

### 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 Jun'18 (US\$ 2.00 per share) <sup>#</sup>
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  
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Ebene, Mauritius  
Tel.: +230 260 7275 Fax: +230 464 3290  
Email: spc@silverdalegroup.com

CLASS DETAILS	CLASS 1A	CLASS 1B
ISIN	KYG8135U1076	KYG8135U1159
CUSIP	G8135U 107	G8135U 115
Swiss Valord 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 Valord No.	TBC	TBC
Bloomberg Code	SILV01C KY Equity	SILV01D KY Equity
Morningstar SecID	TBC	TBC

### DIVIDEND DETAILS

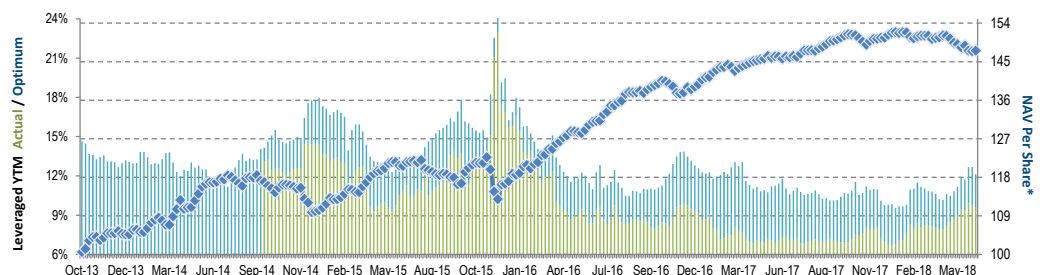
The Fund is likely to declare a dividend of circa US\$ 2.00 per share on the shares held on Friday, June 29, 2018 (Dividend Record Date). All subscriptions received on or before 22nd June 2018 shall be eligible for dividend distribution.

Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 14th June 2018, the Fund NAV appreciated by 0.12% to US\$ 125.98 (previous week: US\$ 125.83), increasing actual portfolio yield (post-leverage) of 9.63% per annum (previous week: 9.78% p.a.) with average duration of 1.79 years (previous week: 1.79 years).

PORTFOLIO DASHBOARD		Growth NAV US\$	147.5564	Ex-Dividend NAV US\$	125.9833
PERFORMANCE*		FUND STATISTICS		TOP HOLDINGS	
Year to Date	-2.8090 %	Portfolio Yield to Maturity	5.32 %	Pttep Treasury 2019	3.91 %
Trailing 1 month	-0.6117 %	Leveraged YTM - Actual	9.63 %	Qnb Finance Ltd 2021	3.21 %
Trailing 3 months	-2.6436 %	Leveraged YTM - Optimum	12.12 %	Chang Development 2020	2.64 %
Trailing 6 months	-2.2606 %	Average Coupon	5.03 %	Tewoo Group 2019	2.58 %
Trailing 12 months	1.0035 %	Average Duration	1.79 years	Vedanta Resources 2021	2.53 %
Trailing 3 years	6.70% p.a.	Total Dividend Paid	US\$ 21.57	Qnb Finansbank 2019	2.46 %
(*) after all fees, before dividend payout		Sharpe Ratio (1 Year) <sup>††</sup>	(0.04)	Seagate Hdd 2022	2.26 %

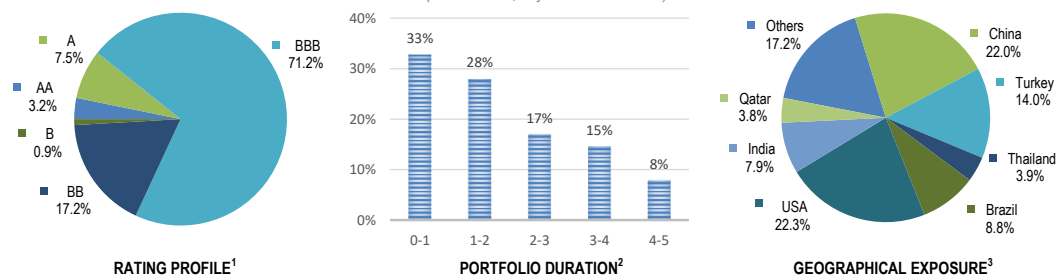
Period	Oct'13-Dec'13	2014	2015	2016	2017	Apr'17-Jun'17	Jul'17-Sep'17	Oct'17-Dec'17	Jan'18-Mar'18
Dividend	-	-	4.4731	7.3000	7.8000	1.9000	2.0000	2.0000	2.0000
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	131.6822	130.7470	133.0544	131.6822	128.9304
Return to Investor	4.06%	5.46%	6.09%	20.10%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



### PORTFOLIO UPDATE

During the week ended 14th June 2018, we sold Zhaohai Investment 2018 (BBB+/Baa1/A-) bonds while we purchased Gerdau 2020 (BBB-/BBB-), PTT Exploration & Production (BB+/Baa3/-, First call 2019), and 5 year floating rate Credit Linked Notes on Lukoil PJSC (BBB/Baa3/BBB+).

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.

PTT Exploration and Production (Mkt Cap: US\$ 14.8bn) is engaged in the exploration and production of crude oil and natural gas. As of March 2018, it reported proven reserves of ~631 million barrels; gross debt of ~US\$ 2.9bn as against cash of ~US\$ 5.0bn and TTM EBITDA of ~US\$ 3.2bn. It is 65.29% owned by PTT Public Company Ltd which in turn is majority owned by Thai Government.

Lukoil (Market Cap: US\$ 60.4bn) 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 owns and operates four refineries in Russia and three outside Russia. It markets refined products in Russia, Europe, South-East Asia, Central and North America. As at Mar 2018, it reported gross debt of ~US\$ 10.8bn as against cash of ~US\$ 6.3bn and TTM EBITDA of ~US\$ 14.0bn. It reported net debt to EBITDA at 0.3x and interest coverage ratio at 36x.



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Email: spc@silverdalegroup.com  
Or, Call: +65 6835 7130

### 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

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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 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.