

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>†</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>^^</sup>
Next Dividend Date	29 Mar'18 (US\$ 2.00 per share) <sup>#</sup>
Previous Dividend Date	29 Dec'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

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CLASS DETAILS	CLASS 1A	CLASS 1B
ISIN	KYG8135U1076	KYG8135U1159
CUSIP	G8135U 107	G8135U 115
Swiss Valor 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 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%

PORTFOLIO DASHBOARD

PERFORMANCE\*

Year to Date	0.3473 %
Trailing 1 month	1.0339 %
Trailing 3 months	0.4425 %
Trailing 6 months	4.3172 %
Trailing 12 months	8.4501 %
Trailing 3 years	11.02% p.a.

(\* after all fees, grossing up for dividends)

FUND STATISTICS

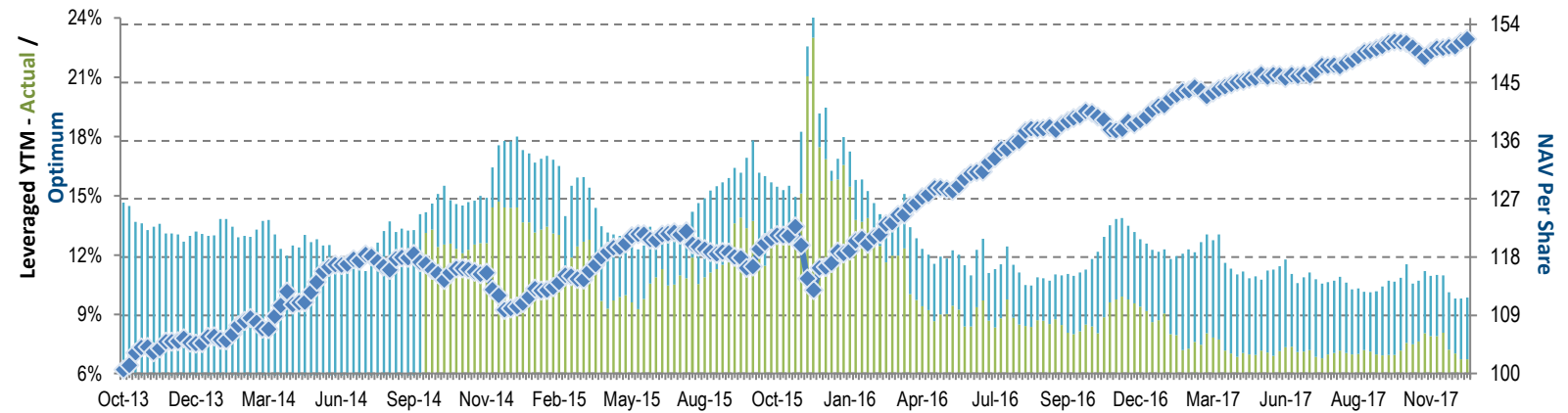
Portfolio Yield to Maturity	3.92 %
Leveraged YTM - Actual	6.72 %
Leveraged YTM - Optimum	9.84 %
Average Coupon	4.92 %
Average Duration	2.11 years
Total Dividend Paid	US\$ 19.57
Sharpe Ratio (1 Year) <sup>††</sup>	3.23

TOP HOLDINGS

	% age
Tewoo Group Fin 2019	3.01 %
Yapi Ve Kredi 2019	2.56 %
Turkiye Garanti 2019	2.55 %
Chang Development 2020	2.46 %
Seagate Hdd 2022	2.33 %
Macys Retail 2020	2.19 %
Petrobras 2021	2.18 %

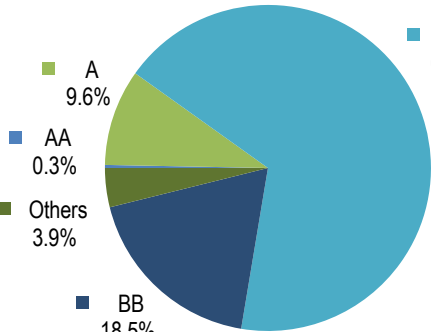
Period	Oct'13-Dec'13	2014	2015	2016	2017	Jan'17-Mar'17	Apr'17-Jun'17	Jul'17-Sep'17	Oct'17-Dec'17
Dividend	-	-	4.4731	7.3000	7.8000	1.9000	1.9000	2.0000	2.0000
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	131.6822	130.6596	130.7470	133.0544	131.6822
Return to Investor	4.06%	5.46%	6.09%	20.10%	9.02%	3.61%	1.52%	3.29%	0.47%

Investor Return and Dividend Distributions

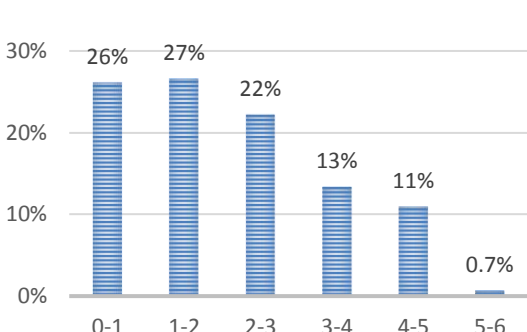


NAV and post-leverage YTM

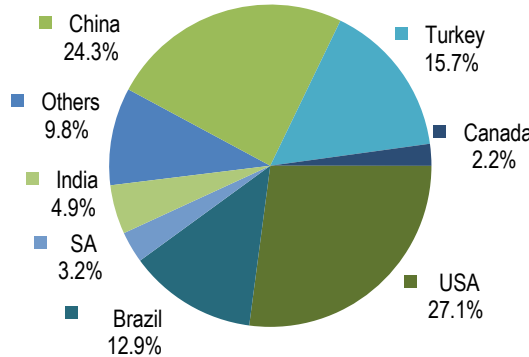
(\* net of fees, adjusted for dividend)



RATING PROFILE<sup>1</sup>



PORTFOLIO DURATION<sup>2</sup>



GEOGRAPHICAL EXPOSURE<sup>3</sup>

PORTFOLIO UPDATE

During the week ended 5th January 2018, Silverdale Bond Fund purchased Binhai Investment 2018 (-/Ba1/BBB-), Binhai Investment 2020 (-/BBB-), QNB Finansbank 2019 (-/Ba1/BBB-), and Western Digital 2024 (BB+/Ba2/BB+) bonds.

Binhai Investment (Mkt Cap: US\$ 246mn) is city gas distribution company with ~2,199 km of gas pipelines primarily in Tianjin, and in Beijing, Shandong, Hebei, Jiangsu, Zhejiang, Jiangxi, and Hunan. As at 30 June 2017, it reported net debt of ~US\$ 205mn, Net Debt/EBITDA of ~3.2x and interest coverage ratio of ~9.2x. Tianjin Economic Development Area (TEDA) Investment (Owned by Tianjin SASAC) is its largest shareholder with 63.2% ownership. The bonds are supported by letter of support from TEDA.

QNB Finansbank (Mkt Cap: US\$ 5.0bn) is a Turkish bank with total assets of ~US\$ 35bn. As of Sep 2017, it reported Net Interest Margin at ~4.3% and Non-Performing Loans (NPL) at ~5.4% with NPL coverage of ~117%. It reported capital adequacy ratio at ~15.6% with Tier-I ratio at ~12.8%. Qatar National Bank (QNB, Mkt Cap: US\$ 30bn) with assets of ~US\$ 213bn is the largest shareholder with ~99.9% equity stake. Qatar Investment Authority is the single largest shareholder of QNB with ~52% equity stake.

Western Digital (Mkt Cap ~US\$ 24.5bn) is a worldwide leader in the design, manufacture and marketing of hard disk drive products in a duopolist market with ~45% market share. It is the second largest manufacturer (~16% share) of solid state storage drive. As at 30 Sep 2017, it reported net debt at ~US\$ 6.2bn and unutilized credit line of ~US\$ 1bn. It reported EBITDA of ~US\$ 5.5bn, net debt/EBITDA at ~1.1x, and interest coverage ratio at ~5.2x.



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

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, 12 months = 52 weeks, and 3 years = 156 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/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 29 Dec 2017.

For subscription & information, please

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