



Silverdale Bond Fund

Communique as at 12th January 2018

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 Mar'18 (US\$ 2.00 per share) [#]
Previous Dividend Date	29 Dec'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
355 NeXTeracom Tower 1, Cybercity
Ebene, Mauritius
Tel.: +230 464 7275 Fax: +230 464 3290
Email: spc@silverdalegroup.com

CLASS DETAILS	CLASS 1A	CLASS 1B
ISIN	KYG8135U1076	KYG8135U1159
CUSIP	G8135U 107	G8135U 115
Swiss Valor No.	28213010	TBC
Bloomberg Code	SILV01A KY Equity	SILV01B KY Equity
Morningstar SecID	F00000WLJR	F00000WLJW
Initial Sales Charge	1.00%	0.00%
Exit Load	0.25%	1.00%
Contingent Load	Nil	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	Nil	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 12th January 2018, the Fund NAV appreciated by 0.12% to US\$ 132.30 (previous week: US\$ 132.14), with actual portfolio yield (post-leverage) of 6.78% per annum (previous week: 6.72% p.a.), and average duration of 2.10 years (previous week: 2.11 years).

PORTFOLIO DASHBOARD	Growth NAV US\$	151.8694	Ex-Dividend NAV US\$	132.2963
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PERFORMANCE*

Year to Date	0.4664 %
Trailing 1 month	0.9826 %
Trailing 3 months	0.3655 %
Trailing 6 months	3.8417 %
Trailing 12 months	8.1239 %
Trailing 3 years	10.74% p.a.

(* after all fees, grossing up for dividends)

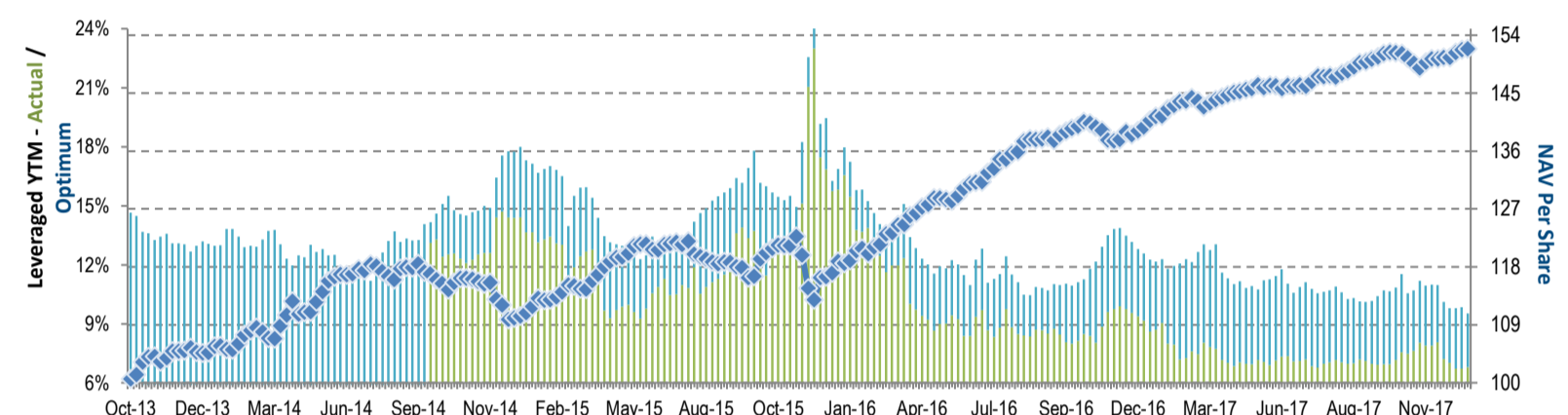
FUND STATISTICS

Portfolio Yield to Maturity	3.91 %
Leveraged YTM - Actual	6.78 %
Leveraged YTM - Optimum	9.54 %
Average Coupon	4.96 %
Average Duration	2.10 years
Total Dividend Paid	US\$ 19.57
Sharpe Ratio (1 Year) ^{††}	3.11

TOP HOLDINGS

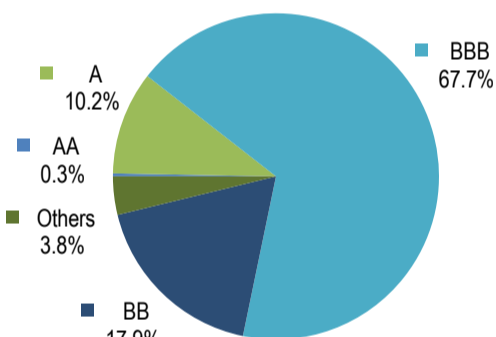
Tewoo Group Fin 2019	2.94 %
Huarong Finance 201 2022	2.58 %
Yapi Ve Kredi 2019	2.50 %
Turkiye Garanti 2019	2.48 %
Chang Development 2020	2.40 %
Seagate Hdd 2022	2.27 %
Western Digital Corp 2019	2.27 %

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Div Yield
2013										3.46	0.86	(0.28)	4.06	0.00%
2014	0.50	3.27	0.24	1.91	4.98	1.04	(0.32)	0.51	(1.61)	0.23	(0.62)	(4.49)	5.46	0.00%
2015	2.26	2.06	0.57	3.20	1.67	0.07	(1.66)	(0.71)	(2.08)	4.42	(1.31)	(2.34)	6.09	4.05%
2016	3.06	0.87	2.61	3.47	0.28	1.79	3.55	1.73	0.96	0.99	(2.16)	1.71	20.10	6.48%
2017	2.23	1.29	0.05	0.95	0.49	0.08	0.97	0.65	1.64	0.41	(1.02)	1.09	9.02	6.10%

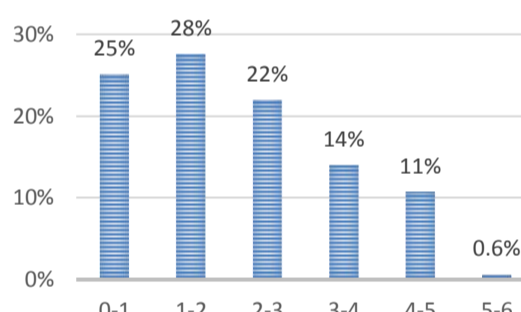


NAV and post-leverage YTM

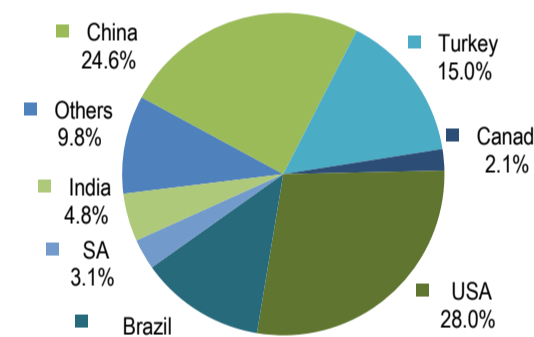
(* net of fees, adjusted for dividend)



RATING PROFILE¹



PORTFOLIO DURATION²



GEOGRAPHICAL EXPOSURE³

PORTFOLIO UPDATE

During the week ended 12th January 2018, we sold Turkiye Petrol Rafinerileri 2018 (-/Ba1/BBB-) and Dell 2018 (BB-/Ba2/BB) bonds while we purchased Western Digital 2023 (BBB-/Ba1/BBB-) and Huarong Finance Perp (-/Baa1/A-, First Call 2022) bonds.

Western Digital (Mkt Cap ~US\$ 24.6bn) is a worldwide leader in the design, manufacture and marketing of hard disk drive products in a duopolist market with ~45% market share. It is the second largest manufacturer (~16% share) of solid state storage drive. As at 30 Sep 2017, it reported net debt at ~US\$ 6.2bn and unutilized credit line of ~US\$ 1bn. It reported EBITDA of ~US\$ 5.5bn, net debt/EBITDA at ~1.1x, and interest coverage ratio at ~5.2x.

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.



Investors' Choice Award

2016 ALTERNATIVE INVESTMENTS AWARDS

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

For subscription & information, please
Email: spc@silverdalegroup.com
Or, Call: +65 6835 7130

DISCLAIMER

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