

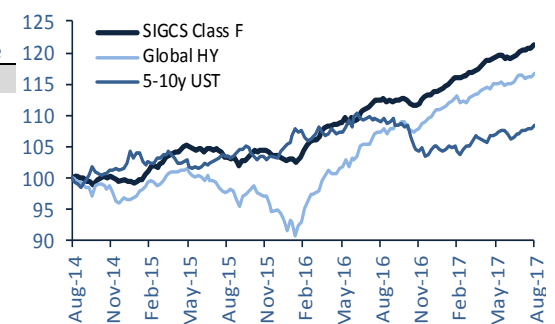


## GLOBAL CREDIT STRATEGIES FUND

### Monthly Performance

Class F (USD): MTD return: 0.94%    2017 return: 6.87%    NAV per Share: 147.48  
 Class D (EUR): MTD return: 0.78%    2017 return: 5.41%    NAV per Share: 140.57  
 Class E (GBP): MTD return: 0.85%    2017 return: 6.16%    NAV per Share: 114.07

	2017	1-year		3 years		Since Inception	
	Return	Return	* Sharpe	Return	* Sharpe	Return	* Sharpe
<b>SIGCSF Class F (US\$)</b>	<b>6.9%</b>	<b>7.8%</b>	<b>3.98</b>	<b>6.6%</b>	<b>2.34</b>	<b>7.7%</b>	<b>3.05</b>
BOFA Global High Yield	6.2%	8.6%	2.68	5.2%	0.91	7.3%	1.58
BOFA EM High Yield	7.2%	9.2%	2.85	6.1%	0.86	7.6%	1.26
BOFA Europe High Yield	5.5%	6.9%	2.86	5.3%	0.72	8.8%	1.55
BOFA US High Yield	6.1%	8.9%	2.33	4.8%	0.73	6.8%	1.31
BOFA US Treasury 5-10yrs	3.7%	-0.7%	-0.38	2.7%	0.50	1.6%	0.30
MSCI World	11.9%	13.7%	1.69	3.8%	0.27	9.1%	0.75
MSCI Emerging Markets	26.1%	22.1%	1.65	-0.4%	-0.05	2.8%	0.16



\* Annualized Weekly Returns and Sharpe Ratios; Fund Inception: July 2012

Source: SphereInvest Group; Bank of America Merrill Lynch

### Portfolio and Market Commentary

High yield credit markets’ performance was mixed during August. While US HY and Euro HY returned -0.03% and 0.27% respectively – implying significantly negative risk-adjusted returns given the rally in risk-free-rates during the month, EM HY returned 1.2%, buoyed by supportive domestic and external developments. Investor sentiment in DM appeared to suffer from a laundry list of concerns: from catastrophic storms in the US, geopolitical risks in the Korean peninsula, uncertainty around the US administration (although a short-term deal in early September has now helped avert a government shutdown) to souring Brexit negotiations between the EU and the UK. In truth, investors never made more than a token attempt to price those risks into asset valuations: even the VIX - the “fear gauge”, presumably the instrument of choice to express concerns about a nuclear war - was at its peak during August still around a third lower than its maximum over the past year. We believe risk appetite in DM credit markets stalled mostly because investors lacked positive triggers to add risk during the summer lull, in the face of compressed credit spreads. In contrast, EM investors had little time worrying about tail scenarios and focused on more positive developments: better-than-expected economic data in China (also reflected in metals prices which rallied further during August to levels last seen in 2014); a few country specific events (such as, in Argentina, the underwhelming performance of former president Kirchner during nationwide primaries, giving hope the current administration has popular support to pursue reforms); and, on the external front, more dovish signals by DM central banks and fading inflation concerns (or hopes).

High yield, as an asset class, is driven by credit quality and default expectations on the one hand, and risk-free-rates and monetary policy outlook, on the other. Both drivers still mostly point in the right direction, in our view.

According to Morgan Stanley and Deutsche Bank, calculations based on 2Q17 results, aggregate non-IG leverage has continued modestly (in the US) or markedly (in Europe) improving over recent quarters. In contrast, rock-bottom rates do appear to have led IG issuers to relax their financial discipline, with leverage reaching all-time highs in 2Q17. First half earnings in EM were also strong, led by commodity issuers’ recovery. Intriguingly, however, EM has now seen several significant Eurobond issuers default (or become distressed) this year already:

from Agrokor (a Croatian retailer), Reliance Communications (an Indian telecom company), International Bank of Azerbaijan (a State-owned lender), to Otkritie Bank, a large privately-owned Russian bank which collapsed during August. So far, the series has remained eclectic enough for investors to dismiss each event as a one-off, rather than the proverbial “canary in the coalmine”. While we partly agree with that view, we also believe failure in corporate governance was a common point between many of those situations: since this remains a key risk of investing in EM credit, we question how many more “one-offs” investors can disregard before they temper their renewed enthusiasm for the asset class.

As often in this cycle, each risk-off episode, however mild, appears to unleash out-of-proportion “safe-haven” flows – which, tellingly, fail to reverse once sentiment normalizes, betraying a pent-up demand for duration, rather than for safety. This was again on display during August, as 10-year yields in the US and Germany both dropped 18bps, even as the VIX was quickly retracing to its recent lows. Our outlook for monetary policy, which we discussed in our previous letter, remains unchanged. We have little conviction about the structural reasons which seem to be holding back inflation. However, we do believe some circularity (the longer inflation fails to react to higher growth, the more ingrained agent expectations become, which should itself suppress core inflation) and the “first, do no harm” mentality of this Fed (and, to a lesser extent, of the ECB) ensure the potential for an inflationary shock spurring DM central banks into normalizing faster than expected remains a remote risk at this juncture. Although not an immediate concern, the possible reshuffle of the Fed’s leadership represents a risk to our outlook, if investors start reassessing the Fed’s reaction function as Janet Yellen’s term nears its end.

## Monthly Performance since Inception

### Class F (USD, MT7000005617)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
<b>2017</b>	1.12%	1.30%	0.50%	0.98%	1.28%	-0.10%	0.66%	0.94%					<b>6.87%</b>
<b>2016</b>	-0.34%	0.03%	2.86%	2.12%	0.55%	0.03%	1.96%	1.18%	-0.14%	0.36%	-0.72%	1.36%	<b>9.56%</b>
<b>2015</b>	-0.22%	1.80%	1.38%	1.66%	0.93%	-0.54%	-0.19%	-1.19%	-1.27%	1.82%	0.73%	-0.99%	<b>3.91%</b>
<b>2014</b>	0.84%	1.08%	0.84%	1.10%	1.20%	1.04%	-0.20%	0.91%	-0.51%	0.14%	0.66%	-0.71%	<b>6.56%</b>
<b>2013</b>	0.97%	0.11%	0.54%	1.64%	-0.04%	-2.16%	1.11%	-0.06%	1.70%	1.66%	0.14%	0.67%	<b>6.40%</b>
<b>2012</b>							0.15%	0.72%	0.78%	2.11%	1.24%	1.72%	<b>6.90%</b>

### Class D (Euro, MT7000005591)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
<b>2017</b>	0.82%	1.05%	0.40%	0.85%	1.13%	-0.23%	0.50%	0.78%					<b>5.41%</b>
<b>2016</b>	-0.42%	-0.01%	2.57%	1.92%	0.39%	-0.08%	1.81%	0.98%	-0.25%	0.15%	-1.01%	1.23%	<b>7.44%</b>
<b>2015</b>	-0.29%	1.82%	1.33%	1.55%	0.97%	-0.63%	-0.50%	-1.27%	-1.46%	1.77%	0.91%	-1.13%	<b>3.35%</b>
<b>2014</b>	0.85%	1.06%	0.77%	1.09%	1.25%	1.01%	-0.21%	0.92%	-0.62%	0.12%	0.59%	-0.79%	<b>6.18%</b>
<b>2013</b>	0.87%	0.12%	0.54%	1.54%	-0.06%	-2.21%	1.16%	-0.07%	1.67%	1.66%	0.13%	0.65%	<b>6.11%</b>
<b>2012</b>							0.20%	0.66%	0.70%	2.04%	1.20%	1.62%	<b>6.59%</b>

### Class E (GBP, MT7000005609)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
<b>2017</b>	1.01%	1.21%	0.40%	0.94%	1.21%	-0.18%	0.56%	0.85%					<b>6.16%</b>
<b>2016</b>	-0.38%	-0.08%	2.79%	2.07%	0.48%	0.03%	1.95%	1.01%	-0.22%	0.29%	-0.94%	1.30%	<b>8.55%</b>
<b>2015</b>					0.69%	-0.51%	-0.17%	-1.21%	-1.29%	1.86%	0.68%	-1.02%	<b>-1.01%</b>

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

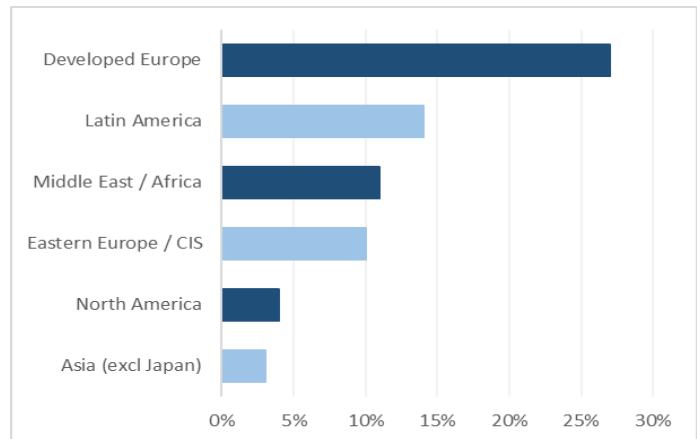
## Portfolio Composition

	Rating	NAV (%)	Price	Duration	Yield	Spread
SphereInvest Global Credit Strategies	BB	100 %	103.2	3.2	4.8 %	372
Cash and Equivalents	AA+	31 %				

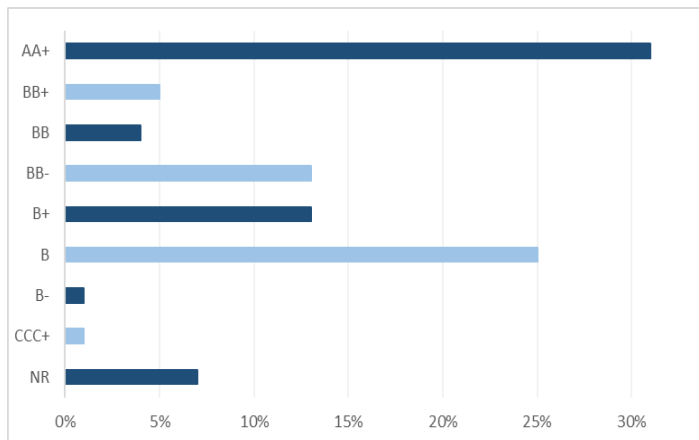
### Top 10 Holdings (in % of NAV, 31/08/17)

9.5% IHS Netherlands Holdco, 2021	3%
8.75% DNO ASA, 2020	3%
9% Banco Do Brasil, 2049	3%
9.125% HTA Group Ltd, 2022	3%
7.25% Altice Luxembourg SA, 2022	3%
4.204% Phosagro, 2018	3%
10% Wind Hellas, 2021	3%
7.375% Autopistas del Sol SA, 2030	3%
8.625% Banglalink Digital Comm, 2019	3%
12% Oilflow SPV 1 DAC, 2022	2%

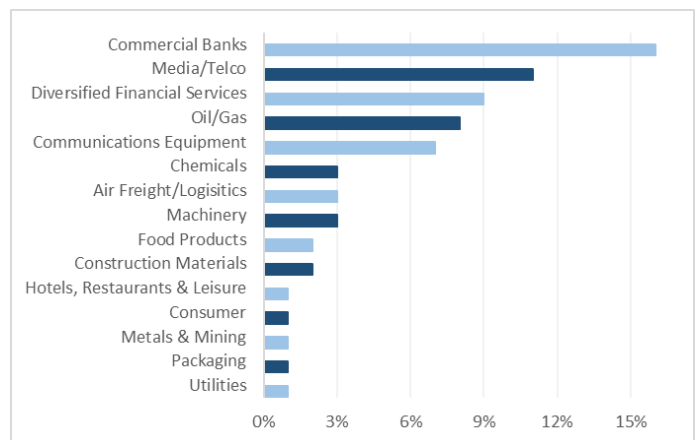
### Regional Allocation (excl. cash & equiv)



### Credit Quality



### Sector Allocation (excl. cash & equiv)



## Fund Terms

Regulatory	UCITS V	Domicile	Malta
Liquidity	Weekly	Custodian	RBC International
Start Date	2 <sup>nd</sup> July 2012	Auditor	Deloitte & Touche
Management Fee	1.5 % (Retail) 1% (Institutional)	Legal Counsel	Ganado & Associates
Performance Fee	5% Incentive Fee	Administrator	Equinox Alternative Investment Services (Ireland) Ltd.
Minimum Investment	Retail = 25,000 (GBP, EUR, USD, CAD, CHF) Institutional = 200,000 (GBP, EUR, USD, CAD, CHF)		

### Disclaimer:

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