

Silverdale Bond Fund

304th Weekly Factsheet as at 26th July 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 [†]	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.^
Next Quarterly Dividend	US\$ 2.10 per share [#]
Next Dividend Date	27 Sep 2019
Trailing 12 mth Dividend	US\$ 8.20 per share
Sales Registration	Singapore, Taiwan, United Kingdom and UAE

AT A GLANCE

Gross Investments	US\$ 437 million
Net Assets (AUM)	US\$ 180 million
Net Loan	US\$ 255 million
Gross Book ⁶	US\$ 692 million
Investment Grade Bonds	79.01 %
Number of Securities	110
Max Single Security Exposure	2.95 %
Number of Countries	21
Max Single Country Exposure	27.01 %

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 Fund SP1K	KYG8135U2975

Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 26th July 2019 the Fund NAV appreciated by 0.03% to US\$ 125.73 (previous week: US\$ 125.69), with actual portfolio yield (post-leverage) of 12.43% per annum (previous week: 13.00% p.a.), and average duration of 1.68 years (previous week: 1.68 years).

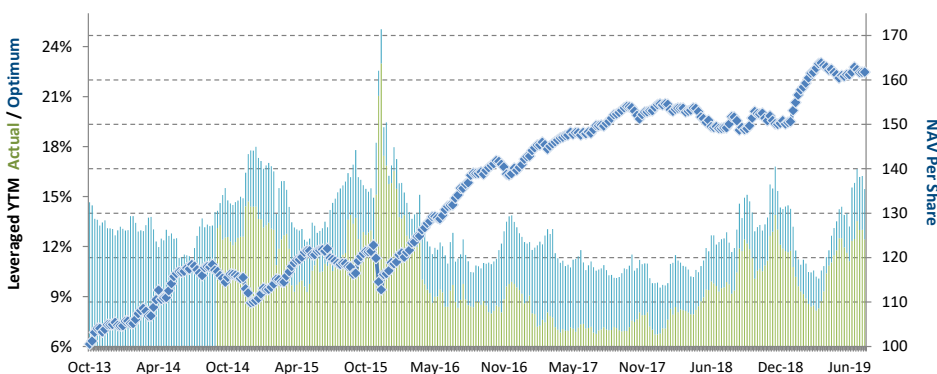
PORTFOLIO DASHBOARD

PERFORMANCE (net of fees)

Year to Date	7.54 %
Trailing 1 month	-0.69 %
Trailing 3 months	-0.38 %
Trailing 12 months	6.61 %
Trailing 3 years	5.81 % p.a.
Trailing 5 years	6.78 % p.a.
Since 4 Oct 2013	8.53 % p.a.

FUND STATISTICS

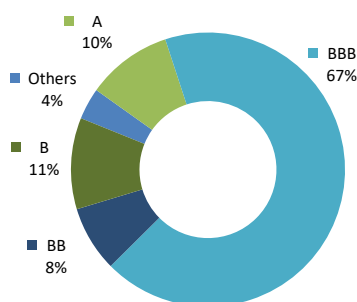
Portfolio Yield to Maturity	6.94 %
Leveraged YTM - Actual	12.43 %
Leveraged YTM - Optimum	15.45 %
Average Coupon	5.40 %
Average Duration	1.68 years
Total Dividend Paid	US\$ 31.77
Sharpe Ratio (3 year) **	1.35



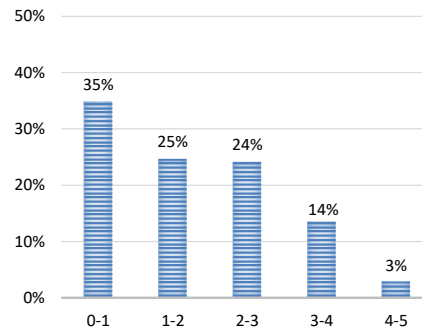
NAV and post-leverage YTM (net of fees)

Period	Oct'13-Dec'13	2014	2015	2016	2017	2018	Jul'18-Sep'18	Oct'18-Dec'18	Jan'19-Mar'19	Apr'19-Jun'19
Dividend	-	-	4.47	7.30	7.80	8.00	2.00	2.00	2.10	2.10
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	131.6822	120.7821	124.7965	120.7821	129.4537	126.5964
Return to Investor	4.06%	5.46%	6.09%	20.10%	9.02%	-2.20%	2.54%	-1.61%	8.92%	-0.58%

Investor Return and Dividend Distributions



RATING PROFILE¹



PORTFOLIO 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 6835 7130 Email: ir@silverdalegroup.com



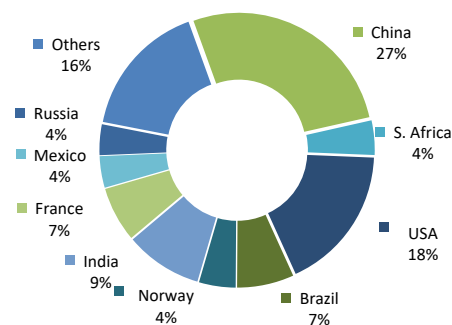
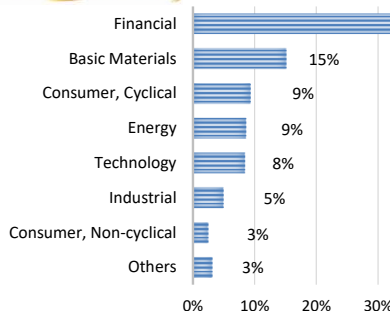
PLEASE REFER OVERLEAF FOR IMPORTANT DISCLOSURES & RISK FACTORS

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TOP 10 HOLDINGS³

	% age
Dnb Bank Asa 2020	2.95 %
Citadel Lp 2022	2.86 %
Seagate Hdd 2022	2.82 %
Country Garden 2020	2.80 %
Petroleos Mexicano 2021	2.78 %
Credit Agricole 2019	2.74 %
Braskem Finance 2022	2.56 %
Turkiye Halk Bankasi 2020	2.46 %
Huarong Finance 2022	2.31 %
Chang Development 2020	2.22 %



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

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PORTFOLIO UPDATE

During the week ended 26th July 2019, we sold Macys and Tewoo Group bonds while we purchased China Shandong (-/-/A-), Emirates Strategic Investments Sukuk (-/Baa3/-), Huarong (-/Baa3/A-), Indiabulls Housing (-/Ba1/-), and Türkiye Halk Bankasi (-/B3/B+) bonds. We also received proceeds from tender of Adani Ports (BBB-/Baa3/BBB-) bonds.

Shandong Hi-Speed Group constructs and invests in transport including infrastructure such as expressways, railways, construction, port shipping, logistics and trading, financial investments and property development. It is owned by Shandong SASAC and serves as the sole railway infrastructure investment platform of Shandong Government. The bonds are issued by China Shandong Hi-Speed Financial Group which is 43% owned by Shandong Hi-Speed Group.

Emirates Strategic Investments Company (ESIC) is an investment holding company that is 100% owned by HH Sheikh Mansour Bin Zayed Al Nahyan, a member of royal family of Abu Dhabi and the deputy prime minister of the UAE. ESIC has investments in Property and Real Estate Investments and Financial Investments. As of December 2018, the group has total assets of US\$ 2.1bn in financial investments (37%), rental assets (20%) and development assets (31%).

China Huarong Asset Management (Mkt Cap: US\$ 6.7bn) is the largest financial asset management company in China with total assets of US\$ 249bn across Distressed Assets Management (57%), Financial Services (27%), and Asset Management & Investments (16%). Chinese Government through Ministry of Finance is the largest shareholder with 63.36% stake.

Indiabulls Housing Finance (Mkt Cap: US\$ 3.8bn) is the second largest housing finance company in India. As of March 2019, it had total assets of US\$ 19bn. It reported Net Interest Margin at 3.42% and Non-Performing Loans (NPL) at 0.88% with NPL coverage of 22%. It reported capital adequacy ratio at 26.3%. It has 24% of its total assets as cash and cash equivalents. It has sought to merge with a listed private sector bank in India.

Türkiye Halk Bankasi (Mkt Cap: US\$ 1.4bn) is the seventh largest bank in Turkey with 992 branches. As of March 2019, it had total assets worth US\$ 73.4bn. It reported Net Interest Margin at 2.1% and Non-Performing Loans (NPL) at 3.1% with NPL coverage of 78%. It reported capital adequacy ratio at 13.0% with Tier-I ratio at 10.0%. Turkish Government is the largest shareholder with 51.11% stake.

During the month of July 2019, the Fund NAV declined by 0.69%. The decline in NAV was led by decrease in prices of Chinese credits which was partially offset by increase in prices of US and Indian credits. Sectorially, Financial, Basic Material, and Energy sectors were the key positive contributors while Consumer Cyclical sector was the key laggard.

We continue to maintain conservative position with circa 79% of our investments in Investment Grade bonds with short duration of just 1.69 years.

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

FUND MANAGER

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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. (*) Growth NAV includes returns on dividend, which more accurately reflects the return earned by investor; previously, Growth NAV was aggregation of lifetime dividend paid and ex-dividend NAV, without considering return earned by investor on dividend paid. (**) 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); Rating exposure of less than 4% has been clubbed as "Others". (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.