



## Silverdale Bond Fund

Communique as at 16th March 2018

### 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.^
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%

Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 16th March 2018, the Fund NAV was flattish at US\$ 131.46 (previous week: US\$ 131.49), with actual portfolio yield (post-leverage) of 8.18% per annum (previous week: 8.24% p.a.) and average duration of 1.98 years (previous week: 1.98 years).

PORTFOLIO DASHBOARD	Growth NAV US\$	151.0316	Ex-Dividend NAV US\$	131.4585
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### PERFORMANCE\*

Year to Date	-0.1699 %
Trailing 1 month	0.4520 %
Trailing 3 months	0.3526 %
Trailing 6 months	0.8431 %
Trailing 12 months	5.7261 %
Trailing 3 years	9.67% p.a.

(\*) after all fees, before dividend payout

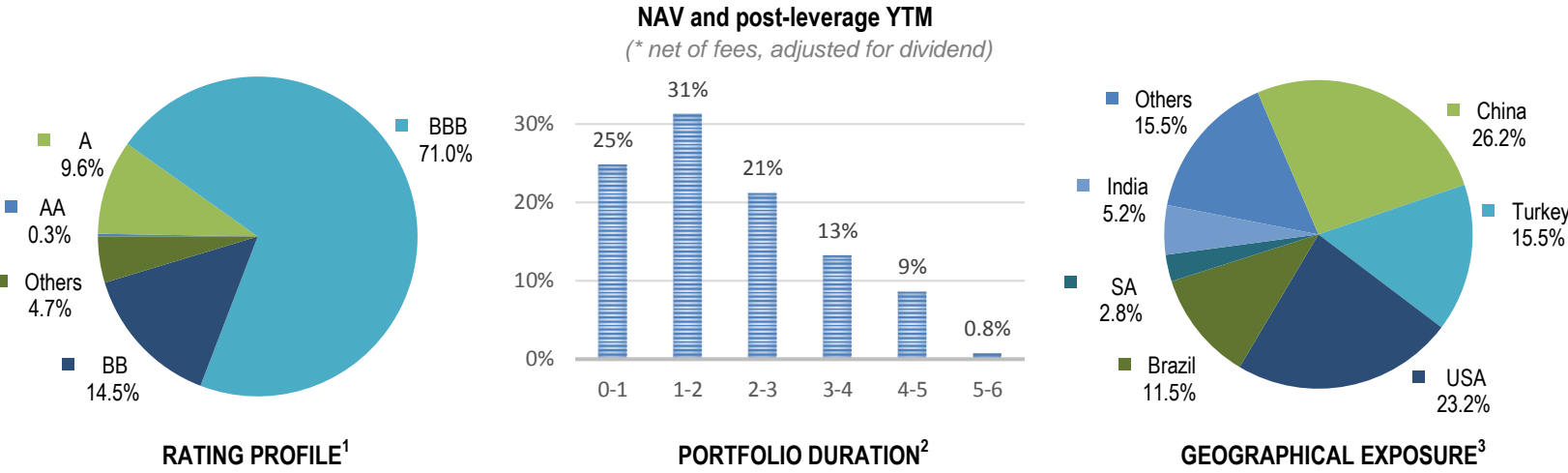
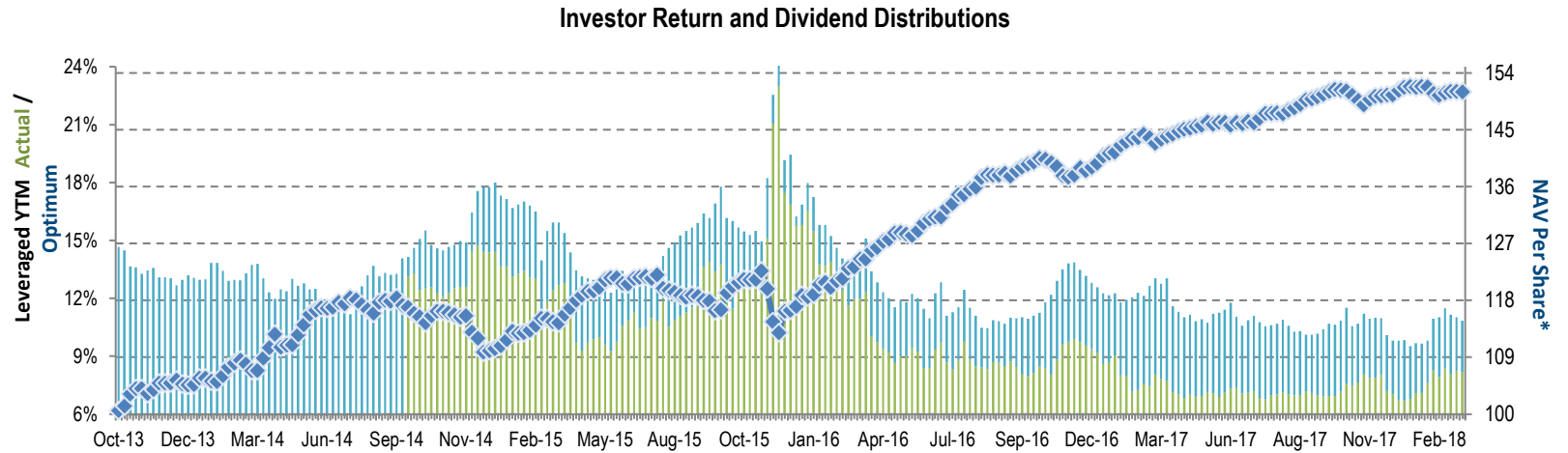
### FUND STATISTICS

Portfolio Yield to Maturity	4.33 %
Leveraged YTM - Actual	8.18 %
Leveraged YTM - Optimum	10.84 %
Average Coupon	4.88 %
Average Duration	1.98 years
Total Dividend Paid	US\$ 19.57
Sharpe Ratio (1 Year) <sup>††</sup>	1.85

### TOP HOLDINGS

	% age
Tewoo Group 2019	2.85 %
Chang Development 2020	2.72 %
Vedanta Resources 2021	2.71 %
Qnb Finansbank 2019	2.50 %
Huarong Finance 2022	2.31 %
Turkiye Garanti 2019	2.29 %
Binhai Investmen 2018	2.05 %

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%



### PORTFOLIO UPDATE

During the week ended 16th March 2018, we sold Yapi 2019 (-/Ba2/BBB-) bonds; while we purchased Dell 2020 (BBB-/--), Yapi 2020 (-/Ba2/BBB-), and Credit Agricole Perps (BB+/Ba1/BBB-, First call 2019) bonds. Further we received proceeds from early call of TransAlta 2018 (BBB-/Ba1/BBB-) bonds.

Dell is world's leading provider of personal computers, servers, network security and storage services with US\$ 75bn in revenue. It operates in 180 countries serving 98% of Fortune 500 companies. As at Feb 2018, it reported net debt at ~US\$ 32.5bn, with TTM EBITDA of ~US\$ 7.9bn, Net Debt/EBITDA at 4.4x and interest coverage ratio at 3.1x.

Yapi ve Kredi Bankasi (Mkt Cap: US\$ 5.1bn) is the fourth largest private bank in Turkey in terms of assets and loans, with ~850 branches. As of Dec 2017, it had total assets worth ~US\$ 85bn. It reported Net Interest Margin at ~3.5% and Non-Performing Loans (NPL) at ~4.4% with NPL coverage of ~114%. It reported capital adequacy ratio at ~14.5% with Tier-I ratio at ~10.9%. KOC Financial Services (KFS) is the single largest shareholder with circa 81.8% equity stake. KFS is a 50%-50% joint venture between Koc Group and UniCredit Group.

Credit Agricole S.A. (Mkt Cap: US\$ 47.9bn) is the largest lender in France with total assets of US\$ 1.9tn. It offers retail and business banking, lending, and deposit services from over 9,000 branches across France. It also offers asset management, investment banking, capital markets services, insurance, leasing, private banking, and specialized financial services. As of Dec 2017, it reported impaired loans ratio at 3.2% with coverage ratio at 67.3%. It reported capital adequacy ratio at 17.4%, Tier-I ratio at 13.4%, and CET1 ratio at 11.7%. Credit Agricole Group owns 56.6% stake of Credit Agricole S.A. through SAS Rue La Boétie.

### DIVIDEND DETAILS

The Fund is likely to declare a dividend of circa US\$ 2.00 per share on the shares held on Thursday, March 29, 2018 (Dividend Record Date). All subscriptions received on or before 23rd March 2018 shall be eligible for dividend distribution.



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

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