.2%. The two largest shareholders of DNB are the Norwegian Government (~34%) and Sparebankstiftelsen (~10%).



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Email: [spc@silverdalegroup.com](mailto: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](mailto:spc@silverdalegroup.com)

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