

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*	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 Dec'17 (US\$ 2.00 per share)†
Previous Dividend Date	29 Sep'17 (US\$ 2.00 per share)

FUND MANAGEMENT DETAILS

THE FUND

Silverdale Bond Fund

is 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

Visra (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

CLASS DETAILS	CLASS 1A	CLASS 1B
ISIN	KYG8135U1076	KYG8135U1159
CUSIP	G8135U 107	G8135U 115
Swiss Valor No.	28213010	TBC
Bloomberg Code	SILV01AKY Equity	SILV01B KY Equity
Morningstar SecID	F00000WLJR	F00000WLJW
Initial Sales Charge	1.00%	0.00%
Exit Load	0.25%	1.00%
Contingent Load	N.A.	3% / 2% / 1%
CLASS DETAILS	CLASS 1C	CLASS 1D
ISIN	KYG8135U2066	KYG8135U2306
CUSIP	G8135U 206	G8135U 230
Swiss Valor No.	TBC	TBC
Bloomberg Code	SILV01C KY Equity	SILV01D KY Equity
Morningstar SecID	TBC	TBC
Initial Sales Charge	Upto 5%	0.00%
Exit Load	0.25%	1.00%
Contingent Load	N.A.	5% / 4% / 3% / 2% / 1%



Investors' Choice Award



2016 ALTERNATIVE INVESTMENTS AWARDS

10th QUARTERLY DIVIDEND

The Fund has declared a dividend of US\$ 2.00 per share on the shares held on Friday, September 29, 2017 (Dividend Record Date). All investors holding shares as of 29th September 2017 have been paid dividend.

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

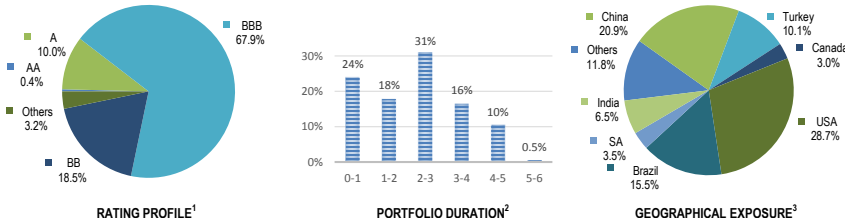
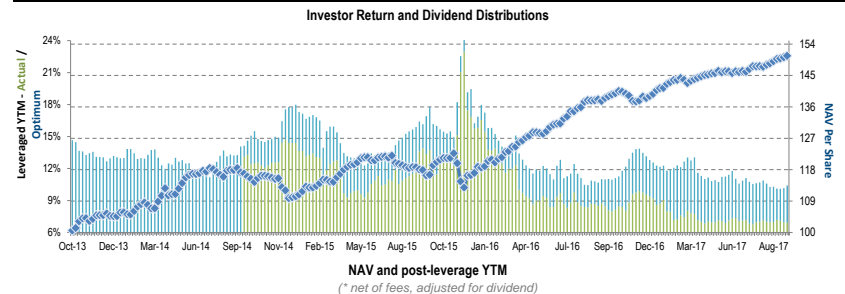
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Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. The Fund has declared quarterly dividend payout of US\$ 2.00 per share; the Ex Dividend NAV of the Fund was US\$ 133.05 as compared to previous month NAV of US\$ 132.87 (Cum Dividend). Actual portfolio yield (post-leverage) is 6.91% per annum (previous month: 6.97% p.a.), with duration of 2.19 years (previous month: 2.07 years).

PORTFOLIO DASHBOARD		Growth NAV US\$	150.6275	Ex-Dividend NAV US\$	133.0544
PERFORMANCE*		FUND STATISTICS		TOP HOLDINGS	
Previous 1 week	0.3070 %	Portfolio Yield to Maturity	3.73 %	Petrobras 2021	2.83 %
Trailing 1 month	1.1788 %	Leveraged YTM - Actual	6.91 %	Tewoo Group Fin 2019	2.63 %
Trailing 3 months	3.2945 %	Leveraged YTM - Optimum	10.40 %	Yapi Ve Kredi 2019	2.53 %
Trailing 6 months	4.8177 %	Average Coupon	4.94 %	Seagate Hdd 2022	2.52 %
Trailing 12 months	8.9438 %	Average Duration	2.19 years	Prospect Capital 2023	2.40 %
Trailing 3 years	9.29% p.a.	Total Dividend Paid	US\$ 17.57	Chang Development 2020	2.37 %
(*) after all fees, grossing up for dividends		Sharpe Ratio (1 Year)	1.98	Macys Retail 2020	2.32 %

Period	Oct'13-Dec'13	2014	2015	2016	Oct'16-Dec'16	Jan'17-Mar'17	Apr'17-Jun'17	Jul'17-Sep'17
Dividend	-	-	4.47	7.3000	1.9000	1.9000	1.9000	2.0000
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	127.9435	130.6596	130.7470	133.0544
Return to Investor	4.06%	5.46%	6.09%	20.10%	0.50%	3.61%	1.52%	3.29%



PORTFOLIO UPDATE

During the week ended 29th September 2017, we sold Akbank 2018 (-/Ba1/BB+), Seagate 2018 (BB+/Baa3/BBB-), Ares 2018 (BBB-/BBB-), and Chugoku 2020 (-/A3/-) bonds while we purchased IDBI 2018 (BB/B1/BB+), Yapi 2018 (-/Ba1/BBB-), AngloGold 2020 (BB+/Baa3/-), China Jinjiang 2020 (BB-/Baa3/-), Pitney Bowes 2020 (BBB-/Ba1/BBB-), Pitney Bowes 2021 (BBB-/Ba1/BBB-), Health & Happiness 2021 (BB/Baa3/-), Vedanta 2021 (B+/B3/-), Macys 2021 (BBB-/Baa3/BBB-), AngloGold 2022 (BB+/Baa3/-), Macys 2023 (BBB-/Baa3/BBB-), and Seagate 2023 (BB+/Baa3/BBB-) bonds. Further we received proceeds from early call/tender of Vale 2019 (BBB-/Ba1/BBB-), Petrobras 2020 & 2021 (BB-/B1/BB) bonds.

Yapi ve Kredi Bankasi (Mkt Cap: US\$ 5.3bn) is the fourth largest private bank in Turkey in terms of assets and loans, with ~850 branches. As of June 2017, it had total assets worth ~US\$ 81.5bn. It reported Net Interest Margin at ~3.4% and Non-Performing Loans (NPL) at ~4.3% with NPL coverage of ~113%. It reported capital adequacy ratio at ~14.8% with Tier-1 ratio at ~11.2%.

AngloGold Ashanti (Mkt Cap: US\$ 3.8bn) with production of circa 3.60mn ounces is the world's third largest gold producer, operating in 20 locations in 10 countries. As at 30th June 2017, it reported net debt of ~US\$ 2.2bn and utilised line of credit of ~US\$ 1.4bn. It reported TTM EBITDA of ~US\$ 1.5bn with Net Debt/EBITDA of ~1.6x and interest coverage ratio of ~9.1x.

Pitney Bowes (Market Cap: US\$ 2.6bn) 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.

Health and Happiness (Mkt Cap: US\$ 3.1bn) is a leading infant milk formula provider in China. It owns leading Australian vitamin, herbal and mineral supplements provider Swiss Wellness Group Pty Ltd. As at 30th June 2017, it reported net debt of US\$ 1bn, TTM EBITDA of ~US\$ 300mn with Net Debt/EBITDA of ~2.4x and interest coverage ratio of ~7.1x. Its chairman Mr. LUO Fei, and other related parties hold 71% stake in the company.

Macys's Inc (Mkt Cap: US\$ 6.6bn) 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.

Vedanta Resources plc (Mkt Cap: US\$ 3.2bn) is a LSE listed, globally diversified natural resources company with interests in zinc, lead, silver, copper, iron ore, aluminium, power and oil & gas. 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.

During the month of September 2017, Silverdale Bond Fund NAV appreciated by 1.64%, contributed three-fifth by interest accrual, and the balance from price appreciation of underlying bonds. Brazilian and US credits contributed positively towards NAV appreciation, which was partially offset by drop in prices of Chinese, Turkish, Canadian credits.

During the month we sold Israel Electric 2018 (BBB-/Baa2/-), Akbank 2018 (-/Ba1/BB+), Seagate 2018 (BB+/Baa3/BBB-), Ares 2018 (BBB-/BBB-), and Chugoku 2020 (-/A3/-) bonds while we purchased IDBI 2018 (BB/B1/BB+), Yapi 2018 (-/Ba1/BBB-), Tewoo Group 2019 (BBB-/Baa2/-), AngloGold 2020 (BB+/Baa3/-), China Jinjiang 2020 (BB-/Baa3/-), Pitney Bowes 2020 (BBB-/Ba1/BBB-), Braskem 2020 (BBB-/Ba1/BBB-), Petrobras 2021 (BB-/B1/BB), Pitney Bowes 2021 (BBB-/Ba1/BBB-), Health & Happiness 2021 (BB/Baa3/-), Vedanta 2021 (B+/B3/-), Macys 2021 (BBB-/Baa3/BBB-), AngloGold 2022 (BB+/Baa3/-), Seagate 2022 (BB+/Baa3/BBB-), Macys 2023 (BBB-/Baa3/BBB-), Prospect 2023 (BBB-/B1/BB), Seagate 2023 (BB+/Baa3/BBB-), Credit Suisse 2023 (BBB-/Baa3/BBB-), Petrobras 2023 (BB-/B1/BB), Petrobras 2024 (BB-/B1/BB), China Huarong Perpetual (-/Baa1/A-, First Call 2022), and HSBC Perpetual (-/Baa3/BBB-), Macys 2023 (BBB-/Baa3/BBB-), Staples 2023 (BBB-/B3/-), Petrobras 2020 & 2021 (BB-/B1/BB) bonds.

Our Fund continues to maintain conservative position with ~78.3% of our investments in Investment Grade bonds while maintaining short duration of around 2 years (~2.19 years). The short duration of the portfolio could help us against any significant increase in interest rate.