

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

Vistra (Mauritius) Limited

Regulated by Financial Services Commission
355 NeXTeracom Tower 1, Cybercity
Ebene, Mauritius

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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 | N.A. | 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 | N.A. | 5% / 4% / 3% / 2% / 1% |



Investors' Choice Award

**2016 ALTERNATIVE
INVESTMENTS AWARDS**

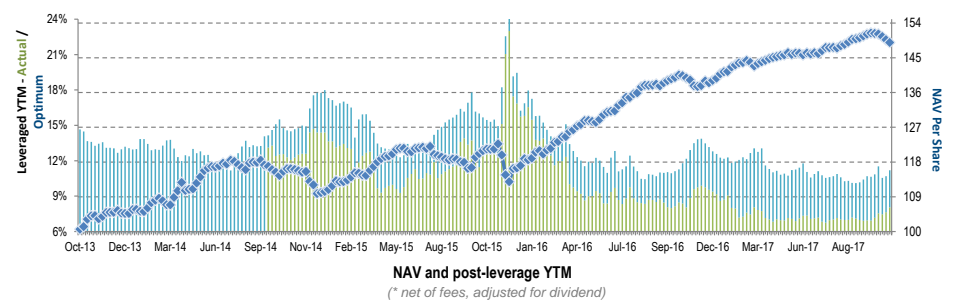
For subscription & information, please
Email: spc@silverdalegroup.com
Or, Call: +65 6835 7130

Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 17th November 2017, the Fund NAV declined by 0.56% to US\$ 131.35 (previous week: US\$ 132.09), with actual portfolio yield (post-leverage) of 8.05% per annum (previous week: 7.63% p.a.), and average duration of 2.24 years (previous week: 2.21 years).

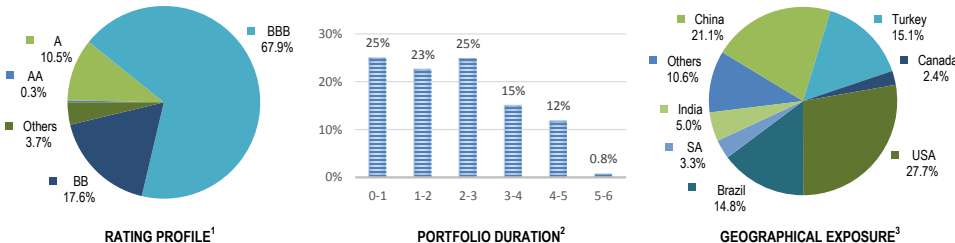
| PORTFOLIO DASHBOARD | | Growth NAV US\$ | | 148.9263 | Ex-Dividend NAV US\$ | | 131.3532 |
|---|------------|-----------------------------|--|------------|------------------------|--|----------|
| PERFORMANCE* | | FUND STATISTICS | | | TOP HOLDINGS | | % age |
| Year to Date | 7.1983 % | Portfolio Yield to Maturity | | 3.96 % | Yapi Ve Kredi 2019 | | 2.74 % |
| Trailing 1 month | -1.7855 % | Leveraged YTM - Actual | | 8.05 % | Turkiye Garanti 2019 | | 2.73 % |
| Trailing 3 months | 0.6473 % | Leveraged YTM - Optimum | | 11.19 % | Chang Development 2020 | | 2.66 % |
| Trailing 6 months | 2.3154 % | Average Coupon | | 4.61 % | Tewoo Group Fin 2019 | | 2.48 % |
| Trailing 12 months | 8.7622 % | Average Duration | | 2.24 years | Seagate Hdd 2022 | | 2.47 % |
| Trailing 3 years | 8.89% p.a. | Total Dividend Paid | | US\$ 17.57 | Petrobras 2021 | | 2.42 % |
| (*) after all fees, grossing up for dividends | | Sharpe Ratio (1 Year)†† | | 2.69 | Macys Retail 2021 | | 2.34 % |

| 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 | - | - | 4.4731 | 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 17th November 2017, we sold Guangzhou Metro 2018 (~Baa1/A) and IDBI 2018 (BB/B1/BB+) bonds while we purchased Yapi 2018 (~Baa1/BBB-), Garanti 2019 (~Baa1/BBB-), Pitney Bowes 2019 (BBB-/Baa1/BBB-), Prospect 2019 (BBB-/A), Dell 2020 (BB-/Baa2/BB), AngloGold 2020 (BB-/Baa3/-), Macys 2021 & 2022 (BBB-/Baa3/BBB), Petrobras 2021 (BB-/Baa3/BB), Seagate 2022 (BB-/Baa3/BBB-), Gerdau 2023 (BB-/Baa3/BBB-), Citidel 2023 (BBB-/A), and DNB Perp (BBB-/Baa3/-, First Call 2020) bonds.

Turkiye Garanti Bankasi (Mkt Cap: US\$ 11.1bn) is the third largest bank in Turkey with assets of ~US\$ 95.4bn. It reported Net Interest Margin at ~4.5% and Non-Performing Loans (NPL) at ~2.8% with NPL coverage of ~147%. It reported capital adequacy ratio at ~17.1% with Tier-1 ratio at ~15%. It is 49.85% owned by BBVA (BBB+/Baa1/A-) which is a ~US\$ 800bn diversified Spanish banking group.

Pitney Bowes (Market Cap: US\$ 1.9bn) 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 Sep 2017, it reported TTM EBITDA of ~US\$ 520mn with Net Debt/EBITDA of ~4.7x and interest coverage ratio of ~2.1x.

Macys's Inc (Mkt Cap: US\$ 5.9bn) 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 28th Oct 2017, it reported net debt of ~US\$ 5.8bn, EBITDA of ~US\$ 3.1bn with Net Debt/EBITDA of ~1.9x and interest coverage ratio of ~9.2x.

Seagate (Mkt Cap: US\$ 11.4bn) is a worldwide leader in the design, manufacture and marketing of hard disk drive products in a duopolist market with over 40% market share. As at 29 September 2017, it reported total debt at ~US\$ 5bn, against cash of ~US\$ 2.3bn and unutilized credit line of ~US\$ 700mn. It reported EBITDA of ~US\$ 2.1bn, net debt/EBITDA at 1.3x with EBITDA to interest of ~9x.

Gerdau SA (Market Cap: US\$ 5.5bn) 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 September 2017, it reported cash & equivalent of ~US\$ 1.6bn, against total debt of ~US\$ 5.9bn. It reported Net Debt/EBITDA at 3x and EBITDA to interest at 3.2x.

DNB ASA (Market Cap: US\$ 30.1bn) is Norway's largest financial services group with total assets of ~US\$ 350bn. As of 30 September 2017, it reported net non-performing and net doubtful loans and guarantees at 1.1%. Further, it reported Common Equity Tier-1 Capital ratio at 16.3% and Total Capital Ratio at 19.6%. The two largest shareholders of DNB are the Norwegian Government (~34%) and Sparebankstiftelsen (~8%).

Citadel founded by Kenneth Griffin in 1990, is a global hedge fund manager which manages ~US\$ 28.6bn of Investment Capital on behalf of the Citadel Funds. It employs over 1,600 personnels, including over 825 investment professionals. For 9 months ending September 2017 it reported hedge fund net income of US\$ 492mn (2016: US\$ 250mn, 2015: US\$ 669mn, & 2014: US\$ 745.5mn).

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

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. (H) 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/Moodys/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. (††) Sharpe Ratio: Source Bloomberg, as at 3 Nov 2017.