Silverdale Fund Management

Silverdale Fixed Income Fund

Communique as at 27th July 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

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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 July 2018, the Fund NAV increased by 0.64% to US$ 102.78 (previous week NAV of US$ 102.13), with portfolio yield of 5.13% per annum (previous week: 5.43% p.a.) and average duration of 1.96 years (previous week: 1.99 years).

PORTFOLIO DASHBOARD

Growth NAV US$ 118.1073 | **Ex-Dividend NAV US$ 102.7811**

Performance*

Year to Date	-0.3635 %
Trailing 1 month	0.8877 %
Trailing 3 months	-0.0649 %
Trailing 6 months	-0.6342 %
Trailing 12 months	1.0403 %
Trailing 3 Years	3.36% p.a.

(*) after all fees, before dividends

Fund Statistics

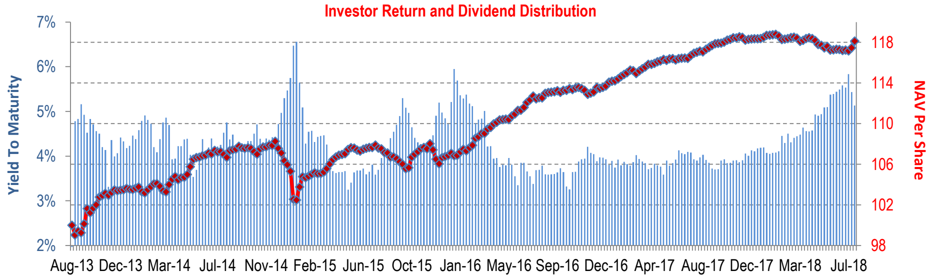
Yield to Maturity	5.13 %
Effective Duration	1.96 years
Average Maturity	2.19 years
Average Coupon	5.03 %
Sharpe Ratio (3 Year)†	1.52
Total Dividend Paid**	US$ 15.3262

(**) Since Inception

Top Holdings

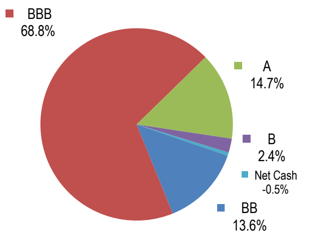
Fixed Deposit	10.45 %
Credit Suisse Ag 2023	4.92 %
Alrosa Finance 2020	4.90 %
Hsbc Holdings 2021	4.77 %
Anglogold Holdings 2022	4.71 %
Dnb Bank Asa 2020	4.58 %
Seagate Hdd 2022	4.54 %

Period	Aug'13-Dec'13	2014	2015	2016	2017	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	0.7957	0.7932	0.9159	0.8992
Ex-Dividend Price	102.4604	101.0974	99.6221	103.3656	104.9778	105.3060	104.9778	103.7589	101.8767
Investor Return	3.55%	1.71%	1.54%	6.87%	4.62%	1.50%	0.44%	-0.29%	-0.95%

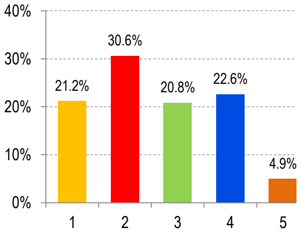


NAV and YTM Trend

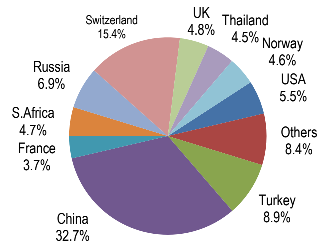
(after all fees, before dividends)*



RATING PROFILE[3]



PORTFOLIO DURATION



GEOGRAPHICAL EXPOSURE[4]

PORTFOLIO UPDATE

During the week ended 27th July 2018, we sold Turkiye Garanti 2019 (-/Ba3/BB) and Braskem 2020 (Ba1/BBB-/BBB-) bonds, while we purchased Alrosa 2020 (BB+/Baa3/BB+) bonds.

Alrosa (Mkt Cap: 11.3bn) is the world's largest diamond mining company with production volume of 39.6mn carats in 2017. It accounts for 99% of Russian and 26% of global production with 30 years reserve life at current production capacity. For the year ended Dec 2017, it reported revenue of US$ 4.7bn, EBITDA of US$ 2.1bn (margin of 45%), total debt of US$ 1.6bn and net debt of US$ 1.5bn resulting in a net leverage of 0.7x and interest coverage ratio of 12.5x. Alrosa is 66% owned by Russian Federation along with other local municipalities.

During the month of July 2018, the NAV of Silverdale Fixed Income Fund increased by 0.89%, primarily due to increase in bond prices which was further enhanced by interest earned and reinvestment income. Sectorially, Basic Materials, Financials and Consumer sectors were the key contributors. Geographically, Chinese and UK credits were key positive contributors.

During the month, we sold Yapi 2018 (-/Ba3/BB), Vedanta 2019 (B+/B2/-), Turkiye Garanti 2019 (-/Ba3/BB) and Braskem 2020 (Ba1/BBB-/BBB-) bonds, while we purchased Alrosa 2020 (BB+/Baa3/BB+) and UniCredit 2022 (BBB/Baa1/BBB) bonds.

We continue to maintain conservative position with approx 84% of our investments in Investment Grade bonds with a short duration of 1.96 years.

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For subscription & information, please
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Or, Call: +65 6835 7130

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

SILVERDALE FIXED INCOME FUND