SphereInvest | GROUP

February 2015

GLOBAL CREDIT STRATEGIES FUND

Monthly Performance

	MTD Return (Net)	YTD Return (Net)	NAV per share
Class F (USD)	1.80%	1.57%	123.12
Class D (EUR)	1.82%	1.53%	121.92

Investment Objective

To profit from yield and potential capital appreciation through dynamic investment in a portfolio of 30 to 40 globally diversified, liquid, corporate high yield debt instruments.

Portfolio Commentary

The stabilization of oil prices, a tentative cease-fire in Ukraine, dovish Fed comments and several major central bank easings, provided a solid backdrop for high yield markets during February. EM high yield, which had cumulatively fallen more than 10% over the previous 6 months, bounced 3.04%. US high yield saw the return of strong mutual fund inflows and returned 2.28%, led by the energy sector (independents: +7.3%, oil field services: +5.6%). Euro high yield continued to perform steadily, returning 1.89%, with concerns over Greece fading during the month. Following their surprisingly strong January performance, Treasuries gave back most of their gains (5-year and 10-year treasuries both added around 35bps during the month), dragging global investment grade markets into negative territory for the performance period (-0.25%).

Performance Since Inception

Annualised Return: 8.1%
Annualised Volitility: 2.3%
Sharpe Ratio: 3.5

Fund Terms

Regulatory	UCITS IV
Liquidity	Weekly
Start Date	2nd July 2012
Management Fee	1.5 % (Retail) 1% (Institutional)
Performance Fee	5% Incentive Fee
Minimum Investment	Retail = 100,000 (GBP, EUR, USD, CAD, CHF) Institutional = 200,000 (GBP, EUR, USD, CAD, CHF)
Domicile	Malta
Administrator	Equinoxe Investment Services (Ireland) Ltd.
Custodian	RBC International
Auditor	Deloitte & Touche
Legal Counsel	Ganado & Associates

February's rally owed more to the perception of reduced near-term risks (notably in oil markets and in Ukraine) than to a positive re-assessment of fundamentals, since data remained mixed and largely consistent with prior months' trends:

• Economic activity in the US, while solid, has continued frustrating investors' elevated expectations; the US Citi Economic surprise index fell to its lowest since mid 2012 at the end of the month.

• Data out of China and "Chinese growth" sensitive commodities, such as iron-ore, are still pointing to a significant slowdown, as also acknowledged by the National People's Congress growth target of "around 7%" for 2015, which would be the lowest expansion achieved since 1991.

• Although largely lagging markets' perception, the de-rating of EM is continuing apace: notably, both Petrobras, the Brazilian NOC, and Russia lost their investment grade ratings during the month, representing one of the biggest contingent of "fallen angels" since the 2005 wave of downgrades in the US automotive sector.

• Amid much global uncertainty, developments in the Eurozone have continued to live up to, and even increasingly exceed, investors' expectations: broadly stronger data prompted the ECB to provide a more optimistic outlook for the region in its latest assessment, although the wide output gap (not expected to close before 2017, according to the ECB's latest projections) and very low inflation expectations ensure monetary policy will remain very accommodative for the foreseeable future.

Away from the Eurozone, we expect markets to remain volatile:

• With the Fed likely to eliminate forward guidance at its March meeting, expectations should become even more sensitive to incoming data, as Investors grapple with conflicting implications for rates- the strengthening US job market on the one hand, and low inflationary pressures with ample liquidity conditions globally, on the other.

• For risk assets, oil remains a key near term variable: here too, the potential for investors to be wrong-footed appears high. While oil prices have stabilized in a relatively tight range, buoyed in part by early signs supply has started to adjust, energy markets' fundamentals remain vulnerable. That uncertainty is best reflected in analyst "consensus" forecasts for the average Brent crude during Q2 2015 which range from $40 to $75 (according to Barclays Capital): a remarkably wide range considering Q2 2015 is almost upon us.

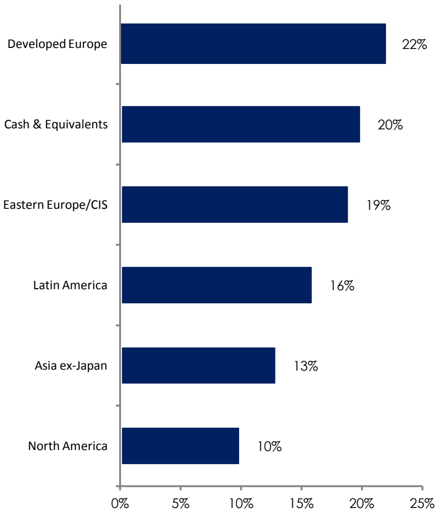
• In EM, we note persistently high or rising political risks, notably in Brazil and Turkey, at a time when difficult economic conditions and fragile investor sentiment would call for sure-footed economic leadership.

Portfolio Composition

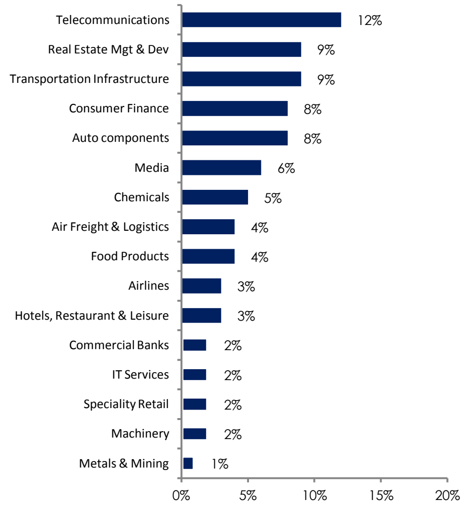
Portfolio Yield: 6.2%
Portfolio Duration: 3.8

Average Rating: BB-
Number of Holdings: 35

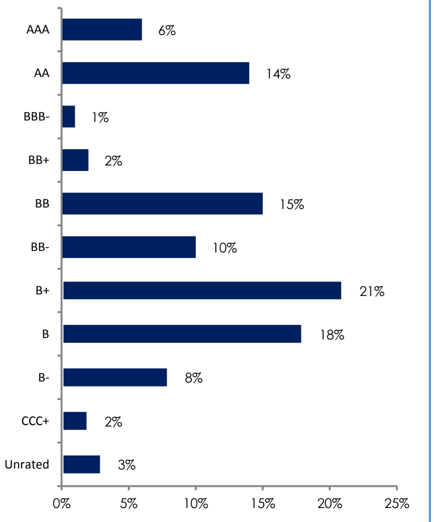
Region



Sector



Rating



Monthly Performance Since Inception

Class F (USD)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2012							0.15%	0.72%	0.78%	2.11%	1.24%	1.72%	**6.90%**
2013	0.97%	0.11%	0.54%	1.64%	-0.04%	-2.16%	1.11%	-0.06%	1.70%	1.66%	0.14%	0.67%	**6.40%**
2014	0.84%	1.08%	0.84%	1.10%	1.20%	1.04%	-0.20%	0.91%	-0.51%	0.14%	0.66%	-0.71%	**6.56%**
2015	-0.22%	1.80%											**1.57%**

Class D (EUR)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2012							0.20%	0.66%	0.70%	2.04%	1.20%	1.62%	**6.59%**
2013	0.87%	0.12%	0.54%	1.54%	-0.06%	-2.21%	1.16%	-0.07%	1.67%	1.66%	0.13%	0.65%	**6.11%**
2014	0.85%	1.06%	0.77%	1.09%	1.25%	1.01%	-0.21%	0.92%	-0.62%	0.12%	0.59%	-0.79%	**6.18%**
2015	-0.29%	1.82%											**1.53%**

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