



Silverdale Bond Fund

Communique as at 27th April 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 [†]	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 Jun'18 (US\$ 2.00 per share)#		
Previous Dividend Date	29 Mar'18 (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 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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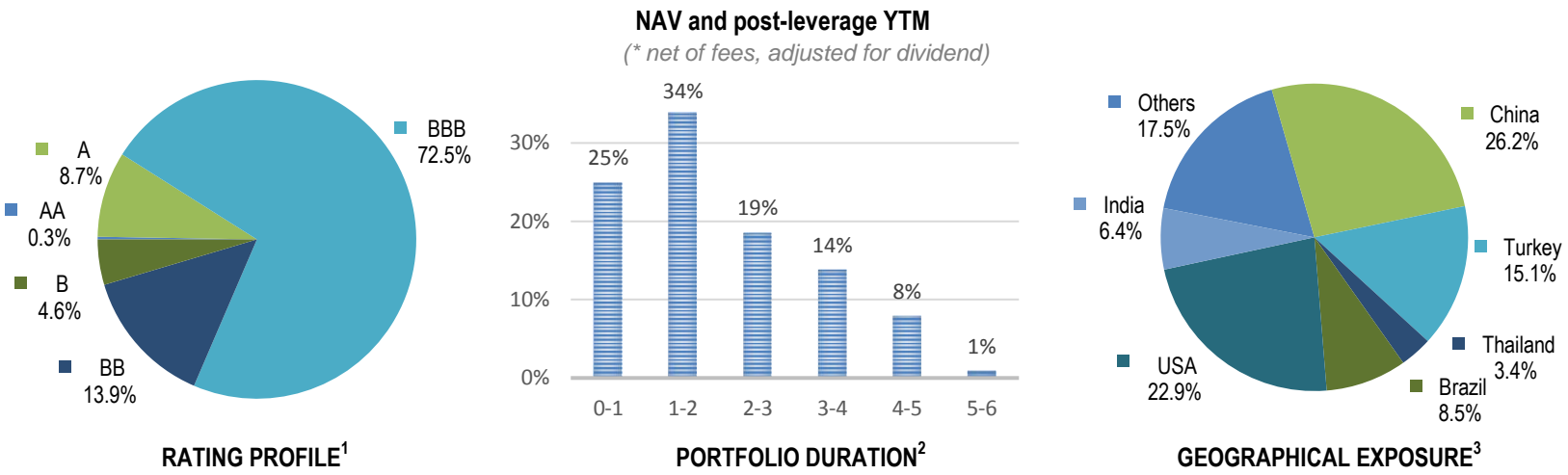
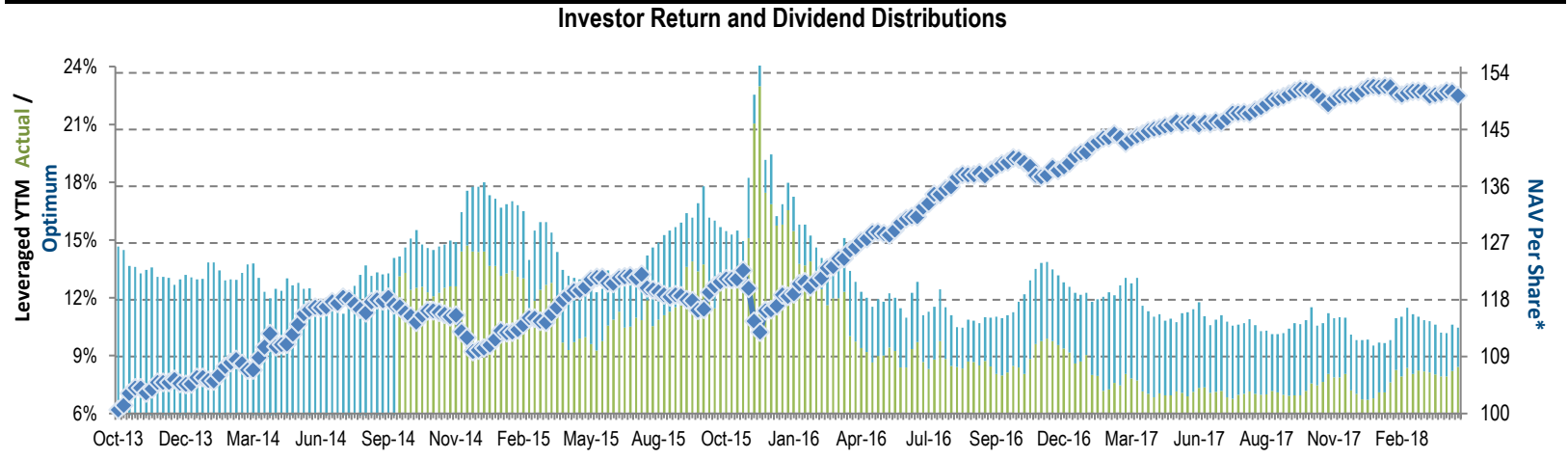
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Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 27th April 2018, the Fund NAV declined by 0.46% to US\$ 128.82 (previous week: US\$ 129.41), with actual portfolio yield (post-leverage) of 8.41% per annum (previous week: 8.20% p.a.) and average duration of 1.92 years (previous week: 1.93 years).

PORTFOLIO DASHBOARD		Growth NAV US\$	150.3930	Ex-Dividend NAV US\$	128.8199
PERFORMANCE*		FUND STATISTICS		TOP HOLDINGS	
Year to Date		Portfolio Yield to Maturity		Pttep Treasury 2019	
Trailing 1 month		Leveraged YTM - Actual		Tewoo Group 2019	
Trailing 3 months		Leveraged YTM - Optimum		Chang Development 2020	
Trailing 6 months		Average Coupon		Vedanta Resources 2021	
Trailing 12 months		Average Duration		Qnb Finansbank 2019	
Trailing 3 years		Total Dividend Paid		Huarong Finance 2022	
(*) after all fees, before dividend payout		US\$ 21.57		Turkiye Garanti 2019	
		Sharpe Ratio (1 Year) ^{††}			
		1.35			

Period	Oct'13-Dec'13	2014	2015	2016	2017	Apr'17-Jun'17	Jul'17-Sep'17	Oct'17-Dec'17	Jan'18-Mar'18
Dividend	-	-	4.4731	7.3000	7.8000	1.9000	2.0000	2.0000	2.0000
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	131.6822	130.7470	133.0544	131.6822	128.9304
Return to Investor	4.06%	5.46%	6.09%	20.10%	9.02%	1.52%	3.29%	0.47%	-0.57%



PORTFOLIO UPDATE

During the week ended 27th April 2018, we purchased EMC Corp 2018 (BB-/Ba2/BB), Lukoil 2019 (BBB/Baa3/BBB+), and TransAlta 2022 (-/Baa3/BBB-) bonds. Further we received proceeds from maturity of Lukoil 2018 (BBB/Baa3/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.

Lukoil (Market Cap: US\$ 57bn) is one of the world's largest publicly traded vertically integrated energy company with proven reserves of 16bn BOE which translates to ~20 years of reserve life. It produces 2.3mn BOE per day with production facilities mainly in Siberia, Ural and Volga. It own and operate four refineries in Russia and three outside Russia. It markets refined products in Russia, Europe, South-East Asia, Central and North America. As at Dec 2017, it reported gross debt of ~US\$ 10.7bn as against cash of ~US\$ 6.1bn and TTM EBITDA of ~US\$ 14.3bn. It reported net debt to EBITDA at 0.3x and interest coverage ratio at 36x.

TransAlta (Mkt Cap: US\$ 1.5bn) is Canada's largest non-regulated electric generation and energy marketing company which owns and operates circa 9,000 MW power plants using coal, natural gas, hydro, sun & wind. It operates in Canada, USA and Australia. As at Dec 2017, it reported gross debt of ~US\$ 2.9bn as against cash of ~US\$ 250mn and TTM EBITDA of ~US\$ 850mn. It reported net debt to EBITDA at 3.2x and interest coverage ratio at 4.9x.

During the month of April 2018, our Fund NAV declined by 0.10%, primarily owing to fall in bond prices, which was partially mitigated by the net interest earned. Financial, Technology, and Energy sectors were the key positive contributors; offset by drop in Consumer Non-Cyclical and Basic Marterial sectors. Geographically, Turkey, France, and UK were the key positive contributors while China, Canada and South Africa credits were the key laggards.

During April 2018, we sold Abu Dhabi National Energy Co 2021 bonds (-/A3/A) bonds while we purchased EMC Corp 2018 (BB-/Ba2/BB), Lukoil 2019 (BBB/Baa3/BBB+), Yuexiu REIT 2021 (-/Baa3/BBB-), Tewoo Group Perps (-/Baa3, First Call 2021), TransAlta 2022 (-/Baa3/BBB-), Cemex 2024 (BB-/BB-), Macy's 2024 (BBB-/Baa3/BBB) and a structured note based on Shriram Transport 2020 bonds. Further we received proceeds from maturity of Astra Sedaya 2018 (-/Baa3/-), Beijing Capital 2018 (-/Baa3/-), Turkiye Vakiflar 2018 (-/Ba2/BB+), BTG Investments 2018 (-/BB-), Lukoil 2018 (BBB/Baa3/BBB+), and early call of AT&T 2023 bonds.

We continue to maintain a conservative position with about 81.5% of our investments in Investment Grade bonds with a short duration of just 1.92 years.

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