SphereInvest | GROUP

June 2015

GLOBAL CREDIT STRATEGIES FUND

Monthly Performance

	MTD Return (Net)	YTD Return (Net)	NAV per Share
Class F (USD)	-0.54%	5.09%	127.39
Class D (EUR)	-0.63%	4.83%	125.89
Class E (GBP)	-0.51%	0.18%	100.18

Performance Since Inception

Annualized Return: 8.4%
Annualized Volatility: 2.3%
Sharpe Ratio: 3.6

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 = 10,000 (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

Portfolio Commentary

Markets were mostly driven by the twists and turns of the bailout negotiations between Greece and its creditors during June. Volatility in credit markets rose markedly as investors continually re-assessed the probability of "Grexit", depending on often unintelligible or misleading comments from the negotiating parties. Euro high yield underperformed and returned -1.4% during the period (28/05 to 02/07). EM high yield returned -0.8%, with pockets of more pronounced weakness, notably in Brazil, while Asian credits were resilient (+0.25%), with credits largely shrugging off the equity market turmoil in China. Finally, US HY returned -1.2%, with extractive industries underperforming, foreshadowing the renewed commodity weakness at the very end of the period.

Although negative sentiment prevailed during June, the reaction of credit markets to developments in Greece remained subdued. To a large extent, investor apathy simply reflected the assumption the stalemate was the result of brinkmanship and a deal would be reached at the eleventh hour. More fundamentally, we suspect markets remain convinced Grexit would be an idiosyncratic (rather than systemic) event. Greece is a marginal economy with limited trade and financial links to the rest of Europe. Private investors' exposure to Greece is too small to generate the kind of counterparty risk that froze interbank markets during 2008 and 2011-2012.

Investors are confident that the firewalls created since the Eurozone crisis would limit contagion risks to other periphery countries, in a context where the ECB's is already purchasing Sovereign assets for QE, while an ECJ June ruling confirmed the Central Bank's "broad discretion" in targeting assets for purchase. Finally, the long-term implications of a country departing the Eurozone are simply too uncertain to be a driver of markets at this point, in our view. Grexit could fatally wound the Eurozone if markets start considering it is a mere fixed exchange rate system; but it could also spur more convergence among remaining members: the current firewalls (OMT, banking union…) that investors appear confident about were designed in response to the 2011 crisis, and we could expect a response from policymakers to protect the Eurozone this time again.

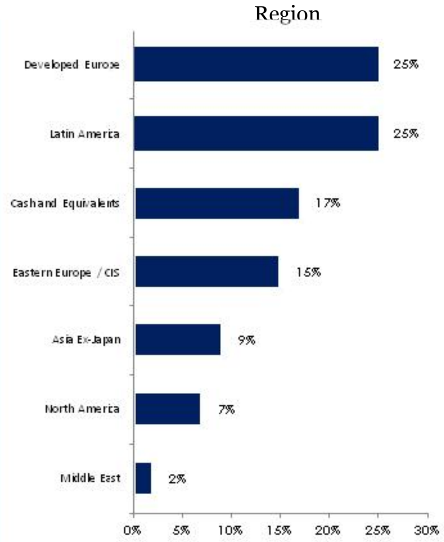
The collapse of Chinese equities (the Shanghai Composite Index, which had more than doubled since late 2014, fell by 33% from mid June to July 8th) was also a cause of growing investor anxiety during June. The rapid rise of Chinese equities was largely driven by the increased participation of retail momentum investors, in our view. We believe many investors, including ourselves, believed the "bull market" was speculative and did not reflect underlying improvements in the Chinese economy; conversely, the recent correction should be seen as a mere return to normalized valuations, rather than a sign China's economy is headed for hard landing. That narrative, however, has been disturbed by two factors. Chinese authorities have shown concerns about financial stability but seemed unable to prop-up stocks in spite of increasingly desperate measures. We believe investors have a very high confidence in the Chinese authorities' ability to manage China's economy, which is all the more crucial at a time of transition towards a new growth model; the display of authorities' panic may have hurt investor confidence more than the market correction itself, in our view. The recent weakness in "China growth-sensitive" commodities has been another factor. Copper fell around 18% since reaching a local high in May; iron ore collapsed almost 25% during the first week of July, to reach a more than 5-year low. However, with most recent indicators actually pointing towards a stabilization of the real-estate market and a pick-up of industrial activity in China, we suspect the recent fall in commodities may have mostly reflected risk aversion and individual commodities supply challenges, rather than a worsening in China's outlook.

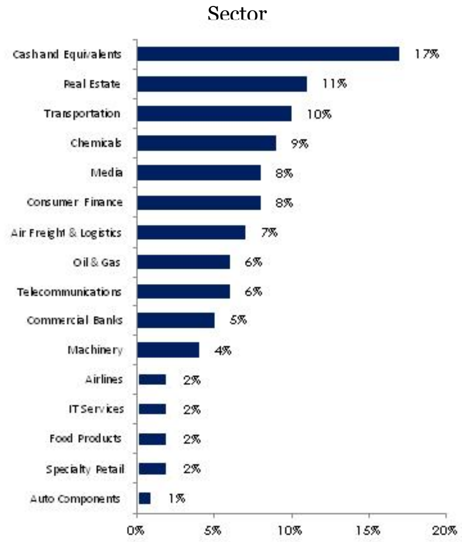
In a context of challenging market liquidity, the turnover of the portfolio during June remained limited. We pared some of our higher-beta positions in response to the uncertain outlook, which was a primary factor in the fund's small negative total return for the month, an encouraging outcome in the face of the numerous uncertainties and turmoil during the period. Our position in the operator of the Domodedovo Airport underperformed on reports an investigation into its former executives had been reopened for safety failings related to the 2011 terror attack (spurring some speculation in the local press the investigation was politically motivated). Most of our other positions were resilient in the absence of notable credit specific newsflow, as companies closed their second quarter earnings.

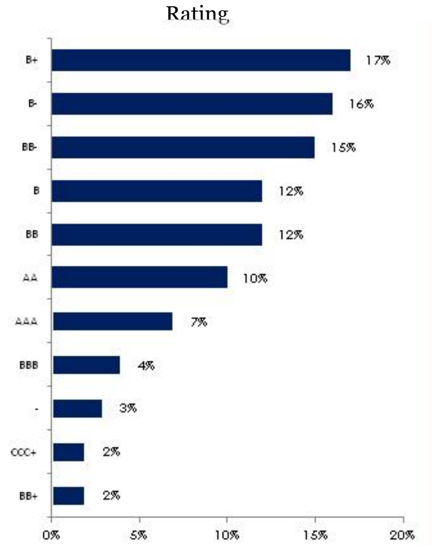
Portfolio Composition

Portfolio Yield: 6.6%
Portfolio Duration: 4.4

Average Rating: BB-
Number of Holdings: 35







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%	1.38%	1.66%	0.93%	-0.54%							**5.09%**

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%	1.33%	1.55%	0.97%	-0.63%							**4.83%**

Class E (GBP)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2015					0.69%	-0.51%							**0.18%**

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