



# Silverdale Bond Fund

282nd Weekly Factsheet as at 22nd 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 22nd February 2019 the Fund NAV appreciated by 0.75% to US\$ 128.84 (previous week: US\$ 127.89), with actual portfolio yield (post-leverage) of 8.56% per annum (previous week: 8.87% p.a.), and average duration of 1.49 years (previous week: 1.51 years).

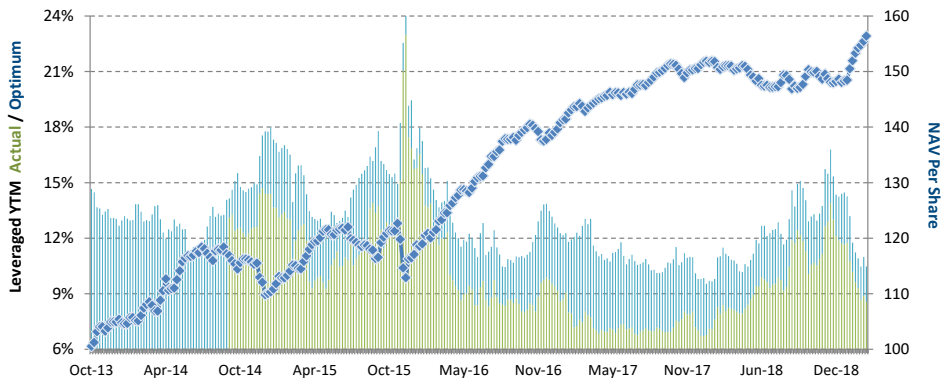
**PORTFOLIO DASHBOARD** Growth NAV US\$ **156.4132** Ex-Dividend NAV US\$ **128.8401**

### PERFORMANCE (net of fees)

Year to Date	6.67 %
Trailing 1 month	2.45 %
Trailing 3 months	6.78 %
Trailing 12 months	4.23 %
Trailing 3 years	9.08 % p.a.
Trailing 5 years	7.57 % p.a.
Since 4 Oct 2013	8.54 % p.a.

### FUND STATISTICS

Portfolio Yield to Maturity	5.23 %
Leveraged YTM - Actual	8.56 %
Leveraged YTM - Optimum	10.47 %
Average Coupon	5.12 %
Average Duration	1.49 years
Total Dividend Paid	US\$ 27.57
Sharpe Ratio (3 year) <sup>**</sup>	2.39



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%

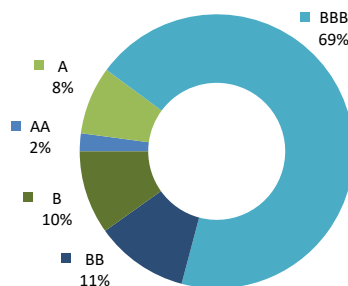
## AT A GLANCE

Gross Book <sup>6</sup>	US\$ 699 million
Gross Investments	US\$ 434 million
Net Assets	US\$ 166 million
Investment Grade Bonds	79.13 %
Number of Securities	116
Max Single Security Exposure	3.55 %
Number of Countries	20
Max Single Country Exposure	24.70 %

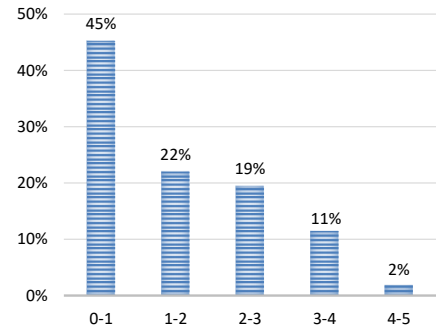
## SHARE CLASS AVAILABLE

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)

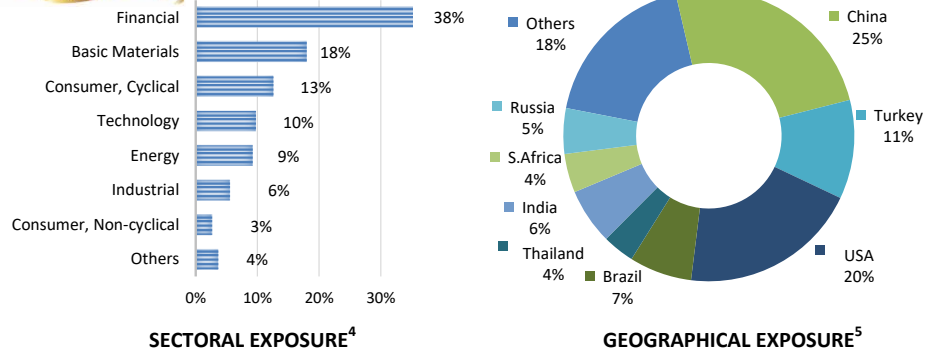
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PLEASE REFER OVERLEAF FOR IMPORTANT DISCLOSURES & RISK FACTORS



TOP 10 HOLDINGS <sup>3</sup>	%	age
Pttep Treasury 2019	3.55	%
Credit Agricole 2019	3.26	%
Dnb Bank Asa 2020	2.86	%
Seagate Hdd 2022	2.78	%
Citadel Lp 2022	2.78	%
Tc Ziraat Bankasi 2019	2.75	%
Braskem Finance 2022	2.55	%
Tewoo Group 2019	2.25	%
Chang Development 2020	2.20	%
Vedanta Resources 2021	2.14	%



## 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 Savoie, Cybercity Ebene, Mauritius

Tel.: +230 260 7275

Fax: +230 464 3290

Email: spc@silverdalegroup.com

## 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.

## PORTFOLIO UPDATE

During the week ended 22nd February 2019, we sold H&R Block (BBB/Baa3/-), Petrobras (BB-/Ba2/BB-), and Turkiye Is Bankasi (-/B2/B+) bonds while we purchased DNB Bank (BBB/Baa3/-), ENN Ecological (-Ba2/BB), Shriram Transport Finance (BB+/-/BB+), and Turkiye Halk Bankasi (-/B2/B+) bonds.

DNB ASA (Mkt Cap: US\$ 30bn) is Norway's largest financial services group with total assets of US\$ 305bn. As of December 2018, it reported net non-performing and doubtful loans at 1.45%. Further, it reported Common Equity Tier-1 Capital ratio at 16.4% and Total Capital Ratio at 19.9%. The two largest shareholders of DNB are the Norwegian Government (34%) and DNB Savings Bank Foundation (8%).

ENN Ecological (Mkt Cap: US\$ 2.0bn) is a leading clean energy products and services provider in China. It has five main business segments: Methanol, Energy Construction, Coal Mining, LNG, 5) Biopharma products. As of June 2018, it reported TTM EBITDA of US\$ 0.3bn, net debt of US\$ 1.0bn, net debt to EBITDA of 3.3x, and interest coverage of 5.2x. It is 40.2% owned by Chairman Wang Yusuo who is also the founder of ENN Energy (Mkt Cap: US\$ 11.7bn).

Shriram Transport Finance (Mkt Cap: US\$ 3.4bn) is one of the leading non-bank asset financing companies in India with primary focus on financing pre-owned commercial vehicles for small truck owners. As at December 2018, it reported AUM of US\$ 12.7bn. It reported net NPA at 2.45% along with provision coverage ratio of 71.04%. Further, it reported Tier-1 CRAR (Capital to Risk Weighted Assets Ratio) at 13.76% and Total CRAR at 15.66%.

Turkiye Halk Bankasi (Mkt Cap: US\$ 1.7bn) is the sixth largest bank in Turkey with 988 branches. As of December 2018, it had total assets worth US\$ 73.4bn. It reported Net Interest Margin at 2.8% and Non-Performing Loans (NPL) at 3.2% with NPL coverage of 77%. It reported capital adequacy ratio at 13.8% with Tier-1 ratio at 10.7%. Turkish Government is the largest shareholder with 51.11% stake.

During the month of February 2019, the Fund NAV increased by 1.70% owing to tightening of credit spreads and improvement in fixed income outlook. The appreciation in NAV was led by increase in bond prices of Chinese, US, and Brazilian credits. Sectorially, Consumer Cyclical, Financial, and Technology sectors were the key positive contributors.

During the month we sold AT&T Inc (BBB-/A-), H&R Block (BBB/Baa3/-), Macys Inc (BBB-/Baa3/BBB), Petrobras Gobal (BB-/Ba2/BB-), and Turkiye Is Bankasi (-/B2/B+) bonds; while we purchased DNB Bank (BBB/Baa3/-), Chang Development (-/Baa1/-), ENN Ecological (-Ba2/BB), Shimao (-/-/BBB-), Shriram Transport Finance (BB+/-/BB+), and Turkiye Halk Bankasi (-/B2/B+) bonds.

As of 22nd February 2019, the portfolio YTM was 5.23% and leveraged YTM (actual) was 8.56%. We continue to be conservative in our approach with 79% of securities having Investment Grade credit rating with weighted average duration of just 1.49 years.

## 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)

8 Temasek Boulevard, #35-02 Suntec Tower-3, Singapore: 038988, Tel: +65 6835 7130 Email: ir@silverdalegroup.com



## 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

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