

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
3rd Floor, 355 NEX, Rue du Savoir, 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

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



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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 1st June 2018, the Fund NAV decreased by 0.94% to US\$ 125.97 (previous week: US\$ 127.16), increasing actual portfolio yield (post-leverage) of 9.90% per annum (previous week: 9.39% p.a.) with average duration of 1.80 years (previous week: 1.81 years). The fall in NAV was primarily due to drop in Chinese credits (especially Chinese Local Government Financing Vehicles) driven by default of China Energy Reserve & Chemicals Group, indirectly owned by Chinese Government. We don't own any bonds issued by this Group. Small part of NAV fall was due to drop in prices of Vedanta bonds following closure of their Copper plant in Tuticorin (contributing 5.4% of EBITDA).

PORTFOLIO DASHBOARD

PERFORMANCE*

Year to Date	-2.8184 %
Trailing 1 month	-1.4351 %
Trailing 3 months	-2.6671 %
Trailing 6 months	-2.0675 %
Trailing 12 months	1.0369 %
Trailing 3 years	6.92% p.a.

(*) after all fees, before dividend payout

FUND STATISTICS

Portfolio Yield to Maturity	5.22 %
Leveraged YTM - Actual	9.90 %
Leveraged YTM - Optimum	12.67 %
Average Coupon	4.99 %
Average Duration	1.80 years
Total Dividend Paid	US\$ 21.57
Sharpe Ratio (1 Year) ^{††}	0.22

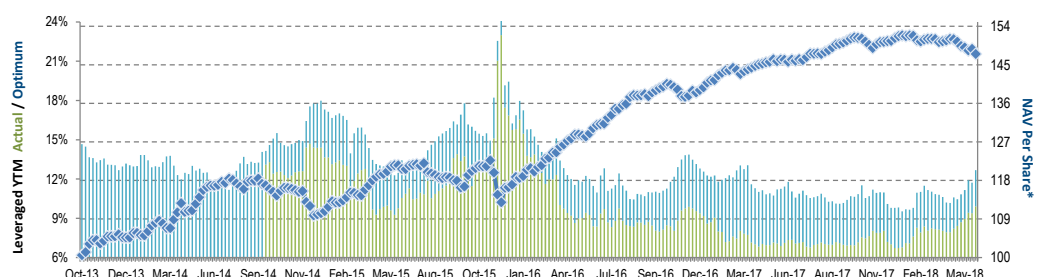
Ex-Dividend NAV US\$ 125.9709

TOP HOLDINGS

	% age
Pttet Treasury 2019	3.60 %
Qnb Finance Ltd 2021	3.17 %
Chang Development 2020	2.65 %
Tewoo Group 2019	2.63 %
Vedanta Resources 2021	2.60 %
Qnb Finansbank 2019	2.44 %
Seagate Hdd 2022	2.24 %

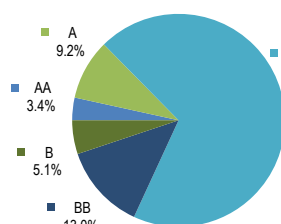
Period	Oct'13-Dec'13	2014	2015	2016	2017	Apr'17-Jun'17	Jul'17-Sep'17	Oct'17-Dec'17	Jan'18-Mar'18
Dividend	-	-	4.4731	7.3000	7.8000	1.9000	2.0000	2.0000	2.0000
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	131.6822	130.7470	133.0544	131.6822	128.9304
Return to Investor	4.06%	5.46%	6.09%	20.10%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

Investor Return and Dividend Distributions

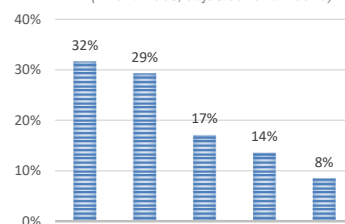


NAV and post-leverage YTM

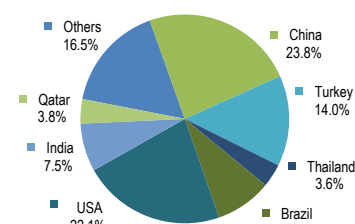
(* net of fees, adjusted for dividend)



RATING PROFILE¹



PORTFOLIO DURATION²



GEOGRAPHICAL EXPOSURE³

PORTFOLIO UPDATE

During the week ended 1st June 2018, we purchased Yapi 2018 (-/Ba2/BBB-), Gerdau 2020 (BBB-/BBB-), and UBS 2022 (BB+/Ba1/BBB-) bonds. We also received proceeds from maturity of Dell 2018 (BB-/Ba2/BB) bonds.

Yapi ve Kredi Bankasi (Mkt Cap: US\$ 3.7bn) is the fourth largest private bank in Turkey in terms of assets and loans, with over 850 branches. As of March 2018, it had total assets worth ~US\$ 71bn. It reported Net Interest Margin at ~3.1% and Non-Performing Loans (NPL) at ~4% with NPL coverage of ~118%. It reported capital adequacy ratio at ~14% with Tier-I ratio at ~10.8%.

Gerdau SA (Market Cap: US\$ 6.5bn) is the second largest producer of long-steel in the world with aggregate capacity of ~26 MMTPA across 14 countries. It is a low cost producer with vertical integration to iron ore extraction and scrap recycling. As of March 2018, it reported EBITDA of ~US\$ 1.5bn, total debt of ~US\$ 5bn against cash & equivalent of ~US\$ 1bn which resulted in Net Debt/EBITDA at 2.7x and EBITDA/Interest at 4.4x.

UBS (Mkt Cap ~US\$ 60bn) is the largest Swiss bank with a global presence in over 50 countries and over 60,000 employees. It provides wealth management, asset management, and investment banking services for private, corporate, and institutional clients worldwide. As of March 2018, it reported total assets worth ~US\$ 964bn and book value of equity of ~US\$ 53.8bn. It reported common equity Tier-1 Capital ratio at 13.1% and Total Capital Ratio at 14.4%.

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. (†) 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/Moody's/Fitch), with those rated below "BB" being clubbed as "Others". (3) Country exposure of less than 3% 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.