



**Silverdale Bond Fund**

Communique as at 23rd March 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 <sup>†</sup>	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. <sup>^^</sup>
Next Dividend Date	29 Mar'18 (US\$ 2.00 per share) <sup>#</sup>
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%

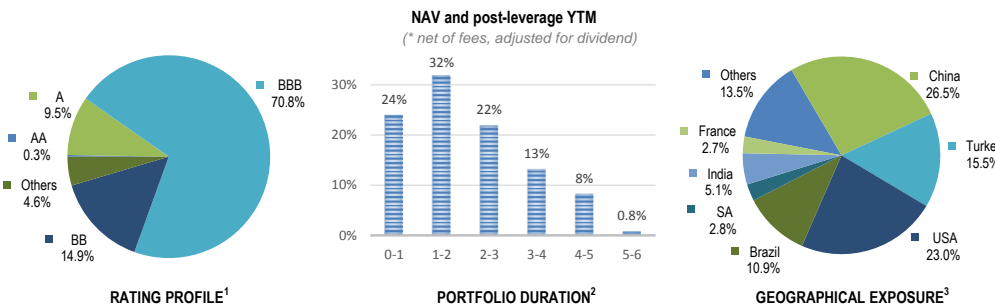
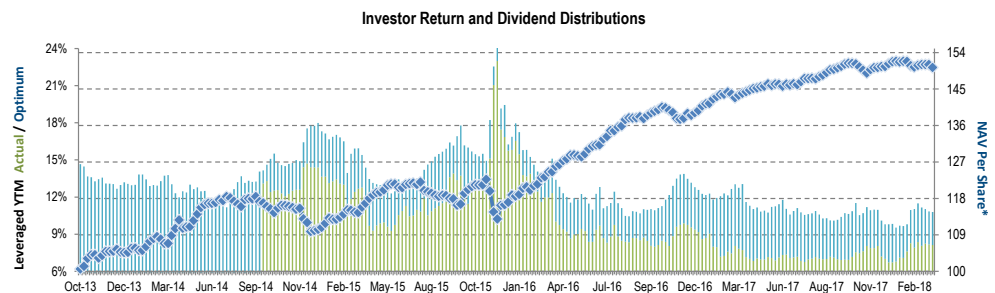
  

CLASS DETAILS	CLASS 1C	CLASS 1D
ISIN	KYG8135U2066	KYG8135U2306
CUSIP	G8135U 206	G8135U 230
Swiss Valor No.	TBC	TBC
Bloomberg Code	SILV01C KY Equity	SILV01D KY Equity
Morningstar SecID	TBC	TBC
Initial Sales Charge	Upto 5%	0.00%
Exit Load	0.25%	1.00%
Contingent Load	Nil	5% / 4% / 3% / 2% / 1%

Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 23rd March 2018, the Fund NAV declined by 0.55% to US\$ 130.73 (previous week: US\$ 131.46), with actual portfolio yield (post-leverage) of 8.14% per annum (previous week: 8.18% p.a.) and average duration of 1.96 years (previous week: 1.98 years).

PORTFOLIO DASHBOARD		Growth NAV US\$	150.3044	Ex-Dividend NAV US\$	130.7313
<b>PERFORMANCE*</b>		<b>FUND STATISTICS</b>		<b>TOP HOLDINGS</b>	
Year to Date	-0.7221 %	Portfolio Yield to Maturity	4.45 %	Tewoo Group 2019	2.83 %
Trailing 1 month	-0.4258 %	Leveraged YTM - Actual	8.14 %	Chang Development 2020	2.70 %
Trailing 3 months	-0.2023 %	Leveraged YTM - Optimum	10.80 %	Vedanta Resources 2021	2.68 %
Trailing 6 months	0.0670 %	Average Coupon	4.91 %	Qnb Finansbank 2019	2.58 %
Trailing 12 months	4.7991 %	Average Duration	1.96 years	Pttep Treasury 2019	2.55 %
Trailing 3 years	9.07% p.a.	Total Dividend Paid	US\$ 19.57	Turkiye Garanti 2019	2.27 %
	(* after all fees, before dividend payout)	Sharpe Ratio (1 Year)**	2.06	Huarong Finance 2022	2.26 %

Period	Oct'13-Dec'13	2014	2015	2016	2017	Jan'17-Mar'17	Apr'17-Jun'17	Jul'17-Sep'17	Oct'17-Dec'17
Dividend	-	-	4.4731	7.3000	7.8000	1.9000	1.9000	2.0000	2.0000
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	131.6822	130.6596	130.7470	133.0544	131.6822
Return to Investor	4.06%	5.46%	6.09%	20.10%	9.02%	3.61%	1.52%	3.29%	0.47%



**PORTFOLIO UPDATE**

During the week ended 23rd March 2018, we purchased Ehi Car 2018 (BB-/BB-), QNB Finansbank 2019 (-/Ba2/BBB-), PTT Exploration & Production (BB+/Baa3/-, First call 2019), and Credit Agricole Perps (BB+/Ba1/BBB-, First call 2019) bonds. Further we received proceeds from early call of Vale 2021 (BBB-/Ba1/BBB-) bonds.

Ehi Car Services Ltd (Mkt Cap: US\$ 876mn) is one of the largest chauffeured car services provider and the second largest car rental provider in China. As of 30 June 2017, it operates across 225 cities in China with average available fleet size of ~45,531 vehicles. It generates ~80% of its revenue from car rental segment and ~20% from chauffeured car services. Fleet utilization rate for car rentals was 72.7% for Q2 2017. As at 30th June 2017, it reported net debt of US\$ 551mn, TTM EBITDA of ~US\$ 155mn with Net Debt/EBITDA of ~3.4x and interest coverage ratio of ~4.7x.

QNB Finansbank (Mkt Cap: US\$ 5.1bn) is a Turkish bank with total assets of US\$ 35bn. As of Dec 2017, it reported Net Interest Margin at 4.7% and Non-Performing Loans (NPL) at 5% with NPL coverage of 116%. It reported capital adequacy ratio at 15% with Tier-1 ratio at 12.2%. Qatar National Bank (QNB, Mkt Cap: US\$ 32bn) with assets of ~US\$ 221bn is the largest shareholder with 99.9% equity stake. Qatar Investment Authority is the single largest shareholder of QNB with ~52% equity stake.

PTT Exploration and Production (Mkt Cap: US\$ 14.8bn) is engaged in the exploration and production of crude oil and natural gas. As at Dec 2017, it reported proven reserves of ~631 million barrels; gross debt of ~US\$ 2.9bn as against cash of ~US\$ 4.5bn and TTM EBITDA of ~US\$ 3.1bn. It is 65.29% owned by PTT Public Company Ltd which in turn is majority owned by Thai Government.

Credit Agricole S.A. (Mkt Cap: US\$ 46.4bn) is the largest bank in France with total assets of US\$ 1.9tn. It offers retail and business banking, lending, and deposit services from over 9,000 branches across France. It also offers asset management, investment banking, capital markets services, insurance, leasing, private banking, and specialized financial services. As of Dec 2017, it reported impaired loans ratio at 3.2% with coverage ratio at 67.3%. It reported capital adequacy ratio at 17.4%, Tier-1 ratio at 13.4%, and CET1 ratio at 11.7%. Credit Agricole Group owns 56.6% stake of Credit Agricole S.A. through SAS Rue La Boétie.

**DIVIDEND DETAILS**

The Fund is likely to declare a dividend of circa US\$ 2.00 per share on the shares held on Thursday, March 29, 2018 (Dividend Record Date). All subscriptions received on or before 23rd March 2018 shall be eligible for dividend distribution.

**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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