

## 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.

## KEY FEATURES

- Investment grade (Min 75%)
- Short duration (2-3 years)
- No forex risk (US dollars only)
- Enhanced returns, using ring-fenced leverage
- Quarterly dividend distribution

## FUND INFORMATION

Fund	Silverdale Bond Fund
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 (Friday)*
Subscription / Redemption	Weekly (Monday)*
Management Fee	0.50% p.a.^
Next Dividend Date	29 Sep'17 (US\$ 2.00 per share) <sup>‡</sup>
Previous Dividend Date	30 Jun'17 (US\$ 1.90 per share)

## FUND MANAGEMENT DETAILS

### THE FUND

#### Silverdale Bond Fund

the segregated portfolio-1 (SP-1) 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 Service  
355 NeXTeracom Tower 1, Cybercity  
Ebene, Mauritius  
Tel.: +230 464 7275 Fax: +230 464 3290  
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## DIVIDEND DETAILS

The Fund is likely to declare a dividend of circa US\$ 2.00 per share on the shares held on Friday, September 29, 2017 (Dividend Record Date). All subscriptions received on or before 22nd September 2017 shall be eligible for dividend distribution.

## SUBSCRIPTION DETAILS

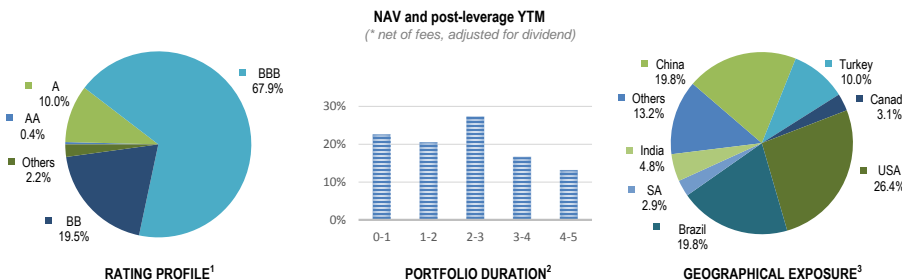
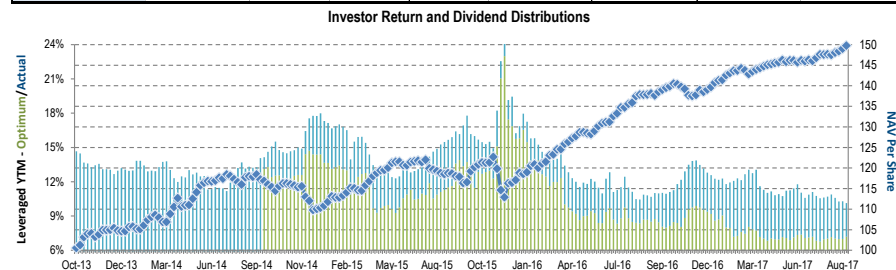
Subscription can be made only as per terms & conditions of the composite Private Placement Memorandum (including Class Supplement) which may be obtained free of cost from the Fund Administrator at spc@silverdalegroup.com

For subscription & information, please  
Email: spc@silverdalegroup.com  
Or, Call: +65 6835 7130

Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 8th September 2017, the Fund NAV appreciated by 0.53% to US\$ 134.18 (previous week: US\$ 133.48), with actual portfolio yield (post-leverage) of 7.18% per annum (previous week: 6.99% p.a.), and average duration of 2.15 years (previous week: 2.05 years).

PORTFOLIO DASHBOARD		Growth NAV US\$	149.7574	Ex-Dividend NAV US\$	134.1843
<b>PERFORMANCE*</b>		<b>FUND STATISTICS</b>		<b>TOP HOLDINGS</b>	
Previous 1 week	0.5270 %	Portfolio Yield to Maturity	3.64 %	Petrobras 2021	2.83 %
Trailing 1 month	1.7072 %	Leveraged YTM - Actual	7.18 %	Tewoo Group Fin 2019	2.68 %
Trailing 3 months	3.0641 %	Leveraged YTM - Optimum	10.12 %	Yapi Ve Kredi 2019	2.58 %
Trailing 6 months	5.2754 %	Average Coupon	4.93 %	Seagate Hdd 2022	2.54 %
Trailing 12 months	8.9143 %	Average Duration	2.15 years	Prospect Capital 2023	2.53 %
Trailing 3 years	8.51% p.a.	Total Dividend Paid	US\$ 15.57	Chang Development 2020	2.42 %
(*) after all fees, grossing up for dividends		Sharpe Ratio (1 Year)	1.86	Macys Retail 2020	2.29 %

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 8th September 2017, Silverdale Bond Fund purchased Braskem 2020 (BBB-/Ba1/BBB-), Petrobras 2021 (BB-/B1/BB), Seagate 2022 (BB+/Baa3/BBB-), Macys 2023 (BBB-/Baa3/BBB), Prospect 2023 (BBB-/A-), Credit Suisse 2023 (BBB-/BBB), and HSBC Perpetual (~Baa3/BBB, First Call 2021) bonds.

Braskem S.A. (Mkt Cap: US\$ 9.9bn) is the largest petrochemical company in Latin America and world's eighth largest thermoplastic resins producer. As at 30th June 2017, it reported net debt of US\$ 5.2bn, TTM EBITDA of ~US\$ 3.2bn with Net Debt/EBITDA of ~1.9x and interest coverage ratio of ~4.7x.

Petroleo Brasileiro (Mkt Cap: US\$ 63.1bn) is an integrated energy company with total assets of ~US\$ 250bn. As at 31st June 2017, it reported TTM EBITDA of ~US\$ 28bn with Net Debt/EBITDA of ~3.1x and interest coverage ratio of ~3.5x. 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.

Macy's Inc (Mkt Cap: US\$ 6.5bn) is the largest departmental store in US and one of the largest fashion goods retailers in the world with TTM sales at ~US\$ 25bn. As at 29th July 2017, it reported net debt of ~US\$ 5.5bn and available line of credit amounting to ~US\$ 1.5bn. It reported EBITDA of ~US\$ 2.7bn with Net Debt/EBITDA of ~2.1x and interest coverage ratio of ~7.9x.

Prospect Capital (Mkt Cap: US\$ 2.4bn) is an investment management firm that provides loans to middle-market companies. As at 30 June 2017, it reported total assets of US\$ 6.2bn, net debt of ~US\$ 2.4bn and unused line of credit of ~US\$ 885mn. Prospect has a diversified portfolio of investments in 121 companies with fair value of investment of ~US\$ 5.8bn.

Credit Suisse (Mkt Cap: US\$ 36.9bn) is the second largest Swiss bank with a global presence in over 50 countries with over 47,000 employees. As of 30 June 2017, it reported total assets worth ~US\$ 817bn and book value of equity of ~US\$ 45.4bn. It reported Non-Performing Loans (NPL) at ~0.8%, and liquidity coverage ratio at 165%. It reported common equity Tier-1 ratio at 13.3%.

HSBC Holdings Plc (Mkt Cap: US\$ 193.7bn) is one of the world's largest banking and financial services organisations serving clients in 67 countries. It provides retail banking and wealth management, commercial banking, and investment banking services. As of 30 June 2017, it reported total assets worth ~US\$ 2.5tn and book value of equity of ~US\$ 188.4bn. It reported Net Interest Margin at 1.64% and Loan Impairment Charges at 0.19%. It reported common equity Tier-1 ratio of 14.7% and a leverage ratio of 5.7%.

CLASS DETAILS	CLASS 1A	CLASS 1B	CLASS 1C	CLASS 1D
ISIN	KYG8135U1076	KYG8135U1159	KYG8135U2066	KYG8135U2306
CUSIP	G8135U 107	G8135U 115	G8135U 206	G8135U 230
Swiss Valor No.	28213010	TBC	TBC	TBC
Bloomberg Code	SILV01A KY Equity	SILV01B KY Equity	SILV01C KY Equity	SILV01D KY Equity
Morningstar SecID	F00000WLJR	F00000WLJW	TBC	TBC
Initial Sales Charge	1.00%	0.00%	Upto 5%	0.00%
Exit Load	0.25%	1.00%	0.25%	1.00%
Contingent Load	N.A	3% / 2% / 1%	N.A	5% / 4% / 3% / 2% / 1%

## DISCLAIMER

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