

## Silverdale Bond Fund

358th Weekly Factsheet as at 18th September 2020

### FUND DESCRIPTION

Silverdale Bond Fund is a diversified portfolio of primarily investment grade short duration US dollar bonds, actively managed for enhanced returns.

### FUND ADVANTAGES

- Quality Assets: Investment Grade
- Short duration (1-3 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.^A
Next Quarterly Dividend	US\$ 2.10 per share <sup>#</sup>
Next Dividend Date	25 September 2020
Trailing 12 mth Dividend	US\$ 8.40 per share
Sales Registration	Singapore, Taiwan, United Kingdom, UAE and Australia

### AT A GLANCE

Net Assets (AUM)	US\$ 185 million
Net Loan	US\$ 302 million
Gross Investments	US\$ 488 million
Gross Book <sup>6</sup>	US\$ 790 million
Investment Grade Bonds	73.05 %
Number of Securities	129
Max Single Security Exposure	2.66 %
Number of Countries	26
Max Single Country Exposure	30 %

### 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
Silverdale Fund SP1K	KYG8135U2975
Silverdale Fund SP1H	KYG8135U2892
Silverdale Fund SP1L	KYG8135U3213

Silverdale Bond Fund generates enhanced investor returns with low volatility, while actively managing the portfolio duration. During the week ended 18th September 2020 the Fund NAV appreciated by 0.41% to US\$ 114.04 (previous week: US\$ 113.57), with actual portfolio yield (post-leverage) at 10.95% per annum (previous week: 10.97% p.a.), and average duration of 1.78 years (previous week: 1.75 years).

### PORTFOLIO DASHBOARD

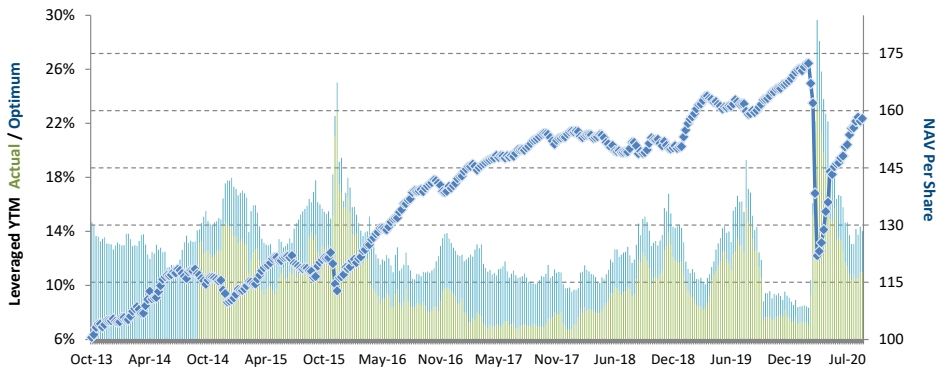
Accumulating NAV US\$ **157.9454** Distributing NAV US\$ **114.0364**

#### PERFORMANCE (net of fees)

Year to Date	-6.23 %
Trailing 1 month	1.56 %
Trailing 3 months	8.70 %
Trailing 12 months	-2.29 % p.a.
Trailing 3 years	1.13 % p.a.
Trailing 5 years	6.31 % p.a.
Since 4 Oct 2013	6.70 % p.a.

#### FUND STATISTICS

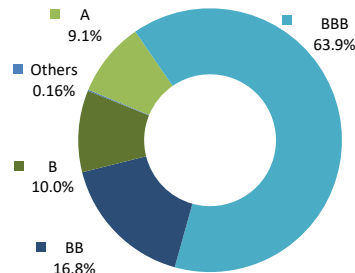
Portfolio Yield to Maturity	4.74 %
Leveraged YTM - Actual	10.95 %
Leveraged YTM - Optimum	14.04 %
Average Coupon	5.21 %
Average Duration	1.78 years
Total Dividend Paid	US\$ 40.17



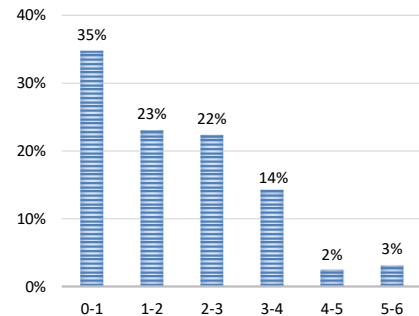
### NAV and post-leverage YTM (net of fees)

Period	2013 <sup>A</sup>	2014	2015	2016	2017	2018	2019	Jul'19-Sep'19	Oct'19-Dec'19	Jan'20-Mar'20 <sup>B</sup>	Apr'20-Jun'20 <sup>C</sup>
Dividend	-	-	4.47	7.30	7.80	8.00	8.40	2.10	2.10	2.10	2.10
Return to Investor	4.06%	5.46%	6.08%	20.42%	9.16%	-2.24%	11.97%	-0.01%	3.41%	-17.88%	5.64%

### 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: 038988 • Tel: +65 6835 7130 • Email: ir@silverdalegroup.com



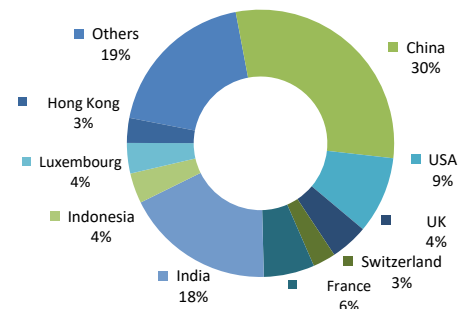
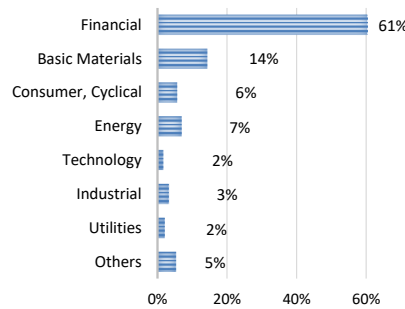
PLEASE REFER OVERLEAF FOR IMPORTANT DISCLOSURES & RISK FACTORS

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### TOP 10 HOLDINGS<sup>3</sup>

	% age
Samvardhana 2021	2.66 %
Citadel Lp 2022	2.62 %
Indusind Bank 2022	2.35 %
Bnp Paribas 2024	2.31 %
Far East Horiz 2021	2.10 %
Upl Corp Ltd 2021	2.08 %
Bluestar Fin Holdings 2023	1.99 %
Chang Development 2022	1.96 %
At Securities Bv 2023	1.88 %
Country Garden 2021	1.85 %



### 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: +230 260 7001

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 18th September 2020, we purchased CK Asset Holdings (-/A2/-), Far East Horizon (BBB-/-), Phoenix Group (-/BBB-), Lloyds Group (BB-/Baa3/BBB-) and Scentre Group (BBB+/Baa1/BBB+) bonds. Further we received proceeds from early call of Oleoducto Central bonds.

CK Asset Holdings (Mkt Cap: US\$ 18.8bn) is one of the largest property developer in Hong Kong with a long track record of investment in property assets in Hong Kong and mainland China. It invests and manages properties across various asset classes, including residential, office, retail, industrial, car park and hotel properties. Besides property businesses it has presence in aircraft leasing, pub operation as well as infrastructure and utility assets. As of June 2020, it reported revenues of US\$ 10.9bn, EBITDA of US\$ 4.1bn, net debt of US\$ 3.3bn resulting in net leverage of 0.82x and interest coverage ratio of 14.82x.

Far East Horizon (Mkt Cap: US\$ 3.4bn) is a Chinese non-bank owned leasing company. The group has a large diversified customer base, with loan exposure to 9 different industries and total assets of US\$ 1.3 bn. As of June 2020, it reported an average yield of 7.24%, NPL ratios of 1.13% and a provision coverage ratio of 244.54%. It is 23.21% owned by Sinochem.

Phoenix Group (Mkt Cap: US\$ 9.1bn) is the largest life and pension consolidator in Europe. It has 10mn policyholders and US\$ 434bn of assets under administration with operations in the United Kingdom, Ireland and Germany. In June, it reported operating profits at US\$ 485mn. It also reported a Solvency II ratio of 150% which is a surplus of US\$ 5.9bn above Solvency Capital Requirement.

Lloyds Banking Group (Mkt Cap: US\$ 23.1bn) is a leading UK based financial services group providing a wide range of banking and financial services with total assets of US\$ 1.1tn. As of March 2020, it reported net interest margin at 1.4%, NPL at 1.8%, and expected credit loss at 1.3% with impaired loan reserves at 25%. It reported capital adequacy ratio at 19.2% and CET1 ratio at 14.2%.

Scentre Group (Mkt Cap: US\$ 8.3bn) owns and operates a shopping center portfolio in Australia and New Zealand, with total Real Estate Assets under Management of US\$ 41bn of which shopping center ownership interests is valued at US\$ 25bn. The portfolio comprises of 42 shopping centers operating under the Westfield brand. As of 30 June, it reported Operating Earnings of US\$ 361mn, Gearing at 38.4% and Interest coverage at 3.6x with Liquidity of US\$ 4.4bn.

### DIVIDEND DETAILS

The Fund is likely to declare Twenty Second Quarterly Dividend of US\$ 2.10 per share on Distributing Share Class on the shares held on Friday, 25th September 2020 (Dividend Record Date). All subscriptions received on or before 18th September 2020 shall be eligible for dividend distribution.

### 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

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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); Rating exposure of less than 4% has been clubbed as "Others". (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. (A) For the period 4 Oct 2013 to 27 Dec 2013. (B) For the period 27 Dec 2019 to 13 March 2020; Special dividend of USD 2.10 was paid on 29 May 2020. (C) For the period 13 March 2020 to 26 June 2020.