

### 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>1</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. <sup>AA</sup>
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  
Email: spc@silverdalegroup.com



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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

### DISCLAIMER

The above commentary does not provide a complete analysis of every material fact regarding the market, industry, security, portfolio or the fund. It is not a recommendation to buy or sell any security nor an investment advice. The portfolio holdings, opinions and information may change without notice. The contents of this document, including any narrative does not constitute an offer to sell or a solicitation of any offer to buy the units or shares in Silverdale Bond Fund (or Silverdale Fund SP-1), or any other segregated portfolio or Class of Silverdale Fund SPC or any of the funds managed or advised by Silverdale Capital Pte Ltd., and is strictly for information only. Any subscription for units or shares must be made solely on the basis of the fund's private placement memorandum, class supplements, application form and appendices (together "the Composite PPM"). Past performance is not necessarily a guide to the future performance. Opinions and estimates contained in this document are subject to change without notice, and the actual results would differ from the said opinions and estimates. The Fund may use or invest in financial derivative instruments. Please refer to the Composite PPM for Risk Factors. This document is written for the benefit of and being communicated only to Accredited Investors or Institutional Investors as defined under the Securities and Futures Act (Cap. 289) of Singapore or any similarly defined investor in any other securities legislation. The recipient should obtain opinion from independent professional adviser before making any decision based on this document. The NAV performance is computed taking: 1 month = 4 weeks, 3 months = 13 weeks, 6 months = 26 weeks, 9 months = 39 weeks, and 12 months = 52 weeks. NAV prior to 8 May 2015 is based on NAV of underlying fund (Class E of Sri Silverdale Opportunities Fund). (\*) Assuming to be Business Day. (#) Indicative. (†) Initially launched as multi-assets fund with quarterly NAV. (1), (2), & (3) Based on gross investments into securities. (1) Credit Rating is based on best of the three ratings (S&P/Moody's/Fitch), with those rated below "BB" being clubbed as "Others". (3) Country exposure of less than 2.5% has been clubbed as "Others". (\*\*) Based on Gross Assets. Ranking source: Bloomberg's special report on Asia's Hedge Fund dated June 26, 2015; category: Multi Strategy.

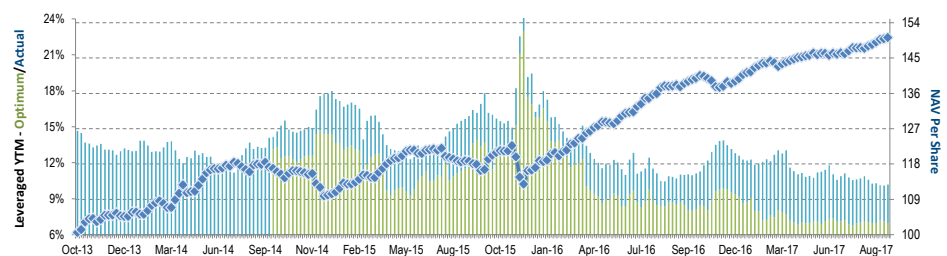
Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 22nd September 2017, the Fund NAV appreciated by 0.23% to US\$ 134.64 (previous week: US\$ 134.33), with actual portfolio yield (post-leverage) of 6.97% per annum (previous week: 7.11% p.a.), and average duration of 2.14 years (previous week: 2.12 years).

### PORTFOLIO DASHBOARD

PERFORMANCE*		Growth NAV US\$		150.2142		Ex-Dividend NAV US\$		134.6411	
FUND STATISTICS		TOP HOLDINGS		% age					
Previous 1 week	0.2346 %	Portfolio Yield to Maturity	3.70 %	Petrobras 2021	2.84 %				
Trailing 1 month	1.3304 %	Leveraged YTM - Actual	6.97 %	Tewoo Group Fin 2019	2.65 %				
Trailing 3 months	3.2063 %	Leveraged YTM - Optimum	10.17 %	Yapi Ve Kredi 2019	2.55 %				
Trailing 6 months	4.7309 %	Average Coupon	4.93 %	Seagate Hdd 2022	2.53 %				
Trailing 12 months	8.9603 %	Average Duration	2.14 years	Prospect Capital 2023	2.42 %				
Trailing 3 years	9.00% p.a.	Total Dividend Paid	US\$ 15.57	Chang Development 2020	2.39 %				
	(*) after all fees, grossing up for dividends	Sharpe Ratio (1 Year)	1.86	Macys Retail 2020	2.27 %				

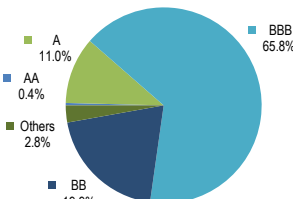
Period	Oct'13-Dec'13	2014	2015	2016	Jul'16-Sep'16	Oct'16-Dec'16	Jan'17-Mar'17	Apr'17-Jun'17
Dividend	-	-	4.47	7.3000	1.9000	1.9000	1.9000	1.9000
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	129.1991	127.9435	130.6596	130.7470
Return to Investor	4.06%	5.46%	6.09%	20.10%	6.35%	0.50%	3.61%	1.52%

### Investor Return and Dividend Distributions

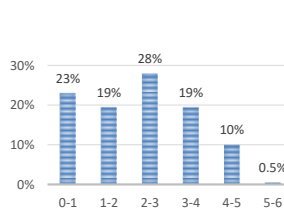


### NAV and post-leverage YTM

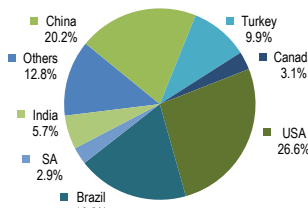
(\* net of fees, adjusted for dividend)



RATING PROFILE<sup>1</sup>



PORTFOLIO DURATION<sup>2</sup>



GEOGRAPHICAL EXPOSURE<sup>3</sup>

### PORTFOLIO UPDATE

During the week ended 22nd September 2017, we sold Israel Electric 2018 (BBB-/Baa2/-) bonds while we purchased Pitney Bowes 2020 (-/Ba1/BBB-), Vedanta 2021 (B+/B3/-), Petrobras 2023 (BB-/B1/BB), Petrobras 2024 (BB-/B1/BB) and China Huarong Perpetual (-/Baa1/A-) bonds. Further we received proceeds from tender of Vale 2020 (BBB-/Ba1/BBB) bonds.

Pitney Bowes (Market Cap: US\$ 2.5bn) is a leading global provider of integrated mail, messaging and document management solutions that include postage meters, mailing equipment, document messaging services, and digital commerce solutions. As at 30th June 2017, it reported TTM EBITDA of ~US\$ 740mn with Net Debt/EBITDA of ~3.5x and interest coverage ratio of ~4.6x. It reported cash & equivalent of US\$ 840mn and undrawn credit facility of US\$ 1bn. It recently acquired Newgistics which is into order fulfillment, nationwide parcel delivery & return and digital commerce ecosystem business. After this acquisition for US\$ 475mn, proforma net leverage increases to 4.2x. It is one of the surviving 86 members of initial S&P 500 index established in 1957.

Vedanta Resources plc (Mkt Cap: US\$ 3.0bn) is a LSE listed, globally diversified natural resources company with interests in zinc, lead, silver, copper, iron ore, aluminium, power and oil & gas. Indian assets contribute ~60% of its revenues, the balance being from Ireland, Namibia, South Africa, Tasmania, Zambia, and Liberia. As at 31st Mar 2017, it reported net debt of ~US\$ 8.5bn and unused line of credit amounting to ~US\$ 1.6bn. It reported EBITDA of ~US\$ 3.2bn with Net Debt/EBITDA of ~2.7x and interest coverage ratio of ~2.8x. It is owned (~69%) by Mr. Anil Agarwal through Volcan Investments Ltd.

Petroleao Brasileiro (Mkt Cap: US\$ 65.5bn) is an integrated energy company with total assets of ~US\$ 250bn. As at 30th 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.

China Huarong Asset Management (Mkt Cap: US\$ 17.6bn) was established by the Chinese government in 1999 as one of four asset management companies tasked with tackling problem loans from China's major banks prior to their listing. Today it is the largest financial asset management company in China with total assets of US\$ 245bn across (i) Distressed Assets Management (~47%), (ii) Financial Services (~33%), and (iii) Asset Management & Investments (~20%). Chinese Government through Ministry of Finance is the largest shareholder with 63.36% stake.

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%