

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 Mar'18 (US\$ 2.00 per share) [#]
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
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	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	Nil	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	Nil	5% / 4% / 3% / 2% / 1%



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Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 19th January 2018, the Fund NAV declined by 0.14% to US\$ 132.11 (previous week: US\$ 132.30), increasing the actual portfolio yield (post-leverage) to 7.10% per annum (previous week: 6.78% p.a.) with average duration of 2.09 years (previous week: 2.10 years).

PORTFOLIO DASHBOARD	Growth NAV US\$	151.6866	Ex-Dividend NAV US\$	132.1135
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PERFORMANCE*

Year to Date	0.3275 %
Trailing 1 month	0.8370 %
Trailing 3 months	0.2784 %
Trailing 6 months	3.0712 %
Trailing 12 months	7.8897 %
Trailing 3 years	10.26% p.a.

(*) after all fees, grossing up for dividends

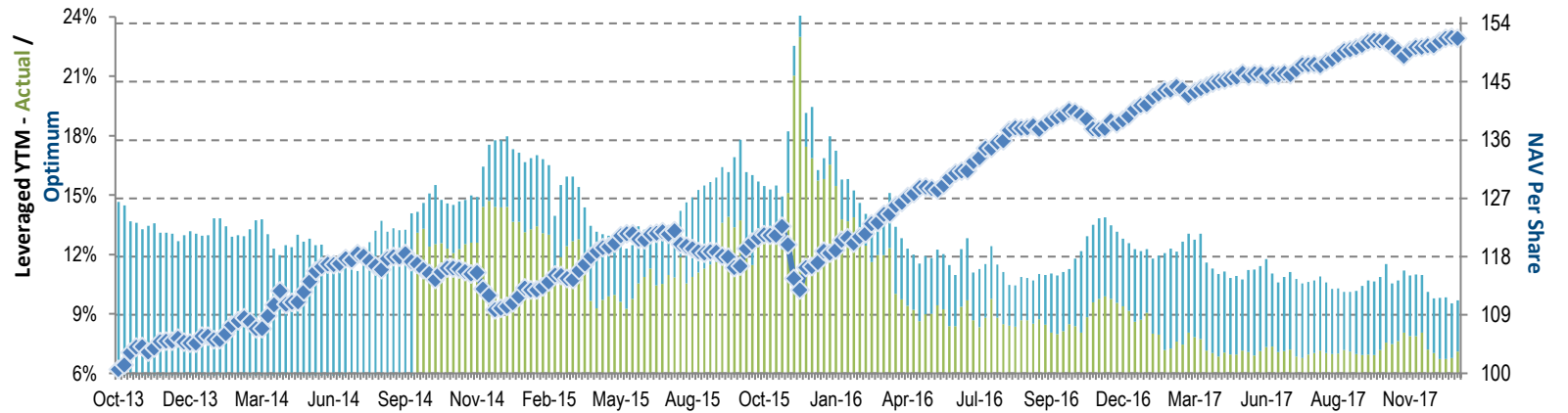
FUND STATISTICS

Portfolio Yield to Maturity	3.97 %
Leveraged YTM - Actual	7.10 %
Leveraged YTM - Optimum	9.69 %
Average Coupon	4.98 %
Average Duration	2.09 years
Total Dividend Paid	US\$ 19.57
Sharpe Ratio (1 Year) ^{††}	2.99

TOP HOLDINGS

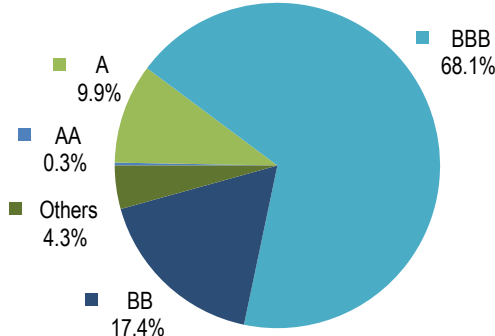
	% age
Tewoo Group Fin 2019	2.84 %
Vedanta Resources 2021	2.56 %
Western Digital Corp 2019	2.52 %
Huarong Finance 2022	2.50 %
Yapi Ve Kredi 2019	2.42 %
Turkiye Garanti 2019	2.40 %
Chang Development 2020	2.33 %

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Div Yield
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	4.05%
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	6.48%
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	6.10%

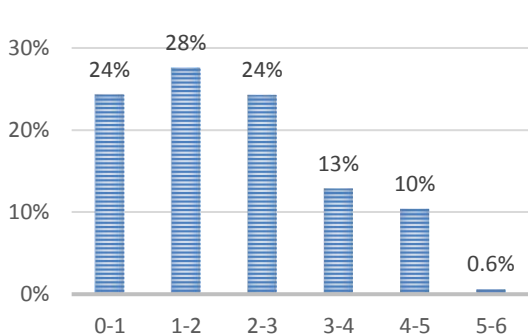


NAV and post-leverage YTM

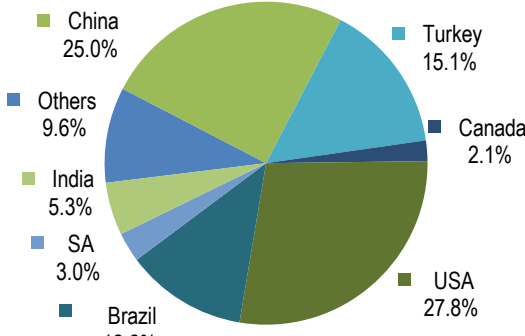
(* net of fees, adjusted for dividend)



RATING PROFILE¹



PORTFOLIO DURATION²



GEOGRAPHICAL EXPOSURE³

PORTFOLIO UPDATE

During the week ended 19th January 2018, we sold TransAlta 2018 (BBB-/Ba1/BBB-) bonds; while we purchased QNB Finansbank 2019 (-/Ba1/BBB-), Tewoo 2020 (-/BBB), Yiwu 2020 (-/Baa3/BBB), Vedanta 2021 (B+/B2/-), Pitney Bowes 2022 (BBB-/Ba1/BBB-), and Western Digital 2023 (BBB-/Ba1/BBB-) bonds.

QNB Finansbank (Mkt Cap: US\$ 5.7bn) 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.

Tewoo Group is the largest conglomerate in Tianjin by sales (~US\$ 68bn) and amongst five largest global trading companies; with ~72% of its sales being generated from selling metals and minerals products in China. It is the largest ferrous metals trading and nonferrous metals trading enterprise in China. It is headquartered in Tianjin, with operations across China, USA, Germany, Japan, Singapore, Philippines and Hong Kong. As at 30th June 2017, it reported total assets of US\$ 38bn.

Yiwu State-owned Capital Operation Co Ltd is wholly owned by Yiwu SASAC. It is the only LGFV of Yiwu SASAC and receives regular capital support from Yiwu SASAC. It owns over 90% of Yiwu SASAC supervised assets, including trading centers, urban infrastructure construction, shantytown renovation projects, warehousing and logistics, water services, and public transportation. As of 30 June 2017, it reported total assets of ~US\$ 17bn. The bonds are issued by its wholly owned subsidiary and guaranteed by it.

Vedanta Resources plc (Mkt Cap: US\$ 3.4bn) is a LSE listed, 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.

Pitney Bowes (Market Cap: US\$ 2.4bn) 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.

Western Digital (Mkt Cap ~US\$ 25.3bn) 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 29 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.

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

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