

Silverdale

Fund Management

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

Visra (Mauritius) Limited

Regulated by Financial Services Commission

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DISCLAIMER

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Silverdale Fixed Income Fund

Communique as at 31st August 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 31st August 2018, the Fund NAV was flattish at US\$ 102.32 (previous week: US\$ 102.31), with portfolio yield of 6.42% per annum (previous week: 6.12% p.a.) and average duration of 2.06 years (previous week: 1.99 years).

PORTFOLIO DASHBOARD Growth NAV US\$ 117.6503 Ex-Dividend NAV US\$ 102.3241

Performance*

Year to Date	-0.7988 %
Trailing 1 month	-0.4363 %
Trailing 3 months	0.4029 %
Trailing 6 months	-0.7740 %
Trailing 12 months	-0.0277 %
Trailing 3 Years	3.55% p.a.

(* after all fees, before dividends)

Fund Statistics

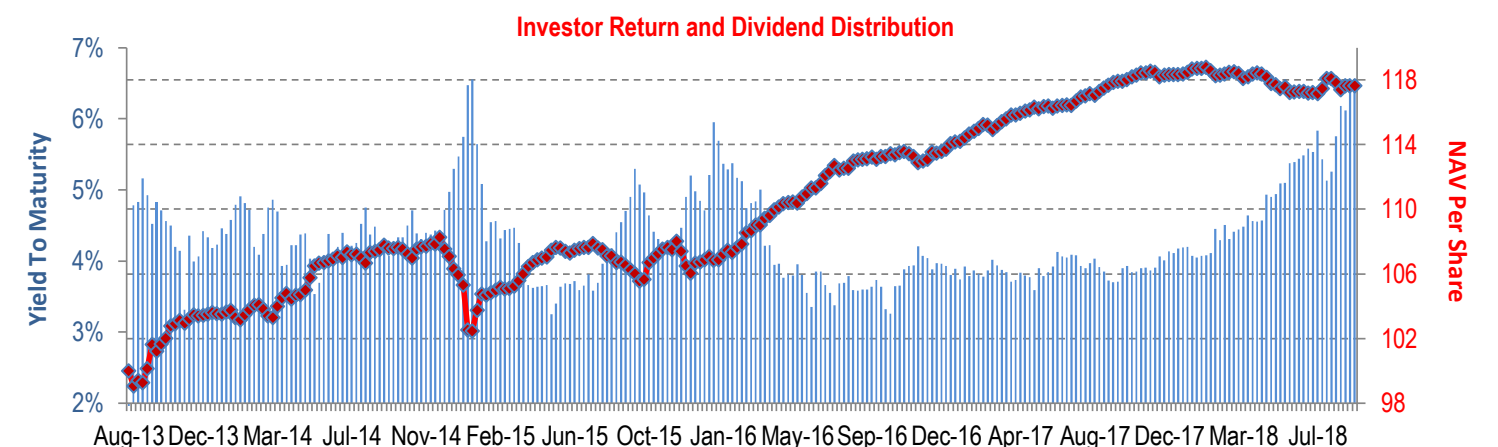
Yield to Maturity	6.42 %
Effective Duration	2.06 years
Average Maturity	2.28 years
Average Coupon	5.40 %
Sharpe Ratio (3 Year) [†]	1.73
Total Dividend Paid**	US\$ 15.3262

(**) Since Inception

Top Holdings

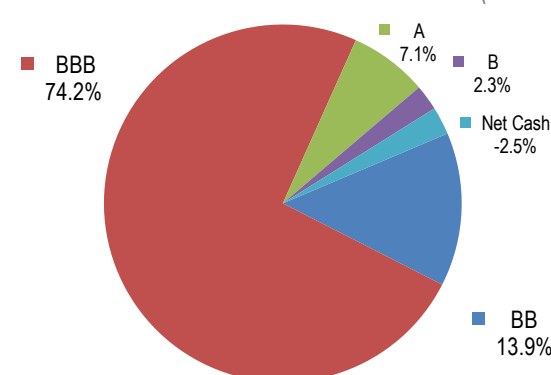
Alrosa Finance 2020	5.07 %
Credit Suisse Ag 2023	5.00 %
Hsbc Holdings 2021	4.93 %
Dnb Bank Asa 2020	4.78 %
Anglogold Holdings 2022	4.77 %
Credit Agricole 2019	4.76 %
Seagate Hdd 2022	4.72 %

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%

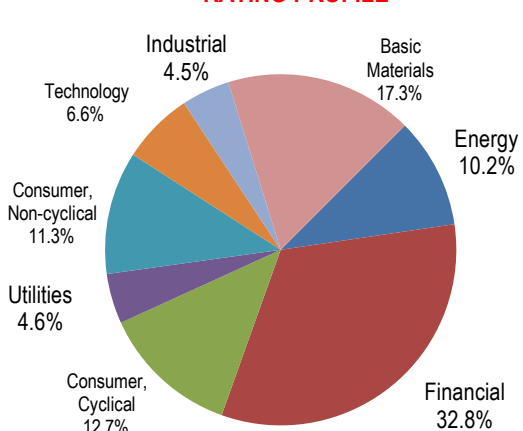


NAV and YTM Trend

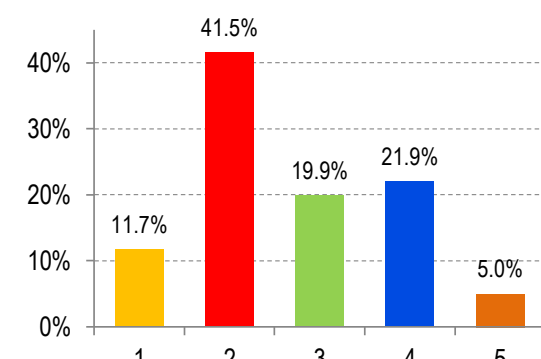
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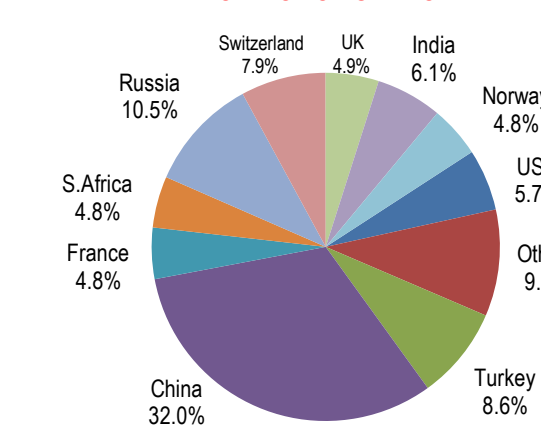
RATING PROFILE³



SECTOR EXPOSURE



PORTFOLIO DURATION



GEOGRAPHICAL EXPOSURE⁴

PORTFOLIO UPDATE

During the week ended 31st August 2018, we purchased Lukoil (BBB/Baa3/BBB+) and Samvardhana Motherson Automotive (BB+/-/BBB-) bonds.

Lukoil (Market Cap: US\$ 59bn) is one of the world's largest publicly-traded vertically-integrated energy company with proven reserves of 16bn BOE, approx. 20 years of reserve life. It produces 2.3mn BOE per day through four refineries in Russia and three outside Russia. It markets refined products in Russia, Europe, South-East Asia, Central and North America. As of June 2018, it reported net debt to EBITDA at 0.2x and interest coverage ratio at 42x.

Samvardhana Motherson Automotive (SMRPBV) is a Netherlands-based Tier-1 supplier of interior and rear-view vision systems and interior & exterior plastic modules including door trims, cockpits and bumpers. It has production facilities in 23 countries and employs over 30,000 employees. As of June 2018, it reported TTM EBITDA of US\$ 440mn, net debt of US\$ 890mn, net leverage of 2x and interest coverage ratio of 7x. SMRPBV is a joint venture between Motherson Sumi (NSE:MOTHERSUMI, mkt cap US\$ 8.7bn) and Samvardhana Motherson owned by Sehgal family.

During the month of August 2018, the NAV of Silverdale Fixed Income Fund decreased by 0.44%, pushing up portfolio yield by 1.29% from 5.13% to 6.42%. The decrease in NAV was primarily due to decrease in bond prices of Turkish credits; partially offset by positive contribution from Chinese credits. Sectorially, Financial sectors were the key laggards, partially offset by Industrial sectors.

During the month, we sold Chang Development (-/Baa1/-) and Unicredit (BBB/Baa1/BBB) bonds, while we purchased Adani Ports and Special Economic Zone (BBB-/Baa3/BBB-), Credit Agricole (BB+/Ba1/BBB-), Lukoil (BBB/Baa3/BBB+) and Samvardhana Motherson Automotive (BB+/-/BBB-) bonds.

We continue to maintain conservative position with approx. 83% of our investments in Investment Grade bonds with short duration of 2.06 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

