

FOR ACCREDITED AND INSTITUTIONAL INVESTORS ONLY

Silverdale

Fund Management

SILVERDALE BOND FUND

QUARTERLY REVIEW

December 2017

SILVERDALE CAPITAL PTE LTD

LICENSED & REGULATED BY MONETARY AUTHORITY OF SINGAPORE (MAS) FOR FUND MANAGEMENT (AIFMC)

Silverdale Bond Fund

2017: Returns 9.02%; Dividend US\$ 7.80; Ex-Dividend NAV up 2.92%

- Performance Snapshot Sept 2017 Qtr
- Performance Review Dec 2017 Qtr

Fund Statistics, Facts, and Factors

- Performance Snapshot CY2017

Silverdåle Bond Fund

Performance Review, Q3 CY2017

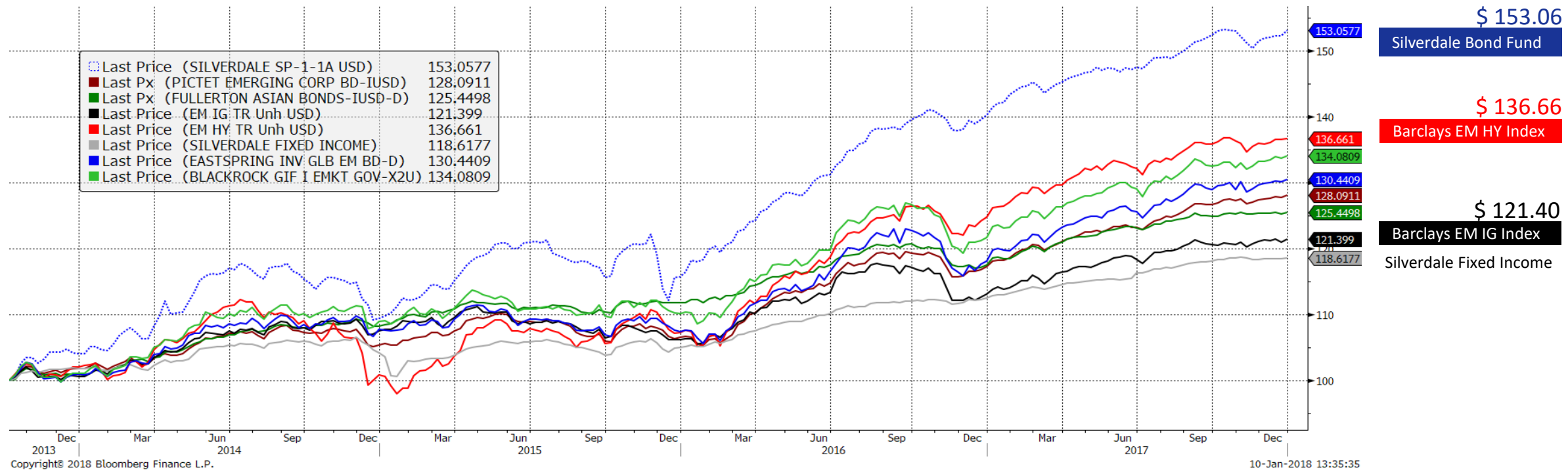
Parameter	As at 30 June'17	As at 29 Sept'17		Change in Q3 2017
NAV appreciation	US\$ 130.7470	US\$ 133.0544	↑	1.76%
Dividend Paid (\$2 for Sept Qtr)	US\$ 1.90 per share	US\$ 2.00 per share	↑	1.53%
Total Return to Investor		3.29%	↑	
Asset Quality IG Bonds	81.01%	78.30%	↓	Marginally lower, <i>tactical</i>
Duration	2.04 years	2.19 years	↑	Marginally higher
Coupon	4.70%	4.94%	↑	Marginally higher
Portfolio YTM	3.73%	3.73%	↔	No Change
Portfolio YTM - Actual	7.12%	6.91%	↓	Marginally lower
Portfolio YTM - Optimum	10.88%	10.40%	↓	Marginally lower

Performance contributed by:

- Interest Accrual 70%
- Bond Price Movement 30% *(Primarily Brazilian credits while US based credits were a drag)*

Silverdåle Bond Fund

Relative Performance ... *Consistent Outperformance!*



Fund Name \ Annualized→	Mean Return	Standard Deviation	Sharpe Ratio	Downside Risk	Sortino Ratio	Duration
Silverdale Bond Fund	10.18%	2.57	3.23	1.98	2.76	2.14
Eastspring Global EM Bond Fund	6.37%	3.21	2.66	2.54	2.26	3.59
Blackrock Global Index EM Fund	7.03%	3.18	2.68	2.42	2.37	6.80
Pictet Emerging Corporate Bonds	5.88%	1.91	4.19	1.51	3.48	4.75
Fullerton Lux Funds	5.36%	1.59	3.11	1.14	3.00	4.40
Silverdale Fixed Income Fund	4.05%	1.14	3.99	0.75	4.26	2.45

Note: Unlike Silverdale Bond Fund, Barclays Emerging Markets Investment Grade Total Return Index and Barclays Emerging Markets High Yield Total Return Index neither reflect leverage nor any management fees and other charges

Source: Bloomberg, Fund Factsheets

Silverdäle Bond Fund

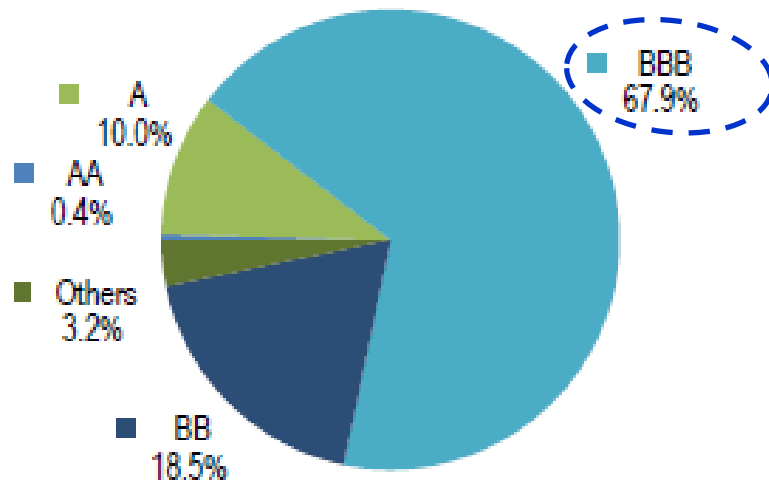
Performance Review, Q4 CY2017

Parameter	As at 29 Sept'17	As at 29 Dec'17		Change in Q4 2017
NAV appreciation	US\$ 133.0544	US\$ 131.6822	↓	-1.03%
Dividend Paid	US\$ 2.00 per share	US\$ 2.00 per share	↔	1.50%
Total Return to Investor for Q4		0.47%	↑	
Asset Quality IG Bonds	78.30%	77.71%	↔	Flattish
Duration	2.19 years	2.14 years	↓	Marginally lower
Coupon	4.94%	4.88%	↓	Marginally lower
Portfolio YTM	3.73%	3.95%	↑	Higher
Portfolio YTM - Actual	6.91%	6.72%	↓	Marginally lower
Portfolio YTM - Optimum	10.40%	9.80%	↓	Marginally lower

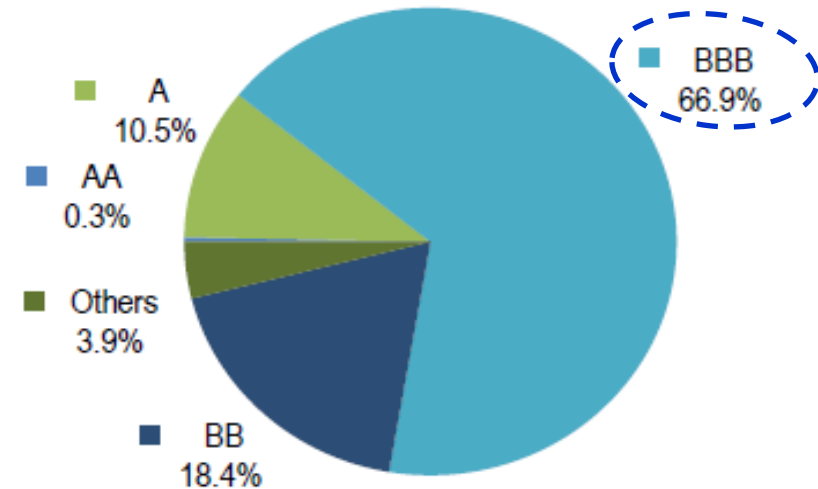
Performance contributed by:

- Interest Accrual 180%
- Bond Price Movement -80% *(Broad-based credits sell-off led by US and Chinese securities)*

Minimum 75% Investment Grade



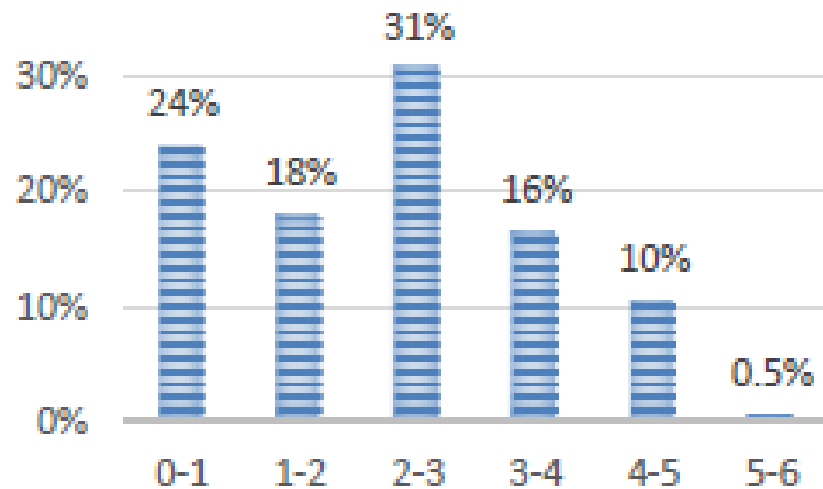
SEPTEMBER 2017



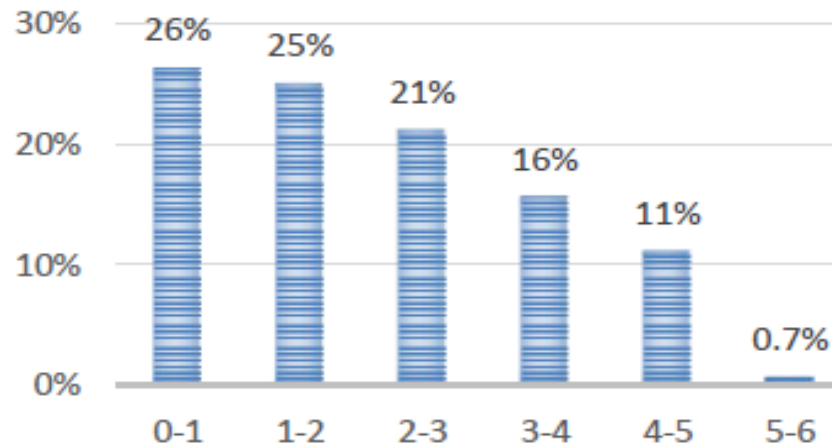
DECEMBER 2017

*No change in strategy:
continued focus on quality (Investment Grade) bonds*

Short Duration: Between 2-2.5 years



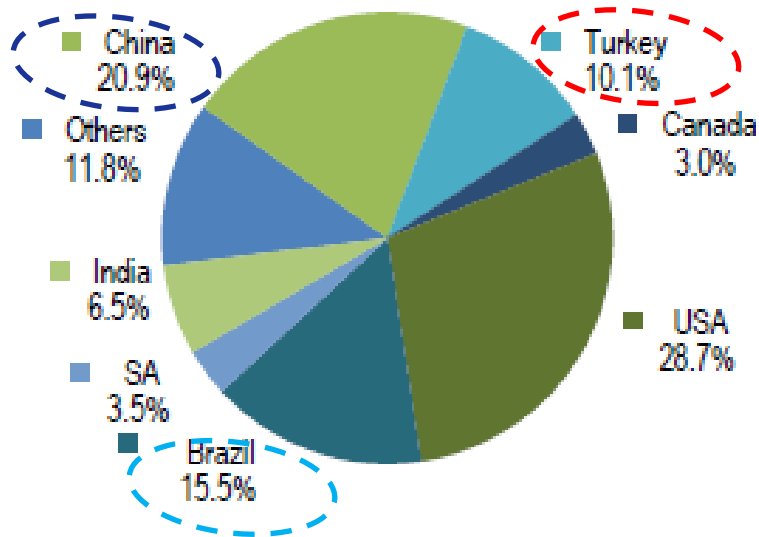
SEPTEMBER 2017 (2.19 years)



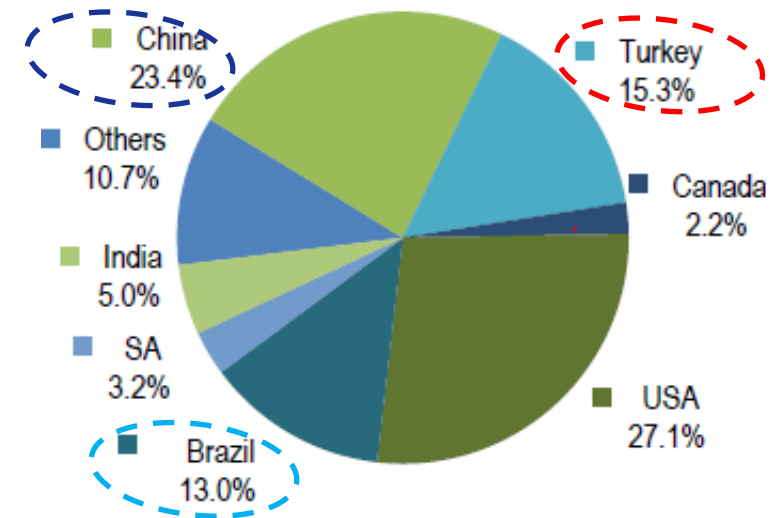
DECEMBER 2017 (2.14 years)

Marginally Lower: No significant change
Well positioned for interest rate hikes

Geographically well-diversified



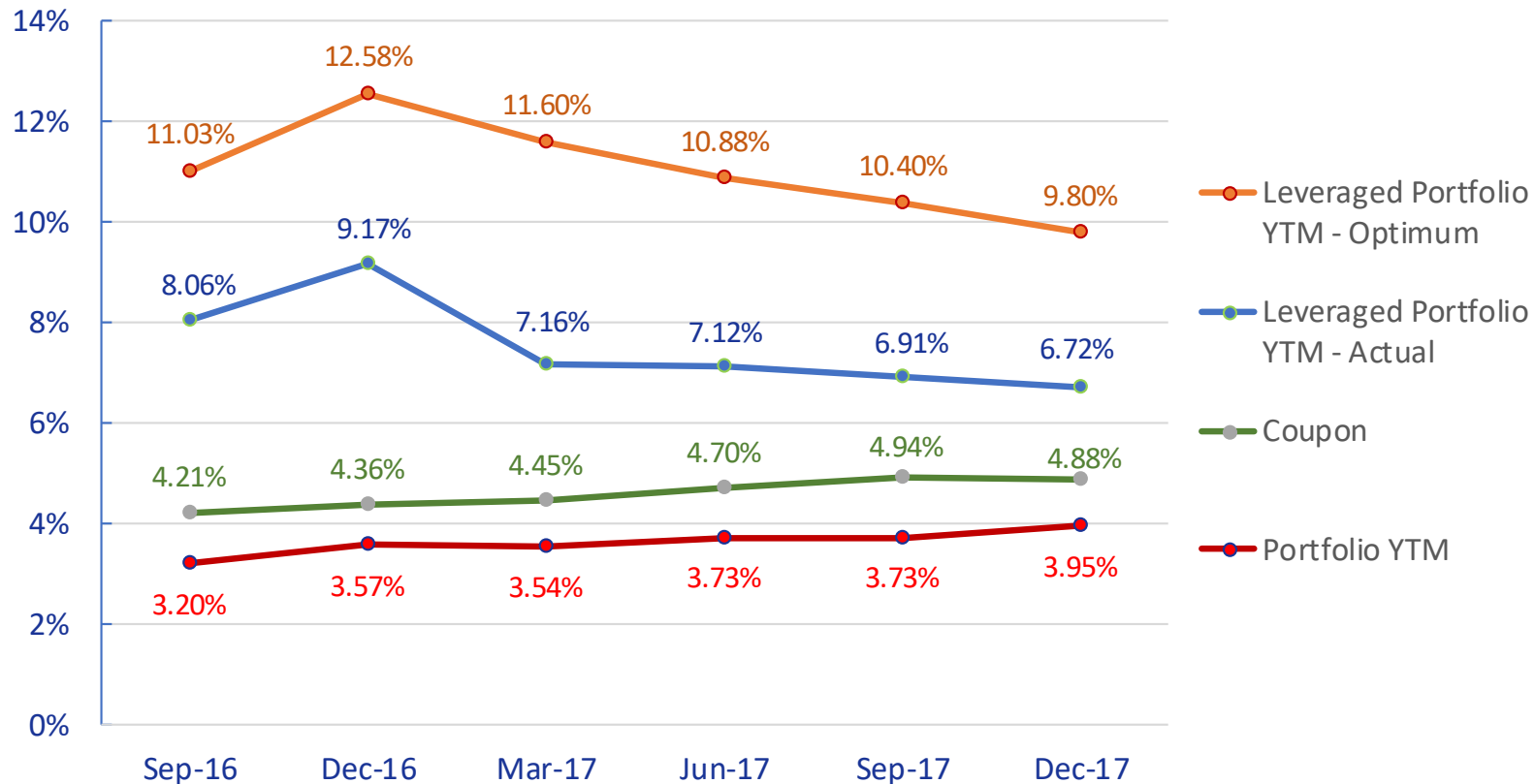
SEPTEMBER 2017



DECEMBER 2017

*Marginal re-balancing to capitalize on market dislocations:
with increased allocation to Turkish and Chinese bonds*

Portfolio Yield Trend



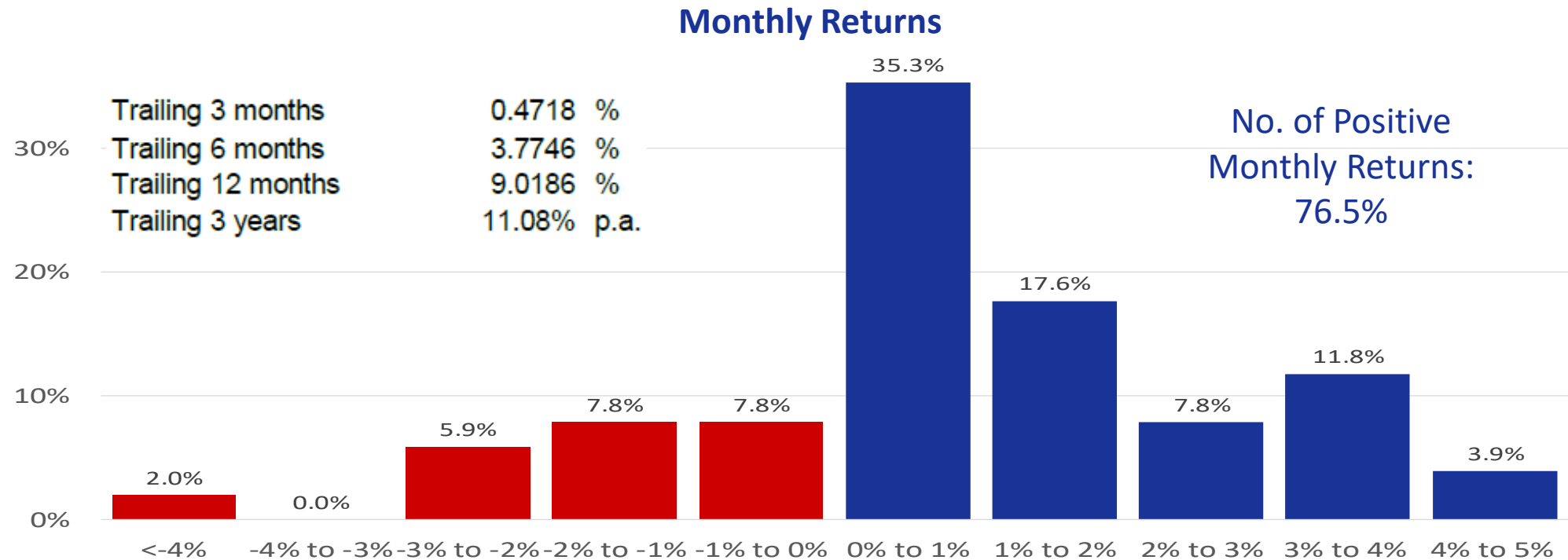
*Continuous raise in portfolio yield:
Fed rate hike transmission takes place with a lag*

Fund Commentary: Q4, 2017

- Silverdale Bond Fund delivered yet another quarter of out-performance
- NAV increased by 0.47% contributed by coupon earned
- The Fund paid dividend of US\$ 2.00 per share on 2nd January 2018 (circa 6% pa)
- Year-to-date (YTD) **Return to Investor of 9.02% (*not annualized*)**
 - Dividend paid: US\$ 7.80 per share
 - Ex-Dividend NAV appreciation: 2.92%
- No change in strategy with continued focus on Investment Grade Bonds (78%), short duration (2.1 years) US dollar bonds
- **Low portfolio duration and high headroom would enable the Fund to benefit as the term premium starts kicking in.**

Silverdäle Bond Fund

Monthly Returns Trend Analytics



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013										3.46	0.86	(0.28)	4.06
2014	0.50	3.27	0.24	1.91	4.98	1.04	(0.32)	0.51	(1.61)	0.23	(0.62)	(4.49)	5.46
2015	2.26	2.06	0.57	3.20	1.67	0.07	(1.66)	(0.71)	(2.08)	4.42	(1.31)	(2.34)	6.09
2016	3.06	0.87	2.61	3.47	0.28	1.79	3.55	1.73	0.96	0.99	(2.16)	1.71	20.10
2017	2.23	1.29	0.05	0.95	0.49	0.08	0.97	0.65	1.64	0.41	(1.02)	1.09	9.02

NOTE: PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Silverdåle Bond Fund

Performance Review, 2017

Parameter	As at 31 Dec'16	As at 29 Dec'17		Change in 2017
NAV appreciation	US\$ 127.9436	US\$ 131.6822	↑	2.92%
Dividend Paid	US\$ 7.30 per share	US\$ 7.80 per share	↑	6.10%
Total Return to Investor for 2017		9.02%		
Asset Quality IG Bonds	76.42%	77.71%	↑	Marginally higher
Duration	2.00 years	2.14 years	↑	Marginally higher
Coupon	4.36%	4.88%	↑	Higher
Portfolio YTM	3.57%	3.95%	↑	Higher
Portfolio YTM - Actual	9.17%	6.72%	↓	Lower
Portfolio YTM - Optimum	12.58%	9.80%	↓	Lower

Performance contributed by:

- Interest Accrual 106%
- Bond Price Movement -6% *(US and Chinese credits were key laggards while Brazilian credits appreciated the most)*

Silverdåle Bond Fund: Performance Dashboard

Investment grade USD bonds fund with embedded leverage

Net Asset Value US\$ 131.68

As at 29 December 2017

PERFORMANCE*

Year to Date	9.0186 %
Trailing 1 month	0.7289 %
Trailing 3 months	0.4718 %
Trailing 6 months	3.7746 %
Trailing 12 months	9.0186 %
Trailing 3 years	11.08% p.a.

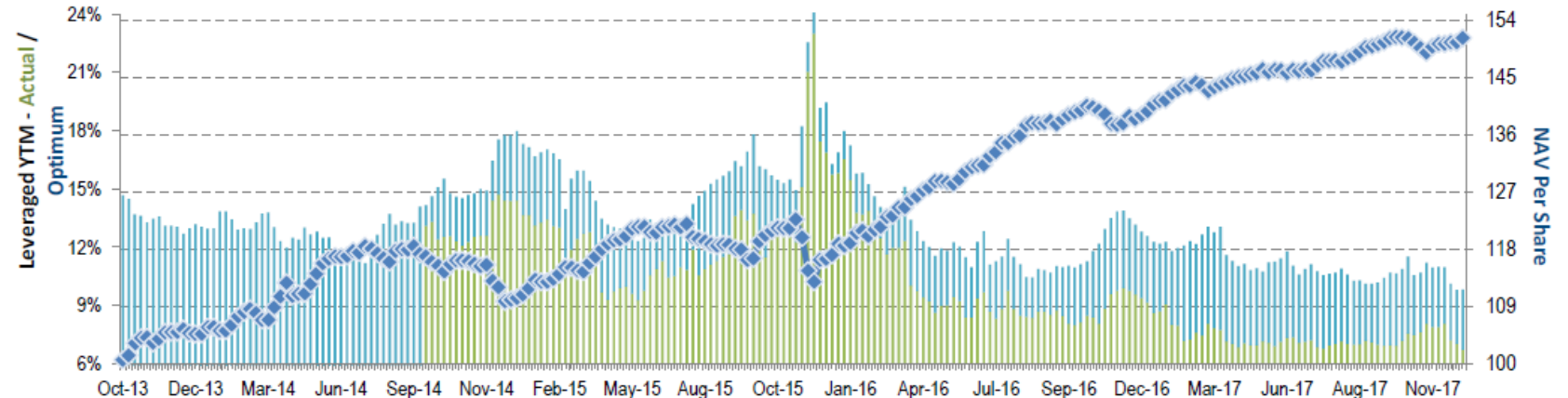
(*) after all fees, grossing up for dividends

FUND STATISTICS

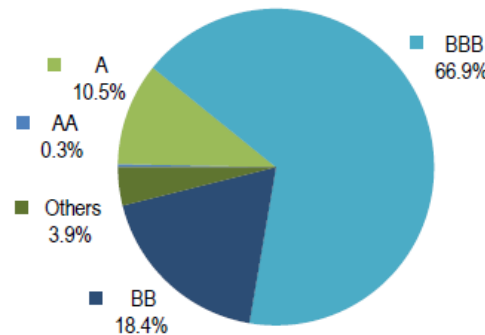
Portfolio Yield to Maturity	3.95 %
Leveraged YTM - Actual	6.72 %
Leveraged YTM - Optimum	9.80 %
Average Coupon	4.88 %
Average Duration	2.14 years
Total Dividend Paid	US\$ 19.57
Sharpe Ratio (1 Year) ^{††}	3.22

TOP HOLDINGS

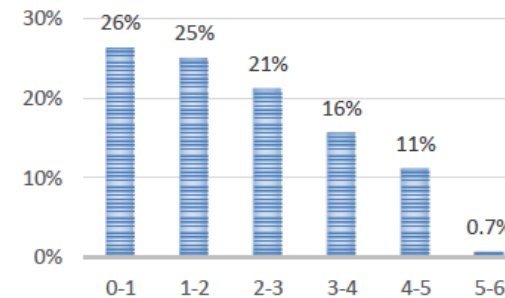
	% age
Tewoo Group Fin 2019	3.06 %
Yapi Ve Kredi 2019	2.60 %
Turkiye Garanti 2019	2.58 %
Chang Development 2020	2.50 %
Seagate Hdd 2022	2.36 %
Macys Retail 2020	2.22 %
Petrobras 2021	2.20 %



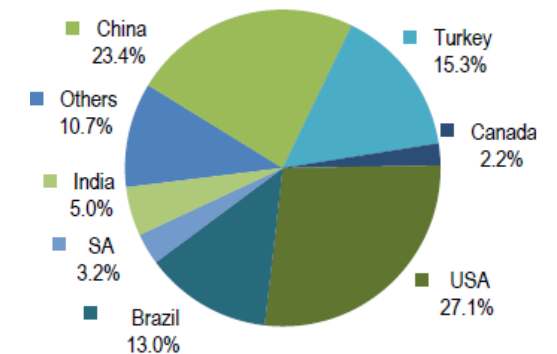
NAV and post-leverage YTM
(* net of fees, adjusted for dividend)



RATING PROFILE¹



PORTFOLIO DURATION²



COUNTRY EXPOSURE³

(1), (2) & (3) Based on gross investments into securities. (2) Credit exposure of those rated below "BB" has been clubbed as "Others". (3) Country exposure of less than 2.5% has been clubbed into 'Others'.

(††) Sharpe Ratio: Source Bloomberg, as at 22 Dec 2017.

The above commentary is not a complete analysis of every material fact regarding the portfolio / fund. It is not a recommendation to buy or sell any security nor an investment advice.

Any investment decision should be independent evaluation based on Composite PPM

Silverdäle Fund of Indian Equity Funds

Performance Review, Q4 2017

- **Pioneer fund of Indian equity funds**
- **Investor Returns for Q4: 12.14%**
- Dividend (Dec'17 quarter): US\$ 2.50 per share
- During Q4, two re-balancing were done
- **Domestic funds have outperformed offshore funds by 3-5 times**
Since: Not constrained by foreign investment ceiling in bluechips;
Zero tax on capital gains and dividend (*foreign funds pay 35% tax*)
- **Silverdale FoF pays zero tax on investments in domestic funds**

Parameters (for 3 months)	Silverdale India FoF	Nifty Index	MSCI Index	Direct	Change in Q4 2017
Return to Investor <u>ACTUAL</u>	12.14%	7.58%	9.09%	↑	Higher (Not Annualised)
Alpha	<i>against</i>	4.56%	3.05%	↑	Positive
Beta	<i>against</i>	0.85	0.81	↓	Defensive
Tracking Error	<i>against</i>	5.59%	4.92%	↓	Low
Information Ratio	<i>against</i>	0.81	0.62	↑	Good
Volatility	9.70%	9.52%	10.60%	↔	Low
Sharpe Ratio	1.08	0.62	0.70	↑	Higher
No. of securities	304	50	79	↑	Higher
Top 10 holdings	19.21%	53.12%	43.84%	↓	Lower
Largest holding	3.14%	9.41%	8.51%	↓	Lower
Mkt Cap - Large (> INR 20bn)	34.32%	100.00%	63.29%	↓	Lower (avoid over exposure)
Mkt Cap - Medium (INR 5-20bn)	41.25%	0.00%	36.71%	↑	Higher (growth oriented)
Mkt Cap - Small (< INR 5bn)	24.42%	0.00%	0.00%	↑	Higher (growth & volatility)



FUND ADMINISTRATOR / AML AGENT



AUDITORS



LEGAL COUNSEL



Silverdale Bond Fund

- Investment Grade (min. 75%)
- Short Duration (2-3 years)
- US dollar
- Weekly NAV/Subscription/Redemption
- Quarterly Dividend of \$2.00

Silverdale Fund SPC

Authorised & regulated by Cayman Islands Monetary Authority

FUND MANAGER

Silverdale Capital Pte Ltd

Regulated by Monetary Authority of Singapore

8 Temasek Boulevard, 35-02 Suntec Tower-3, Singapore

Tel: + 65 6884 9194 | Fax: +65 6835 7130 | Email: singapore@silverdalegroup.com



BANKERS / CUSTODIANS / BROKERS



RISK FACTORS: Interest Rate Risk: The increase (fall) in value of fixed income securities with fall (increase) in interest rate

Credit Risk: The ability of the issuer to redeem the bonds (or other fixed income securities) on maturity.

Liquidity Risk: The ability to sell a bond before its redemption. **Counterparty Risk:** The risk due to failure of the counterparty dealt with

Country Risk: The investment strategy is subject to the risks relating to the geographical, political, economic and social issues of the country of the Issuer, and to a lesser extent that of United States.

DISCLAIMER: This presentation is for informational purposes only and does not constitute an offer to sell or invitation to buy the shares of Sri Silverdale Opportunities Fund or Silverdale Fund SPC (the "Fund") or any Class Share / Segregated Portfolio thereof (the "Shares"), or any other security. It should not be photocopied, reproduced or distributed to others at anytime, by any mode. 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. This document is neither a prospectus nor an offering memorandum nor an offer nor an invitation to subscribe to or to purchase any Shares of the Fund. Nothing in this document is intended to constitute legal, tax, securities or investment advice or opinion regarding the appropriateness of any investment; or a solicitation for any product or service. The information herein is subject to change without notice. Past performance is not indicative of future results. The Fund, the Investment Manager, the Fund Manager, the Investment Advisor, and their respective affiliates, advisers, officers, representatives or agents give no (and will not give any) assurances, and no representation or warranties can be or will be made, as to the accuracy of this document or attainability of any projections, estimates or other forward-looking statements. 15