



**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 <sup>1</sup>	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.^
Next Dividend Date	31 Mar'17 (US\$ 1.90 per share) <sup>8</sup>
Previous 4 Dividend Dates	30 Dec'16 (US\$ 1.90 per share) 30 Sep'16 (US\$ 1.90 per share) 24 Jun'16 (US\$ 1.75 per share) 24 Mar'16 (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 mutual fund, registered with Cayman Islands Monetary Authority

**FUND MANAGER**

**Silverdale Capital Pte Ltd**  
Regulated by Monetary Authority of Singapore  
UEN# 200820921K

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**Fund Administrator**

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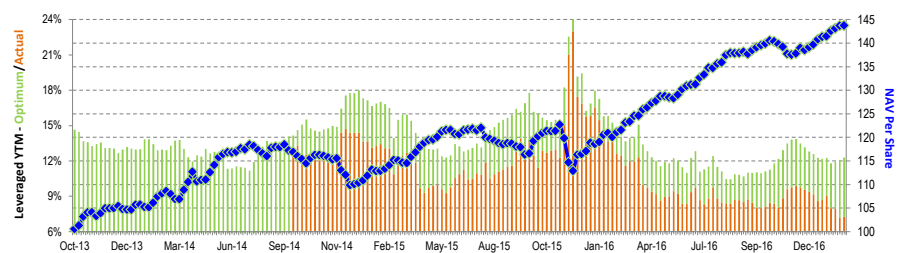
**Silverdale Fund SP-1**

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 week ended 17th February 2017, the Fund NAV appreciated by 0.04% to US\$ 131.95 (previous week: US\$ 131.91), with actual portfolio yield (post-leverage) of 7.25% per annum (previous week: 7.18% p.a.), and average duration of 2.22 years (previous week: 2.16 years).

Portfolio Dashboard		Growth NAV US\$		143.7273		Ex-Dividend NAV US\$		131.9542	
<b>Performance*</b>		<b>Fund Statistics</b>		<b>Top Holdings</b>		<b>% age</b>			
Previous 1 week	0.0373 %	Portfolio Yield to Maturity	3.46 %	Block Financial Llc 2020		3.15 %			
Trailing 1 month	1.7521 %	Leveraged YTM - Actual	7.25 %	Gap Inc/The 2021		3.10 %			
Trailing 3 months	4.6957 %	Leveraged YTM - Optimum	12.29 %	Chang Development 2020		3.06 %			
Trailing 6 months	4.4826 %	Average Coupon	4.47 %	Prospect Capital 2019		3.02 %			
Trailing 12 months	19.3862 %	Average Duration^	2.22 years	Seagate Hdd 2023		2.97 %			
Trailing 3 years	9.96% p.a.	Total Dividend Paid	US\$ 11.77	Mcc Holding Hk 2017		2.81 %			
	(*) after all fees, grossing up for dividends	Sharpe Ratio	1.48	Seagate Hdd 2018		2.64 %			

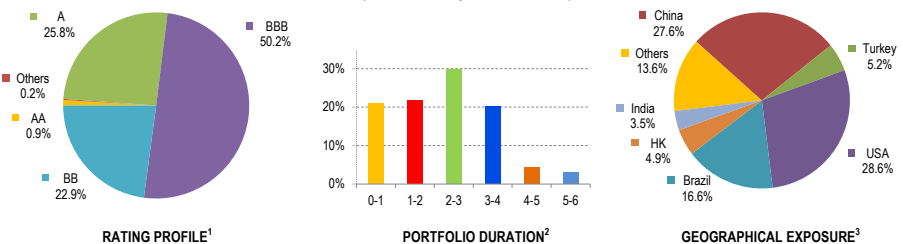
Period	Oct'13-Dec'13	2014	2015	Jan'16-Mar'16	Apr'16-Jun'16	Jul'16-Sep'16	Oct'16-Dec'16	2016
Dividend	-	-	4.4731	1.7500	1.7500	1.9000	1.9000	7.3000
Ex-Dividend Price	104.6428	110.3573	112.6058	118.3647	123.2694	129.1991	127.9435	127.9435
Return to Investor	4.06%	5.46%	6.09%	6.67%	5.62%	6.35%	0.50%	20.10%

**Investor Return and Dividend Distribution**



**NAV and post-leverage YTM**

(\* net of fees, adjusted for dividend)



**Portfolio Update**

During the week ended 17th February 2017, Silverdale Bond Fund sold Deutsche Bank 2017 bond while it purchased BRF SA 2017 (BBB/Ba1/BBB), Macquarie Group 2019 (BBB/A3/A-), H&R Block 2020 (BBB/Baa3/-), Embraer 2020 (BBB/Ba1/BBB-), HNA Group 2020 (A.-), Macy's 2021 (BBB/Baa2/BBB), HP 2021 (BBB/Baa2/BBB+), Seagate 2022 (BBB-/Baa3/BBB-), Petrobras 2021 (BB-/B2/BB), Ahli Bank 2022 (A2/-/-), and Staples 2023 (BBB-/Baa2/BB+) bonds.

HNA Group is a conglomerate with diversified businesses covering airport services, air transportation, real estate, hotel and catering, travel services, commercial retail, logistics and transportation, financial services etc. As at 30th June 2016, it reported total assets of US\$ 80bn. The bonds are issued HNAG Funding Ltd and supported by a keepwell deed from HNA Group and guaranteee from China Construction Bank Corp (the second largest bank in the world with total assets of -US\$ 3.1tn and market cap of US\$ 205bn).

H&R Block Inc. (Mkt Cap: US\$ 4.3bn) provides tax filing services and discounts tax refunds primarily for lower and middle income customers. As at 31st Oct 2016, it reported net debt of -US\$ 1.6bn and available line of credit amounting to -US\$ 1bn. It reported TTM EBITDA of -US\$ 840mn with Net Debt/EBITDA of -1.8x and interest coverage ratio of -9.3x. The bonds are issued by its wholly owned subsidiary and guaranteed by it.

Macy's (Mkt Cap: US\$ 9.9bn) is one of the largest fashion goods retailer in the world with FY 2016 sales at -US\$ 27.1bn. It operates through 880 stores as well as through websites like macys.com, bloomingdales.com, and bluemercury.com. As at 29th Oct 2016, it reported net debt of -US\$ 7bn and available line of credit amounting to -US\$ 1.5bn. It reported TTM EBITDA of -US\$ 3bn with Net Debt/EBITDA of -2.8x and interest coverage ratio of -6.7x. The bonds are issued by its wholly owned subsidiary and guaranteed by it.

HP Inc. (Mkt Cap: US\$ 27bn), is a global supplier of imaging and printing systems, computing systems, mobile devices, solutions, and services for business and home. Its products include laser and inkjet printers, scanners, copiers and faxes, personal computers, workstations, storage solutions, and other computing and printing systems. As at 31st Oct 2016, it reported net debt of US\$ 550mn and available line of credit amounting to US\$ 800mn. It reported TTM EBITDA of -US\$ 4.3bn with Net Debt/EBITDA of -0.14x and interest coverage ratio of -14.2x.

Macquarie Group (Mkt Cap: US\$ 22.8bn) offers a wide range of financial services globally, including banking, financial, advisory, investment and fund management services. It operates across 28 countries throughout Australia, Africa, the Americas, Asia, Europe and the Middle East. Australia accounts for the largest share of the group's total revenues (~41%). As at 30th Sep 2016, it reported total assets of -US\$ 148bn and book value of equity at US\$ 11.4bn.

Founded in 1983, Ahli Bank QSC (Mkt Cap: US\$ 2bn), is the fifth largest bank in Qatar, with ~4.2% of the total assets of the Qatari banking sector. It operates through 15 branches and 61 ATMs throughout Qatar and offers a wide range of services to its corporate, retail and private customers. As at 31st Dec 2016, it reported total assets of -US\$ 10.5bn and book value of equity at US\$ 1.2bn. It reported non-performing loans at 0.82% and net interest margin at 2.07%. Further it reported Tier 1 capital adequacy ratio of 15.46% and a total capital adequacy ratio of 15.62%. Qatar Investment Authority is the largest shareholder with ~47% stake. The bonds are issued by its wholly owned subsidiary and guaranteed by it.

**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](mailto:spc@silverdalegroup.com)

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