

Silverdale

Fund Management

Silverdale Bond Fund

Communique as at 2nd June 2017

Bloomberg
TOP-5
ASIAN FUND

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 Jun'17 (US\$ 1.90 per share) [#]
Previous Dividend Date	31 Mar'17 (US\$ 1.90 per share)

Class 1A Details

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

Class 1B Details

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

Class 1C Details

ISIN	KYG8135U2066
CUSIP	G8135U 206
Bloomberg Code	SILV01C KY Equity
Morningstar SecID	TBC
Initial Sales Charge	Upto 5%
Exit Load	0.25%

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

Fund Administrator

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Silverdale Fund SP-1

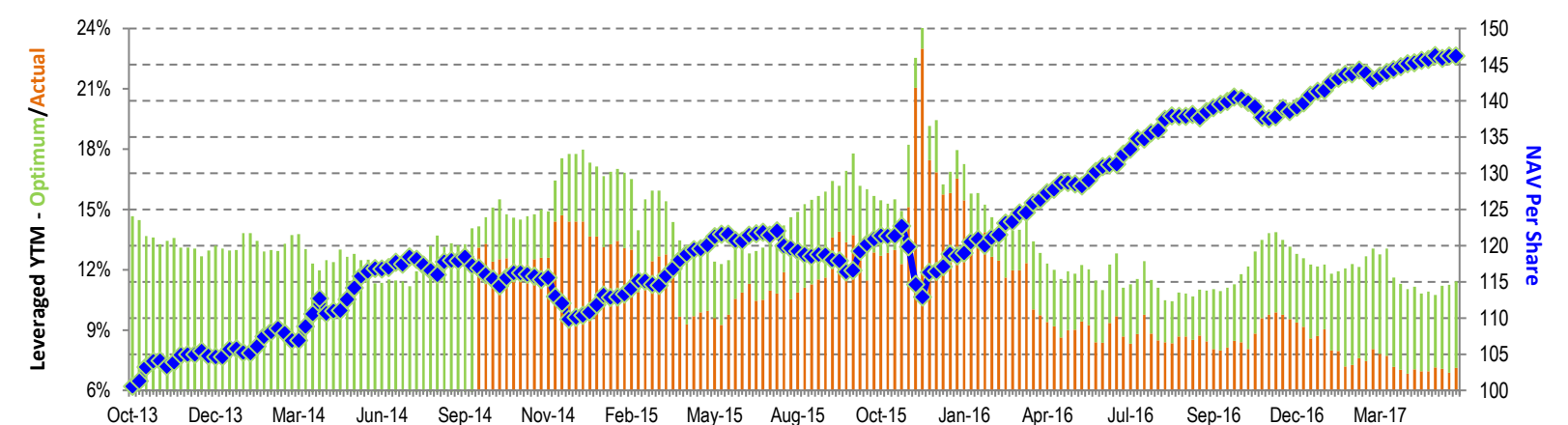
Silverdale Bond Fund (or Silverdale Fund SP-1) generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 2nd June 2017, the Fund NAV marginally declined to US\$ 132.50 (previous week: US\$ 132.54), with actual portfolio yield (post-leverage) of 7.12% per annum (previous week: 6.89% p.a.), and average duration of 1.99 years (previous week: 2.03 years).

Portfolio Dashboard

Performance*	Growth NAV US\$ 146.1701	Ex-Dividend NAV US\$ 132.4970			
Previous 1 week	-0.0356 %	Portfolio Yield to Maturity	3.57 %	Top Holdings	% age
Trailing 1 month	0.3469 %	Leveraged YTM - Actual	7.12 %	Prospect Capital 2019	2.84 %
Trailing 3 months	1.8119 %	Leveraged YTM - Optimum	11.42 %	Transalta Corp 2022	2.49 %
Trailing 6 months	6.5465 %	Average Coupon	4.58 %	Block Financial Llc 2020	2.44 %
Trailing 12 months	12.8601 %	Average Duration [^]	1.99 years	Macy's Retail 2020	2.32 %
Trailing 3 years	7.75% p.a.	Total Dividend Paid	US\$ 13.67	Beijing Capital 2018	2.15 %
(*) after all fees, grossing up for dividends		Sharpe Ratio	1.17	Seagate Hdd 2022	2.09 %
				Embraer Overseas 2020	2.05 %

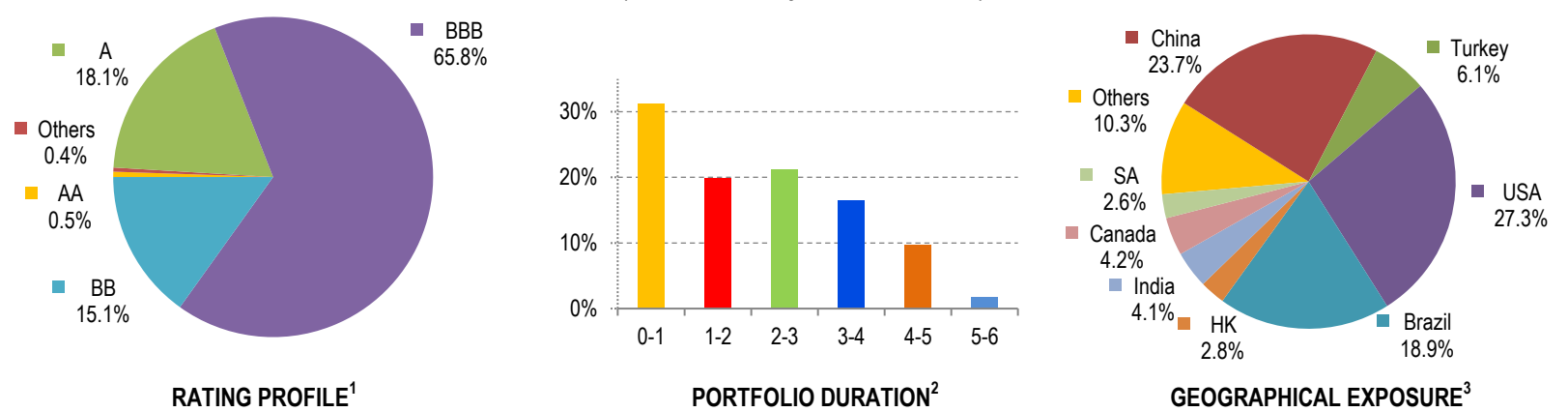
Period	Oct'13-Dec'13	2014	2015	2016	Apr'16-Jun'16	Jul'16-Sep'16	Oct'16-Dec'16	Jan'17-Mar'17
Dividend	-	-	4.47	7.3000	1.7500	1.9000	1.9000	1.9000
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	123.2694	129.1991	127.9435	130.6642
Return to Investor	4.06%	5.46%	6.09%	20.10%	5.62%	6.35%	0.50%	3.61%

Investor Return and Dividend Distribution



NAV and post-leverage YTM

(* net of fees, adjusted for dividend)



Portfolio Update

During the week ended 2nd June 2017, we sold Deutsche Bank 2017 (BBB-/Baa2/A-) bonds while we purchased Turkiye Is Bankasi 2018 (-/Ba1/BB+), Yapi ve Kredi Bankasi 2019 (-/Ba1/BBB-) bonds and a 5 year Credit Linked Note on ArcelorMittal (BB+/Ba1/BB+).

Turkiye Is Bankasi (Mkt Cap: US\$ 9.1bn) is the largest privately-owned commercial bank in Turkey in terms of assets and loans, with 1,350 domestic and 23 overseas branches. As of March 2017, it had total assets worth ~US\$ 110bn and book value of equity of ~US\$ 10.5bn. It reported Net Interest Margin at ~4.54% and Non-Performing Loans (NPL) at 2.4% along with NPL coverage of 79.8%. It had capital adequacy ratio of ~14.94% with Tier-I ratio of ~13.02%.

Yapi ve Kredi Bankasi (Mkt Cap: US\$ 5.5bn) is the fourth largest private bank in Turkey in terms of assets and loans, with ~850 branches. As of March 2017, it had total assets worth ~US\$ 77.5bn and book value of equity of ~US\$ 7.6bn. It reported Net Interest Margin at ~3.4% and Non-Performing Loans (NPL) at ~4.6% with NPL coverage of ~111%. It reported capital adequacy ratio at ~14.4% with Tier-I ratio at ~10.7%.

ArcelorMittal (Mkt Cap: US\$ 21.7bn) is the world's largest steel producer, with an annual production of over 90mn tons in 2016. It operates in over 60 countries, with steel manufacturing plants in 20 countries. As at 31 March 2017, it reported net debt of ~US\$ 12.1bn against EBITDA of ~US\$ 8.6bn and unused credit limits of ~US\$ 5.5bn. It reported Net Debt/EBITDA at ~1.4x and EBITDA to interest at ~8.6x. The bonds are issued by its wholly owned subsidiary and guaranteed by it. The 5 year Credit Linked Notes are issued by BNP Paribas (Mkt Cap: US\$ 89.2bn / Rated A/A1/A+).



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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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