SphereInvest | GROUP

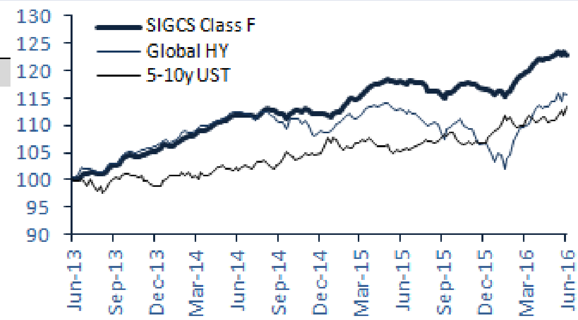
GLOBAL CREDIT STRATEGIES FUND

Monthly Performance

Class F (USD): MTD return: 0.03% 2016 return: 5.31% NAV per Share: 132.66

Class D (EUR): MTD return: -0.08% 2016 return: 4.41% NAV per Share: 129.59

	2016	1-year		3 years		Since Inception	
	Return	Return *	Sharpe	Return *	Sharpe	Return *	Sharpe
SIGCSF Class F (US$)	**5.3%**	**3.9%**	**1.08**	**7.0%**	**2.64**	**7.2%**	**2.77**
BOFA Global High Yield	8.5%	2.2%	0.25	4.9%	0.93	6.2%	1.27
BOFA EM High Yield	11.0%	6.0%	0.82	5.7%	0.81	6.6%	1.01
BOFA Europe High Yield	3.3%	2.0%	0.30	6.1%	0.90	8.6%	1.38
BOFA US High Yield	9.3%	1.1%	0.08	4.2%	0.72	5.4%	1.00
BOFA US Treasury 5-10yrs	6.3%	7.9%	1.76	4.3%	0.93	2.5%	0.52
MSCI World	4.9%	-5.3%	-0.35	4.5%	0.33	7.4%	0.57
MSCI Emerging Markets	12.9%	-13.9%	-0.64	-3.3%	-0.21	-3.0%	-0.20



* Annualized Weekly Returns and Sharpe Ratios; Fund Inception: 30/07/12

Source: SphereInvest Group; Bank of America Merrill Lynch

Portfolio and Market Commentary

Although superficially dominated by the UK's EU referendum, June actually confirmed strong underlying trends in global credit markets. Away from a few markets where the fundamental impact of "Brexit" could more easily be quantified, UK voters' decision to leave the EU only resulted in temporary – although sometimes considerable - volatility, while performance for the month as a whole remained resilient. During June, Sterling high yield underperformed on concerns the EU referendum would tip the UK into recession, returning -1.2%; Euro HY returned -0.6%, also dragged down by negative sentiment related to the banking crisis in Italy; while US and EM HY outperformed, returning +1.2% and 2.4%, respectively, helped by the strength of treasuries and stable commodity markets.

Until June, investors had struggled to hold with confidence investment themes ultimately reflecting the uncertain path of the global economy. Brexit, for all the long-term risk it entails, has ironically brought a new certainty which investors have embraced with enthusiasm. According to the new prevailing narrative, Brexit should remain a "local shock" confined to the UK – an economy roughly the size of California or Brazil - but with limited spillover to the US or Emerging Markets. Crucially, however, the lasting uncertainty around the future relationship between the UK and the EU should be enough to close any room for a newly gun-shy Fed to hike in 2016: following the EU referendum, market implied probability of a hike by year-end dropped to 15% from 50% the day before the referendum. Although the decline of Treasury yields during June was spectacular – 10-year yields collapsed around 40bps to historic lows, while the curve continued to flatten to levels last seen in 2007, the breakdown of correlation between rates and risk markets, which remained resilient during June, shows Brexit probably unleashed an underlying strong bid for duration, rather than caused investors to take a more pessimistic view of the US or global economy. Although we would avoid drawing too many conclusions at this early stage, we actually believe the measured reaction of markets to Brexit reflects a degree of confidence in the global economy. Routinely described as "fragile", a low-growth, low-inflation, low-consumption and low-investment recovery should actually prove less volatile and more resilient to confidence shocks such as Brexit.

When a strong consensual narrative emerges, valuations and individual fundamentals become a secondary consideration. The question becomes: how long investors can chase momentum and what could force the prevailing narrative to change? As is well-understood, most "risk-free" markets currently offer troubling risk-rewards for most portfolios: the potential for outsized losses when investing in a 30-year Bund at 0.35% far outweighs gains in any realistic scenario. With treasuries still offering a significant yield advantage compared to most alternatives, and while most of EM appears to have stabilized and investors keen to eye the "light at the end of the tunnel" in troubled countries such as Brazil - we believe the recent reach-for-yield has further to go.

The Fund's performance during June was mainly negatively impacted by our de-risking in the immediate aftermath of the EU referendum, in a context of thin liquidity and widening bid-ask spreads. While untimely in hindsight, our de-risking was mostly motivated by our perception the market was wrongly positioned after the significant relief rally during the last week leading to the referendum. Our Sterling high yield positions also detracted from the Fund's performance, although they remained resilient, reflecting their sound standalone fundamentals, in our view. While we have recently tactically extended the duration of our portfolio and increased our allocation to higher-rated credits, the Fund's bottom-up approach does not lend itself well to short-term momentum investing. Although high yield is by construction a short-duration product, we believe the recent strength in duration will eventually trickle down to high-yield credits and provide a supportive environment for credit differentiation, which should ultimately benefit our strategy, tactics and the Fund over the medium term.

Portfolio Composition

	Rating	NAV (%)	Price	Duration	Yield	Spread
SphereInvest Global Credit Strategies	BB-	100 %	100.1	2.6	4.7 %	412
Largest 5 Positions	BB-	20 %	105.0	1.7	5.0 %	451
Regions						
Central & Latin America	BB-	28 %	96.3	4.8	7.2 %	625
Eastern Europe / CIS	BB-	17 %	102.8	1.1	3.9 %	338
Asia Ex-Japan	BB+	12 %	101.3	5.4	7.9 %	716
Developed Europe	B	12 %	102.4	2.1	7.2 %	682
Supranationals	BBB	4 %	104.5	4.2	4.4 %	349
Corporates/Financials						
Corps	BB-	55 %	99.7	3.7	7.0 %	627
Cash and Equivalents	AA	27 %				
Financials	BB+	18 %	101.4	3.1	4.5 %	378
Sectors						
Oil/Gas	BB+	14 %	100.5	7.0	5.0 %	400
Media/Telco	B+	12 %	100.0	1.6	6.7 %	619
Financials	BB	11 %	100.1	1.8	5.1 %	432
Services	B	11 %	101.9	2.3	7.0 %	665
Supranationals & EM Sovereigns	BBB	7 %	103.4	5.1	3.6 %	299
Consumer Non Cyclicals	B	5 %	104.8	1.7	5.7 %	488
Soft Commodities	BB	4 %	97.7	6.7	5.5 %	421
Consumer Cyclicals	B	4 %	101.8	4.1	7.4 %	647
Real Estate	B	2 %	101.9	2.0	8.6 %	806
Automotive	B	2 %	78.7	1.3	24.9 %	2414
Basic Industry	BB	1 %	74.3	5.7	10.6 %	942
Ratings						
B	B	5 %	98.5	2.5	8.7 %	807
AA	AA	27 %				
BB	BB	22 %	100.3	2.6	5.1 %	425
BBB	BBB	17 %	102.2	6.9	4.1 %	323
CCC	CCC	2 %	107.1	0.4	4.2 %	436
Currencies						
USD	BBB	80 %	99.3	2.6	4.6 %	387
EUR	BB-	12 %	104.2	3.1	3.9 %	395
GBP	B+	8 %	102.0	2.2	7.4 %	686

Monthly Performance since Inception

Class F (USD, MT7000005617)

	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%	-0.19%	-1.19%	-1.27%	1.82%	0.73%	-0.99%	**3.91%**
2016	-0.34%	0.03%	2.86%	2.12%	0.55%	0.03%							**5.31%**

Class D (Euro, MT7000005591)

	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%	-0.50%	-1.27%	-1.46%	1.77%	0.91%	-1.13%	**3.35%**
2016	-0.42%	-0.01%	2.57%	1.92%	0.39%	-0.08%							**4.41%**

Class E (GBP, MT7000005609)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2015					0.69%	-0.51%	-0.17%	-1.21%	-1.29%	1.86%	0.68%	-1.02%	**-1.01%**
2016	-0.38%	-0.08%	2.79%	2.07%	0.48%	0.03%							**4.95%**

Past Performance is no guarantee of future results.
Performance figures are net of all fees.

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 = 25,000 (GBP, EUR, USD, CAD, CHF) Institutional = 200,000 (GBP, EUR, USD, CAD, CHF)
Domicile	Malta
Administrator	Equinoxe Alternative Investment Services (Ireland) Ltd.
Custodian	RBC International
Auditor	Deloitte & Touche
Legal Counsel	Ganado & Associates