

# Silverdale

Fund Management

## Silverdale Fixed Income Fund

Communique as at 8th March 2019

### 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 <sup>1</sup> | 9 Sep 2010                                |
| Launch Date                 | 19 Aug 2013                               |
| Last Dividend Paid          | US\$ 0.8901                               |
| Next Dividend Date          | 29 Mar 2019 (3.50% pro rata) <sup>2</sup> |
| Last Dividend Date          | 28 Dec 2018 (3.50% pro rata)              |

### 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 Savori,

Cybercity, Ebene, Mauritius

Tel.: +230 260 7275

Fax: +230 464 3290

Email: mauritius@silverdalegroup.com



### PORTFOLIO DASHBOARD

Growth NAV US\$

121.0846

Ex-Dividend NAV US\$

103.9664

#### Performance (net of fees)

|                    |            |
|--------------------|------------|
| Year to Date       | 3.0935 %   |
| Trailing 1 month   | 0.9417 %   |
| Trailing 3 months  | 3.3487 %   |
| Trailing 6 months  | 3.3734 %   |
| Trailing 12 months | 2.4496 %   |
| Trailing 3 Years   | 3.92% p.a. |
| Since Inception    | 3.51% p.a. |

#### Fund Statistics

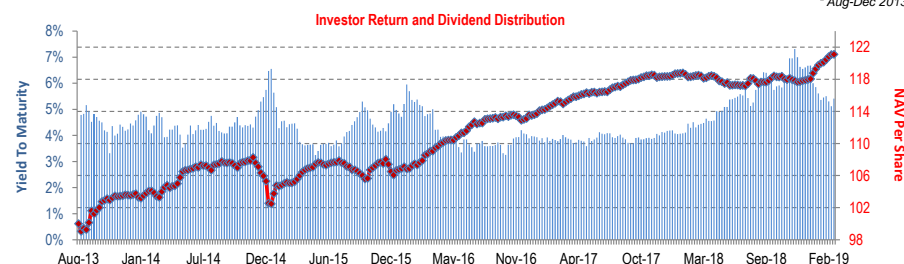
|                                    |              |
|------------------------------------|--------------|
| Yield to Maturity                  | 5.41 %       |
| Effective Duration                 | 1.80 years   |
| Average Maturity                   | 2.00 years   |
| Average Coupon                     | 5.17 %       |
| Sharpe Ratio (3 Year) <sup>†</sup> | 2.32         |
| Total Dividend Paid**              | US\$ 17.1182 |

#### Top Holdings

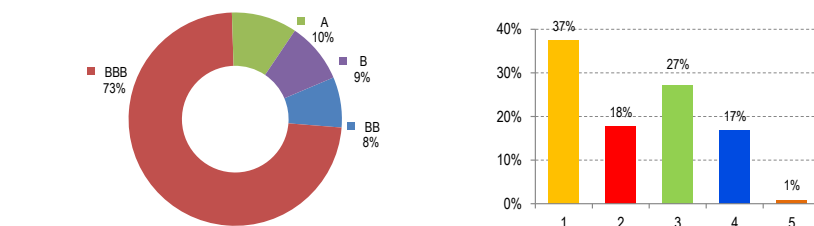
|                       |        |
|-----------------------|--------|
| Arosa Finance 2020    | 4.41 % |
| Credit Suisse Ag 2023 | 4.37 % |
| Hsbc Holdings 2021    | 4.30 % |
| Dnb Bank Asa 2020     | 4.28 % |
| Credit Agricole 2019  | 4.14 % |
| Yapi Ve Kredi 2019    | 4.13 % |
| Pttrep Treasury 2019  | 4.10 % |

| Period            | 2013*    | 2014     | 2015    | 2016     | 2017     | 2018     | Mar'18 Qtr | Jun'18 Qtr | Sep'18 Qtr | Dec'18 Qtr | Jan'19   |
|-------------------|----------|----------|---------|----------|----------|----------|------------|------------|------------|------------|----------|
| Dividend          | 1.0908   | 3.1171   | 3.0302  | 3.1050   | 3.1680   | 3.6071   | 0.9159     | 0.8992     | 0.9019     | 0.8901     | -        |
| Ex-Dividend Price | 102.4604 | 101.0974 | 99.6221 | 103.3656 | 104.9778 | 100.8467 | 103.7589   | 101.8767   | 102.1824   | 100.8467   | 102.8704 |
| Investor Return   | 3.55%    | 1.71%    | 1.54%   | 6.87%    | 4.62%    | -0.50%   | -0.29%     | -0.95%     | 1.19%      | -0.44%     | 2.01%    |

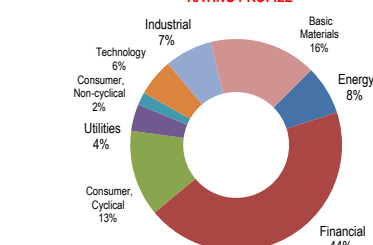
\* Aug-Dec 2013



#### NAV and YTM Trend (net of fees)

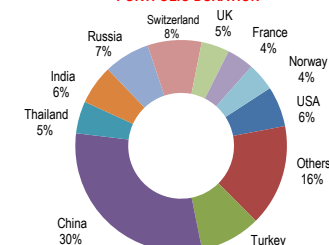


#### RATING PROFILE<sup>3</sup>



#### SECTOR EXPOSURE

#### PORTFOLIO DURATION



#### GEOGRAPHICAL EXPOSURE<sup>4</sup>

### PORTFOLIO UPDATE

During the week ended 8th March 2019, we purchased CPI Property Group (BBB/Baa2/-), PTT Exploration and Production (BB+/Baa3/-), and Türkiye Halk Bankası (-/B2/B+) bonds.

CPI Property Group (Mkt Cap: US\$ 7.2bn) is a real estate group owning 418 properties, including offices, retail, 12,306 residential units, and 10,488 hotel beds, worth approx US\$ 8.5bn, primarily in The Czech Republic (54%) and Berlin (24%). The company's portfolio split by value as of 30 June 2018 consisted of 41% office, 29% retail, 11% hotels, 8% residential, and 9% land bank. The portfolio generates US\$ 300mn in net annual rent and US\$ 45mn of net income from its hotel operations. As of 31 December 2018 it reported loan to value at 37% and net interest coverage ratio at 4.2x. Radovan Vitek controls 90% of CPI's voting shares.

PTT Exploration and Production (Mkt Cap: US\$ 15.4bn) is engaged in the exploration and production of crude oil and natural gas. As of December 2018, it reported proven reserves of 677mn barrels; gross debt of US\$ 2bn as against cash of US\$ 4bn and TTM EBITDA of US\$ 3.9bn. It reported Debt/EBITDA at 0.6x and EBITDA to interest coverage ratio at 32x. It is 65% owned by PTT Public Company Ltd which in turn is majority owned by Thai Government.

Türkiye Halk Bankası (Mkt Cap: US\$ 1.6bn) is the sixth largest bank in Turkey with 988 branches. As of December 2018, it had total assets worth US\$ 73.4bn. It reported Net Interest Margin at 2.8% and Non-Performing Loans (NPL) at 3.2% with NPL coverage of 77%. It reported capital adequacy ratio at 13.8% with Tier-I ratio at 10.7%. Turkish Government is the largest shareholder with 51.11% stake.

### 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). (4) Country exposure of less than 5% has been clubbed into 'Others'. (†) Sharpe Ratio: Source Bloomberg.



SILVERDALE FIXED INCOME FUND

For subscription & information, please

Email: mauritius@silverdalegroup.com

Or, Call: +65 6835 7130