

Silverdale Fixed Income Fund

Communique as at 20th April 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 Date¹ 9 Sep 2010
 Launch Date 19 Aug 2013
 Next Dividend Date 29 Jun 2018 (3.50% pro rata)²
 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

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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Email: mauritius@silverdalegroup.com

Or, Call: +65 6835 7130

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 20th April 2018, the Fund NAV depreciated by 0.08% to US\$ 103.94 (previous week: US\$ 104.03), with portfolio yield of 4.57% per annum (previous week: 4.55% p.a.), and average duration of 2.19 years (previous week: 2.19 years).

PORTFOLIO DASHBOARD

Growth NAV US\$ 118.3670

Ex-Dividend NAV US\$ 103.9400

Performance*

| | |
|--------------------|------------|
| Year to Date | -0.1161 % |
| Trailing 1 month | 0.2538 % |
| Trailing 3 months | -0.3514 % |
| Trailing 6 months | -0.0739 % |
| Trailing 12 months | 2.3250 % |
| Trailing 3 Years | 3.62% p.a. |

(*) after all fees, before dividends

Fund Statistics

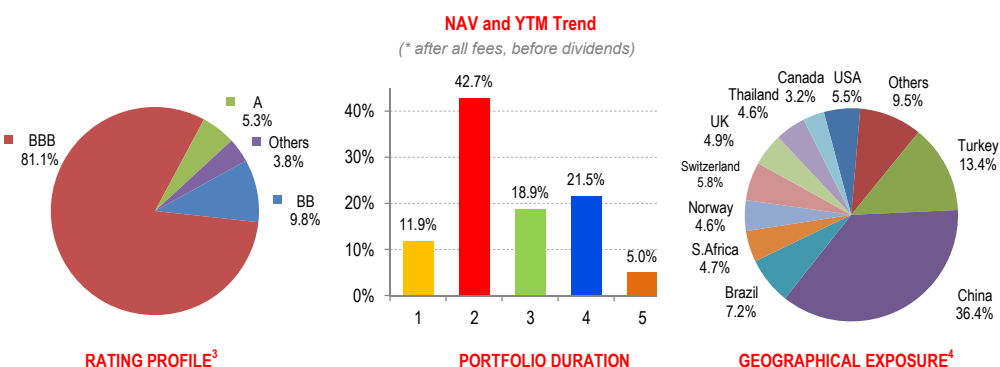
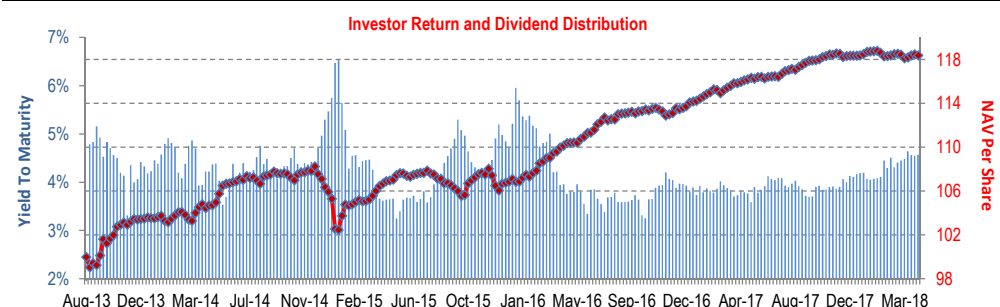
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|------------------------------------|--------------|
| Yield to Maturity | 4.57 % |
| Effective Duration | 2.19 years |
| Average Maturity | 2.44 years |
| Average Coupon | 5.34 % |
| Sharpe Ratio (1 Year) [†] | 1.81 |
| Total Dividend Paid** | US\$ 14.4270 |

(**) Since Inception

Top Holdings

| | |
|-------------------------|--------|
| Credit Suisse Ag 2023 | 4.99 % |
| Braskem Finance 2020 | 4.97 % |
| Hsbc Holdings 2021 | 4.95 % |
| Anglogold Holdings 2022 | 4.70 % |
| Yapi Ve Kredi 2019 | 4.68 % |
| Dnb Bank Asa 2020 | 4.64 % |
| Pttet Treasury C 2019 | 4.63 % |

| 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 20th April 2018, we purchased Lukoil 2019 (BBB/Baa3/BBB+), while we received proceeds from maturity of BTG Investments 2018 (-/-/BB-) bonds.

Lukoil (Market Cap: US\$ 55.4bn) is one of the world's largest publicly traded vertically integrated energy company with proved reserves of 16bn BOE which translates to ~20 years of reserve life. They produce 2.3mn BOE per day with production facilities in Western Siberia, Ural and Volga region in Russia and in Kazakhstan, Romania, Iraq, Nigeria and Mexico. They own and operate four refineries in Russia and three outside Russia in Bulgaria, Romania and Italy. They market refined products through wholesale and retail channels in Russia, Europe, South-East Asia, Central and North America. As at Dec 2017, it reported gross debt of ~US\$ 10.7bn as against cash of ~US\$ 6.1bn and TTM EBITDA of ~US\$ 14.3bn. It reported net debt to EBITDA at 0.3x and interest coverage ratio at 36x

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

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'. (†) Sharpe Ratio: Source Bloomberg.

