

## Silverdale Bond Fund

Weekly Factsheet as at 31st August 2018

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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.

## PORTFOLIO DASHBOARD

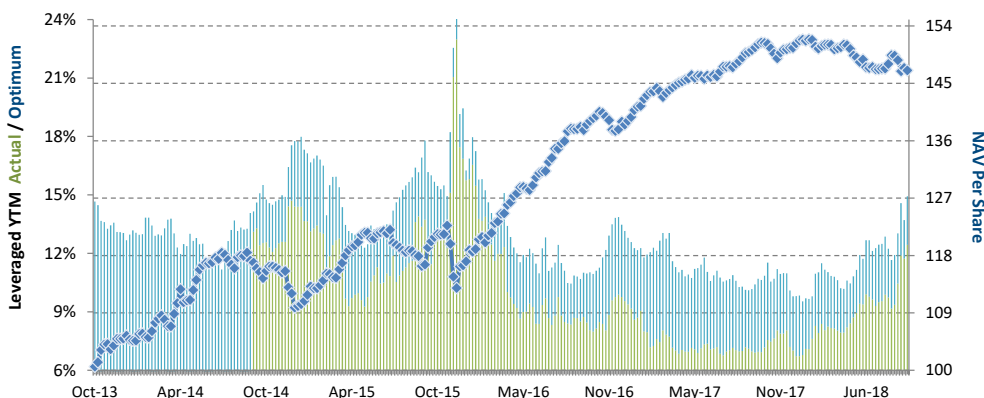
Growth NAV US\$ 147.0112 Ex-Dividend NAV US\$ 123.4381

## PERFORMANCE (net of fees)

Year to Date	-3.2230 %
Trailing 1 month	-1.8487 %
Trailing 3 months	-0.4230 %
Trailing 6 months	-3.0723 %
Trailing 12 months	-1.5304 %
Trailing 3 years	7.45% p.a.

## FUND STATISTICS

Portfolio Yield to Maturity	6.24 %
Leveraged YTM - Actual	12.43 %
Leveraged YTM - Optimum	14.93 %
Average Coupon	5.10 %
Average Duration	1.79 years
Total Dividend Paid	US\$ 23.57
Sharpe Ratio (3 year) **	1.39



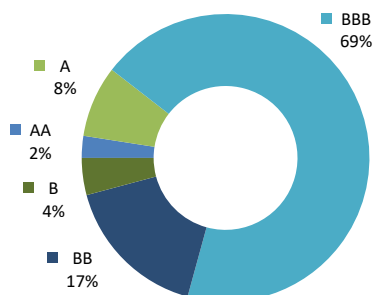
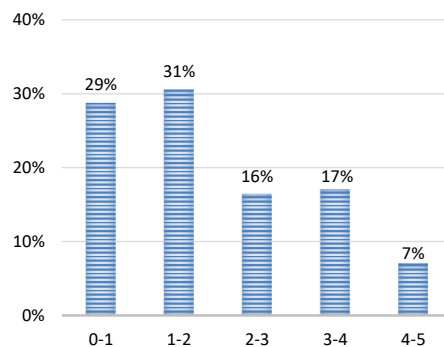
## NAV and post-leverage YTM (net of fees)

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%

## AT A GLANCE

Gross Assets	US\$ 410 million
Net Assets	US\$ 150 million
Number of Securities	119
Max single security exposure	3.54 %
Number of Countries	20
Max single country exposure	24.02 %
Investment Grade	79.26 %

## Investor Return and Dividend Distributions

RATING PROFILE<sup>1</sup>PORTFOLIO DURATION<sup>2</sup>

## 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

## 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

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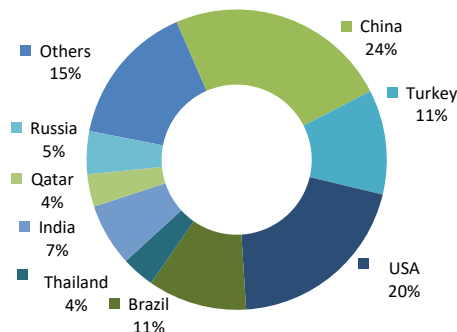
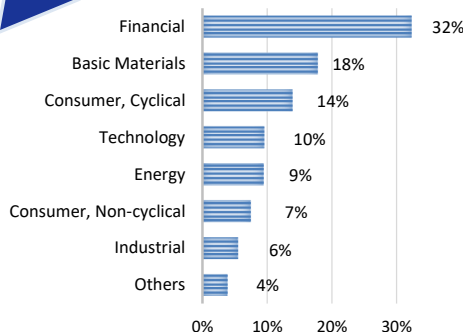
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TOP-5  
ASIAN FUNDTOP 10 HOLDINGS<sup>3</sup>

	% age
Pttet Treasury 2019	3.54 %
Seagate Hdd 2022	2.82 %
Credit Agricole 2019	2.72 %
Qnb Finance Ltd 2021	2.46 %
Tewoo Group 2019	2.36 %
Vedanta Resources 2021	2.31 %
Gerdau Trade Inc 2023	2.24 %
Braskem Finance 2021	2.05 %
Huarong Finance 2022	2.03 %
Chang Development 2020	1.94 %



## 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 31st August 2018, we sold Macy's (BBB-/Baa3/BBB) and QNB Finance (A/Aa3/A+) bonds; while we purchased Lukoil (BBB/Baa3/BBB+) and Samvardhana Motherhood Automotive (BB+/BBB-) bonds. Further we reduced overall exposure to Turkey switching from QNB Finansbank (-/Ba3/BB) to Turkiye Is Bankasi (-/B2/BB-)

Samvardhana Motherhood Automotive (SMRPBV) is a Netherlands-based Tier-1 supplier of interior and rear-view vision systems and interior & exterior plastic modules including door trims, cockpits and bumpers. It has production facilities in 23 countries and employs over 30,000 employees. As of June 2018, they reported TTM EBITDA of US\$ 440mn, gross debt of US\$ 1.1bn, net debt of US\$ 890mn which results in a net leverage of 2x and interest coverage of 7x. SMRPBV is a joint venture between Motherhood Sumi (NSE:MOTHERSUMI, mkt cap US\$ 8.7bn) and Samvardhana Motherhood owned by Sehgal family.

Lukoil (Market Cap: US\$ 58.7bn) 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 of June 2018, it reported gross debt of US\$ 8.6bn as against cash of US\$ 5.9bn and TTM EBITDA of US\$ 16.3bn. It reported net debt to EBITDA at 0.2x and interest coverage ratio at 42x.

During the month of August 2018, the Fund NAV declined by 1.90%, pushing up optimum Leveraged Yield by 3.27% from 9.16% to 12.43%. The decrease in NAV was primarily owing to decrease in bond prices of Turkish, Brazilian and Indian credits; partially offset by positive contribution from Chinese and US credits. Sectorially, Financial and Basic Material sectors were the key laggards, partially offset by Consumer Cyclical, Industrial, and Technology sectors.

During the month, we sold Ares Capital (BBB-/BBB), Chang Development (-/Baa1/-), Dell (BB-/Ba2/BB), Embraer (BBB/Ba1/BBB-), H&R Block (BBB/Baa3/-), QNB Finance (A/Aa3/A+), and Symantec (BB+/Baa3/BB+) bonds; while we purchased Alrosa (BBB-/Baa3/BB+), Braskem (BBB-/Ba1/BBB-), Country Garden (BB/Ba2/BBB-), Credit Agricole (BB+/Ba1/BBB-), Fufeng (BBB-/BB-), Gerdau (BBB-/Ba2/BBB-), Lukoil (BBB/Baa3/BBB+), Samvardhana Motherhood Automotive (BB+/BBB-), and Turkiye Is Bankasi (-/B2/BB-) bonds. We marginally increased our duration in Macy's (BBB-/Baa3/BBB) and Seagate (BB+/Baa3/BBB-) bonds. Further we reduced overall exposure to Turkey by selling Coca Cola Icecek (-/Ba1/BBB-), QNB Finansbank (-/Ba3/BB), and Yapi Ve Kredi Bankasi (-/Ba3/BB) bonds. We also received proceeds from early call of Pitney Bowes (BB+/Ba1/BBB-) bonds.

We continue to maintain a conservative position with circa 79.3% of our investments in Investment Grade bonds with a short duration of just 1.79 years. Our actual leveraged YTM is 12.43%.

## 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.

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