

Silverdale Fund SP-12

Communique as at 28th December 2018

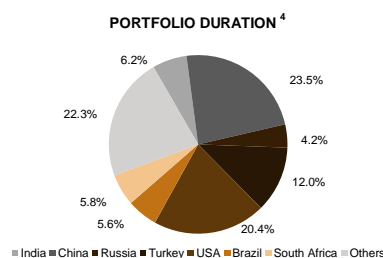
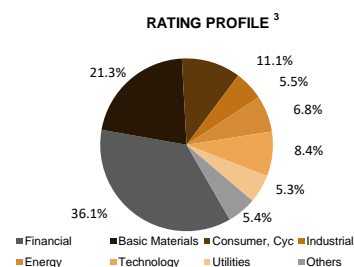
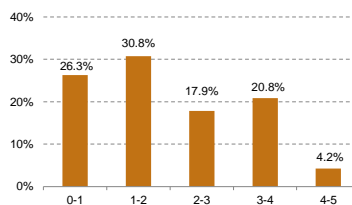
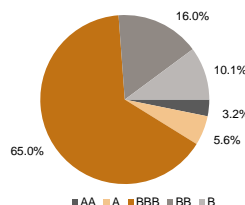
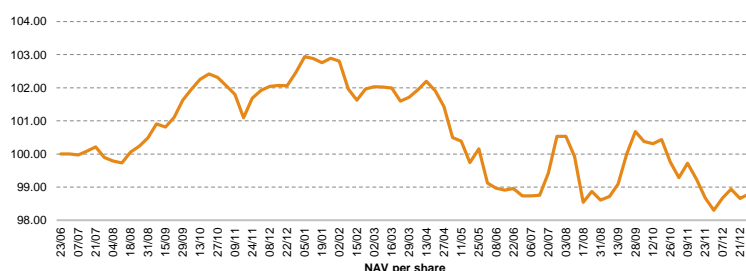
Silverdale Fund SP-12 is a diversified portfolio of primarily investment grade short duration US dollar bonds, actively managed for enhanced returns, using ring-fenced leverage. During the week ended 28th December 2018, the Fund NAV increased by 0.14% to US\$ 98.79 (previous week: US\$ 98.66) taking leveraged YTM (actual) to 10.78% (previous week: 10.70%) with duration of 1.92 years (previous week: 1.93 years).

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*	0.14%	0.50%	-1.87%	0.06%	-2.87%	-3.58%	-3.58%	-1.21%
Annualized:	7.36%	6.74%	-7.27%	0.11%	-3.81%	-3.58%	-3.58%	-0.80%
(*) after all fees								
NAV US\$ 98.7927								

Portfolio update

The Fund continues to invest and book profits opportunistically for its target duration adjusted returns.

During the month of December 2018, the Fund NAV increased by 0.50% because of appreciation in Chinese, Turkish and Brazilian credits which is partly offset by US credits. Sectorially, Financials, Basic Materials and Consumer Non-Cyclical were the key positive contributors whereas Technology was the key laggard.



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For accredited and institutional investors only



Key features

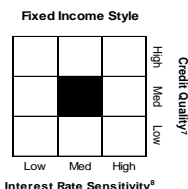
Short duration (low interest rate risk)
Primarily Investment Grade
No forex risk (US dollars only)
Enhanced returns, using ring-fenced leverage

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	6.39%
Levered YTM - Optimum	12.67%
Levered YTM - Actual	10.78%
Average Coupon	5.30%
Average Duration	1.92 years
Sharpe Ratio	NA
Net Assets	US\$ 27 million
Gross Investments	US\$ 63 million



Silverdale Fund SP-12



Holdings	% age ⁹	Holdings	% age ⁹	Holdings	% age ⁹
Prospect Capital 2023	10.4%	Binhai Investmen 2020	5.2%	Samvardhana Moth 2021	3.6%
Alrosa Finance S 2020	7.9%	Macys Retail Hld 2023	4.9%	Credit Agricole 2019	3.6%
Dnb Bank Asa 2020	7.6%	Türkiye Is Banka 2020	4.7%	Cln - Reliance L+245	3.6%
Qnb Finance Ltd 2021	7.5%	Tc Ziraat Bankas 2019	4.5%	Chouzhou Intl In 2020	3.6%
Vedanta Resource 2021	7.5%	Türk Telekomunik 2019	4.4%	Huarong Finance 2022	3.6%
Pttep Treasury C 2019	7.4%	Health And Happi 2020	4.3%	Seagate Hdd Caym 2024	3.5%
Yapi Ve Kredi Ba 2019	7.4%	Ubs Ag Stamford 2022	4.1%	Cln - Dell L+285	3.2%
Transalta Corp 2022	7.4%	Anglogold Holdin 2022	4.0%	Others ¹⁰	44.2%
Seagate Hdd Caym 2022	7.2%	Country Garden H 2020	3.8%	Loans	-157.2%
Anglogold Holdin 2020	5.9%	Fufeng Group Ltd 2021	3.8%	Net Expenses ¹¹	22.1%
Braskem Finance 2022	5.7%	Cemex Finance LI 2024	3.8%	Total	100.0%
Citadel Lp 2023	5.7%	Tewoo Group No 5 2021	3.8%		
Gap Inc/The 2021	5.5%	Avic Intl Financ 2021	3.7%		
Chang Developmen 2020	5.5%	Alpha Star Holdi 2019	3.7%		
Tewoo Group Fin 2019	5.2%	Gold Fields Orog 2020	3.7%		

During the CY 2018, the Fund NAV declined by 3.58% because of credit spread widening which was partially offset by interest accrual during the year. The decrease in NAV was primarily owing to Indian, Chinese and Swiss credits which was partly offset by positive contribution from Brazilian, Turkish and US credits. Sectorially, Financials, Basic Materials and Energy sectors were the key contributors while Consumer Cyclical, Technology and Utilities sectors were the key drags.

There was no change in Fund strategy; we continue to maintain our conservative positioning with about 73.9% of our investments in Investment grade US dollar bonds (2017: 82.2%) with lower weighted average duration of 1.92 years (2017: 2.80 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!

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

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Regulated by Monetary Authority of Singapore
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Disclaimer

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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

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