

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.

Investor Benefits

Active management with real time response, capitalizing on opportunistic investments and employing prudent risk management systems. Embedded leverage for higher return without hassles of loan management.

Fund Information

Fund	Silverdale Bond Fund, or Silverdale Fund SP-1
Fund Type	Segregated Portfolio Company
Domicile	Cayman Islands
Inception Date [†]	9 Sep 2010
Weekly NAV Launch Date	1 Oct 2013
Cayman Launch Date	8 May 2015
NAV Computation	Weekly
Subscription	Weekly (Friday)*
Redemption	Weekly (Monday)*
Management Fee	0.50% p.a. ^{^^} (Monday)*
Next Dividend Date	30 Dec'16 (US\$ 1.90 per share) [#]
Previous Dividend Dates	30 Sep'16 (US\$ 1.90 per share) 24 Jun'16 (US\$ 1.75 per share) 24 Mar'16 (US\$ 1.75 per share) 24 Dec'15 (US\$ 1.75 per share) 25 Sep'15 (US\$ 1.75 per share)

Class 1A Details

ISIN	KYG8135U1076
CUSIP	G8135U 107
Swiss Valor No.	28213010
Bloomberg Code	SILV01A KY Equity
Morningstar SeclD	F00000WLJR
Initial Sales Charge	1.00%
Exit Load	0.25%

Class 1B Details

ISIN	KYG8135U1159
CUSIP	G8135U 115
Bloomberg Code	SILV01B KY Equity
Morningstar SeclD	F00000WLJW
Initial Sales Charge	0.00%
Contingent Load	3% / 2% / 1%
Exit Load	1.00%

Fund Management Details
THE FUND

Silverdale Bond Fund or Silverdale Fund SP-1 is a segregated portfolio of Silverdale Fund SPC, a Cayman Islands domiciled segregated portfolio company, registered with Cayman Islands Monetary Authority

FUND MANAGER
Silverdale Capital Pte Ltd

Regulated by Monetary Authority of Singapore
 UEN# 200820921K

Fund Administrator

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Silverdale Bond Fund
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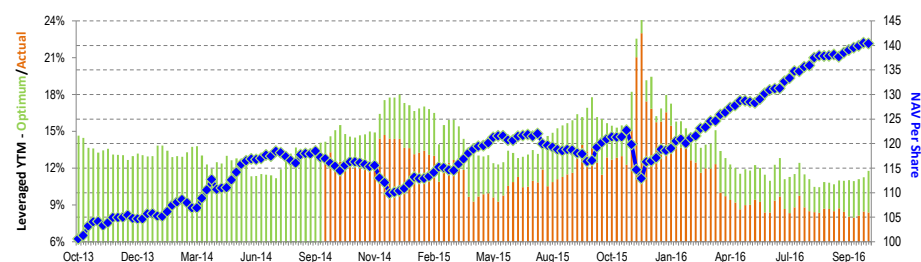
DISCLAIMER

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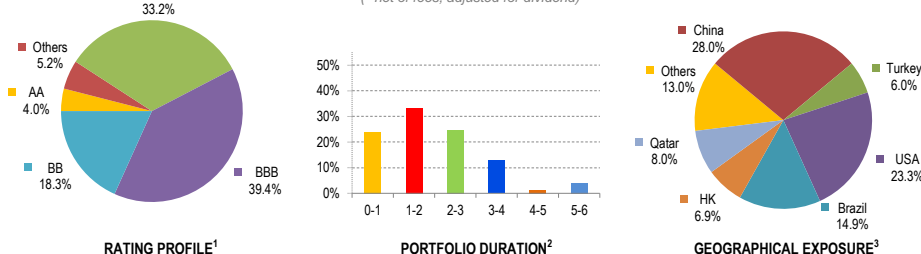
Silverdale Fund SP-1

Silverdale Bond Fund (or Silverdale Fund SP-1) generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the month ended 28th October 2016, the Fund NAV appreciated by 0.99% to US\$ 130.48 (previous month: US\$ 129.20), with actual portfolio yield (post-leverage) of 8.38% per annum (previous month: 8.06% p.a.), and average duration of 2.07 years (previous month: 2.01 years).

Portfolio Dashboard		Growth NAV US\$	140.3536	Ex-Dividend NAV US\$	130.4805
Performance (Not annualised)*		Fund Statistics		Top Holdings	
Previous 1 week	-0.1246 %	Portfolio Yield to Maturity	3.26 %	Gap Inc/The 2021	4.34 %
Trailing 1 month	0.9214 %	Leveraged YTM - Actual	8.38 %	Seagate Hdd 2023	4.11 %
Trailing 3 months	3.4900 %	Leveraged YTM - Optimum	11.79 %	Qib Sukuk Ltd 2019	4.02 %
Trailing 6 months	9.0624 %	Average Coupon	4.29 %	Mcc Holding Hk 2017	4.00 %
Trailing 9 months	16.4542 %	Average Duration [^]	2.07 years	Qnb Finance Ltd 2018	3.99 %
Trailing 12 months	15.6403 %	Last Dividend Paid	US\$ 1.90	Seagate Hdd 2018	3.79 %
(*) after all fees, before dividends		Total Dividend Paid	US\$ 9.87	Prospect Capital Corp 2019	3.74 %


NAV and post-leverage YTM

(* net of fees, adjusted for dividend)


Portfolio Update

During the week ended 28th Oct 2016, Silverdale Bond Fund sold Seagate 2018 bonds, while it purchased Embraer 2020, AngloGold Ashanti 2020, and Jabil Circuit 2020 bonds. Additionally, the Fund received maturity proceeds from its investment into leveraged deposits.

Embraer S.A. (Mkt Cap ~US\$ 3.7bn) is the leading manufacturer of regional jet airplanes (up to 120 seats), with a growing defense & security segment and a line of mid-size business jets. As at 30th June 2016, it reported order book of ~US\$ 21.9bn with North America accounting for over 50% of it. It reported debt at ~US\$ 3.7bn, against cash of ~US\$ 3.1bn, with Net Debt to EBITDA at ~0.95x. The bonds are issued by its wholly owned subsidiary and guaranteed by it. Founded in 1969 by the Brazilian federal government, the company was privatized in 1994 and transformed into a publicly-held corporation.

Jabil Circuit, Inc. (Mkt Cap ~US\$ 4bn) is the third-largest electronics contract manufacturer in the world with 90 facilities in 23 countries. The company reports in two segments: Electronic Manufacturing Services (~60% of FY16 revenue) and Diversified Manufacturing Services (~40% of FY16 revenue). Apple Inc is its largest customer (~24%) with top 5 customers accounting for ~49% of FY16 revenue. As of FY16, it reported debt at ~US\$ 2.1bn, against cash & equivalents of ~US\$ 900mn and unutilized credit line of ~US\$ 1.9bn. It reported TTM EBITDA of ~US\$ 1.2bn, net debt/EBITDA at ~1x with EBITDA to interest of ~8.9x.

AngloGold Ashanti Limited (Mkt Cap ~US\$ 5.5bn) is world's third largest gold producer; operating 17 mines in 9 countries. It produced 3.95Moz of gold in 2015, generating US\$ 5.2bn in revenue. The average reserve life of its portfolio of mines is ~13 years. As at 30th June 2016, it reported debt at ~US\$ 2.65bn, against cash of ~US\$ 0.47bn and unutilized credit line of over US\$ 1.8bn. It reported EBITDA of ~US\$ 1.26bn, Net Debt/EBITDA at ~1.73x with EBITDA to Interest coverage of ~6.8x.

During the month of October 2016, Silverdale Bond Fund NAV appreciated by 0.99%, with circa three-fourth of appreciation contributed by interest accruals while remaining comes from price appreciation. US, and Brazil credits were the key contributors to price appreciation while China, and Israel credits were the key laggards.

During the month, the Fund sold Caixa 2017, Seagate 2018, and EMC 2020 bonds while it purchased Vale 2019, Prospect Capital 2019, Vale 2020, Symatec 2020, AngloGold 2020, Embraer 2020, Jabil Circuit 2020, Vale 20211 and Seagate 2023 bonds. Additionally, the Fund received maturity proceeds from its investment into leveraged deposits.

The Fund continues to maintain its conservative position with ~77% of its investments being in investment grade bonds and continuing its weighted average duration of ~2 years. Short duration of the Fund cushions it against any significant gyrations in interest rate.

2016 ALTERNATIVE INVESTMENTS AWARDS
Best Emerging Markets Credit Fund



Investors' Choice Award
EM Credit Fund of 2015
 Nominee

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