

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.

KEY FEATURES

- Investment grade (Min 80%)
- Short duration (2-3 years)
- No forex risk (US dollars only)
- Quarterly dividend distribution

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\$ 0.7899

SUBSCRIPTION DETAILS

Minimum Subscription	US\$ 100,000
NAV Computation	Weekly
Subscription	Weekly
Redemption	Weekly
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
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Silverdale Fixed Income Fund

Communique as at 25th August 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. During the month ended 25th August 2017, the Fund NAV appreciated by 0.46% to US\$ 105.57 (previous month: US\$ 105.09), with portfolio yield of 3.85% per annum (previous month: 3.90% p.a.) and average duration of 2.44 years (previous month: 2.50 years).

PORTFOLIO DASHBOARD

Growth NAV US\$

117.4953

Ex-Dividend NAV US\$ 105.5731

Performance*

Previous 1 week	0.1772 %
Trailing 1 month	0.4580 %
Trailing 3 months	1.0704 %
Trailing 6 months	2.1336 %
Trailing 12 months	4.2239 %
Trailing 3 Years	3.08% p.a.

(*) after all fees, before dividends

Fund Statistics

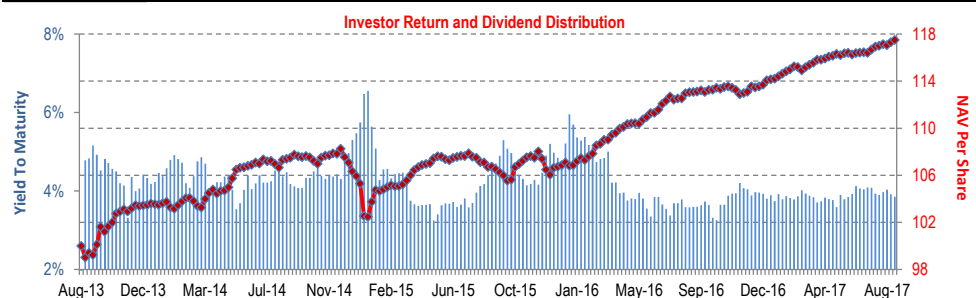
Yield to Maturity	3.85 %
Effective Duration	2.44 years
Average Maturity	2.72 years
Average Coupon	5.44 %
Sharpe Ratio (1 Year)	2.33
Total Dividend Paid ^Δ	US\$ 11.9222

^Δ Since Inception

Top Holdings

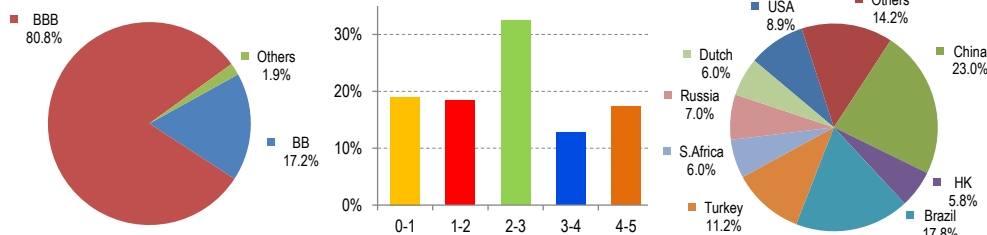
Braskem Finance 2020	6.31 %
Anglogold Holdings 2022	6.03 %
Dnb Bank Asa 2020	6.00 %
Yapi Ve Kredi 2019	5.93 %
Tewoo Group 2019	5.84 %
Chang Development 2020	5.71 %
Credit Suisse 2023	4.52 %

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%



NAV and YTM Trend

(* after all fees, before dividends)



PORTFOLIO UPDATE

During the week ended 25th August 2017, we sold Türkiye Vakıflar 2018 (-/Ba1/BB+) bonds while we purchased Health and Happiness 2021 (BB-/Ba3/-) bonds. Further we received proceeds from Call of TV Azteca 2018 (-/-B+) bonds.

Health and Happiness (Mkt Cap: US\$ 2.3bn) is a leading infant milk formula provider in China. It owns leading Australian vitamin, herbal and mineral supplements provider Swisse Wellness Group Pty Ltd. As at 30th June 2017, it reported net debt of US\$ 1bn, TTM EBITDA of ~US\$ 300mn with Net Debt/EBITDA of ~2.4x and interest coverage ratio of ~7.1x. Its chairman Mr. LUO Fei, and other related parties hold 71% stake in the company.

During the month of August 2017, Silverdale Fixed Income Fund NAV appreciated by 0.46%, contributed two-third by interest accrual. While price appreciation of underlying bonds contributed circa one-third of NAV appreciation; led by Brazilian and South African credits, which was partially offset by drop in prices of Dutch credits.

During the month we sold Türkiye Vakıflar 2018 (-/Ba1/BB+) bonds while we purchased eHi Car 2018 (BB-/B+), TV Azteca 2020 (-/-B+), Yestar Healthcare 2021 (-/Ba3/BB-), Health and Happiness 2021 (BB-/Ba3/-) bonds. Further we received proceeds from Call of TV Azteca 2018 (-/-B+) bonds.

We continue to maintain conservative position with ~81.5% of investments in Investment Grade bonds while maintaining a short duration of 2.44 years. The short duration of the portfolio could help us against any significant increase in interest rate.

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



SILVERDALE FIXED INCOME FUND