

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 Dec 2017 (3% pro rata) ²
Last Dividend Date	29 Sep 2017 (3% pro rata)
Last Dividend Paid	US\$ 0.7957

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

Visra (Mauritius) Limited

Regulated by Financial Services Commission
355 NeXTeracom Tower 1, Cybercity, Ebene, Mauritius
Tel.: +230 464 7275 Fax: +230 464 3290
Email: mauritius@silverdalegroup.com



Investors' Choice Award

17th QUARTERLY DIVIDEND

The Fund has declared Seventeenth Quarterly Dividend of 3% per annum pro rata for September 2017 quarter amounting to US\$ 0.7957 per share. All investors holding shares as of 29th September 2017 have been paid dividend.

For subscription & information, please

Email: mauritius@silverdalegroup.com

Or, Call: +65 6835 7130

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 Fixed Income Fund or Silverdale Bond Fund or Silverdale India Equity Fund or any other Class of Sri Silverdale Opportunities Fund or any of the funds managed or advised by Sri Silverdale Capital Partners or by Silverdale Capital Pte Ltd., and is strictly for information only. Any application 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 PPM"). Past performance is not necessarily a guide to the 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. Please refer to the PPM for Risk Factors. This document is written for the benefit of and being communicated only to expert investors as defined in Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008, issued under the Securities Act 2005 of Mauritius. 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 and 12 months = 52 weeks. (1) Initially the portfolio was launched as part of multi-assets fund with quarterly NAV. (2) Indicative. (3) Credit Rating is based on best of the three ratings (S&P/Moodys/Fitch). Rating exposure of less than 5% and cash-on-hand has been clubbed into 'Others'. (4) Country exposure of less than 5% and cash-on-hand has been clubbed into 'Others'.

Silverdale Fixed Income Fund

Communique as at 29th September 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\$ 0.7957 per share; the Ex Dividend NAV of the Fund was US\$ 105.31 as compared to previous month NAV of US\$ 105.57 (Cum Dividend). The portfolio yield was 3.93% per annum (previous month: 3.85% p.a.), and average duration of 2.62 years (previous month: 2.44 years).

PORTFOLIO DASHBOARD

Growth NAV US\$

118.0239

Ex-Dividend NAV US\$

105.3060

Performance*

Previous 1 week	0.0973 %
Trailing 1 month	0.3256 %
Trailing 3 months	1.4974 %
Trailing 6 months	2.3377 %
Trailing 12 months	4.5741 %
Trailing 3 Years	3.25% p.a.

(* after all fees, before dividends)

Fund Statistics

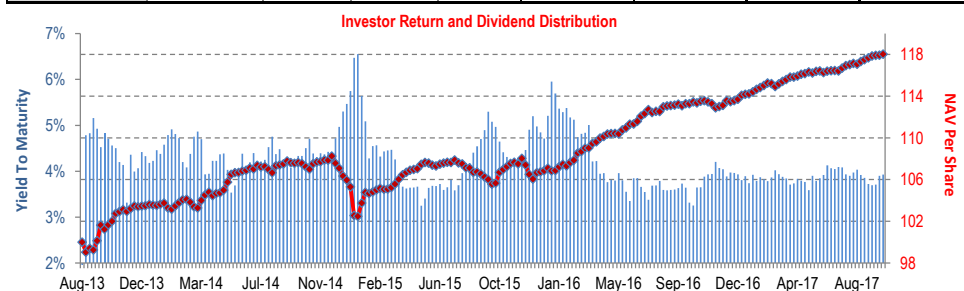
Yield to Maturity	3.93 %
Effective Duration	2.62 years
Average Maturity	2.94 years
Average Coupon	5.53 %
Sharpe Ratio (1 Year)	2.47
Total Dividend Paid ^Δ	US\$ 12.7179

(^Δ) Since Inception

Top Holdings

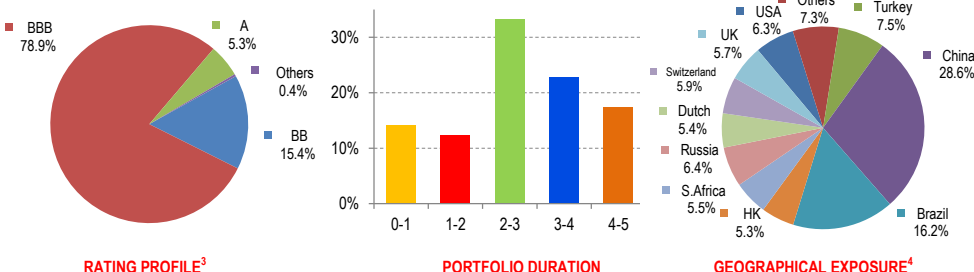
Credit Suisse 2023	5.82 %
Braskem Finance 2020	5.75 %
Hsbc Holdings 2021	5.67 %
Anglogold Holdings 2022	5.41 %
Dnb Bank Asa 2020	5.40 %
Yapi Ve Kredi 2019	5.32 %
Huarong Finance 2022	5.27 %

Period	Aug'13-Dec'13	2014	2015	2016	Oct'16-Dec'16	Jan'17-Mar'17	Apr'17-Jun'17	Jul'17-Sep'17
Dividend	1.0908	3.1171	3.0302	3.1050	0.7810	0.7892	0.7899	0.7957
Ex-Dividend Price	102.4604	101.0974	99.6221	103.3656	103.3656	104.4499	104.5364	105.3060
Investor Return	3.55%	1.71%	1.54%	6.87%	0.41%	1.81%	0.84%	1.50%



NAV and YTM Trend

(* after all fees, before dividends)



PORTFOLIO UPDATE

During the week ended 29th September, Silverdale Fixed Income Fund sold Prospect Capital 2019 (BBB-/A-) bonds while it purchased China Huarong Perpetual (-/Baa1/A-, First Call 2022) bonds.

China Huarong Asset Management (Mkt Cap: US\$ 17.5bn) is the largest financial asset management company in China with total assets of US\$ 245bn across (i) Distressed Assets Management (~47%), (ii) Financial Services (~33%), and (iii) Asset Management & Investments (~20%). Chinese Government through Ministry of Finance is the largest shareholder with 63.36% stake.

During the month of September 2017, Silverdale Fixed Income Fund NAV appreciated by 0.50%, contributed four-fifth by interest accrual, and the balance from price appreciation of underlying bonds. Brazilian and US credits contributed positively towards NAV appreciation, which was partially offset by drop in prices of Chinese and Turkish credits.

During the month we sold Turkiye Vakiflar 2018 (-/Ba1/BB+) and Prospect Capital 2019 (BBB-/A-) bonds while we purchased China Jinjiang 2020 (BB-/Ba3/-), Seagate 2022 (BB-/BB-), Credit Suisse 2023 (BB-/BB-), HSBC Perpetual (-/Baa3/BBB, First Call 2021), and China Huarong Perpetual (-/Baa1/A-, First Call 2022) bonds. Further we received proceeds from partial call of TV Azteca 2020 (-/B+/+) bonds.

We continue to maintain conservative position with ~84.2% of investments in Investment Grade bonds while maintaining a short duration of 2.62 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

