

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 / Redemption	Weekly (Monday)*
Management Fee	0.50% p.a. ^{^^}
Next Dividend Date	29 Sep'17 (US\$ 1.90 per share) [#]
Previous Dividend Date	30 Jun'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%
Exit Load	0.25%

FUND MANAGEMENT DETAILS

THE FUND

Silverdale Bond Fund

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

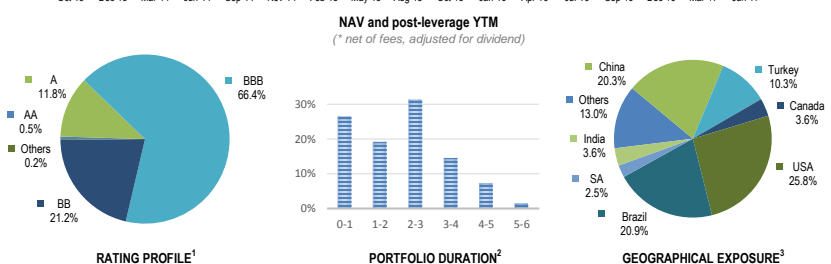
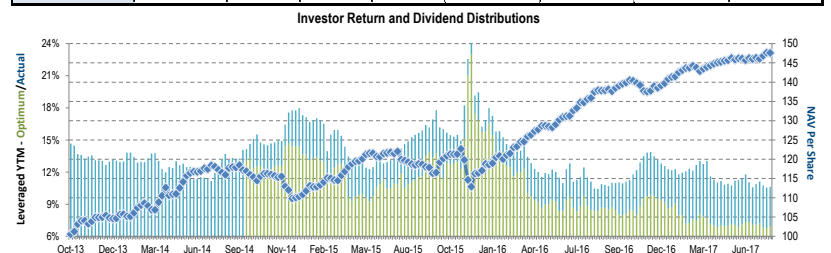
Vistra (Mauritius) Limited

Regulated by Financial Services Commission
355 NeXTeracom Tower 1, Cybercity
Ebene, Mauritius
Tel.: +230 464 7275
Fax: +230 464 3290
Email: spc@silverdalegroup.com

Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the month ended 28th July 2017, the Fund NAV appreciated by 0.97% to US\$ 132.02 (previous month: US\$ 130.75), with actual portfolio yield (post-leverage) of 6.96% per annum (previous month: 7.12% p.a.), and average duration of 2.04 years (previous month: 2.04 years).

PORTFOLIO DASHBOARD		Growth NAV US\$	147.5890	Ex-Dividend NAV US\$	132.0159
PERFORMANCE*		FUND STATISTICS		TOP HOLDINGS	
Previous 1 week	-0.0317 %	Portfolio Yield to Maturity	3.68 %	Yapi ve Kredi 2019	3.05 %
Trailing 1 month	0.9705 %	Leveraged YTM - Actual	6.96 %	Tewoo Group Fin 2019	2.93 %
Trailing 3 months	1.5310 %	Leveraged YTM - Optimum	10.62 %	Petrobras 2021	2.66 %
Trailing 6 months	3.8326 %	Average Coupon	4.77 %	Prospect Capital 2019	2.54 %
Trailing 12 months	9.3762 %	Average Duration	2.04 years	Seagate Hdd 2022	2.30 %
Trailing 3 years	8.19% p.a.	Total Dividend Paid	US\$ 15.57	Tc Ziraat Bankasi As 2019	2.29 %
(*) after all fees, grossing up for dividends		Sharpe Ratio	1.18	Transalta Corp 2022	2.22 %

Period	Oct'13-Dec'13	2014	2015	2016	Jul'16-Sep'16	Oct'16-Dec'16	Jan'17-Mar'17	Apr'17-Jun'17
Dividend	-	-	4.47	7.3000	1.9000	1.9000	1.9000	1.9000
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	129.1991	127.9435	130.6596	130.7470
Return to Investor	4.06%	5.46%	6.09%	20.10%	6.35%	0.50%	3.61%	1.52%



PORTFOLIO UPDATE

During the week ended 28th July 2017, we sold Vale 2021 (BBB-/Ba2/BBB) bonds, while we purchased Braskem 2018 (BBB-/Ba1/BBB-), Yapi ve Kredi 2019 (-/Ba1/BBB-), Tewoo 2019 (-/BBB-), Ziraat 2019 (-/Ba1/BB+), Chang Development 2020 (-/Baa1/-), Gerdau 2020 (BBB-/BBB-), Petrobras 2020 (BB-/B1/BB), Gerdau 2021 (BBB-/BBB-), Petrobras 2021 (BB-/B1/BB), Macys 2022 (BBB-/Baa3/BBB), and AngloGold 2022 (BB-/Baa3/-) bonds.

Braskem S.A. (Mkt Cap: US\$ 9.4bn) is the largest petrochemical company in Latin America and world's eighth largest thermoplastic resins producer. As at 31st Mar 2017, it reported net debt of US\$ 4.8bn and utilised line of credit of -US\$ 1bn. It reported TTM EBITDA of -US\$ 2.5bn with Net Debt/EBITDA of -1.8x and interest coverage ratio of ~13.4x.

Yapi ve Kredi Bankasi (Mkt Cap: US\$ 5.6bn) is the fourth largest private bank in Turkey in terms of assets and loans, with ~850 branches. As of March 2017, it had total assets worth -US\$ 77.5bn. It reported Net Interest Margin at -3.4% and Non-Performing Loans (NPL) at -4.6% with NPL coverage of ~111%. It reported capital adequacy ratio at ~14.4% with Tier-1 ratio at ~10.7%.

Petroleo Brasileiro (Mkt Cap: US\$ 55.7bn) is an integrated energy company with total assets of over -US\$ 250bn. As at 31st Mar 2017, it reported TTM EBITDA of -US\$ 28bn with Net Debt/EBITDA of ~3.4x and interest coverage ratio of ~3.4x. Brazilian Govt owns ~46% of its capital and ~60% of its voting shares. The bonds are issued by its wholly owned subsidiary and guaranteed by it.

Gerdau SA (Market Cap: US\$ 5.8bn) is the second largest producer of long-steel in the world with aggregate capacity of ~25 MMTPA across 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.

Macys's Inc (Mkt Cap: US\$ 7.3bn) is one of the largest fashion goods retailers in the world with TTM sales at -US\$ 25.3bn. As at 29th Apr 2017, it reported net debt of -US\$ 5.5bn and available line of credit amounting to -US\$ 1.5bn. It reported EBITDA of -US\$ 2.3bn with Net Debt/EBITDA of ~2.4x and interest coverage ratio of ~6.5x.

AngloGold Ashanti (Mkt Cap: US\$ 4.2bn) with production of circa 3.70mn ounces is the world's third largest gold producer, operating in 20 locations in 10 countries. As at 31st Mar 2017, it reported net debt of -US\$ 2bn and utilised line of credit of -US\$ 1.5bn. It reported TTM EBITDA of -US\$ 1.5bn with Net Debt/EBITDA of ~1.38x and interest coverage ratio of ~9.6x.

During July 2017, Silverdale Bond Fund NAV appreciated by 0.97% led by interest earned during the period which contributed circa five-seventh of NAV appreciation. Price appreciation of underlying bonds contributed balance of the NAV appreciation, led by Brazilian and Luxemburg based credits which was partially offset by drop in prices of US credits.

During the month, we sold Wanda 2018 (BB-/Ba1/BBB), and Vale 2021 (BBB-/Ba2/BBB) bonds, while we purchased TV Azteca 2018 (-/B+), Braskem 2018 (BBB-/Ba1/BBB-), Yapi ve Kredi 2019 (-/Ba1/BBB-), Tewoo 2019 (-/BBB-), Ziraat 2019 (-/Ba1/BB+), Chang Development 2020 (-/Baa1/-), Braskem 2020 (BBB-/Ba1/BBB-), Gerdau 2020 (BBB-/BBB-), Petrobras 2020 (BB-/B1/BB), Shandong Energy 2020 (BB-/A-), China Jinjiang Environment 2020 (BB-/Baa3/-), Gerdau 2021 (BBB-/BBB-), Petrobras 2021 (BB-/B1/BB), Macys 2022 (BBB-/Baa3/BBB), Seagate 2022 (BBB-/Baa3/BBB-), and AngloGold 2022 (BB-/Baa3/-) bonds. Further we received proceeds from maturity of Skyland Mining 2017 (BBB-/A-) bonds.

We continue to maintain conservative position with ~79% of investments in Investment Grade bonds while maintaining short duration of ~2.04 years. The short duration of the portfolio could help us against any significant increase in interest rate.



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For subscription & information, please
Email: 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

DISCLAIMER

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