

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.

KEY FEATURES

- Investment grade (Min 75%)
- Short duration (2-3 years)
- No forex risk (US dollars only)
- Enhanced returns, using ring-fenced leverage
- Quarterly dividend distribution

FUND INFORMATION

Fund	Silverdale Bond Fund
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	Weekly (Monday)*
Management Fee	0.50% p.a.^
Next Dividend Date	29 Dec'17 (US\$ 2.00 per share)*
Previous Dividend Date	29 Sep'17 (US\$ 2.00 per share)

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 MANAGER

Silverdale Capital Pte Ltd

Regulated by Monetary Authority of Singapore
UEN# 200820921K

FUND ADMINISTRATOR

Vistra (Mauritius) Limited

Regulated by Financial Services Commission
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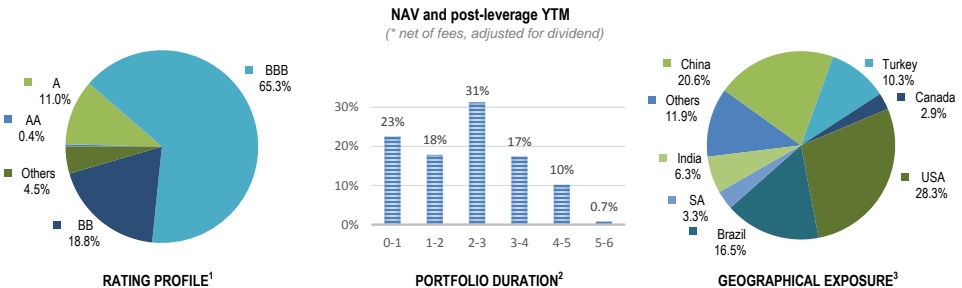
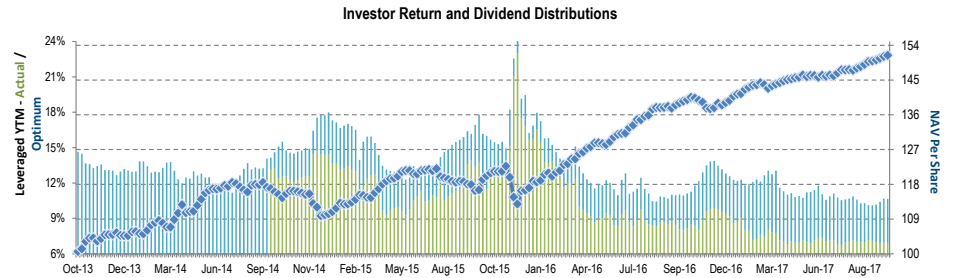
CLASS DETAILS	CLASS 1A	CLASS 1B
ISIN	KYG8135U1076	KYG8135U1159
CUSIP	G8135U 107	G8135U 115
Swiss Valor No.	28213010	TBC
Bloomberg Code	SILV01AKY Equity	SILV01B KY Equity
Morningstar SecID	F00000WLJR	F00000WLJW
Initial Sales Charge	1.00%	0.00%
Exit Load	0.25%	1.00%
Contingent Load	N.A	3% / 2% / 1%

CLASS DETAILS	CLASS 1C	CLASS 1D
ISIN	KYG8135U2066	KYG8135U2306
CUSIP	G8135U 206	G8135U 230
Swiss Valor No.	TBC	TBC
Bloomberg Code	SILV01C KY Equity	SILV01D KY Equity
Morningstar SecID	TBC	TBC
Initial Sales Charge	Upto 5%	0.00%
Exit Load	0.25%	1.00%
Contingent Load	N.A	5% / 4% / 3% / 2% / 1%

Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 13th October 2017, the Fund NAV appreciated by 0.19% to US\$ 133.81 (previous week: US\$ 133.55), with actual portfolio yield (post-leverage) of 6.93% per annum (previous week: 6.95% p.a.), and average duration of 2.24 years (previous week: 2.21 years).

PORTFOLIO DASHBOARD		Growth NAV US\$	151.3804	Ex-Dividend NAV US\$	133.8073
PERFORMANCE*		FUND STATISTICS		TOP HOLDINGS	
Previous 1 week	0.1937 %	Portfolio Yield to Maturity	3.72 %	Yapi Ve Kredi 2019	2.76 %
Trailing 1 month	1.1028 %	Leveraged YTM - Actual	6.93 %	Petrobras 2021	2.66 %
Trailing 3 months	3.4692 %	Leveraged YTM - Optimum	10.64 %	Tewoo Group Fin 2019	2.48 %
Trailing 6 months	4.7734 %	Average Coupon	4.90 %	Pitney Bowes 2020	2.38 %
Trailing 12 months	8.8296 %	Average Duration	2.24 years	Seagate Hdd 2022	2.37 %
Trailing 3 years	9.41% p.a.	Total Dividend Paid	US\$ 17.57	Prospect Capital 2023	2.27 %
	(* after all fees, grossing up for dividends)	Sharpe Ratio (1 Year)**	2.97	Chang Development 2020	2.24 %

Period	Oct'13-Dec'13	2014	2015	2016	Oct'16-Dec'16	Jan'17-Mar'17	Apr'17-Jun'17	Jul'17-Sep'17
Dividend	-	-	4.47	7.3000	1.9000	1.9000	1.9000	2.0000
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	127.9435	130.6596	130.7470	133.0544
Return to Investor	4.06%	5.46%	6.09%	20.10%	0.50%	3.61%	1.52%	3.29%



PORTFOLIO UPDATE

During the week ended 13th October 2017, we sold Gerdau 2017 (BBB-/BBB-) and Wanda 2018 (B+/Ba3/BBB) bonds, while we purchased Zhaohai 2018 (BBB+/Baa1/A-), Garanti 2019 (-/Ba1/BBB-), Dell 2020 (BB-/Ba2/BB), Health & Happiness 2021 (BB/Ba3/-), Macys 2023 (BBB-/Baa3/BBB), Gerdau 2023 (BBB-/Ba3/BBB-), and Huarong Perp (-/Baa1/A-) bonds.

Tianjin Binhai New Area Construction is the sole Government company responsible for construction and operation of infrastructure in the Binhai New Area. It has been involved in building over 70% of the urban road networks as well as in constructing bridges, tunnels, railways, schools, hospitals, and affordable housing. It also operates toll roads, power plants and waste treatment facilities. It is wholly owned by the Tianjin SASAC. The bonds are issued by its wholly owned subsidiary and supported by keepwell deed.

Turkiye Garanti Bankasi (Mkt Cap: US\$ 11.7bn) is the third largest bank in Turkey with assets of ~US\$ 95.5bn, into commercial, retail, corporate, private and investment banking. It has ~11.6% market shares in the Turkish banking system assets, loans, and deposits. It reported Net Interest Margin at ~4.5% and Non-Performing Loans (NPL) at ~2.7% with NPL coverage of ~133%. It reported capital adequacy ratio at ~16.4% with Tier-I ratio at ~14.4%. It is 49.85% owned by BBVA (BBB+/Baa1/A-) which is a ~US\$ 800bn diversified Spanish banking group.

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 4th Aug 2017, it reported debt at ~US\$ 49.9bn, against cash of ~US\$ 9.2bn and TTM Adjusted EBITDA of ~US\$ 7.9bn.

Health and Happiness (Mkt Cap: US\$ 3.1bn) is a leading infant milk formula provider in China. It owns leading Australian vitamin, herbal and mineral supplements provider Swiss Wellness Group Pty Ltd. As at 30th June 2017, it reported net debt of US\$ 1bn, TTM EBITDA of ~US\$ 300mn with Net Debt/EBITDA of ~2.4x and interest coverage ratio of ~7.1x.

Macy's Inc (Mkt Cap: US\$ 6.2bn) is the largest departmental store in US and one of the largest fashion goods retailers in the world with TTM sales at ~US\$ 25bn. As at 29th July 2017, it reported net debt of ~US\$ 5.5bn and available line of credit amounting to ~US\$ 1.5bn. It reported EBITDA of ~US\$ 2.7bn with Net Debt/EBITDA of ~2.1x and interest coverage ratio of ~7.9x.

Gerdau SA (Market Cap: US\$ 6.2bn) is the second largest producer of long-steel in the world with aggregate capacity of ~25 MMTPA across 14 countries. It is one of the lowest cost producer with vertically integrated operations. As at 30th June 2017, it reported cash & equivalent of ~US\$ 1.6bn, against total debt of ~US\$ 6bn. It reported Net Debt/EBITDA at 3.1x and EBITDA to interest at 3.1x.

China Huarong Asset Management (Mkt Cap: US\$ 18.8bn) is the largest financial asset management company in China with total assets of US\$ 245bn across (i) Distressed Assets Management (~47%), (ii) Financial Services (~33%), and (iii) Asset Management & Investments (~20%). Chinese Government through Ministry of Finance is the largest shareholder with 63.36% stake.

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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