

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

Vistra (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



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Silverdale Fixed Income Fund

Communique as at 27th October 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 27th October 2017, the Fund NAV appreciated by 0.39% to US\$ 105.72 (previous month: US\$ 105.31), with portfolio yield of 3.91% per annum (previous month: 3.93% p.a.), and average duration of 2.49 years (previous month: 2.62 years).

PORTFOLIO DASHBOARD

Growth NAV US\$ 118.4329 Ex-Dividend NAV US\$ 105.7150

Performance*

Previous 1 week	-0.0115 %
Trailing 1 month	0.3884 %
Trailing 3 months	1.3502 %
Trailing 6 months	2.2291 %
Trailing 12 months	4.6773 %
Trailing 3 Years	3.33% p.a.

(*) after all fees, before dividends

Fund Statistics

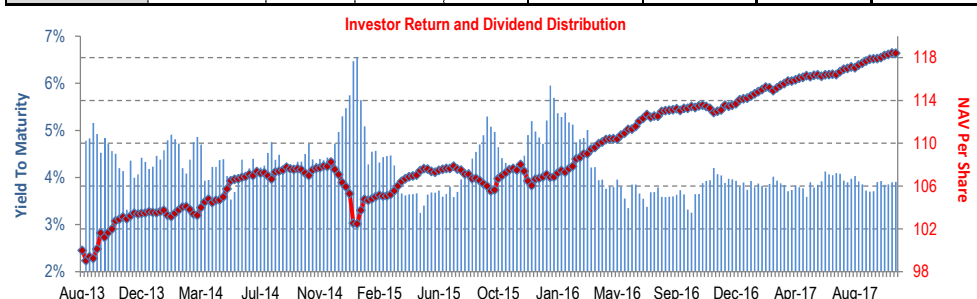
Yield to Maturity	3.91 %
Effective Duration	2.49 years
Average Maturity	2.79 years
Average Coupon	5.56 %
Sharpe Ratio (1 Year) [†]	3.86
Total Dividend Paid**	US\$ 12.7179

(**) Since Inception

Top Holdings

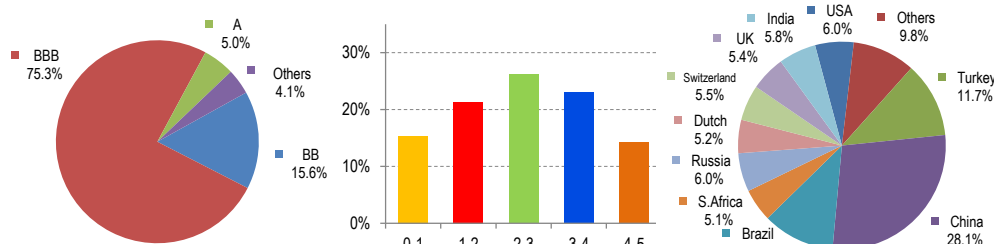
Credit Suisse 2023	5.55 %
Braskem Finance 2020	5.46 %
Hsbc Holdings 2021	5.44 %
Dnb Bank Asa 2020	5.19 %
Anglogold Holdings 2022	5.13 %
Huarong Finance 2022	5.02 %
Tewoo Group 2019	4.98 %

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 27th October 2017, Silverdale Fixed Income Fund sold Vale 2021 (BBB-/Ba1/BBB+) bonds while it purchased Health & Happiness 2021 bonds (BB-/Ba3/-). We also received proceeds from tender of Gerdau 2020 (BBB-/Ba3/BBB) bonds.

Health and Happiness (Mkt Cap: US\$ 3.1bn) 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 October 2017, Silverdale Fixed Income Fund NAV appreciated by 0.39%, contributed over five-sixth by interest accrual, and the balance from price appreciation of underlying bonds. US, Dutch, and Chinese credits contributed positively towards NAV appreciation, which was partially offset by drop in prices of Turkish credits.

During the month Silverdale Fixed Income Fund sold Vale 2021 (BBB-/Ba1/BBB+) bonds while it purchased Türkiye Garanti 2019 (-/Ba1/BBB-), Vedanta 2021 (B+/B3/-), and Health & Happiness 2021 (BB-/Ba3/-) bonds. Further we received proceeds from partial call of Gerdau 2020 (BBB-/Ba3/BBB) bonds.

We continue to maintain conservative position with ~81.3% of investments in Investment Grade bonds while maintaining a short duration of 2.49 years.

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