

# Silverdale

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## Fund Management

**SILVERDALE BOND FUND**

PERFORMANCE REVIEW

September 2017

**SILVERDALE CAPITAL PTE LTD**

LICENSED & REGULATED BY MONETARY AUTHORITY OF SINGAPORE(MAS) FOR FUND MANAGEMENT (AIFMC)

## Silverdale Bond Fund

YTD: Returns 8.53%; Dividend \$ 5.80; Ex-Dividend NAV up 3.99%

- Performance Review Q2, 2017 SnapShot
- Performance Review Q3, 2017

*Fund Statistics, Rating Profile, Duration, Geographical Exposure*

- Quarterly Commentary

# Silverdåle Bond Fund

Performance Review, Q2 2017

Parameter	As at 31 Mar'17	As at 30 June'17		Change in Q2 2017
NAV appreciation	US\$ 130.6596	US\$ 130.7470	↑	0.07%
Dividend Paid	US\$ 1.90 per share	US\$ 1.90 per share		1.45%
<b>Total Return to Investor</b>		<b>1.52%</b>	↑	
Asset Quality IG Bonds	77.49%	81.01%	↑	Marginally higher
Duration	2.02 years	2.04 years	↔	No material change
Coupon	4.45%	4.70%	↑	Marginally higher
Portfolio YTM	3.54%	3.73%	↑	Marginally higher
Portfolio YTM - Actual	7.16%	7.12%	↔	No material change
Portfolio YTM - Optimum	11.60%	10.88%	↓	Marginally lower

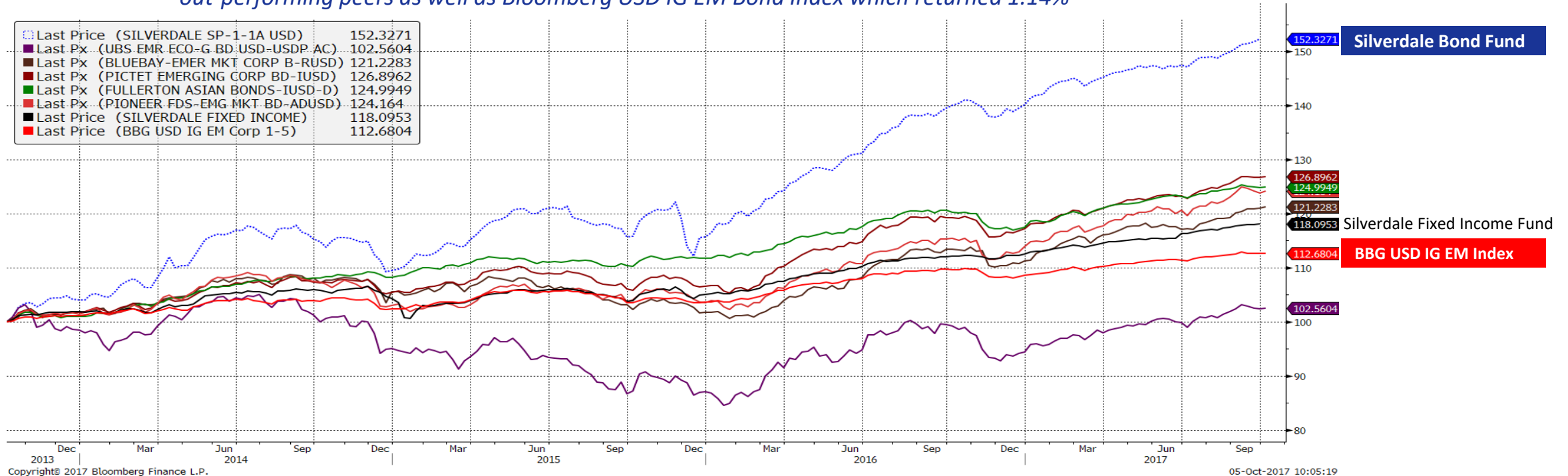
*Performance contributed by:*

- Interest Accrual 100%
- Bond Price Movement Negative (Dragged primarily by Brazilian credits)

# Silverdåle Bond Fund

## Helicopter view of performance

During the September 2017 Quarter, the Fund returned 3.3%  
out-performing peers as well as Bloomberg USD IG EM Bond Index which returned 1.14%



Fund Name \ Annualized→	Mean Return	Standard Deviation	Sharpe Ratio	Downside Risk	Sortino Ratio	Duration
<b>Silverdale Bond Fund</b>	<b>10.67%</b>	2.88	3.01	2.27	2.39	2.19
UBS Emerging Economies Fund	0.91%	5.20	0.44	4.04	0.39	6.74
BlueBay EM Corporate Bond Fund	4.85%	3.88	1.57	3.24	1.29	6.52
Pictet Emerging Corporate Bonds	6.00%	2.88	1.93	2.39	1.53	4.95
Fullerton Lux Funds	5.63%	3.01	1.27	2.06	1.21	4.40
Silverdale Fixed Income Fund	4.19%	1.28	3.63	0.87	3.56	2.62
Pioneer Funds-Emerging Markets Bond	5.53%	4.32	1.54	3.48	1.22	5.30

BIEM15 Index (Bloomberg USD Investment Grade Emerging Market Corporate Bond Index 1 to 5 Year) is not a representative or directly comparable index for Silverdale Bond Fund or Silverdale Fixed Income Fund.

Source: Bloomberg, Fund Factsheets

# Silverdäle Bond Fund

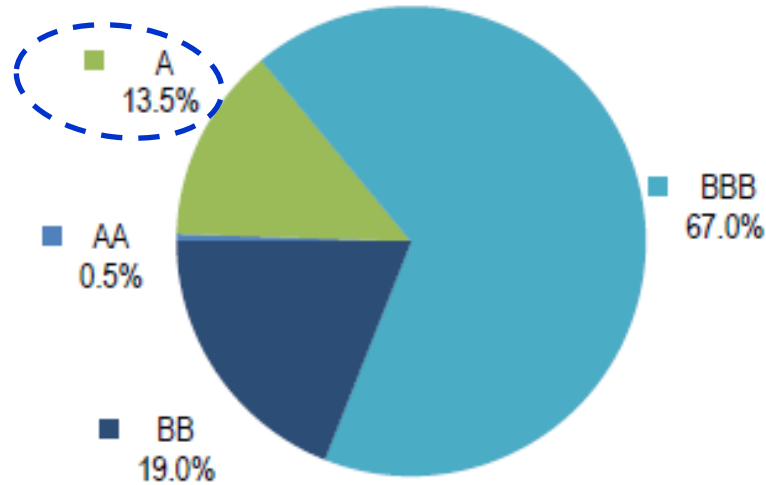
Performance Review, Q3 2017

Parameter	As at 30 June'17	As at 29 Sept'17		Change in Q3 2017
NAV appreciation	US\$ 130.7470	US\$ 133.0544	↑	1.76%
Dividend Paid (\$2 for Sept Qtr)	US\$ 1.90 per share	US\$ 2.00 per share	↑	1.53%
<b>Total Return to Investor</b>		<b>3.29%</b>	↑	
Asset Quality IG Bonds	81.01%	78.30%	↓	Marginally lower, <i>tactical</i>
Duration	2.04 years	2.19 years	↑	Marginally higher
Coupon	4.70%	4.94%	↑	Marginally higher
Portfolio YTM	3.73%	3.73%	↔	No Change
Portfolio YTM - Actual	7.12%	6.91%	↓	Marginally lower
Portfolio YTM - Optimum	10.88%	10.40%	↓	Marginally lower

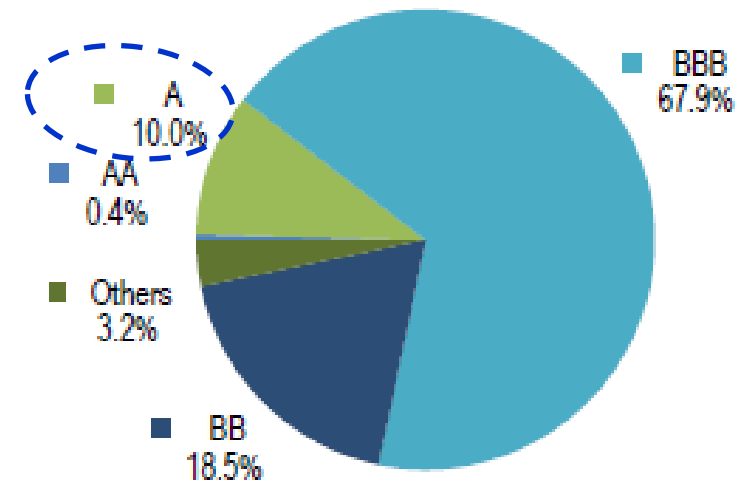
*Performance contributed by:*

- Interest Accrual 70%
- Bond Price Movement 30% *(Primarily Brazilian credits while US based credits were a drag)*

## Ratings Profile



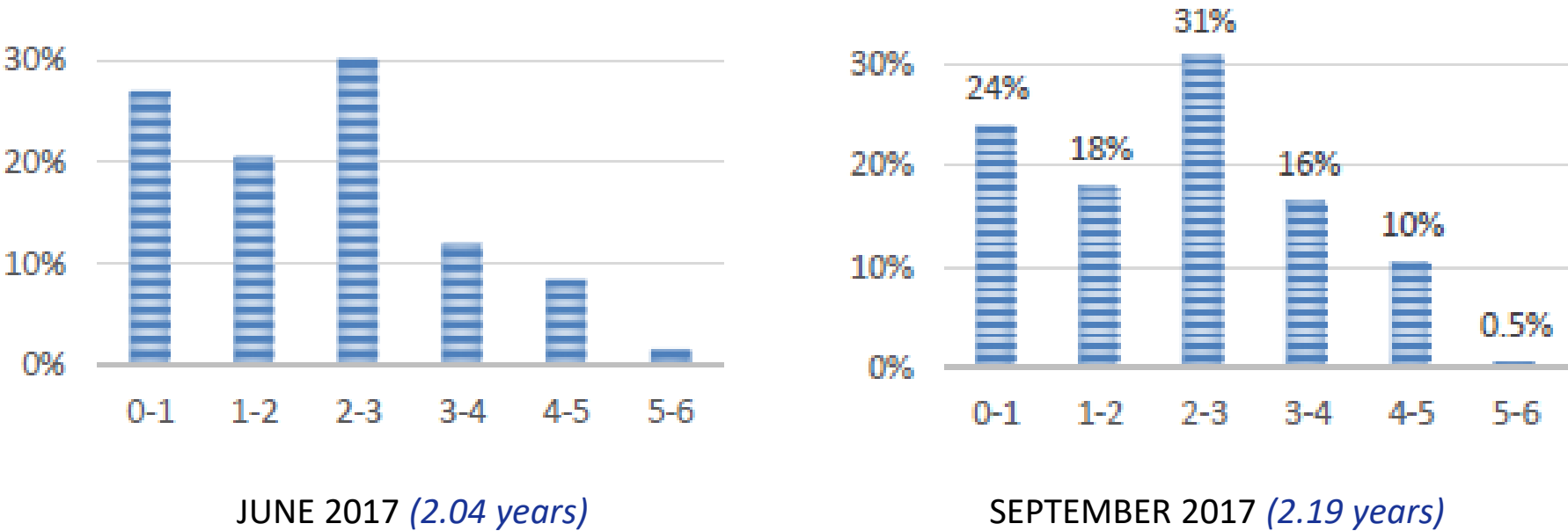
JUNE 2017



SEPTEMBER 2017

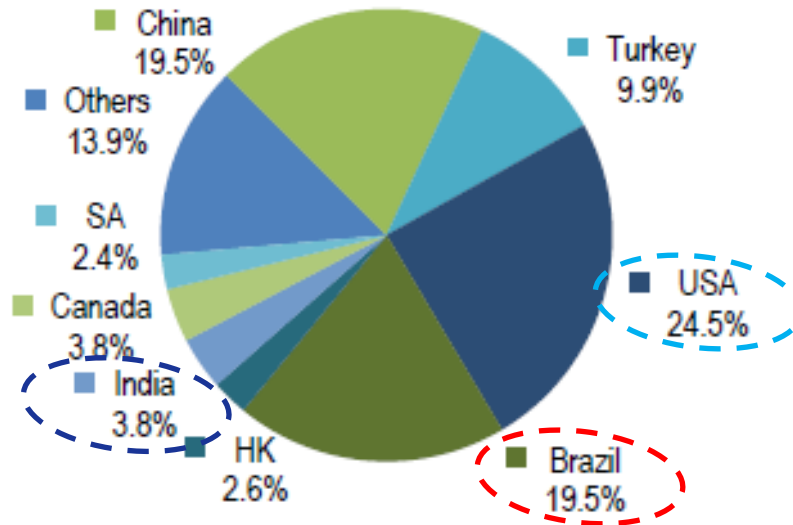
*IG bonds in the portfolio marginally decreased due to tactical allocation of new moneys into high yield bonds, while some of A rated & BBB rated bonds matured / were sold*

Portfolio Duration

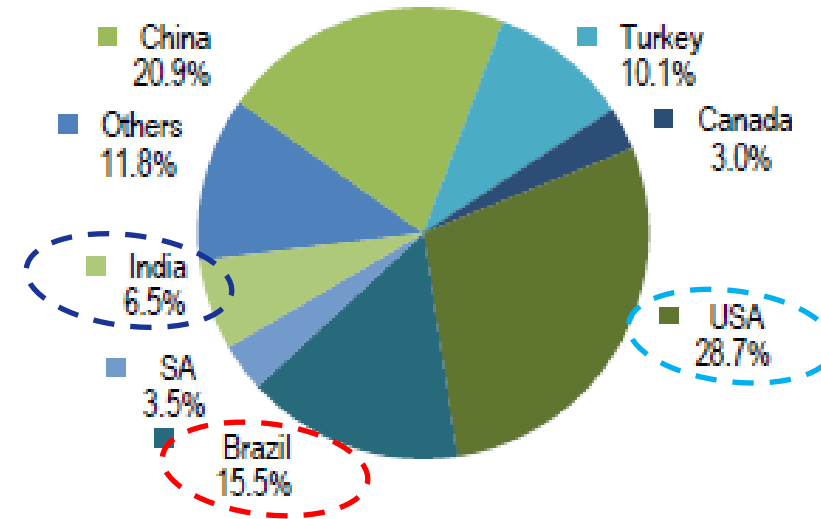


Marginally Higher

## Geographical Exposure



JUNE 2017

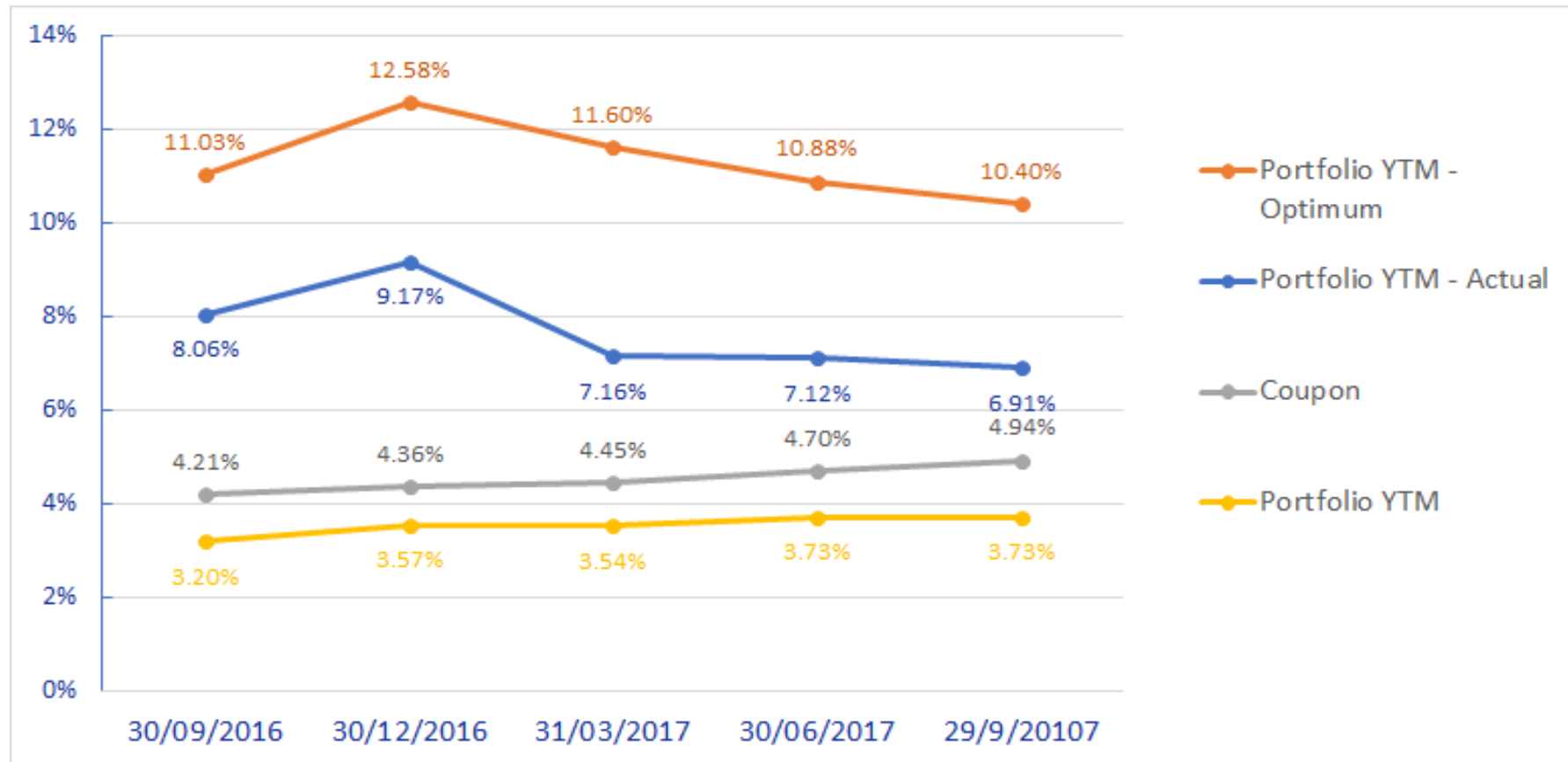


SEPTEMBER 2017

*Marginal re-balancing to capitalize on market dislocations: increased allocation of new moneys to Indian & US bonds while Brazilian bonds were called/tendered in Sep'17*



## Portfolio Yield Trend



*Fed rate hike transmission takes place with a lag*

## Fund Commentary: Q3, 2017

- Silverdale Bond Fund delivered yet another quarter of out-performance
- NAV increased by 3.3% contributed about three-fourth by interest accrual  
[Bloomberg Emerging Markets Index (BIEM15) Q3 2017 return: 1.14%]
- The Fund paid dividend of US\$ 2.00 per share on 2<sup>nd</sup> October 2017 (circa 6% pa)
- Year-to-date (YTD) **Return to Investor of 8.53% (*not annualized*)**  
Dividend paid: US\$ 5.80 per share  
Ex-Dividend NAV appreciation: 3.99%
- No change in strategy with continued focus on Investment Grade Bonds (78%), short duration (2.2 years) US dollar bonds
- As world economy crawls towards normalization and Federal Bank of America tightens its balance-sheet the rate (hike) transmission would become faster. The fund continues to have defensive stand with low duration and high dry powder.

# Silverdåle Bond Fund: Performance Dashboard

Investment grade USD bonds fund with embedded leverage

**Net Asset Value US\$ 133.05**

As at 29 September 2017

## PERFORMANCE\*

Previous 1 week	0.3070 %
Trailing 1 month	1.1788 %
Trailing 3 months	3.2945 %
Trailing 6 months	4.8177 %
Trailing 12 months	8.9438 %
Trailing 3 years	9.29% p.a.

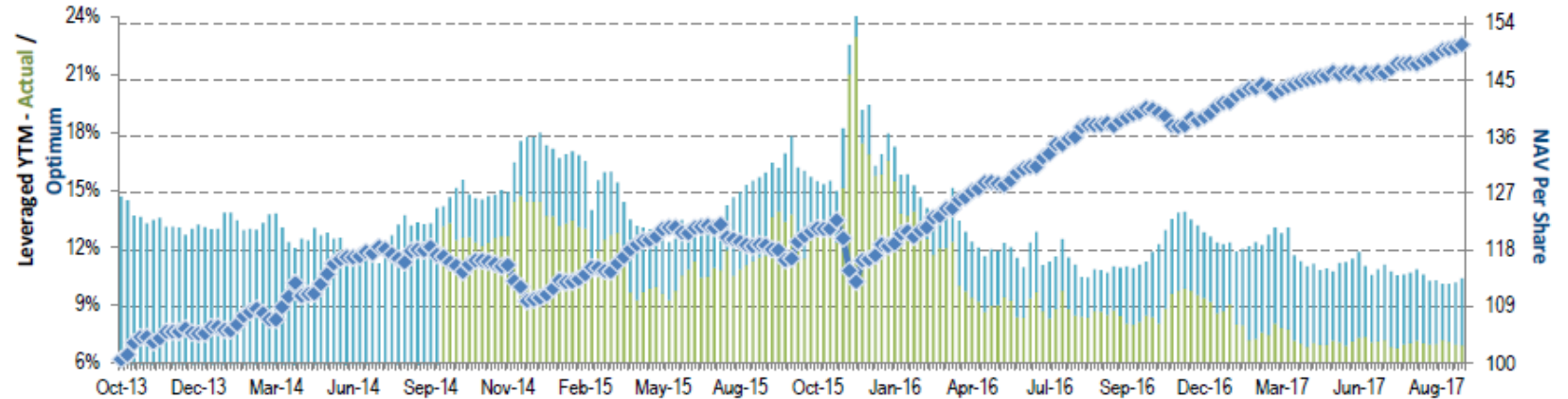
(\*) after all fees, grossing up for dividends

## FUND STATISTICS

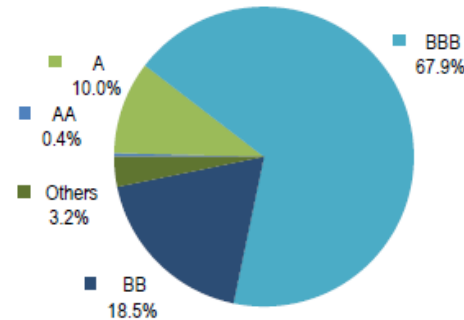
Portfolio Yield to Maturity	3.73 %
Leveraged YTM - Actual	6.91 %
Leveraged YTM - Optimum	10.40 %
Average Coupon	4.94 %
Average Duration	2.19 years
Total Dividend Paid	US\$ 17.57
Sharpe Ratio (1 Year)	1.98

## TOP HOLDINGS

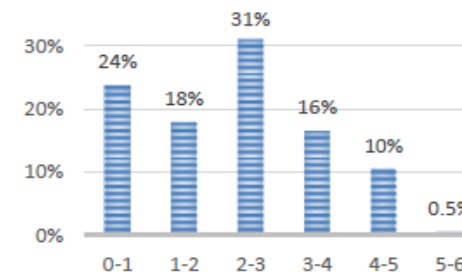
	% age
Petrobras 2021	2.83 %
Tewoo Group Fin 2019	2.63 %
Yapi Ve Kredi 2019	2.53 %
Seagate Hdd 2022	2.52 %
Prospect Capital 2023	2.40 %
Chang Development 2020	2.37 %
Macys Retail 2020	2.32 %



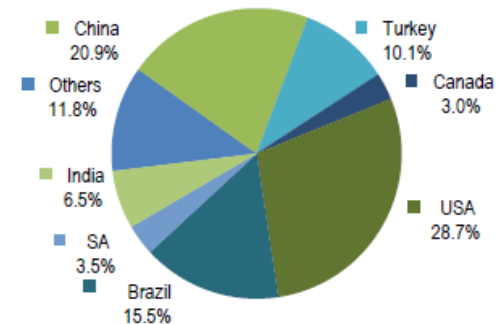
**NAV and post-leverage YTM**  
(\* net of fees, adjusted for dividend)



**RATING PROFILE<sup>1</sup>**



**PORTFOLIO DURATION<sup>2</sup>**



**COUNTRY EXPOSURE<sup>3</sup>**

(1), (2) & (3) Based on gross investments into securities. (2) Credit exposure of those rated below "BB" has been clubbed as "Others". (3) Country exposure of less than 2.5% has been clubbed into 'Others'.

The above commentary is not provide a complete analysis of every material fact regarding the portfolio / fund. It is not a recommendation to buy or sell any security nor an investment advice.

Any investment decision should be independent evaluation based on Composite PPM

## Silverdäle Bond Fund

- Investment Grade (min. 75%)
- Short Duration (2-3 years)
- US dollar
- Weekly NAV/Subscription/Redemption
- Quarterly Dividend of \$2.00



Bloomberg  
TOP-5  
ASIAN FUND



2016 BEST FUND MANAGERS AWARD  
Best Emerging Markets Credit Fund



### FUND ADMINISTRATOR / AML AGENT



### Silverdale Fund SPC

Authorised & regulated by Cayman Islands Monetary Authority

### AUDITORS



### LEGAL COUNSEL



### FUND MANAGER

### Silverdale Capital Pte Ltd

Regulated by Monetary Authority of Singapore

8 Temasek Boulevard, 35-02 Suntec Tower-3, Singapore

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### BANKERS / CUSTODIANS / BROKERS



**RISK FACTORS: Interest Rate Risk:** The increase (fall) in value of fixed income securities with fall (increase) in interest rate

**Credit Risk:** The ability of the issuer to redeem the bonds (or other fixed income securities) on maturity.

**Liquidity Risk:** The ability to sell a bond before its redemption. **Counterparty Risk:** The risk due to failure of the counterparty dealt with

**Country Risk:** The investment strategy is subject to the risks relating to the geographical, political, economic and social issues of the country of the Issuer, and to a lesser extent that of United States.

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