

## Silverdale Fixed Income Fund

Communique as at 29th March 2018

### FUND DESCRIPTION

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

### KEY FEATURES

- ☐ Investment grade (Min 80%)
- ☐ Short duration (2-3 years)
- ☐ Low Volatility
- ☐ 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 <sup>1</sup>	9 Sep 2010
Launch Date	19 Aug 2013
Next Dividend Date	29 Jun 2018 (3.50% pro rata) <sup>2</sup>
Last Dividend Date	29 Mar 2018 (3.50% pro rata)
Last Dividend Paid	US\$ 0.9159

### 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



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### DIVIDEND

The Fund increased dividend rate from 3% to 3.50% for March 2018 quarter. The Fund has declared Nineteenth Quarterly Dividend of 3.50% per annum pro rata for March 2018 quarter amounting to US\$ 0.9159 per share. All investors holding shares as of 29th March 2018 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/Moody's/Fitch). Rating exposure of less than 5% and cash-on-hand has been clubbed into 'Others'. (4) Country exposure of less than 5%, cash-on-hand and deposit has been clubbed into 'Others'. (†) Sharpe Ratio: Source Bloomberg, as at 23 Mar 2018.

### 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 week ended 29th March 2018, the Fund NAV appreciated by 0.08% with Cum Dividend NAV at 104.6748 as against previous week Cum Dividend NAV of US\$ 104.5904. The Fund has declared quarterly dividend of US\$ 0.9159 per share, the Ex dividend NAV of the Fund was 103.76. The portfolio yield was 4.64% per annum (previous week: 4.48% p.a.) with average duration of 2.24 years (previous week: 2.17 years).

### PORTFOLIO DASHBOARD

Growth NAV US\$ 118.1859 Ex-Dividend NAV US\$ 103.7589

#### Performance\*

Year to Date	-0.2886 %
Trailing 1 month	-0.2636 %
Trailing 3 months	-0.2886 %
Trailing 6 months	0.1538 %
Trailing 12 months	2.4928 %
Trailing 3 Years	3.86% p.a.

(\*) after all fees, before dividends

#### Fund Statistics

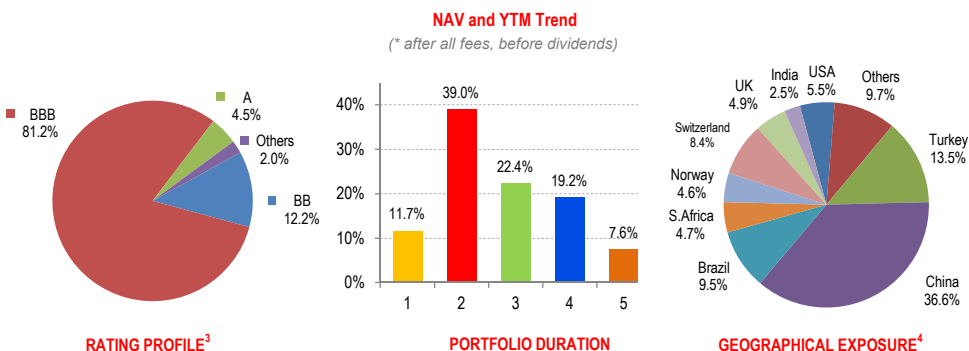
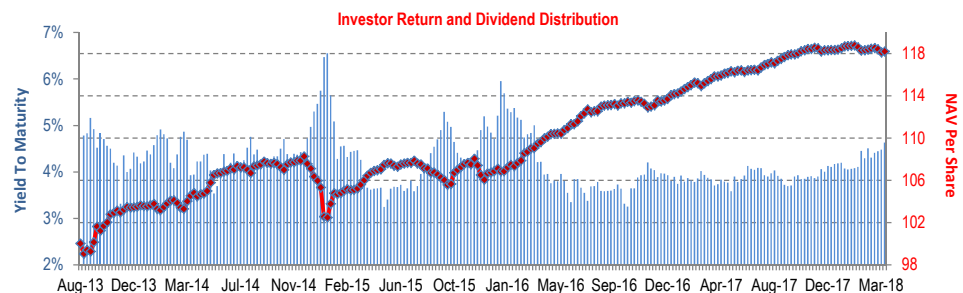
Yield to Maturity	4.64 %
Effective Duration	2.24 years
Average Maturity	2.49 years
Average Coupon	5.20 %
Sharpe Ratio (1 Year) <sup>†</sup>	1.89
Total Dividend Paid**	US\$ 14.4270

(\*\*) Since Inception

#### Top Holdings

Credit Suisse Ag 2023	5.00 %
Braskem Finance 2020	4.96 %
Hsbc Holdings 2021	4.91 %
Anglogold Holdings 2022	4.73 %
Yapi Ve Kredi 2019	4.69 %
Turkiye Garanti 2019	4.68 %
Pttet Treasury C 2019	4.64 %

Period	Aug'13-Dec'13	2014	2015	2016	2017	Jan'17-Mar'17	Apr'17-Jun'17	Jul'17-Sep'17	Oct'17-Dec'17	Jan'18-Mar'18
Dividend	1.0908	3.1171	3.0302	3.1050	3.1680	0.7892	0.7899	0.7957	0.7932	0.9159
Ex-Dividend Price	102.4604	101.0974	99.6221	103.3656	104.9778	104.4499	104.5364	105.3060	104.9778	103.7589
Investor Return	3.55%	1.71%	1.54%	6.87%	4.62%	1.81%	0.84%	1.50%	0.44%	-0.29%



### PORTFOLIO UPDATE

During the week ended 29th March 2018, we purchased Tewoo Group Perps (-/BBB-, First call 2021), while we received proceeds from maturity of AE Rotor 2018 (-/Baa2/-) bonds.

Tewoo Group is the largest conglomerate in Tianjin by sales (~US\$ 68bn) and amongst five largest global trading companies; with ~72% of its sales being generated from selling metals and minerals products in China. It is the largest metals trading enterprise in China. It is headquartered in Tianjin, with operations across China, USA, Germany, Japan, Singapore, Philippines and Hong Kong. As at 30th June 2017, it reported total assets of US\$ 38bn.

During March 2018, the NAV of Silverdale Fixed Income Fund decreased by 0.17%, primarily due to drop in bond prices which was partially offset by interest earned and reinvestment income. Sectorially, Financial and Consumer-cyclical companies were the key laggards, partially offset by Industrial. Geographically, China, Switzerland and UK credits were the key laggards, while Brazil and Turkey credits being key positive contributors.

During the month, we sold Yestar Healthcare 2021 (-/Baa3/BB-), while we purchased PTT Exploration Perps (BB+/Baa3/-, First Call 2019), China Minmetals Perp (-/Baa1/-, First Call 2021) and Tewoo Group Perps (-/BBB-, First call 2021). Further, we received proceeds from maturity of AE Rotor 2018 (-/Baa2/-) bonds and from early call of Western Digital 2023 (BBB-/Ba1/BBB-) bonds.

We continue to maintain conservative position with approx 86% of our investments in Investment Grade bonds with a short duration of 2.24 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