



Silverdale Bond Fund
Communique as at 30th June 2017

Silverdale Fund SP-1

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 (Friday)*
Subscription / Redemption Management Fee Weekly (Monday)* 0.50% p.a.^
Next Dividend Date 30 Sep'17 (US\$ 1.90 per share)^#
Previous Dividend Date 30 Jun'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
 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

Vistra (Mauritius) Limited
 Regulated by Financial Services Commission
 355 NeXTeracom Tower 1, Cybercity
 Ebene, Mauritius
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2016 ALTERNATIVE INVESTMENTS AWARDS

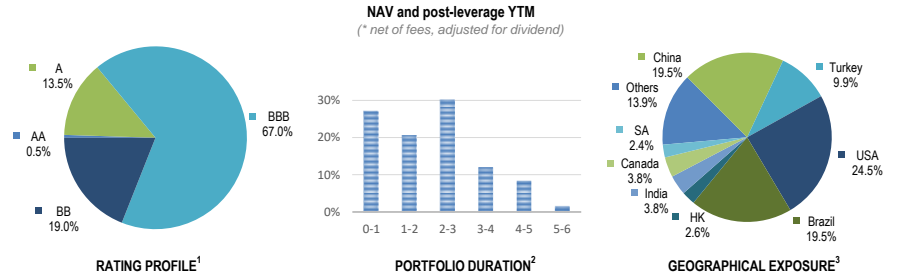
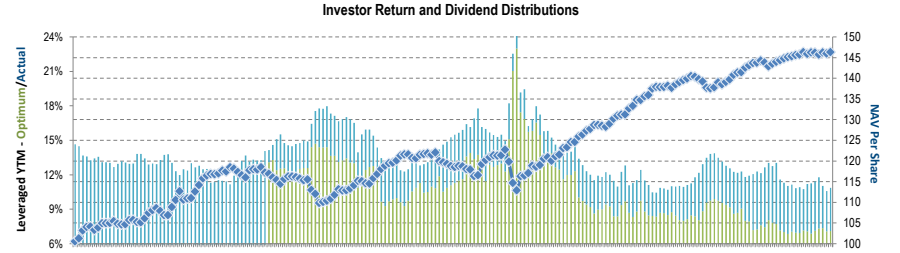
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 Or, Call: +65 6835 7130

Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. The Fund has declared quarterly dividend payout US\$ 1.90 per share; the Ex Dividend NAV of the Fund is US\$ 130.75 as compared to previous month NAV of US\$ 132.54 (Cum Dividend). Actual portfolio yield (post-leverage) is 7.12% per annum (previous month: 6.89% p.a.), with duration of 2.04 years (previous month: 2.03 years).

PORTFOLIO DASHBOARD

Growth NAV US\$		146.3201	Ex-Dividend NAV US\$		130.7470
PERFORMANCE*					
Previous 1 week	0.2629 %	FUND STATISTICS		TOP HOLDINGS	
Trailing 1 month	0.1132 %	Portfolio Yield to Maturity	3.73 %	Prospect Capital 2019	2.73 %
Trailing 3 months	1.5211 %	Leveraged YTM - Actual	7.12 %	Yapi Ve Kredi 2019	2.71 %
Trailing 6 months	5.1613 %	Leveraged YTM - Optimum	10.88 %	Tewoo Group Fin 2019	2.59 %
Trailing 12 months	10.9446 %	Average Coupon	4.70 %	Transalta Corp 2022	2.33 %
Trailing 3 years	7.60% p.a.	Average Duration	2.04 years	Block Financial Lic 2020	2.30 %
(*) after all fees, grossing up for dividends		Total Dividend Paid	US\$ 15.57	Macys Retail 2021	2.15 %
		Sharpe Ratio	1.11	Embraer Overseas 2020	2.13 %

Period	Oct'13-Dec'13	2014	2015	2016	Jul'16-Sep'16	Oct'16-Dec'16	Jan'17-Mar'17	Apr'17-Jun'17
Dividend	-	-	4.47	7.3000	1.9000	1.9000	1.9000	1.9000
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	129.1991	127.9435	130.6596	130.7470
Return to Investor	4.06%	5.46%	6.09%	20.10%	6.35%	0.50%	3.61%	1.52%



PORTFOLIO UPDATE

During the week ended 30th June 2017, we purchased Yapi ve Kredi Bankasi 2019 (-/Ba1/BBB-), Braskem 2020 (BBB-/Ba1/BBB-), and Petrobras 2021 (BB-/B1/BB) bonds and a 5 year Credit Linked Note on Dell Inc (-/Ba1/BB+).

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%.

Braskem S.A. (Mkt Cap: US\$ 5.5bn) is the largest petrochemical company in Latin America and world's eighth largest thermoplastic resins producer. As at 31st Mar 2017, it reported net debt of US\$ 4.8bn and utilised line of credit of ~US\$ 1bn. It reported TTM EBITDA of ~US\$ 2.5bn with Net Debt/EBITDA of ~1.8x and interest coverage ratio of ~13.4x.

Petroleo Brasileiro (Mkt Cap: US\$ 50.4bn) is an integrated energy company with total assets of over ~US\$ 250bn. As at 31st Mar 2017, it reported TTM EBITDA of ~US\$ 28bn with Net Debt/EBITDA of ~3.4x and interest coverage ratio of ~3.4x. Brazilian Govt owns ~46% of its capital and ~60% of its voting shares. The bonds are issued by its wholly owned subsidiary and guaranteed by it.

Dell is world's leading provider of personal computers, servers, network security and storage services. It operates in 180 countries serving 98% of Fortune 500 companies. It is the largest privately held technology company with projected annual revenues of over US\$ 75bn. As at 5th May 2017, it reported debt at ~US\$ 50.7bn, against cash & equivalents of ~US\$ 14.9bn and TTM Adjusted EBITDA of ~US\$ 6.9bn. The 5 year Credit Linked Notes are issued by Societe Generale (Mkt Cap: US\$ 44.6bn / Rated A/A2/A).

During June 2017, Silverdale Bond Fund NAV marginally appreciated by 0.08%, contributed by interest earned which was offset by drop in bond prices. The bond price drag was led by drop in prices of US, Brazil, and Qatar credits.

During the month, we sold Deutsche Bank 2017 (BBB-/Baa2/A-), Halk Bankasi 2017 (-/Ba1/BB+), China Great Wall 2017 (-/A1/-), Eastern Creation 2017 (A/A2/A+), MCC Holding HK 2017 (-/A2/-), and Wanda 2018 (BB-/Ba1/BBB) bonds while it purchased Ehi Car Services 2018 (BB-/BB-), Yapi ve Kredi 2018 (-/Ba1/BBB-), Turkiye Is Bankasi 2018 (-/Ba1/BB+), Yapi ve Kredi Bankasi 2019 (-/Ba1/BBB-), Turkiye Halk Bankasi 2019 (-/Ba1/BB+), Prospect Capital 2019 (BBB-/Baa2/A-), Ziraat Bankasi 2019 (-/Ba1/BB+), Tewoo Group 2019 (-/Baa3), Embraer 2020 (BBB-/Ba1/BBB-), Gerdau 2020 (BBB-/BBB-), Dell 2020 (BB-/Ba2/BB), Braskem 2020 (BBB-/Ba1/BBB-), Petrobras 2020 (BB-/B1/BB), Petrobras 2021 (BB-/B1/BB), and DNB Bank Perpetual (BBB-/Baa3/-) bonds. We also purchased Credit Linked Notes on ArcelorMittal (BB+/Ba1/BB+) and Dell Inc (-/Ba1/BB+). Further we received proceeds from maturity/tender/early call of Hesteel Group 2017 (-/A2/-), Petrobras 2018 (BB-/B1/BB), International Game Tech 2019 (BB+/Ba2/-), and Barrick Gold 2021 (BBB-/Baa3/-) bonds.

Our Fund continues to maintain conservative position with ~81% of our investments in Investment Grade bonds while maintaining short duration of around 2 years (~2.04 years). The short duration of the portfolio could help us against any significant increase in interest rate.

DIVIDEND

The Fund has declared a dividend of US\$ 1.90 per share on the shares held on Friday, June 30, 2017 (Dividend Record Date). All investors holding shares as of 30th June 2017 have been paid dividend.

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

DISCLAIMER

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