

### 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  
3rd Floor, 355 NEX, Rue du Savoir, Cybercity  
Ebene, Mauritius  
Tel.: +230 260 7275 Fax: +230 464 3290  
Email: spc@silverdalegroup.com

Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 22nd June 2018, the Fund NAV declined by 0.27% to US\$ 125.65 (previous week: US\$ 125.98), increasing actual portfolio yield (post-leverage) of 9.30% per annum (previous week: 9.63% p.a.) with average duration of 1.80 years (previous week: 1.79 years).

### PORTFOLIO DASHBOARD

#### PERFORMANCE\*

Year to Date	-3.0647 %
Trailing 1 month	-1.1936 %
Trailing 3 months	-2.3596 %
Trailing 6 months	-2.5216 %
Trailing 12 months	0.9428 %
Trailing 3 years	6.62% p.a.

(\*) after all fees, before dividend payout

#### FUND STATISTICS

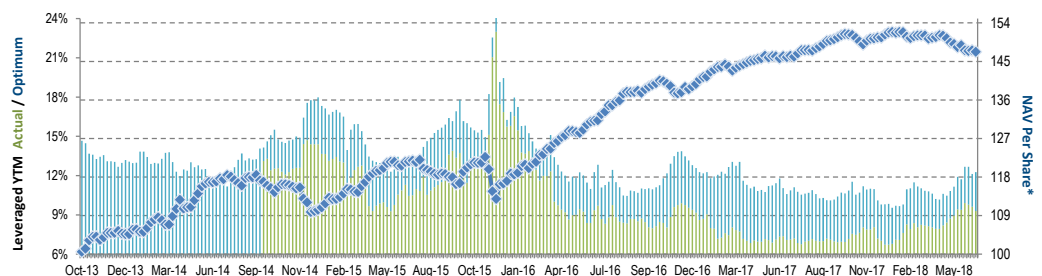
Portfolio Yield to Maturity	5.38 %
Leveraged YTM - Actual	9.30 %
Leveraged YTM - Optimum	12.27 %
Average Coupon	5.03 %
Average Duration	1.80 years
Total Dividend Paid	US\$ 21.57
Sharpe Ratio (1 Year) <sup>††</sup>	(0.04)

#### TOP HOLDINGS

	% age
Pttep Treasury 2019	3.86 %
Qnb Finance Ltd 2021	3.24 %
Seagate Hdd 2022	2.83 %
Chang Development 2020	2.63 %
Tewoo Group 2019	2.57 %
Vedanta Resources 2021	2.55 %
Qnb Finansbank 2019	2.48 %

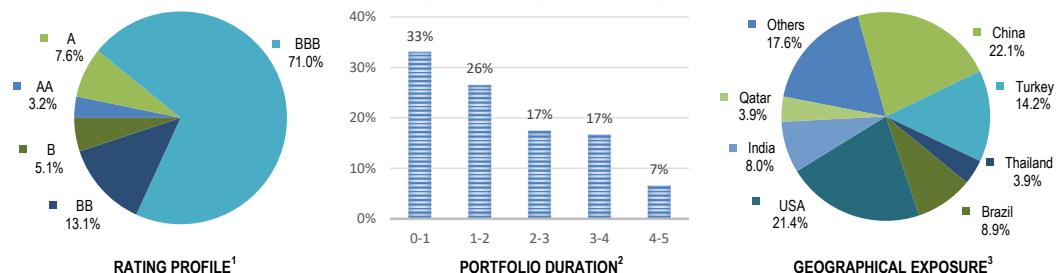
Period	Oct'13-Dec'13	2014	2015	2016	2017	Apr'17-Jun'17	Jul'17-Sep'17	Oct'17-Dec'17	Jan'18-Mar'18
Dividend	-	-	4.4731	7.3000	7.8000	1.9000	2.0000	2.0000	2.0000
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	131.6822	130.7470	133.0544	131.6822	128.9304
Return to Investor	4.06%	5.46%	6.09%	20.10%	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 22nd June 2018, we sold Seagate 2018 (BB+/Baa3/BBB-) bonds while we purchased Petroleos Mexicanos 2021 (BBB+/Baa3/BBB+) and Seagate 2022 (BB+/Baa3/BBB-) bonds. We also received proceeds from tender of Prospect 2019 (BBB-/A-) bonds.

Petroleos Mexicanos (Pemex) is Mexico's state-owned integrated oil company with operations in oil & gas exploration, production, distribution, as well as petrochemicals. It produces 2.7mn barrels equivalent per day, and have a reserve life of 7.7 years. As of March 2018 it reported total assets of US\$ 116bn, LTM revenue of US\$ 74bn, EBITDA of US\$ 23bn and net debt of US\$ 100 Bn. It reported net leverage of 4.34x and interest coverage of 4.2x. It has robust liquidity with US\$ 6bn of cash and equivalents & US\$ 7.5bn of unused credit lines.

Seagate (Mkt Cap: US\$ 16.5bn) is a worldwide leader in the design, manufacture and marketing of hard disk drive products in a duopolist market with over 40% market share. As at 31 Mar 2018, it reported total debt at ~US\$ 4.8bn, against cash of ~US\$ 2.9bn and unutilized credit line of ~US\$ 700mn. It reported EBITDA of ~US\$ 1.9bn, net debt/EBITDA at 0.9x with EBITDA to interest of ~8.7x.

### 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.

### 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. (#) 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.