

Silverdale Bond Fund

Weekly Factsheet as at 24th August 2018

Bloomberg
TOP-5
ASIAN FUND

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.

FUND ADVANTAGES

- Quality Assets: Investment Grade (min 75%)
- Short duration (2-3 years)
- No forex risk (US dollars only)
- Enhanced returns, non-recourse leverage
- Quarterly dividend distribution

FUND INFORMATION

Fund	Silverdale Fund SP-1
Fund Type	Segregated Portfolio Co
Domicile	Cayman Islands
Fund Currency	US Dollar
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 Quarterly Dividend	US\$ 2.00 per share [#]
Next Dividend Date	28 Sep 2018
Trailing 12 mth Dividend	US\$ 8.00 per share
Sales Registration	Singapore, Taiwan, United Kingdom, Hong Kong & UAE.

AT A GLANCE

Gross Assets	US\$ 411 million
Net Assets	US\$ 151 million
Number of Securities	119
Max single security exposure	3.53 %
Number of Countries	20
Max single country exposure	23.89 %
Investment Grade	78.77 %

SHARE CLASS AVAILABLE

SHARE CLASS	ISIN
Silverdale Fund SP1A	KYG8135U1076
Silverdale Fund SP1B	KYG8135U1159
Silverdale Fund SP1C	KYG8135U2066
Silverdale Fund SP1D	KYG8135U2306
Silverdale Fund SP1E	KYG8135U2488
Silverdale Fund SP1F	KYG8135U2553

Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 24th August 2018, the Fund NAV increased by 0.41% to US\$ 123.83 (previous week: US\$ 123.32), with actual portfolio yield (post-leverage) of 11.73% per annum (previous week: 11.88% p.a.) and average duration of 1.79 years (previous week: 1.80 years).

PORTFOLIO DASHBOARD

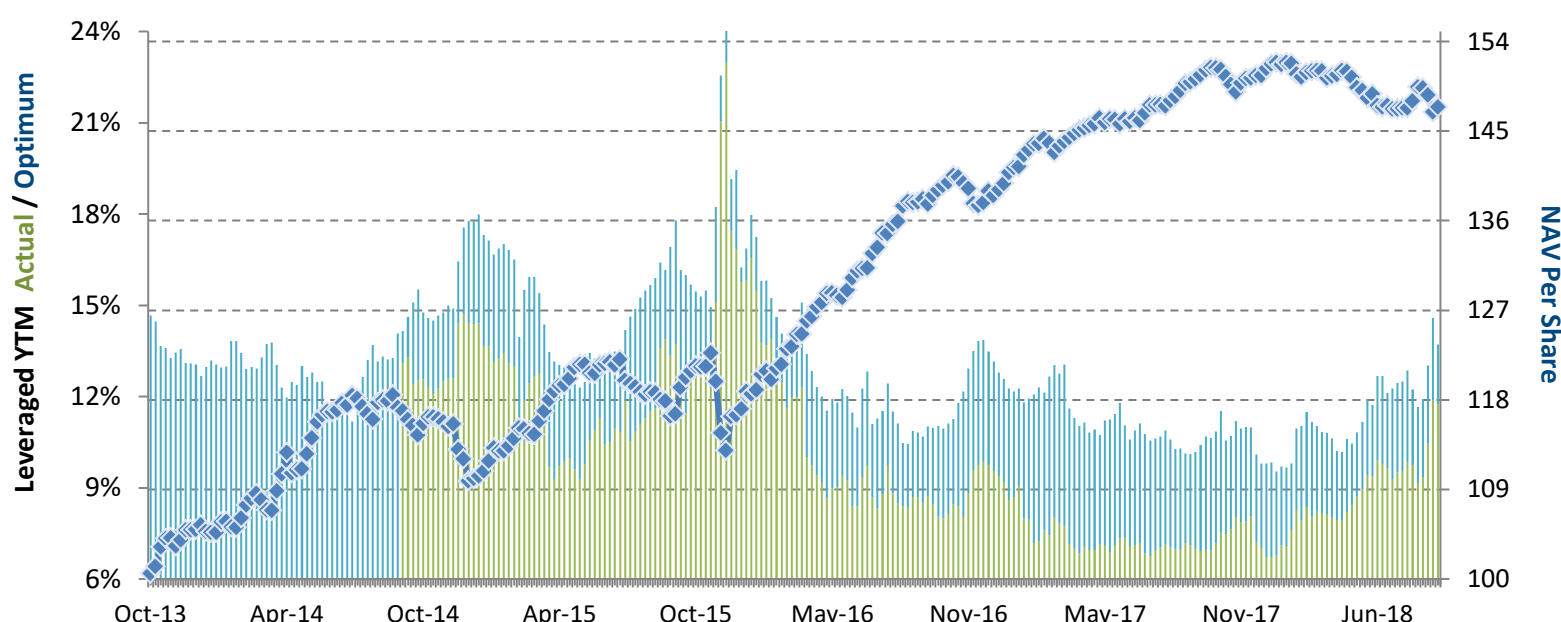
Growth NAV US\$ 147.4037 Ex-Dividend NAV US\$ 123.8306

PERFORMANCE (net of fees)

Year to Date	-2.9249 %
Trailing 1 month	-1.5911 %
Trailing 3 months	-1.0488 %
Trailing 6 months	-2.6352 %
Trailing 12 months	-0.7847 %
Trailing 3 years	7.52% p.a.

FUND STATISTICS

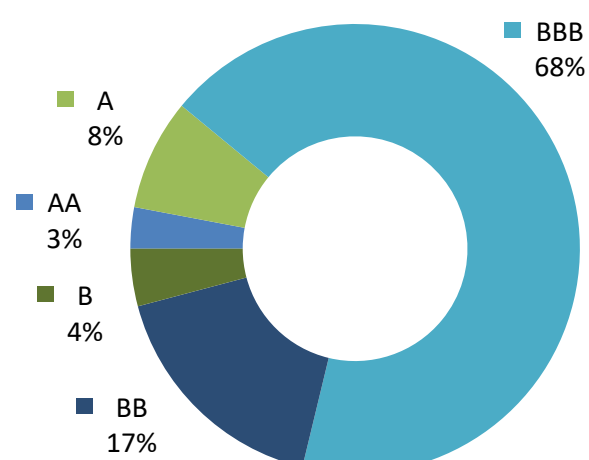
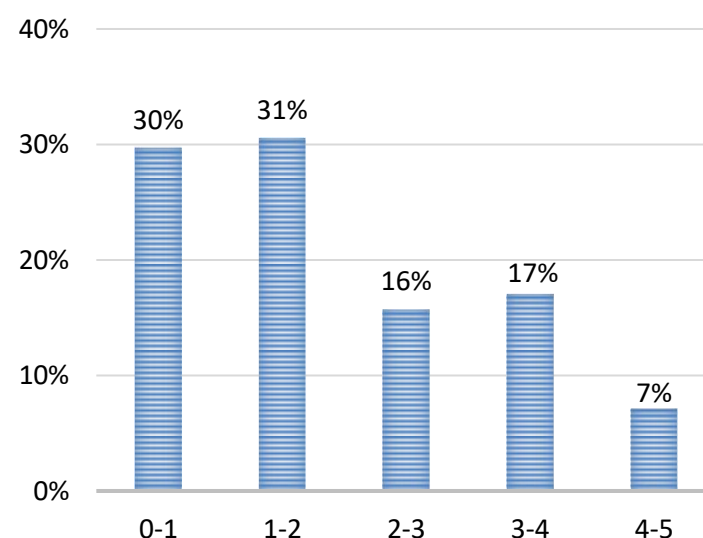
Portfolio Yield to Maturity	5.96 %
Leveraged YTM - Actual	11.73 %
Leveraged YTM - Optimum	13.71 %
Average Coupon	5.10 %
Average Duration	1.79 years
Total Dividend Paid	US\$ 23.57
Sharpe Ratio (3 year) ^{††}	1.35



NAV and post-leverage YTM (net of fees)

Period	Oct'13-Dec'13	2014	2015	2016	2017	Jul'17-Sep'17	Oct'17-Dec'17	Jan'18-Mar'18	Apr'18-Jun'18
Dividend	-	-	4.47	7.30	7.80	2.00	2.00	2.00	2.00
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	131.6822	133.0544	131.6822	128.9304	123.6521
Return to Investor	4.06%	5.46%	6.09%	20.10%	9.02%	3.29%	0.47%	-0.57%	-2.54%

Investor Return and Dividend Distributions

RATING PROFILE¹PORTFOLIO DURATION²

FUND MANAGER

Silverdale Capital Pte Ltd

Regulated by Monetary Authority of Singapore (UEN# 200820921K)

8 Temasek Boulevard, #35-02 Suntec Tower-3, Singapore: 038988, Tel: +65 6884 9194 Email: fm@silverdalegroup.com

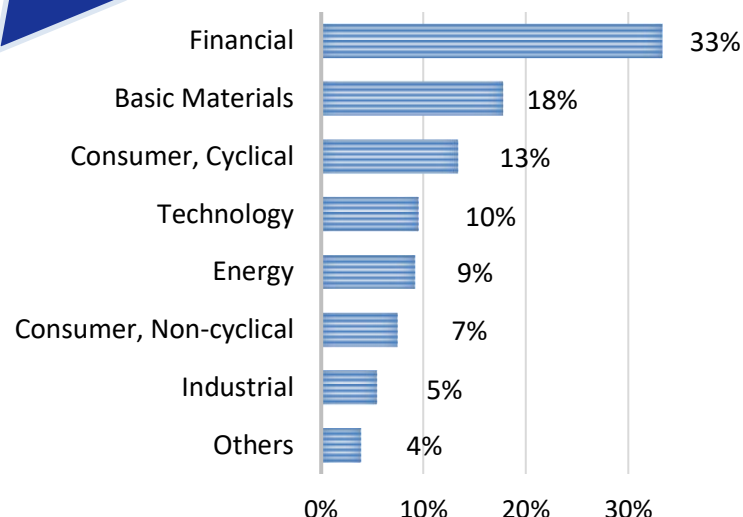
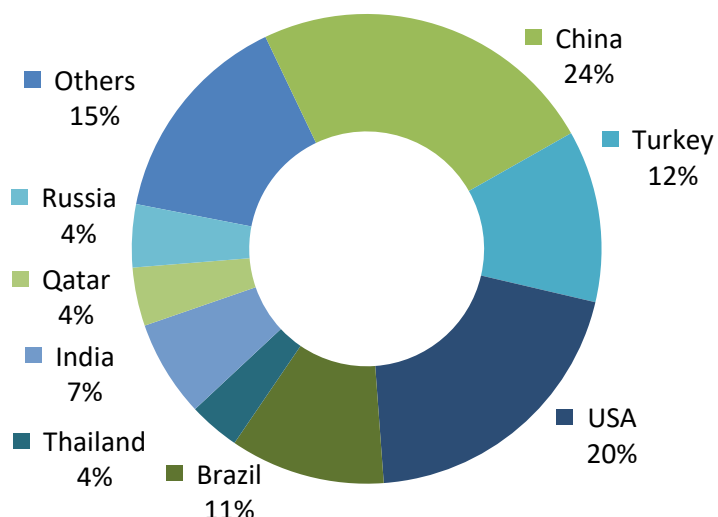
WealthBriefingAsia
AWARDS 2018AI HEDGE fund
2016 awards

PLEASE REFER OVERLEAF FOR IMPORTANT DISCLOSURES & RISK FACTORS

TOP 10 HOLDINGS³

% age

Pttep Treasury 2019	3.53 %
Qnb Finance Ltd 2021	2.97 %
Seagate Hdd 2022	2.81 %
Credit Agricole 2019	2.70 %
Tewoo Group 2019	2.35 %
Vedanta Resources 2021	2.30 %
Gerdau Trade Inc 2023	2.26 %
Qnb Finansbank 2019	2.25 %
Braskem Finance 2021	2.05 %
Huarong Finance 2022	2.02 %

SECTORAL EXPOSURE⁴GEOGRAPHICAL EXPOSURE⁵

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 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

PORTFOLIO UPDATE

During the week ended 24th August 2018, we sold Ares Capital (BBB-/-/BBB), Coca Cola Icecek (-/Ba1/BBB-), Embraer (BBB/Ba1/BBB-), Macy's (BBB-/Baa3/BBB) and Symantec (BB+/Baa3/BB+) bonds; while we purchased Country Garden (BB/Ba2/BBB-), Fufeng (BBB-/-/-) and Lukoil (BBB/Baa3/BBB+) bonds.

Country Garden (Mkt Cap: US\$ 33bn) is the largest Chinese developer with gross contracted sales of US\$ 80bn in 2017. As of Dec 2017, it operated around 1500 and had attributable land bank of 188.6 mn sqm. It also owns 48 hotels. As of Dec 2017, it reported total assets of US\$ 160bn, net debt to EBITDA at 1.4x and interest coverage ratio at 4.2x. It is 57% owned by promoter's family and 9% by Ping An Life Insurance.

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 about 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. As at Mar 2018, it reported gross debt of US\$ 10.6bn as against cash of US\$ 5.2bn and TTM EBITDA of US\$ 14.2bn. It reported net debt to EBITDA at 0.4x and interest coverage ratio at 36x.

Fufeng Group (Market Cap: US\$ 1bn) is a leading bio-fermentation products manufacturer with vertically integrated corn-based biochemical product lines in China. Its main products include monosodium glutamate (MSG), xanthan gum, threonine and starch. It is the largest manufacturer of MSG in China and largest manufacturer of xanthan gum in the world, by production volume. As of Jun 2018, it reported TTM revenue of US\$ 2bn, EBITDA of US\$ 340mn, interest coverage ratio of 13x and Net Debt/EBITDA ratio of 1.2x. Fufeng is 39% owned by its founder family.

RISK PROFILE

NAV Per Share can go up as well as down and any capital invested in the fund may be at risk. The Fund uses leverage and derivatives for hedging or as part of its investment strategy which involve additional costs and risks. For further details, please refer to the Composite PPM.

HOW TO INVEST

Please ask your private bank/distributor to subscribe to Silverdale Bond Fund as per terms of the Composite PPM (quoting the relevant ISIN).

Should you seek any support, please: Call Fund Administrator at +230 2607 275, or Fund Management Company at +65 6835 7130

or Email: spc@silverdalegroup.com

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RISK FACTORS

Interest Rate Risk: The increase (fall) in value of fixed income securities with fall (increase) in interest rate. **Credit Risk:** The ability of the issuer to redeem the bonds (or other fixed income securities) on maturity. **Liquidity Risk:** The ability to sell a bond before its redemption. **Counterparty Risk:** The risk due to failure of the counterparty dealt with. **Country Risk:** The investment strategy is subject to the risks relating to the geographical, political, economic and social issues of the country of the Issuer, and to a lesser extent that of United States.

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 an indicator of 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). Payment of Dividend results in equivalent amount of drop in the NAV of the Fund. (*) Assuming to be Business Day. (#) Indicative. (†) Initially launched as multi-assets fund with quarterly NAV. (1), (2), (3), (4) & (5) Based on gross investments into securities. (1) Credit Rating is based on best of the three ratings (S&P/Moodys/Fitch). (4) Sector exposure of less than 5% has been clubbed as 'Others'. (5) Country exposure of less than 3.5% 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.