

## Silverdale Bond Fund

277th Weekly Factsheet as at 18th January 2019

## 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 Book <sup>6</sup>      | US\$ 700 million |
| Gross Investments            | US\$ 430 million |
| Net Assets                   | US\$ 158 million |
| Investment Grade Bonds       | 78.80 %          |
| Number of Securities         | 118              |
| Max Single Security Exposure | 3.57 %           |
| Number of Countries          | 20               |
| Max Single Country Exposure  | 23.88 %          |

## 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 18th January 2019 the Fund NAV appreciated by 1.18% to US\$ 124.40 (previous week: US\$ 122.95), with actual portfolio yield (post-leverage) of 10.18% per annum (previous week: 10.78% p.a.), and average duration of 1.59 years (previous week: 1.59 years).

## PORTFOLIO DASHBOARD

Growth NAV US\$ 151.976

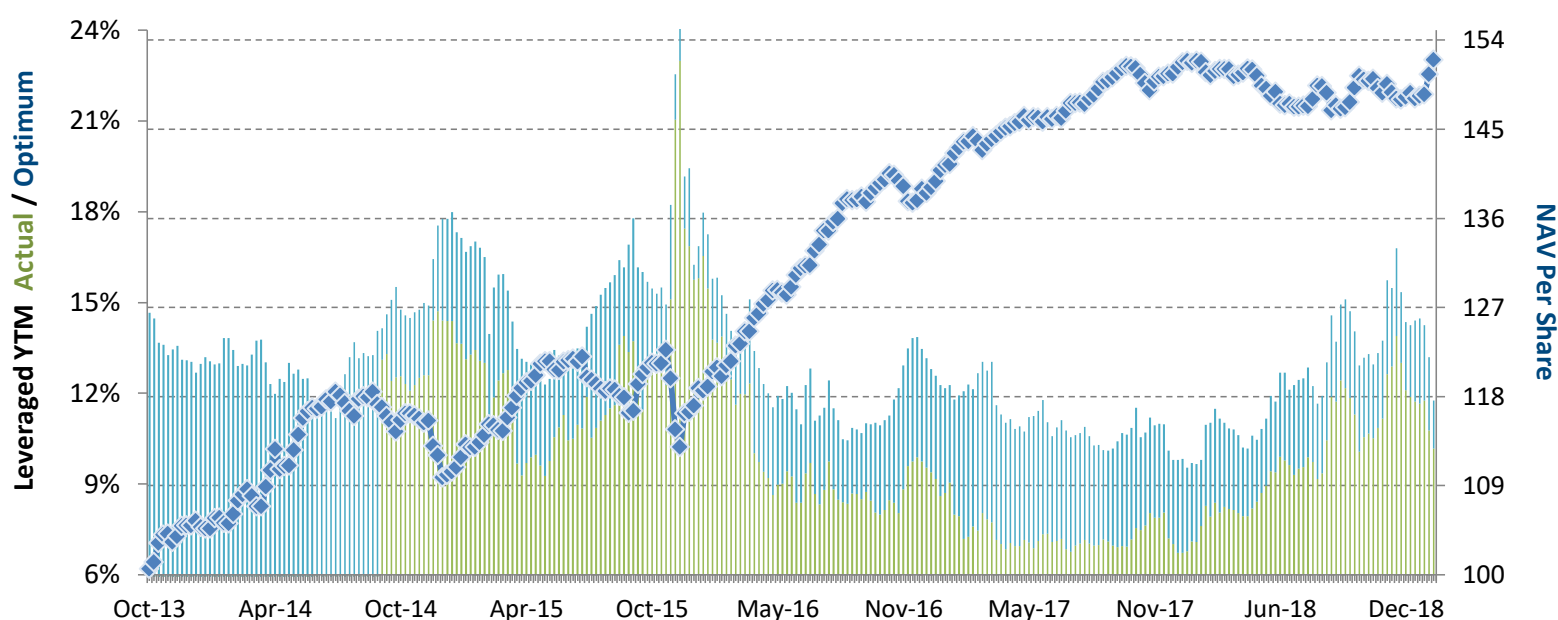
Ex-Dividend NAV US\$ 124.4029

PERFORMANCE *(net of fees)*

|                    |            |
|--------------------|------------|
| Year to Date       | 2.9978 %   |
| Trailing 1 month   | 3.1841 %   |
| Trailing 3 months  | 1.5422 %   |
| Trailing 12 months | 0.2191 %   |
| Trailing 3 years   | 8.80% p.a. |
| Trailing 5 years   | 7.63% p.a. |
| Since 4 Oct 2013   | 8.12% p.a. |

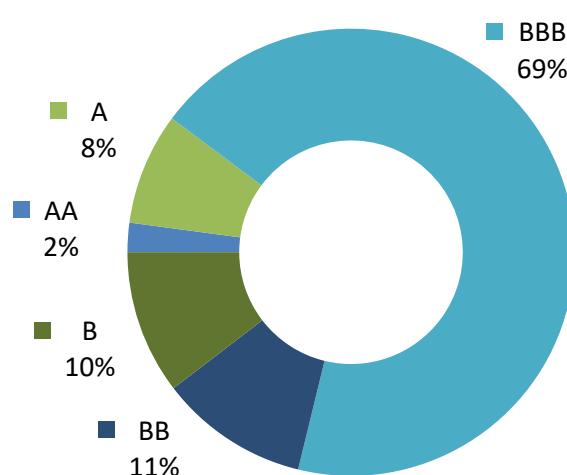
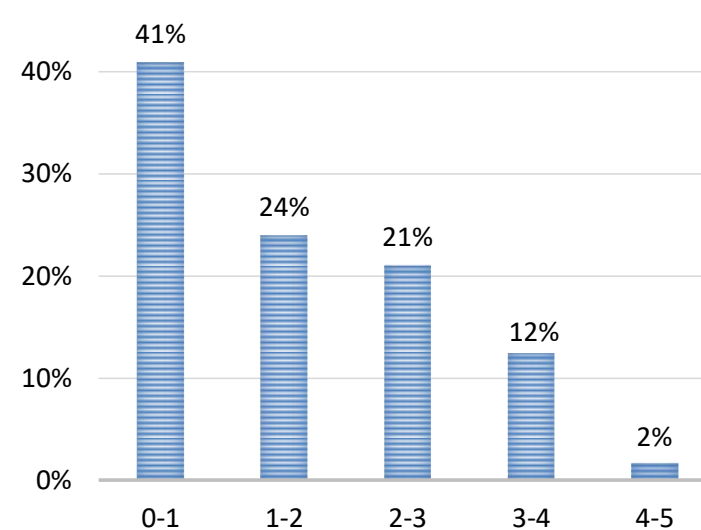
## FUND STATISTICS

|                                     |            |
|-------------------------------------|------------|
| Portfolio Yield to Maturity         | 5.73 %     |
| Leveraged YTM - Actual              | 10.18 %    |
| Leveraged YTM - Optimum             | 11.76 %    |
| Average Coupon                      | 5.11 %     |
| Average Duration                    | 1.59 years |
| Total Dividend Paid                 | US\$ 27.57 |
| Sharpe Ratio (3 year) <sup>††</sup> | 2.13       |

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



PLEASE REFER OVERLEAF FOR IMPORTANT DISCLOSURES &amp; RISK FACTORS

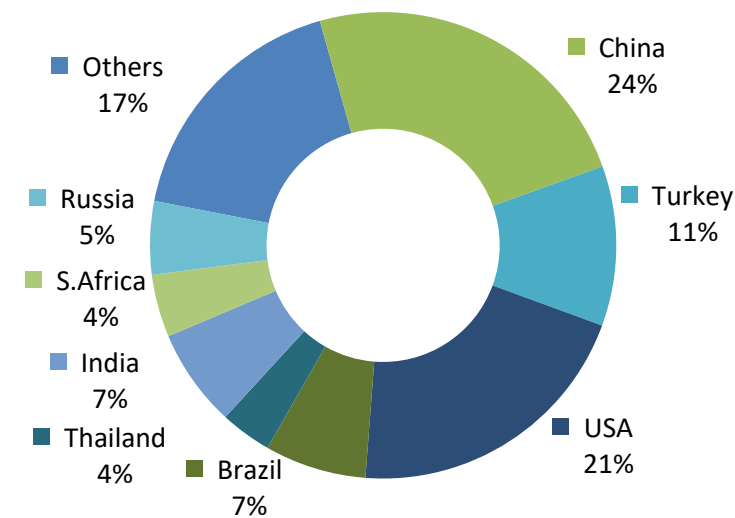
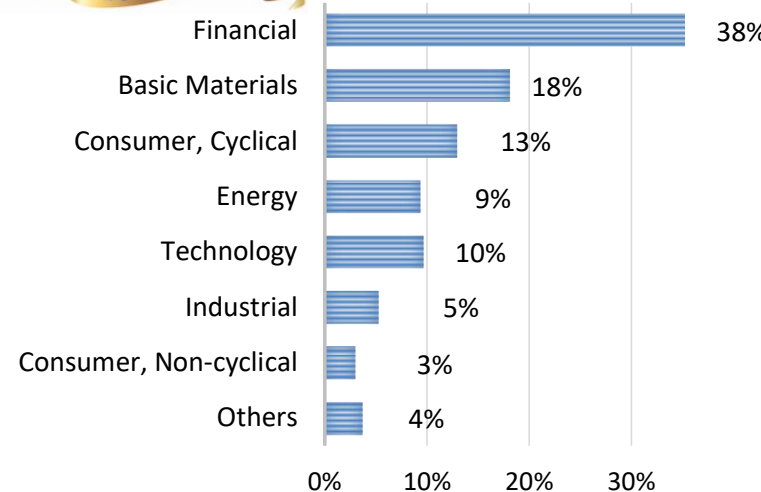


## Silverdale Bond Fund

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TOP 10 HOLDINGS<sup>3</sup>

|                        | % age  |
|------------------------|--------|
| Pttep Treasury 2019    | 3.57 % |
| Credit Agricole 2019   | 3.24 % |
| Seagate Hdd 2022       | 2.79 % |
| Tc Ziraat Bankasi 2019 | 2.75 % |
| Citadel Lp 2023        | 2.74 % |
| Braskem Finance 2022   | 2.54 % |
| Tewoo Group 2019       | 2.21 % |
| Vedanta Resources 2021 | 2.17 % |
| Qnb Finance Ltd 2021   | 2.12 % |
| Dnb Bank Asa 2020      | 2.11 % |

SECTORAL EXPOSURE<sup>4</sup>GEOGRAPHICAL EXPOSURE<sup>5</sup>

## 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 18th January 2019, we sold AT&T Inc (BBB-/A-), and Petrobras (BB-/Ba2/BB-) bonds; while we purchased Weichai International (BBB-/BBB), and Country Garden (-/BBB-) bonds.

Weichai Power (Mkt Cap US\$ 9.7bn) is the largest manufacturer of heavy duty truck engines and the fourth-largest heavy duty truck manufacturer in China. Through KION (43.3% equity stake), it is the largest company in the European forklift market and the second-largest in global forklifts market. The acquisition of Dematic makes it the largest supply-chain solutions company in North America and amongst top three firms globally. As of June 2018, it reported EBITDA of US\$ 2.8bn with Net Debt/EBITDA of 0.7x and interest coverage ratio of 14.8x.

Country Garden (Mkt Cap: US\$ 27bn) is one of the largest developers in China with attributable contracted sales around US\$ 73bn in 2018. As of Jun 2018, it operated around 2000 projects and had attributable land bank of 229.5 mn sqm. It also owns 48 hotels. As of Jun 2018, it reported total assets of US\$ 168bn, adjusted net debt to EBITDA at 1.7x and interest coverage ratio at 3.6x. It is 56% owned by founder's family and 9% by Ping An Life Insurance.

## 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 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.

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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'. (6) Gross Book is aggregation of Gross Investments and Loans (net of cash). (^^) 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.