



# Silverdale Bond Fund

281st Weekly Factsheet as at 15th February 2019

## 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.

## FUND ADVANTAGES

- Quality Assets: Investment Grade (min 75%)
- Short duration (2-3 years)
- No forex risk (US dollars only)
- Enhanced returns, non-recourse leverage
- Quarterly dividend distribution

## FUND INFORMATION

Fund	Silverdale Fund SP-1
Fund Type	Segregated Portfolio Co
Domicile	Cayman Islands
Fund Currency	US Dollar
Inception Date <sup>†</sup>	9 Sep 2010
Weekly NAV Launch Date	4 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 Quarterly Dividend	US\$ 2.00 per share <sup>#</sup>
Next Dividend Date	29 Mar 2019
Trailing 12 mth Dividend	US\$ 8.00 per share
Sales Registration	Singapore, Taiwan, UAE, and United Kingdom

Silverdale Bond Fund generates enhanced investor returns by clever use of asset-level leverage, while actively managing the portfolio duration. During the week ended 15th February 2019 the Fund NAV appreciated by 0.56% to US\$ 127.89 (previous week: US\$ 127.18), with actual portfolio yield (post-leverage) of 8.87% per annum (previous week: 8.94% p.a.), and average duration of 1.51 years (previous week: 1.51 years).

## PORTFOLIO DASHBOARD

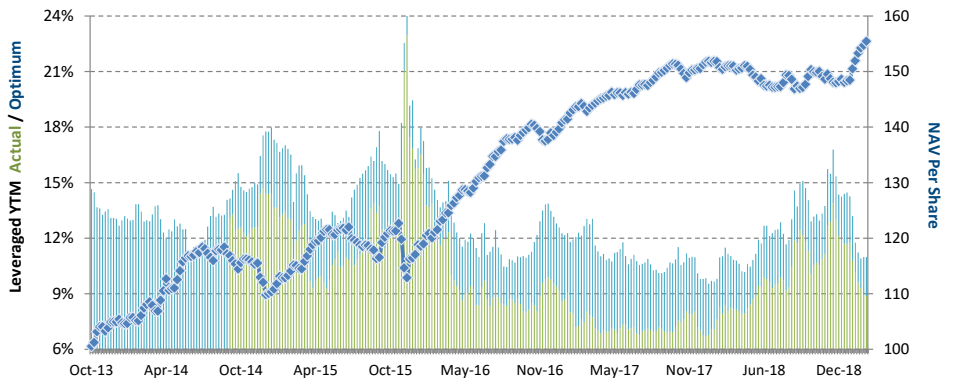
Growth NAV US\$ **155.4591** Ex-Dividend NAV US\$ **127.8860**

### PERFORMANCE (net of fees)

Year to Date	5.88 %
Trailing 1 month	2.80 %
Trailing 3 months	5.47 %
Trailing 12 months	3.84 %
Trailing 3 years	8.98 % p.a.
Trailing 5 years	7.54 % p.a.
Since 4 Oct 2013	8.45 % p.a.

### FUND STATISTICS

Portfolio Yield to Maturity	5.33 %
Leveraged YTM - Actual	8.87 %
Leveraged YTM - Optimum	10.98 %
Average Coupon	5.11 %
Average Duration	1.51 years
Total Dividend Paid	US\$ 27.57
Sharpe Ratio (3 year) <sup>**</sup>	2.25



NAV and post-leverage YTM (net of fees)

Period	Oct'13-Dec'13	2014	2015	2016	2017	Oct'17-Dec'17	Jan'18-Mar'18	Apr'18-Jun'18	Jul'18-Sep'18
Dividend	-	-	4.47	7.30	7.80	2.00	2.00	2.00	2.00
Ex-Dividend Price	104.6428	110.3573	112.6058	127.9435	131.6822	131.6822	128.9304	123.6521	124.7965
Return to Investor	4.06%	5.46%	6.09%	20.10%	9.02%	0.47%	-0.57%	-2.54%	2.54%

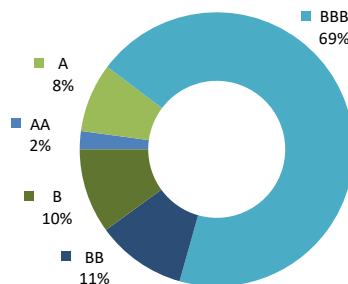
## AT A GLANCE

Gross Book <sup>6</sup>	US\$ 692 million
Gross Investments	US\$ 429 million
Net Assets	US\$ 163 million
Investment Grade Bonds	79.38 %
Number of Securities	116
Max Single Security Exposure	3.59 %
Number of Countries	20
Max Single Country Exposure	24.45 %

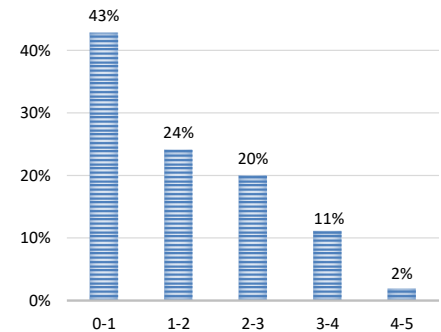
## SHARE CLASS AVAILABLE

SHARE CLASS	ISIN
Silverdale Fund SP1A	KYG8135U1076
Silverdale Fund SP1B	KYG8135U1159
Silverdale Fund SP1C	KYG8135U2066
Silverdale Fund SP1D	KYG8135U2306
Silverdale Fund SP1E	KYG8135U2488
Silverdale Fund SP1F	KYG8135U2553

## Investor Return and Dividend Distributions



RATING PROFILE<sup>1</sup>



PORTFOLIO DURATION<sup>2</sup>

## FUND MANAGER

Silverdale Capital Pte Ltd

Regulated by Monetary Authority of Singapore (UEN# 200820921K)

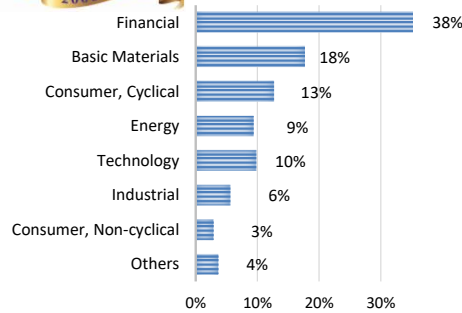
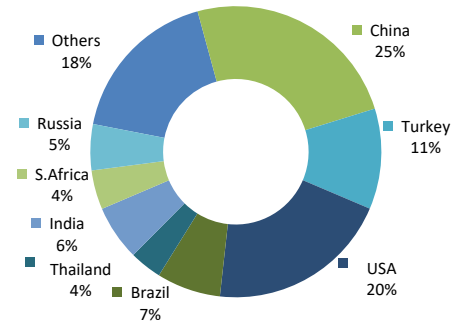
8 Temasek Boulevard, #35-02 Suntec Tower-3, Singapore: 0389888, Tel: +65 6835 7130 Email: ir@silverdalegroup.com



PLEASE REFER OVERLEAF FOR IMPORTANT DISCLOSURES & RISK FACTORS

TOP 10 HOLDINGS<sup>3</sup>

	%	age
Pttep Treasury 2019	3.59	%
Credit Agricole 2019	3.27	%
Seagate Hdd 2022	2.81	%
Citadel Lp 2022	2.81	%
Tc Ziraat Bankasi 2019	2.78	%
Braskem Finance 2022	2.58	%
Tewoo Group 2019	2.28	%
Chang Development 2020	2.23	%
Vedanta Resources 2021	2.16	%
Qnb Finance Ltd 2021	2.14	%

SECTORAL EXPOSURE<sup>4</sup>GEOGRAPHICAL EXPOSURE<sup>5</sup>

## 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 ADMINISTRATOR

## Vistra (Mauritius) Limited

Regulated by Financial Services Commission

3rd Floor, 355 NEX, Rue du Savoir, Cybercity

Ebene, Mauritius

Tel.: +230 260 7275

Fax: +230 464 3290

Email: spc@silverdalegroup.com

## PORTFOLIO UPDATE

During the week ended 15th February 2019, we purchased Chang Development (-/Baa1/-) and Shimao (-/BBB-) bonds.

Changchun Urban Development Investment Holdings (CCDG) constructs roads, train stations and public housing, and is the monopoly water and sewage treatment provider for Changchun, which is the capital city of Jilin Province. CCDG is wholly owned by Changchun SASAC and is the largest local SOE in Jilin Province, owning around 80% of assets under Changchun SASAC. The bonds are issued by its wholly owned subsidiary and guaranteed by it.

Shimao (Mkt Cap:US\$ 8.6bn) is one of the leading Chinese property developers with gross contacted sales around US\$ 26bn in 2018, representing 75% y-o-y growth. As of Jun 2018, it was constructing over 200 projects across 84 cities in China with gross land bank of 52mn sqm. Besides property development, it is also involved in commercial property operation through subsidiary Shanghai Shimao. As of June 2018, it reported total assets of US\$ 49bn, adjusted Net Debt to EBITDA at 3.6x and interest coverage ratio at 2.8x. Mr. Hui Wing Mau its founder is the largest equity holder with circa 70% equity stake.

## RISK PROFILE

NAV Per Share can go up as well as down and any capital invested in the fund may be at risk. The Fund uses leverage and derivatives for hedging or as part of its investment strategy which involve additional costs and risks. For further details, please refer to the Composite PPM.

## HOW TO INVEST

Please ask your private bank/distributor to subscribe to Silverdale Bond Fund as per terms of the Composite PPM (quoting the relevant ISIN).

Should you seek any support, please: Call Fund Administrator at +230 2607 275, or Fund Management Company at +65 6835 7130

or Email: spc@silverdalegroup.com

## FUND MANAGER

## Silverdale Capital Pte Ltd

Regulated by Monetary Authority of Singapore (UEN# 200820921K)

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## RISK FACTORS

**Interest Rate Risk:** The increase (fall) in value of fixed income securities with fall (increase) in interest rate. **Credit Risk:** The ability of the issuer to redeem the bonds (or other securities) on maturity. **Liquidity Risk:** The ability to sell a bond before its redemption. **Counterparty Risk:** The risk due to failure of the counterparty dealt with. **Country Risk:** The investment strategy is subject to the risks relating to the geographical, political, economic and social issues of the country of the Issuer, and to a lesser extent that of United States. **Leverage/Derivatives Risk:** Disproportionately large change in value of securities due to relatively small change in determinant.

## DISCLAIMER

The above commentary does not provide a complete analysis of every material fact regarding the market, industry, security, portfolio or the fund. It is not a recommendation to buy or sell any security nor an investment advice. The portfolio holdings, opinions and information may change without notice. The contents of this document, including any narrative does not constitute an offer to sell or a solicitation of any offer to buy the units or shares in Silverdale Bond Fund (or Silverdale Fund SP-1), or any other segregated portfolio or Class of Silverdale Fund SPC or any of the funds managed or advised by Silverdale Capital Pte Ltd., and is strictly for information only. Any subscription for units or shares must be made solely on the basis of the fund's private placement memorandum, class supplements, application form and appendices (together "the Composite PPM"). Past performance is not an indicator of future performance. Opinions and estimates contained in this document are subject to change without notice, and the actual results would differ from the said opinions and estimates. The Fund uses/invests in financial derivative instruments. Please refer to the Composite PPM for Risk Factors. This document is written for the benefit of and being communicated only to Accredited Investors or Institutional Investors as defined under the Securities and Futures Act (Cap. 289) of Singapore or any similarly defined investor in any other securities legislation. The recipient should obtain opinion from independent professional adviser before making any decision based on this document. The NAV performance is computed taking: 1 month = 4 weeks, 3 months = 13 weeks, 6 months = 26 weeks, 9 months = 39 weeks, 12 months = 52 weeks, 3 years = 156 weeks and 5 years = 260 weeks. NAV prior to 8 May 2015 is based on NAV of underlying fund (Class E of Sri Silverdale Opportunities Fund). Payment of Dividend results in equivalent amount of drop in the NAV of the Fund. (\*) Assuming to be Business Day. (#) Indicative. (+) Initially launched as multi-assets fund with quarterly NAV. (1), (2), (3), (4) & (5) Based on gross investments into securities. (1) Credit Rating is based on best of the three ratings (S&P/Moodys/Fitch). (4) Sector exposure of less than 5% has been clubbed as 'Others'. (5) Country exposure of less than 3.5% has been clubbed as 'Others'. (6) Gross Book is aggregation of Gross Investments and Loans (net of cash). (^) Based on Gross Assets. Ranking source: Bloomberg's special report on Asia's Hedge Fund dated June 26, 2015; category: Multi Strategy. (++) Sharpe Ratio: Source Bloomberg.