

## Silverdale Bond Fund

Weekly Factsheet as at 28th December 2018

## 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 <sup>†</sup>	9 Sep 2010
Weekly NAV Launch Date	4 Oct 2013
Cayman Launch Date	8 May 2015
NAV Computation	Weekly (Friday)
Subscription/Redemption	Weekly (Monday)
Management Fee	0.50% p.a. <sup>^^</sup>
Next Quarterly Dividend	US\$ 2.00 per share <sup>#</sup>
Next Dividend Date	29 Mar 2019
Trailing 12 mth Dividend	US\$ 8.00 per share
Sales Registration	Singapore, Taiwan, UAE, and United Kingdom

## AT A GLANCE

Gross Investments	US\$ 427 million
Net Assets	US\$ 152 million
Investment Grade Bonds	79.18 %
Number of Securities	118
Max single security exposure	3.59 %
Number of Countries	20
Max single country exposure	23.08 %

## 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 28th December 2018, the Fund NAV appreciated by 0.23% to Cum Dividend NAV of 122.78 as compared to previous week NAV of US\$ 122.50 (Cum-Dividend). The Fund has declared quarterly dividend amounting to US\$ 2.00 per share resulting in the Ex Dividend NAV of US\$ 120.78. The actual portfolio yield (post-leverage) of the Fund is 11.65% per annum (previous week: 11.72% p.a.), with average duration of 1.65 years (previous week: 1.64 years).

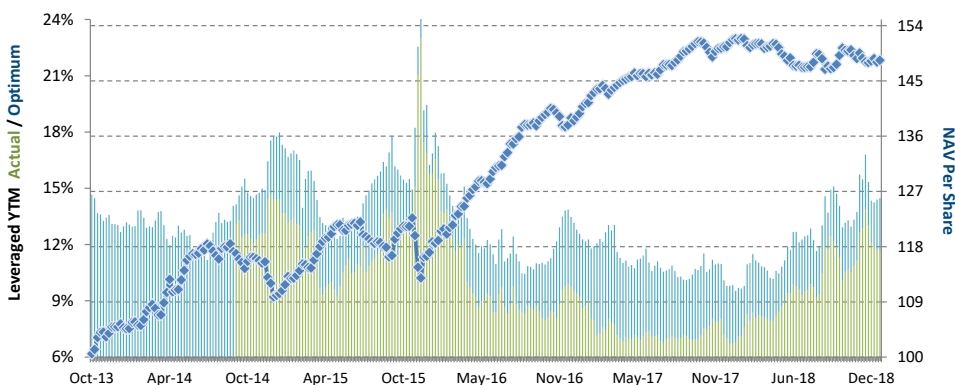
**PORTFOLIO DASHBOARD** Growth NAV US\$ 148.3552 Ex-Dividend NAV US\$ 120.7821

## PERFORMANCE (net of fees)

Year to Date	-2.2023 %
Trailing 1 month	0.2961 %
Trailing 3 months	-1.6141 %
Trailing 12 months	-2.2023 %
Trailing 3 years	8.51% p.a.
Trailing 5 years	7.23% p.a.
Since 4 Oct 2013	7.71% p.a.

## FUND STATISTICS

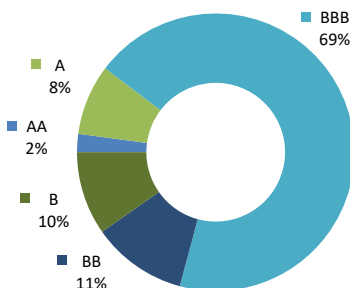
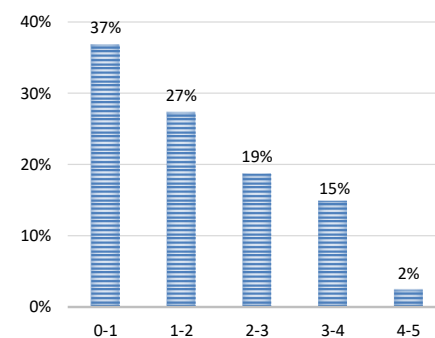
Portfolio Yield to Maturity	6.24 %
Leveraged YTM - Actual	11.65 %
Leveraged YTM - Optimum	14.47 %
Average Coupon	5.13 %
Average Duration	1.65 years
Total Dividend Paid	US\$ 27.57
Sharpe Ratio (3 year) <sup>††</sup>	2.17



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

Period	Oct'13-Dec'13	2014	2015	2016	2017	Jan'18-Mar'18	Apr'18-Jun'18	Jul'18-Sep'18	Oct'18-Dec'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	128.9304	123.6521	124.7965	120.7822
Return to Investor	4.06%	5.46%	6.09%	20.10%	9.02%	-0.57%	-2.54%	2.54%	-1.61%

## Investor Return and Dividend Distributions

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

## 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 6835 7130 Email: ir@silverdalegroup.com



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### TOP 10 HOLDINGS<sup>3</sup>

	%	age
Pttep Treasury 2019	3.59	%
Credit Agricole 2019	3.17	%
Citadel Lp 2023	2.84	%
Seagate Hdd 2022	2.70	%
Braskem Finance 2022	2.53	%
Tc Ziraat Bankasi 2019	2.20	%
Tewoo Group 2019	2.17	%
Qnb Finance Ltd 2021	2.12	%
Vedanta Resources 2021	2.12	%
Dnb Bank Asa 2020	2.08	%

### FUND MANAGEMENT DETAILS THE FUND

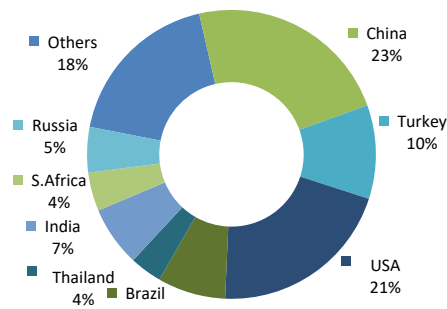
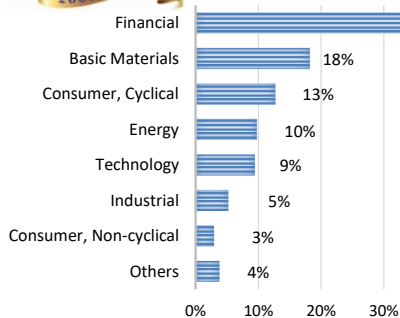
#### Silverdale Bond Fund

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 28th December 2018, we sold ICICI (BBB-/Baa3/BBB-) bonds.

During the month of December 2018, Silverdale Bond Fund NAV increased by 0.30%.

*During the CY 2018, Silverdale Bond Fund declined by 2.20% from Cum-Dividend NAV of US\$ 131.68 (Dec 29, 2017) to Ex-Dividend NAV of US\$ 120.78 (Dec 28, 2018). For CY 2018, the Fund distributed dividend of US\$ 8 per share. The decline in NAV was primarily due to credit spread widening which was partially offset by interest accrual during the year.*

*The decrease in NAV was primarily owing to Chinese and Indian credits which was offset by positive contribution from Turkish, US and Brazilian credits. Sectorially, financial, basic materials, and energy sector were the key contributors while consumer cyclical and technology sector were the key drags to the portfolio returns. We continue to be well diversified over 118 securities across 20 countries (2017: 19 countries). We also had circa 15% of our investments into floating rate notes, which help us to benefit from interest rate hike(s).*

*There was no change in Fund strategy: we continue to maintain our conservative positioning with about 79.2% of our investments in Investment Grade US dollar bonds (2017: 77.7%) with lower weighted average duration of 1.65 years (2017: 2.14 years).*

*We deeply appreciate the opportunity to manage your capital, and thank you for your support. We wish you health, happiness and good fortune in 2019 and the years to come!*

### 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.

### DIVIDEND PAID

The Fund paid Fifteenth Quarterly Dividend, for December 2018 quarter amounting to US\$ 2.00 per share, taking the total dividend paid during the calendar year 2018 to US\$ 8.00 per share.

### 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 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. **Leverage/Derivatives Risk:** Disproportionately large change in value of securities due to relatively small change in determinant.

### 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 uses/ invests 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, 3 years = 156 weeks and 5 years = 260 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.