

Silverdale Fund SP-12

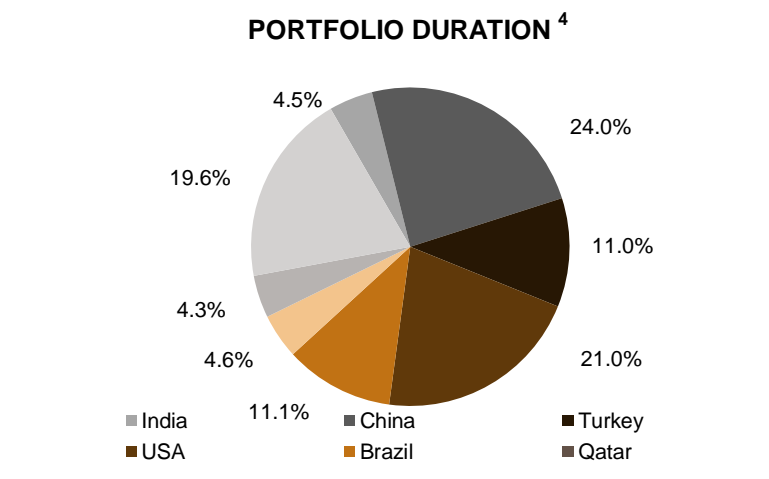
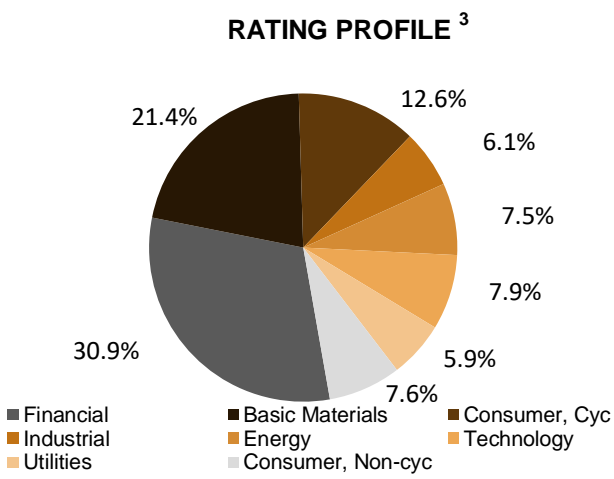
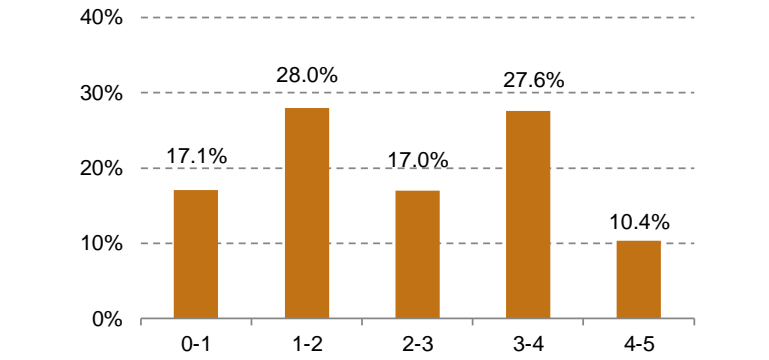
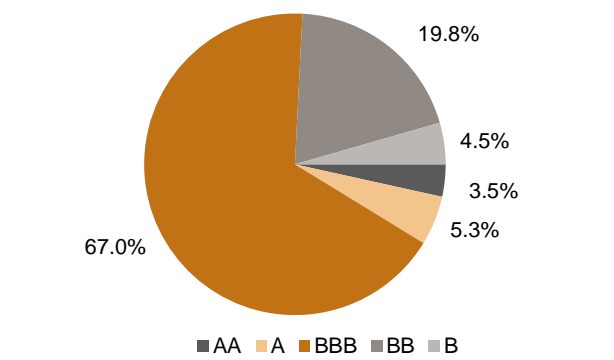
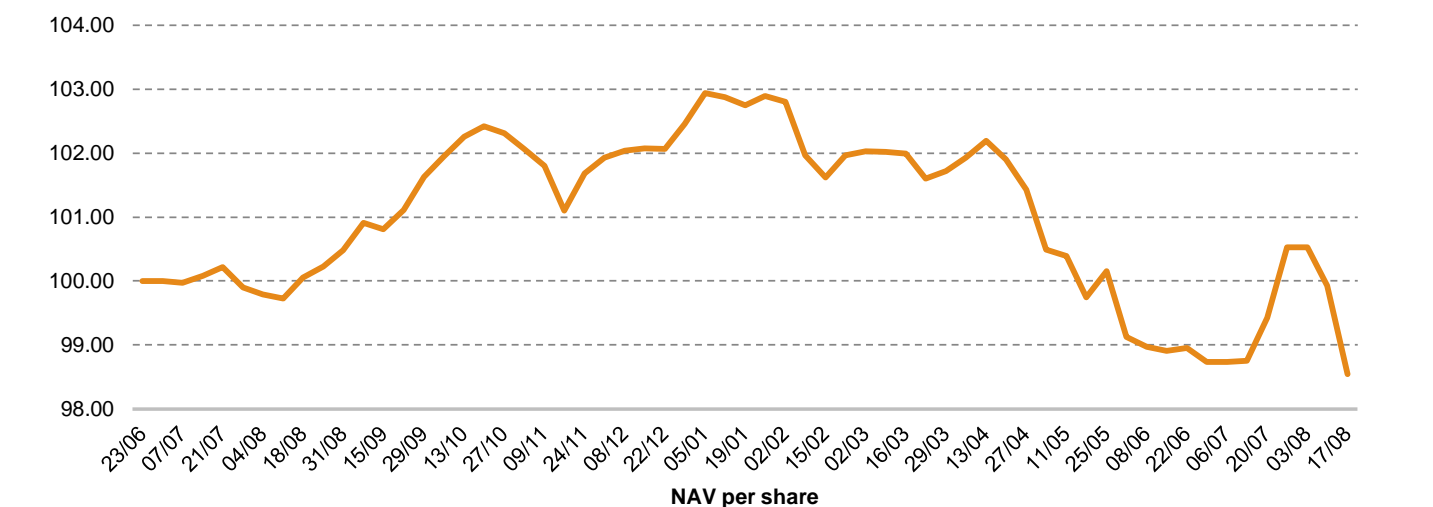
Communique as at 17th August 2018

Silverdale Fund SP-12 is a diversified portfolio of primarily investment grade short duration US dollar bonds, actively managed for enhanced returns, using ring-fenced leverage. During the week ended 17th August 2018, the Fund NAV decreased by 1.38% to US\$ 98.54 (previous week: US\$ 99.92)

Portfolio statistics	1 Week	1 Month	3 Month	6 Month	9 Month	12 Month Yr to Date	Since 23 Jun'17
Silverdale Fund SP-12*	-1.38%	-0.88%	-1.20%	-3.03%	-2.52%	-1.51%	-3.82%
Annualized:	-51.48%	-10.91%	-4.72%	-5.97%	-3.35%	-1.51%	-5.95%
							(*) after all fees

Portfolio update NAV US\$ 98.5446

During the week ended 17th August 2018, the Fund has sold Coca-Cola Icecek (-/Ba1/BBB-), Yapi Ve Kredi Bankasi (-/Ba3/BB), PTT E&P (BB+/Baa3/-), Chang Development (-/Baa1/-), Macy's (BBB-/Baa3/BBB) UBS (BBB+/-/A-) and QNB (A/Aa3/A+) bonds. The Fund has purchased Pemex (-/Baa3/BBB+) and Country Garden (BB/Ba2/BBB-) bonds.



Holdings	% age ⁹
Prospect Capital 2023	10.7%
Pttep Treasury C 2019	9.4%
Alrosa Finance S 2020	8.1%
Vedanta Resource 2021	7.8%
Dnb Bank Asa 2020	7.6%
Transalta Corp 2022	7.6%
Ehi Car Services 2018	7.6%
Seagate Hdd Caym 2022	7.6%
Qnb Finance Ltd 2021	7.6%
Gerdau Trade Inc 2023	7.5%
Yapi Ve Kredi Ba 2019	6.9%
Anglogold Holdin 2020	6.0%
Braskem Finance 2022	5.8%
Health And Happi 2020	5.8%
Gap Inc/The 2021	5.8%

Holdings	% age ⁹
Tewoo Group Fin 2019	5.5%
Chang Developmen 2020	5.5%
Chouzhou Intl In 2020	5.4%
Binhai Investmen 2020	5.3%
Macys Retail Hld 2023	5.0%
Tewoo Group No 5 2021	4.4%
Ubs Ag Stamford 2022	4.1%
Anglogold Holdin 2022	3.9%
Cemex Finance LI 2022	3.9%
Avic Intl Financ 2021	3.8%
Citadel Lp 2022	3.8%
Seagate Hdd Caym 2024	3.8%
Qnb Finansbank A 2019	3.7%
Turkiye Vakiflar 2018	3.7%
Huarong Finance 2022	3.6%

For accredited and institutional investors only

Silverdale

Fund Management

Key features

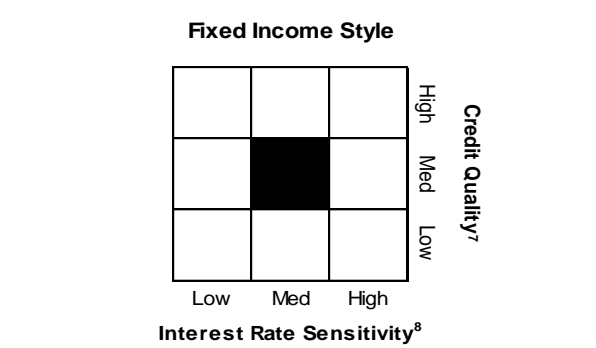
Short duration (low interest rate risk)
Primarily Investment Grade
No forex risk (US dollars only)
Enhanced returns, using ring-fenced leverage

Fund information

Fund information	Silverdale Fund SP-12
Domicile	Cayman Islands
Inception Date	23 Jun 2017
NAV Computation	Weekly (Friday) ¹
Subscription / Redemption	Weekly (Tuesday) ¹
Class	12A
ISIN	KYG8135U2223
CUSIP	G8135U222
Bloomberg Code	SILV12A KY Equity
Morningstar Security ID	NA
Management Fee	0.50% p.a. ²
Initial Sales Charge	1.00%
Exit Load	0.25%
Contingent Load	NIL
Performance Fee	NIL

Fund statistics

Portfolio Yield to Maturity	6.19%
Levered YTM - Optimum	12.96%
Levered YTM - Actual	10.51%
Average Coupon	5.34%
Average Duration	2.28 years
Sharpe Ratio	NA
Net Assets	US\$ 27 million
Gross Assets	US\$ 59 million



PLEASE REFER OVERLEAF FOR IMPORTANT DISCLOSURES

Silverdale Fund SP-12

Through our CIO Letter dated 15th August 2018, we had shared our analysis on Turkey and steps taken to mitigate potential risk *inter alia* reducing exposure and voluntarily removing leverage. Subsequent actions taken by Turkey *inter alia* reduction of reserve requirement, curtailing of short-selling of lira etc. resulted in bounce back of Turkish lira. We continue to closely monitor the situation, especially the negative real interest (which induces FX flight), percentage of FX loans being rolled over in international markets, potential bad debts in non-financial sector (especially in energy and construction sectors), etc. While we are relatively safe due to high quality of our Turkey exposure, we shall continue to reduce our Turkey exposure opportunistically.

Fund Details
Silverdale Fund SP-12
is the segregated portfolio of Silverdale Fund SPC, a Cayman Islands mutual fund, registered with Cayman Islands Monetary Authority

Fund Manager
Silverdale Capital Pte Ltd
Regulated by Monetary Authority of Singapore
UEN # 200820921K
8 Temasek Boulevard, Suntec Tower-3
Singapore 038988
singapore@silverdalegroup.com

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Fund Management

❗ Disclaimer
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Fund Administrator
Visra (Mauritius) Limited
3rd Floor, 355 NeX, Rue du Savoir,
Cynercity, Ebene 72201, Mauritius
Tel.: +230 260 7275
Fax: +230 464 3290
spc@silverdalegroup.com

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

For subscription & information, please
Email: spc@silverdalegroup.com
Call: + 65 6835 7130