

Silverdale

Fund Management

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 ¹	9 Sep 2010
Launch Date	19 Aug 2013
Next Dividend Date	29 Sep 2017 (3% pro rata) ²
Last Dividend Date	30 June 2017 (3% pro rata)
Last Dividend Paid	US\$ 0.7892

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 mutual 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

Vistra (Mauritius) Limited
Regulated by Financial Services Commission
355 NeXTeracom Tower 1, Cybercity, Ebene, Mauritius
Tel.: +230 464 7275
Fax: +230 464 3290
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Silverdale Fixed Income Fund

Communique as at 30th June 2017

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. The Fund has declared quarterly dividend payout of 3% p.a. pro rata, amounting to US\$ 0.7899 per share; the Ex Dividend NAV of the Fund was US\$ 104.54 as compared to previous month NAV of US\$ 105.24 (Cum Dividend). The portfolio yield was 4.05% per annum (previous month: 3.79% p.a.), and average duration of 2.51 years (previous month: 2.35 years).

PORTFOLIO DASHBOARD	Growth NAV US\$	116.4586	Ex-Dividend NAV US\$	104.5364
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Performance*

Previous 1 week	0.0270 %
Trailing 1 month	0.0499 %
Trailing 3 months	0.8391 %
Trailing 6 months	2.6604 %
Trailing 12 months	4.2400 %
Trailing 3 Years	2.93% p.a.

(* after all fees, before dividends)

Fund Statistics

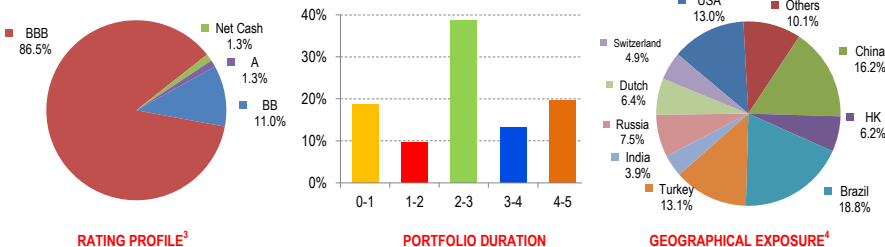
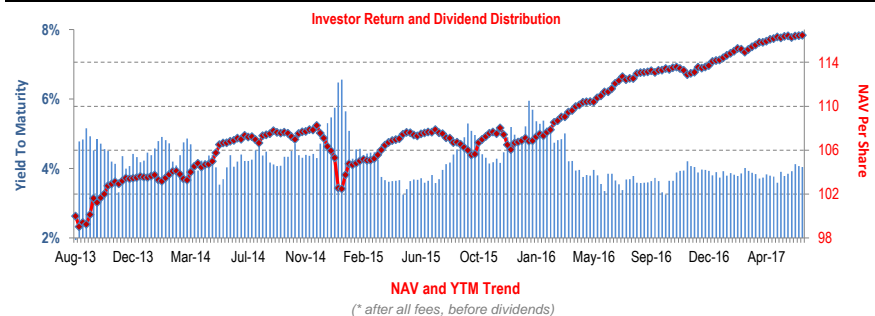
Yield to Maturity	4.05 %
Effective Duration	2.51 years
Average Maturity	2.81 years
Average Coupon	5.29 %
Sharpe Ratio	0.82
Total Dividend Paid ^d	US\$ 11.9222

(^d) Since Inception

Top Holdings

Braskem Finance 2020	6.63 %
Dnb Bank Asa 2020	6.32 %
Yapi Ve Kredi 2019	6.25 %
Tewoo Group 2019	6.15 %
Chang Development 2020	6.13 %
Credit Suisse 2023	4.89 %
Lukoil Intl Finance 2020	4.66 %

Period	Aug'13-Dec'13	2014	2015	2016	Jul'16-Sep'16	Oct'16-Dec'16	Jan'17-Mar'17	Apr'17-Jun'17
Dividend	1.0908	3.1171	3.0302	3.1050	0.7837	0.7810	0.7892	0.7899
Ex-Dividend Price	102.4604	101.0974	99.6221	103.3656	103.7177	103.3656	104.4499	104.5364
Investor Return	3.55%	1.71%	1.54%	6.87%	1.64%	0.41%	1.81%	0.84%



PORTFOLIO UPDATE

During the week ended 30th June 2017, Silverdale Bond Fund purchased Tewoo Group 2019 (BBB-/BBB-), Yapi ve Kredi Bankasi 2019 (BBB-/BBB-), Braskem 2020 (BBB-/BBB-), Chang Development 2020 (BBB-/BBB-), TransAlta 2022 (BBB-/BBB-), AngloGold 2022 (BBB-/BBB-), and DNB Bank Perpetual (BBB-/BBB-) bonds.

Braskem S.A. (Mkt Cap: US\$ 5.5bn) is the largest petrochemical company in Latin America and world's eighth largest thermoplastic resins. As at 31st Mar 2017, it reported net debt of US\$ 4.8bn and unutilised line of credit of ~US\$ 1bn. It reported TTM EBITDA of ~US\$ 2.5bn with Net Debt/EBITDA of ~1.8x and interest coverage ratio of ~13.4x.

TransAlta Corp (Mkt Cap: US\$ 1.8bn) headquartered in Calgary, Alberta, owns and operates ~8,600 MW of coal, gas, solar, wind and hydro power plants, in Canada, USA and Australia. As at 31st Mar 2017, it reported net debt of US\$ 2.8bn and unutilised line of credit of ~US\$ 1bn. It reported TTM EBITDA of ~US\$ 880mn with Net Debt/EBITDA of ~3.6x and interest coverage ratio of ~4.8x.

AngloGold Ashanti (Mkt Cap: US\$ 4bn) with production of circa 3.70mn ounces is the world's third largest gold producer. As at 31st Dec 2016, it reported net debt of US\$ 2bn and unutilised line of credit of ~US\$ 1.25bn. It reported TTM EBITDA of ~US\$ 1.5bn with Net Debt/EBITDA of ~1.38x and interest coverage ratio of ~9.6x.

During the month of June 2017, Silverdale Fixed Income Fund NAV appreciated by 0.09%, led by interest earned during the period which was marginally offset by drop in bond prices. Brazilian and Russian credits were the primary drivers marginally offset by appreciation in prices of US and Swiss credits.

During the month, the Fund sold Gerdau 2017 bonds (BBB-/BBB-), while it purchased Tewoo Group 2019 (BBB-/BBB-), Yapi ve Kredi Bankasi 2019 (BBB-/BBB-), Braskem 2020 (BBB-/BBB-), Chang Development 2020 (BBB-/BBB-), TransAlta 2022 (BBB-/BBB-), AngloGold 2022 (BBB-/BBB-), and DNB Bank Perpetual (BBB-/BBB-).

The Fund continues to maintain its conservative position with ~89% of its investments in investment grade bonds while maintaining its short duration at 2.51 years. The short duration of the portfolio could help it against any significant increase in interest rate.

DIVIDEND

The Fund has declared Sixteenth Quarterly Dividend of 3% per annum pro rata for June 2017 quarter amounting to US\$ 0.7899 per share. All investors holding shares as of 30th June 2017 have been paid dividend.

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

