

Silverdale Fixed Income Fund

Communique as at 29th June 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.

- ☐ 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	28 Sep 2018 (3.50% pro rata) ²
Last Dividend Date	29 Jun 2018 (3.50% pro rata)
Last Dividend Paid	US\$ 0.8992

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

3rd Floor, 355 NEX, Rue du Savoir,

Cybercity, Ebene, Mauritius

Tel.: +230 260 7275 Fax: +230 464 3290

Email: mauritius@silverdalegroup.com



Investors' Choice Award

For subscription & information, please

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 29th June 2018, the Fund Cum-Dividend NAV decreased by 0.08% to US\$ 102.78 as against previous week Cum-Dividend NAV of US\$ 102.86. The Fund has declared quarterly dividend of US\$ 0.8992 per share, the Ex dividend NAV of the Fund was US\$ 101.88. The portfolio yield was 5.58% per annum (previous week: 5.49% p.a.) with average duration of 1.97 years (previous week: 2.03 years).

PORTFOLIO DASHBOARD

Growth NAV US\$

117.2029

Ex-Dividend NAV US\$

101.8767

Performance*

Year to Date	-1.2250 %
Trailing 1 month	-0.0323 %
Trailing 3 months	-0.9474 %
Trailing 6 months	-1.2250 %
Trailing 12 months	0.7120 %
Trailing 3 Years	3.03% p.a.

(* after all fees, before dividends)

Fund Statistics

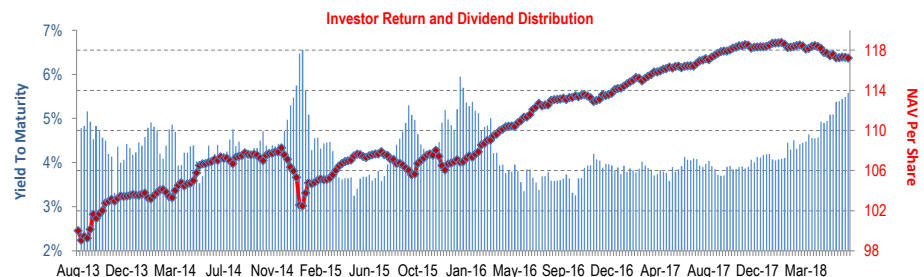
Yield to Maturity	5.58 %
Effective Duration	1.97 years
Average Maturity	2.19 years
Average Coupon	5.21 %
Sharpe Ratio (1 Year) [†]	0.14
Total Dividend Paid [™]	US\$ 15.3262

(*) Since Inception

Top Holdings

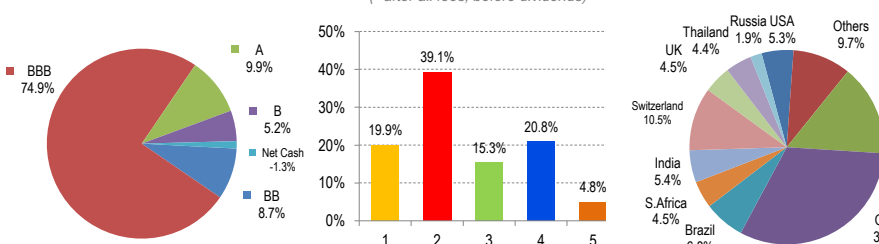
Fixed Deposit	5.75 %
Credit Suisse Ag 2023	4.76 %
Braskem Finance 2020	4.65 %
Hsbc Holdings 2021	4.55 %
Anglogold Holdings 2022	4.52 %
Dnb Bank Asa 2020	4.41 %
Ptpp Treasury 2019	4.38 %

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	Apr'18-Jun'18
Dividend	1.0908	3.1171	3.0302	3.1050	3.1680	0.7892	0.7899	0.7957	0.7932	0.9159	0.8992
Ex-Dividend Price	102.4604	101.0974	99.6221	103.3656	104.9778	104.4499	104.5364	105.3060	104.9778	103.7589	101.8767
Investor Return	3.55%	1.71%	1.54%	6.87%	4.62%	1.81%	0.84%	1.50%	0.44%	-0.29%	-0.95%



NAV and YTM Trend

(* after all fees, before dividends)



RATING PROFILE³

PORTFOLIO DURATION

GEOGRAPHICAL EXPOSURE⁴

PORTFOLIO UPDATE

During the week ended 29th June 2018, we sold Lukoil 2019 (BBB/Baa3/BBB+), while we purchased Coca Cola 2018 (Ba1/-/BBB) bonds.

Coca-Cola Icecek A.S. (Mkt Cap: US\$ 1.9bn) is the fifth-largest independent bottler by volume (excluding North America) in the Coca-Cola system. It produces and distributes soft beverages in Turkey, Central Asia, Pakistan and the Middle East. As at 31st Mar 2018, it reported TTM EBITDA of ~US\$ 370mn with Net Debt/EBITDA of ~1.6x and interest coverage ratio of ~9.3x.

During the month of June 2018, the NAV of Silverdale Fixed Income Fund decreased by 0.37%, primarily due to drop in bond prices which was offset by interest earned and reinvestment income. Sectorially, Industrial, Consumer-cyclical and Financials were the key laggards, partially offset by Energy and Basic Materials sectors. Geographically, Chinese and Indian credits were the key drags with South African credit being key positive contributor.

During the month, we sold Lukoil 2019 (BBB/Baa3/BBB+), while we purchased Coca Cola 2018 (Ba1/-/BBB) and QNB Finansbank 2019 (-/Ba2/BBB-) bonds.

We continue to maintain conservative position with approx 86% of our investments in Investment Grade bonds with a short duration of 1.97 years.

DIVIDEND

The Fund has declared Twentieth Quarterly Dividend of 3.50% per annum pro rata for June 2018 quarter amounting to US\$ 0.8992. All investors holding shares as of 29th June 2018 have been paid dividend.

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.



SILVERDALE FIXED INCOME FUND