

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 ¹ | 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

Visra (Mauritius) Limited
Regulated by Financial Services Commission
355 NeXteracom Tower 1, Cybercity, Ebene, Mauritius
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DISCLAIMER

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Silverdale Fixed Income Fund

Communique as at 27th April 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 27th April 2018, the Fund NAV declined by 0.19% to US\$ 103.75 (previous week: US\$ 103.94), with portfolio yield of 4.93% per annum (previous week: 4.57% p.a.), and average duration of 2.22 years (previous week: 2.19 years).

PORTFOLIO DASHBOARD

Growth NAV US\$ 118.1746 Ex-Dividend NAV US\$ 103.7476

Performance*

| | |
|--------------------|------------|
| Year to Date | -0.2994 % |
| Trailing 1 month | -0.0109 % |
| Trailing 3 months | -0.5703 % |
| Trailing 6 months | -0.2443 % |
| Trailing 12 months | 1.9830 % |
| Trailing 3 Years | 3.54% p.a. |

(* after all fees, before dividends)

Fund Statistics

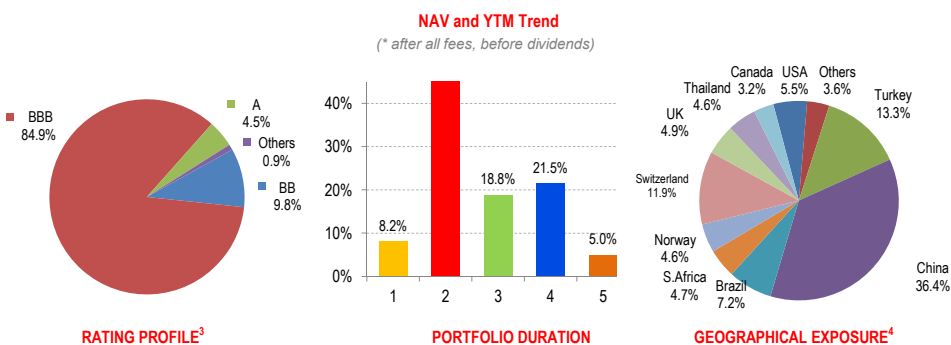
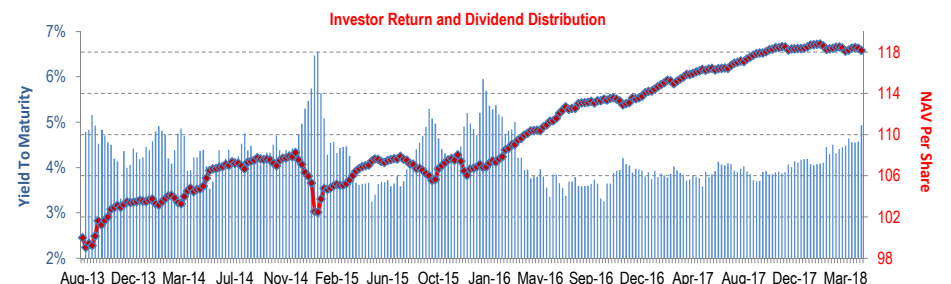
| | |
|------------------------------------|--------------|
| Yield to Maturity | 4.93 % |
| Effective Duration | 2.22 years |
| Average Maturity | 2.48 years |
| Average Coupon | 5.15 % |
| Sharpe Ratio (1 Year) [†] | 1.62 |
| Total Dividend Paid ^{**} | US\$ 14.4270 |

(**) Since Inception

Top Holdings

| | |
|-------------------------|--------|
| Fixed Deposit | 6.88 % |
| Credit Suisse Ag 2023 | 4.99 % |
| Braskem Finance 2020 | 4.96 % |
| Hsbc Holdings 2021 | 4.94 % |
| Anglogold Holdings 2022 | 4.71 % |
| Pttep Treasury 2019 | 4.64 % |
| Dnb Bank Asa 2020 | 4.62 % |

| 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 27th April 2018, we purchased Lukoil 2019 (BBB/Baa3/BBB+) and Credit Agricole Perps (BB+/Ba1/BBB-, First call 2019) bonds.

Lukoil (Market Cap: US\$ 57bn) is one of the world's largest publicly traded vertically integrated energy company with proven reserves of 16bn BOE which translates to ~20 years of reserve life. It produces 2.3mn BOE per day with production facilities mainly in Siberia, Ural and Volga. It owns and operate four refineries in Russia and three outside Russia. It markets refined products 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.

Credit Agricole S.A. (Mkt Cap: US\$ 47bn) is the largest bank in France with total assets of US\$ 1.9tn. It offers retail and business banking, lending, and deposit services from over 9,000 branches across France. It also offers asset management, investment banking, capital markets services, insurance, leasing and private banking. As of Dec 2017, it reported impaired loans ratio at 3.2% with coverage ratio at 67.3%. It reported capital adequacy ratio at 17.4%, Tier-I ratio at 13.4%, and CET1 ratio at 11.7%. Credit Agricole Group owns 56.6% stake of Credit Agricole S.A.

During April 2018, the NAV of Silverdale Fixed Income Fund decreased by 0.01%, primarily due to drop in bond prices which was offset by interest earned and reinvestment income. Sectorially, Industrial and Energy companies were the key laggards, partially offset by Financial and Technology. Geographically, China and Russia credits were the key laggards, while US and UK credits being key positive contributors.

During the month, we purchased Lukoil 2019 (BBB/Baa3/BBB+) and Credit Agricole Perps (BB+/Ba1/BBB-, First call 2019) bonds. Further, we received proceeds from maturity of BTG Investment 2018 (~I/BB-) bonds.

We continue to maintain conservative position with approx 88% of our investments in Investment Grade bonds with a short duration of 2.22 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