

Silverdale
FUNDS

Fund Description

Silverdale Fixed Income Fund is a diversified portfolio of primarily Asian investment grade US dollar bonds that is actively managed for consistent returns.

Investor Benefits

Active management with real time response, capitalizing on opportunistic investments, and employing prudent risk management systems. It pays quarterly distribution, with re-investment option.

Fund Information

Fund	Silverdale Fixed Income Fund
ISIN	MU0308S00058
Swiss Valor No.	22123988
Bloomberg Code	SILV009 MP Equity
Inception Date [†]	9 Sep 2010
Launch Date	19 Aug 2013
Next Dividend Date	30 Dec 2016 (3% pro rata) [#]
Previous Dividend Date	30 Sep 2016 (3% pro rata)

Subscription Details

Minimum Subscription	US\$ 100,000
NAV Computation	Weekly
Subscription	Weekly
Redemption	Weekly
Dividend Distribution	Quarterly
Management Fee	0.75% p.a.

Fund Management Details

THE FUND

Share Class-J of Sri Silverdale Opportunities Fund, a Mauritius based umbrella fund, authorised and regulated by Financial Services Commission.

INVESTMENT MANAGER

Sri Silverdale Capital Partners
Regulated by Financial Services Commission

INVESTMENT ADVISOR

Silverdale Capital Pte Ltd
Regulated by Monetary Authority of Singapore
UEN# 200820921K

Banker

Standard Chartered Bank

Fund Administrator

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DISCLAIMER

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Silverdale Fixed Income Fund

Communique as at 30th September 2016

OVERVIEW

Silverdale Fixed Income Fund is actively managed for stable returns and quarterly distributions; the portfolio duration is kept low to manage interest rate risks and credit risks. As at 30th September 2016, the Fund declared quarterly dividend payout of 3% p.a. pro rata, amounting to US\$ 0.7837 per share; the ex-dividend NAV of the Fund was US\$ 103.72 as compared to previous month (cum-dividend) NAV of US\$ 104.31. The portfolio yield was 3.32% p.a. (previous month: 3.59% p.a.) with average portfolio duration of 1.81 yrs (previous month: 2.00 years).

Portfolio Dashboard	Growth NAV US\$	113.2798	Ex-Dividend NAV US\$	103.7177
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Performance (not annualised) *

Previous 1 week	0.0098 %
Trailing 1 month	0.1337 %
Trailing 3 months	1.0717 %
Trailing 6 months	3.4901 %
Trailing 12 months	7.2243 %
Since Inception (Aug'13)	13.2798 %

(*) after all fees, before dividends

Fund Statistics

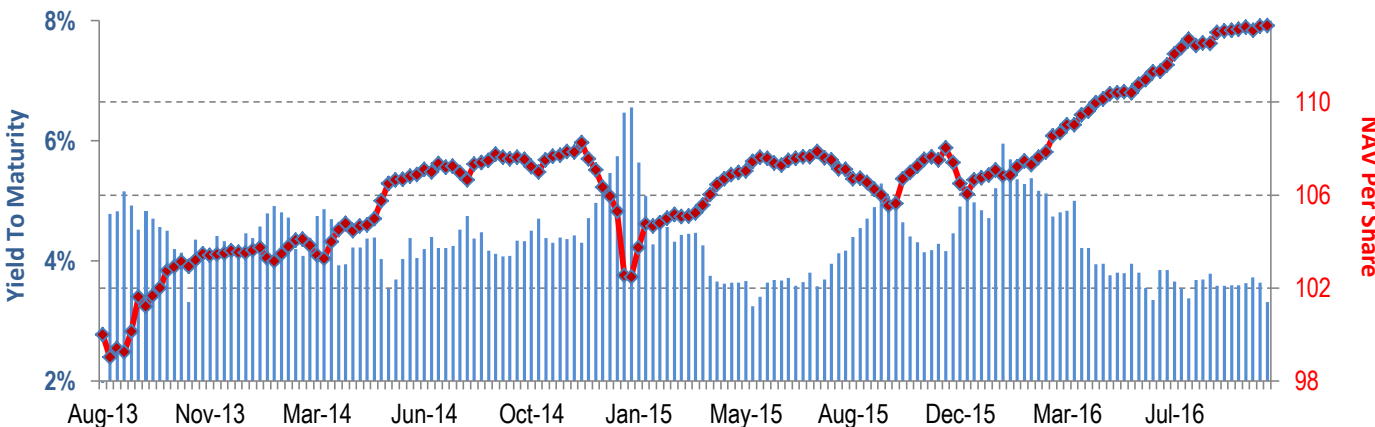
Yield to Maturity	3.32 %
Effective Duration	1.81 years
Average Maturity	1.99 years
Average Coupon	5.21 %
Last Dividend Paid	US\$ 0.7837
Total Dividend Paid	US\$ 9.5621

Top Holdings

Cash & Equivalents	11.86 %
Lukoil Intl Finance Bv	6.77 %
Wanda Properties	6.31 %
Türkiye Vakıflar	6.05 %
Gtl Trade Finance	5.55 %
Li & Fung Ltd	5.48 %
Ae Rotor Holding	5.43 %

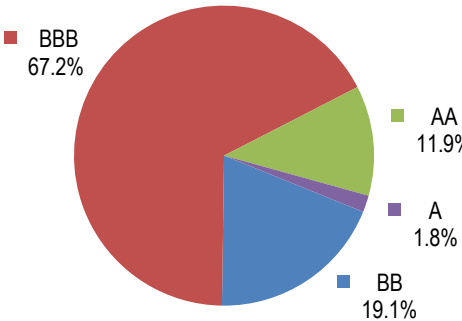
Distribution Date	27-Sep-13	27-Dec-13	28-Mar-14	27-Jun-14	26-Sep-14	26-Dec-14	27-Mar-15	26-Jun-15	25-Sep-15	24-Dec-15	25-Mar-16	24-Jun-16	30-Sep-16	Total
Dividend (US\$)	0.3166	0.7742	0.7718	0.7892	0.7873	0.7688	0.7602	0.7695	0.7486	0.7519	0.7634	0.7769	0.7837	9.5621

DIVIDEND DISTRIBUTION

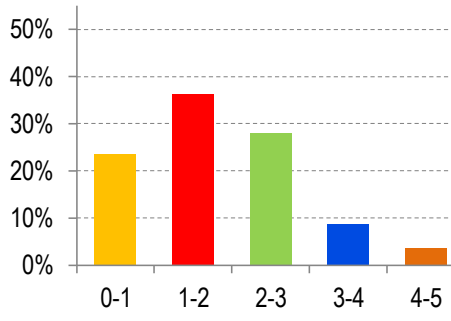


NAV and YTM Trend

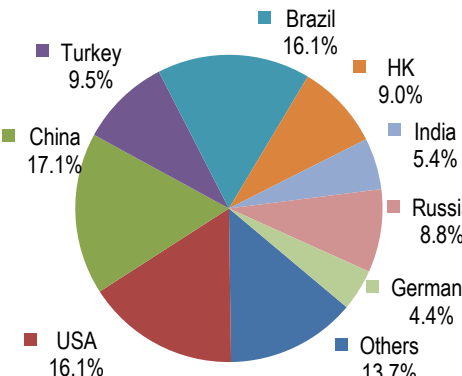
(* net of fees, adjusted for dividend)



RATING PROFILE¹



PORTFOLIO DURATION



GEOGRAPHICAL EXPOSURE²

Portfolio Update

During the week ended 30th September 2016, Silverdale Fixed Income Fund sold Türkiye Halk Bankasi 2017, China Hongqiao 2017, Caixa 2017, Yapi ve Kredi Bankasi 2018, EMC 2020 and Gap 2021 bonds, while it purchased Deutsche Bank 2017, and Gerdau 2020 bonds.

Deutsche Bank AG (Mkt Cap: US\$ 18.1bn) is the fourth largest bank in Europe with a global presence through over 2,700 branches across 70 countries. As of June 2016, it had total assets worth ~US\$ 2tn and book value of equity of ~US\$ 68.5bn. It reported Non-Performing Loans (NPL) at ~1.7%, and liquidity coverage ratio at 124%. It reported Tier-I ratio at ~12%, and common equity Tier-1 ratio at 10.8%.

Gerdau SA (Market Cap: US\$ 4.3bn) is the second largest producer of long-steel in the world. It has operations in 14 countries across the Americas, Europe and Asia; with a combined installed capacity of ~25 MMTPA. It is one of the lowest cost producer with vertically integrated operations. As at 30th June 2016, it reported cash & equivalent of ~US\$ 1.5bn, against total debt of ~US\$ 6.5bn. It reported Net Debt/EBITDA at 3.9x and EBITDA to interest at 2.8x. The bonds are issued by GTL Trade Finance Inc which is a wholly owned subsidiary of Gerdau SA and is guaranteed by it.

During the month of Sept 2016, the Fund NAV appreciated by ~0.17%, contributed primarily by interest accrual while there was marginal drag due to bond price sell off. Russian and Brazilian credits were the key contributors to price appreciation while US and Turkish credits were the key laggards.

During the month, the Fund sold Yapi 2017, Hongqiao 2017, Husky 2017, Halk 2017, Caixa 2017, Yapi 2018, EMC 2020, Gap 2021, and Wing Lung 2022 bonds, while it purchased Deutsche Bank 2017, Gerdau 2020, and Yestar 2021 bonds.

The Fund continued to maintain its conservative position with ~81% of its investments being in investment grade bonds with its weighted average duration of less than 2 years.

Dividend

The Fund has declared Thirteenth Dividend of 3% per annum pro rata for Sept'16 quarter amounting to US\$ 0.7837 per share. All shareholders holding shares on September 30, 2016 (Dividend Record Date) have been paid dividend.



Silverdale Bond Fund
NOMINEE
Best Fixed Income Fund

Silverdale Capital
Ranked as
Best Fund Management Solution



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 mauritius@silverdalegroup.com

