

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 ¹	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

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

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



Investors' Choice Award



**2016 ALTERNATIVE
INVESTMENTS AWARDS**

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

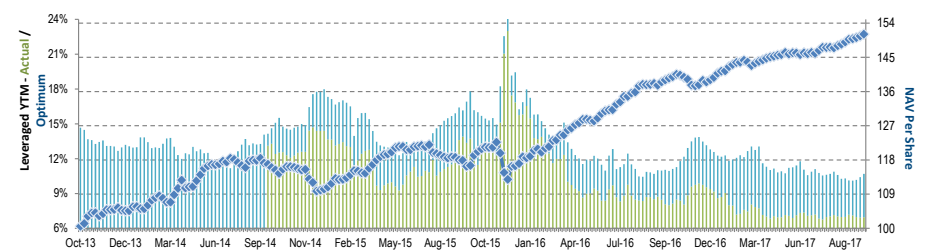
The above commentary does not provide a complete analysis of every material fact regarding the market, industry, security, portfolio or the fund. It is not a recommendation to buy or sell any security nor an investment advice. The portfolio holdings, opinions and information may change without notice. 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/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 6th October 2017, the Fund NAV appreciated by 0.37% to US\$ 133.55 (previous week: US\$ 133.05), with actual portfolio yield (post-leverage) of 6.95% per annum (previous week: 6.91% p.a.), and average duration of 2.21 years (previous week: 2.19 years).

PORTFOLIO DASHBOARD		Growth NAV US\$		151.1217	Ex-Dividend NAV US\$		133.5486
PERFORMANCE*		FUND STATISTICS			TOP HOLDINGS		% age
Previous 1 week	0.3714 %	Portfolio Yield to Maturity	3.73 %		Yapi Ve Kredi 2019		2.82 %
Trailing 1 month	1.0167 %	Leveraged YTM - Actual	6.95 %		Petrobras 2021		2.71 %
Trailing 3 months	3.8644 %	Leveraged YTM - Optimum	10.69 %		Tewoo Group Fin 2019		2.52 %
Trailing 6 months	4.8620 %	Average Coupon	4.95 %		Seagate Hdd 2022		2.44 %
Trailing 12 months	8.9331 %	Average Duration	2.21 years		Pitney Bowes 2020		2.42 %
Trailing 3 years	9.71% p.a.	Total Dividend Paid	US\$ 17.57		Prospect Capital 2023		2.31 %
(*) after all fees, grossing up for dividends		Sharpe Ratio (1 Year)	1.98		Chang Development 2020		2.28 %

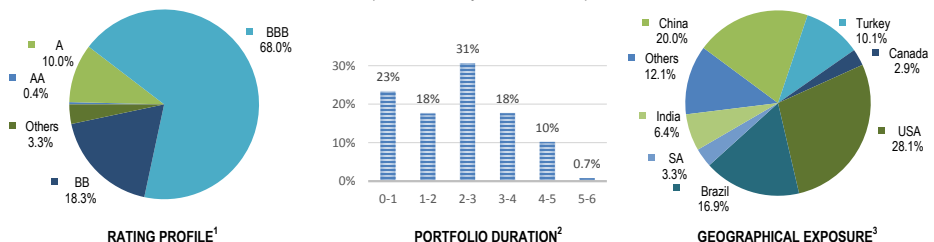
Period	Oct'13-Dec'13	2014	2015	2016	Oct'16-Dec'16	Jan'17-Mar'17	Apr'17-Jun'17	Jul'17-Sep'17
Dividend	-	-	4.47	7.3000	1.9000	1.9000	1.9000	2.0000
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	127.9435	130.6596	130.7470	133.0544
Return to Investor	4.06%	5.46%	6.09%	20.10%	0.50%	3.61%	1.52%	3.29%

Investor Return and Dividend Distributions



NAV and post-leverage YTM

(* net of fees, adjusted for dividend)



PORTFOLIO UPDATE

During the week ended 6th October 2017, we purchased Yapi 2019 (-/Ba1/BBB-), Garanti 2019 (-/Ba1/BBB-), Pitney Bowes 2020 (BBB-/Ba1/BBB-), Dell 2020 (BB-/Ba2/BB), Vedanta 2021 (B+/B3/-), Braskem 2022 (BBB-/Baa3/BBB), Petrobras 2023 (BB-/B1/BB), Gerdau 2024 (BBB-/Baa3/BBB-), and Petrobras 2024 (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-I ratio at ~11.2%.

Turkiye Garanti Bankasi (Mkt Cap: US\$ 11.1bn) is the third largest bank in Turkey with assets of ~US\$ 95.5bn, into commercial, retail, corporate, private and investment banking. It has ~11.6% market shares in the Turkish banking system assets, loans, and deposits. It reported Net Interest Margin at ~4.5% and Non-Performing Loans (NPL) at ~2.7% with NPL coverage of ~133%. It reported capital adequacy ratio at ~16.4% with Tier-I ratio at ~14.4%. It is 49.85% owned by Banco Bilbao Vizcaya Argentaria S.A (BBVA). BBVA (BBB+/Baa1/A-) is a diversified Spanish banking group with presence in South America, Mexico, the USA, and Europe with assets of ~US\$ 800bn as of June 2017.

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.

Dell is world's leading provider of personal computers, servers, network security and storage services. It operates in 180 countries serving 98% of Fortune 500 companies. It is the largest privately held technology company with projected annual revenues of over US\$ 75bn. As at 4th Aug 2017, it reported debt at ~US\$ 49.9bn, against cash & equivalents of ~US\$ 9.2bn and TTM Adjusted EBITDA of ~US\$ 7.9bn.

Vedanta Resources plc (Mkt Cap: US\$ 3.2bn) is the 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.

Braskem S.A. (Mkt Cap: US\$ 11.6bn) 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\$ 66.2bn) 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.

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 30th June 2017, it reported cash & equivalent of ~US\$ 1.6bn, against total debt of ~US\$ 6bn. It reported Net Debt/EBITDA at 3.1x and EBITDA to interest at 3.1x.