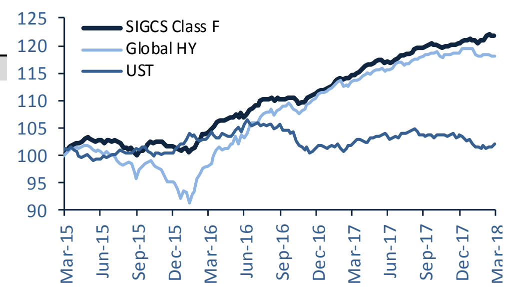
SphereInvest | GROUP

GLOBAL CREDIT STRATEGIES FUND

Monthly Performance

Class F (USD): MTD return: -0.08% 2018 return: 0.32% NAV per Share: 149.98
Class D (EUR): MTD return: -0.32% 2018 return: -0.37% NAV per Share: 141.02
Class E (GBP): MTD return: -0.23% 2018 return: -0.08% NAV per Share: 115.06

	2018	1-year		3 years		Since Inception	
	Return	Return *	Sharpe	Return *	Sharpe	Return *	Sharpe
SIGCSF Class F (US$)	**0.3%**	**5.6%**	**2.99**	**6.4%**	**2.32**	**7.2%**	**2.88**
BOFA Global High Yield	-0.7%	4.0%	1.21	5.7%	1.05	6.7%	1.45
BOFA EM High Yield	-0.5%	4.2%	1.29	8.4%	1.61	6.9%	1.18
BOFA Europe High Yield	-0.4%	4.5%	1.79	4.6%	1.09	8.1%	1.45
BOFA US High Yield	-0.9%	3.8%	0.94	5.2%	0.80	6.1%	1.20
Barclays US Treasury Total Return	-1.2%	0.6%	-0.34	0.6%	-0.08	0.9%	0.12
MSCI World	-1.8%	11.1%	1.27	5.6%	0.41	9.1%	0.76
MSCI Emerging Markets	-1.4%	20.6%	1.50	5.5%	0.27	3.8%	0.21



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

Source: SphereInvest Group; Bank of America Merrill Lynch

Portfolio and Market Commentary

Following a very confusing month of March, when investors seemed willing to accept ever more far-fetched narratives to explain volatile price action – including a brief episode when the travails of a few US internet firms were, however implausibly, deemed to have a read-across for global assets - the start of April has, at last, brought some clarity. Our best effort to summarize the recent state-of-play: on a backdrop where the markets' technicals (broadly understood as the balance of supply and demand for risk and risk-free-assets) are shifting, as shown by the rise in volatility (partly explained by quantitative-tightening in the US) or the rise of Libor-OIS spread, recent economic prints in the US and Europe have broadly confirmed some slow-down, colliding with expectations at the turn of the year of a synchronized acceleration of global growth. In turn, investors have been forced to question valuations, markets' ability to climb any wall of worries has dramatically declined, while the US administration has turned from being a key market support (thanks to pro-business policies so far) to a major factor of uncertainty.

Investors had spent months tiptoeing around what Donald Trump truly meant for global risk assets: whether, to paraphrase Peter Thiel, he should be taken seriously, or literally, or neither, or both. Recent weeks – broadly coinciding with the resignation of former chief economic advisor Gary Cohn – have seen them shifting from "neither" (with markets largely disregarding Trump's controversial tweets and focusing instead on his administration's actual achievements, from deregulation to tax cuts) to "both", as investors are growing increasingly concerned the US president will indeed prioritize his nationalistic agenda over economic welfare – and discard stock markets' performance as a benchmark of his success, as he appeared to do in early April by warning investors his policies could cause some near-term "pain".

We had previously been sanguine on how much of a threat the US administration trade agenda represented for the global outlook. We were encouraged by the apparent progress made in renegotiating NAFTA (despite vociferous opposition by Mr. Trump to the "worst deal ever"), as well as the widespread exemptions from the steel & aluminium tariffs, which had quickly exposed them as an economically harmless negotiating ploy. We are becoming more cautious following the recent tit-for-tat tariffs announced by the US and China. Exiting NAFTA would be such an obvious self-goal for the US it never appeared realistic to us; while the recent steel & aluminium tariffs were introduced haphazardly without much political backing in the US. Countering China's mercantilism and unfair trade practices, on the other hand, does enjoy bipartisan support in the US, as well as abroad. Because the objective pursued by the US administration has some merits, a reversal from the muddled and traumatic course of action it has chosen is less likely, too.

Bringing back unfortunate memories of the Eurozone crisis, when populist politicians only seemed ready to take the right decisions under market duress, having previously exhausting all the bad ones, it appears the near-term direction for financial markets will be dictated less by economic rationality (which would first mean avoiding a trade war) than by political incentives. The US President's "Art of the Deal" obviously involves some degree of bombast and aggression, meaning "saving face" and national pride are sure to be key obstacles when it comes to reaching a deal. Financial markets are notoriously impatient, and unlikely to tolerate several more weeks of the heated rhetoric we've recently experienced without growing concerned the US and China won't be able to reach an agreement without external pressure – which financial markets could enforce. While Mr. Trump is right to warn his nationalistic agenda will involve some near-term pain, he may not have fully recognized how difficult financial market volatility could make it to successfully pursue his agenda.

Beyond all the noise, which trade wars threats may yet prove to be, we believe the dollar and rates will remain the two main drivers for global risk assets. While we do not hold strong views on the direction of the dollar, we remain confident the curve's flattening trend will remain in place - at the increasing risk it is perceived to reflect fears of policy mistake by the Fed, rather than goldilocks conditions. The strong performance of the long-end has recently helped credit markets' performance despite the prevailing spread widening bias. However, it is in the short-end we find best value: we have recently been able to deploy around 20% of the Fund in very short-dated bonds – often maturing within the next 12 months – yielding almost 4% with minimal default risk in our view. Similarly, we have been able to capitalise on the rise of US$-Libor to significantly enhance the yield on the Euro-denominated bonds we purchase on a hedged basis. With market spreads unlikely to tighten materially until investors get more clarity on recession risks; monetary policy in the US and in Europe; and the US administration's policies – in combination, a fairly tall order – we believe such short-dated positions will continue to underpin the Fund's performance while we remain focused on capitalising on opportunities as they arise.

Monthly Performance since Inception

Class F (USD, MT7000005617)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2018	0.49%	-0.09%	-0.08%										**0.32%**
2017	1.12%	1.30%	0.50%	0.98%	1.28%	-0.10%	0.66%	0.94%	0.48%	0.63%	-0.19%	0.44%	**8.33%**
2016	-0.34%	0.03%	2.86%	2.12%	0.55%	0.03%	1.96%	1.18%	-0.14%	0.36%	-0.72%	1.36%	**9.56%**
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%**
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%**
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%**
2012							0.15%	0.72%	0.78%	2.11%	1.24%	1.72%	**6.90%**

Class D (Euro, MT7000005591)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2018	0.32%	-0.36%	-0.32%										**-0.37%**
2017	0.82%	1.05%	0.40%	0.85%	1.13%	-0.23%	0.50%	0.78%	0.34%	0.42%	-0.29%	0.22%	**6.15%**
2016	-0.42%	-0.01%	2.57%	1.92%	0.39%	-0.08%	1.81%	0.98%	-0.25%	0.15%	-1.01%	1.23%	**7.44%**
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%**
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%**
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%**
2012							0.20%	0.66%	0.70%	2.04%	1.20%	1.62%	**6.59%**

Class E (GBP, MT7000005609)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2018	0.39%	-0.24%	-0.23%										**-0.08%**
2017	1.01%	1.21%	0.40%	0.94%	1.21%	-0.18%	0.56%	0.85%	0.33%	0.57%	-0.24%	0.29%	**7.17%**
2016	-0.38%	-0.08%	2.79%	2.07%	0.48%	0.03%	1.95%	1.01%	-0.22%	0.29%	-0.94%	1.30%	**8.55%**
2015					0.69%	-0.51%	-0.17%	-1.21%	-1.29%	1.86%	0.68%	-1.02%	**-1.01%**

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

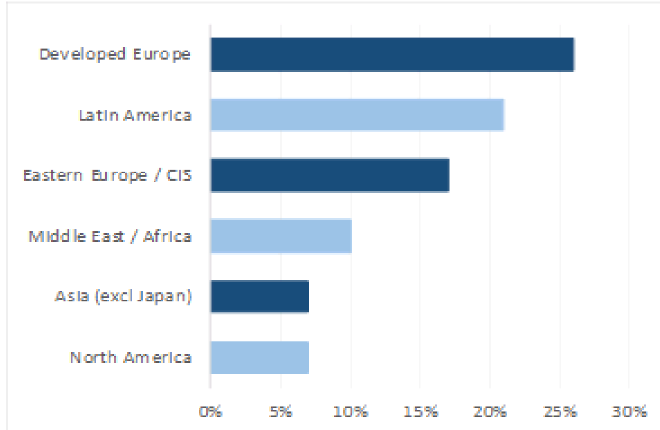
Fund Information as of March, 2018

	Rating	NAV (%)	Price	Duration	Yield	Spread
SphereInvest Global Credit Strategies	BB-	100 %	100.6	3.6	6.1 %	414
Cash and Equivalents	AA	21 %				

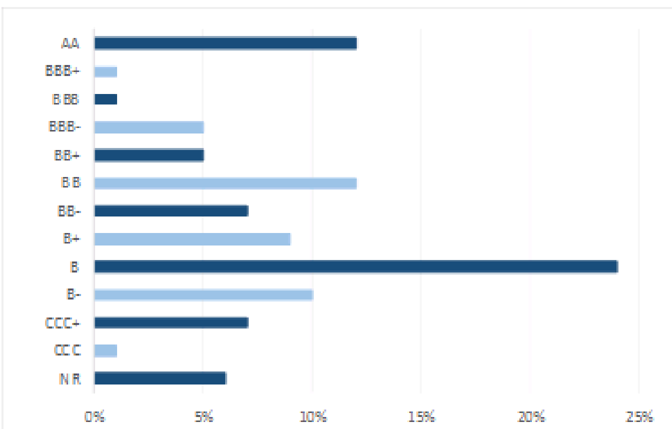
Top 10 Holdings (in % of NAV, 29/03/18)

Bond	%
6.75% Hercule Debtco SARL, 2024	3.8%
6.75% Telefonica Celular del Paraguay, 2022	3.7%
9.125% HTA Group Ltd, 2022	3.7%
8.25% Verallia, 2022	3.4%
5% IRSA Propiedades, 2020	3.2%
8.75% Eurotorg LLC, 2022	2.9%
6.25% Banco Do Brasil, 2049	2.9%
10.5% Fidelity Bank PLC, 2022	2.9%
8.75% DNO ASA, 2020	2.8%
4.75% Coca-Cola Icecek, 2018	2.7%

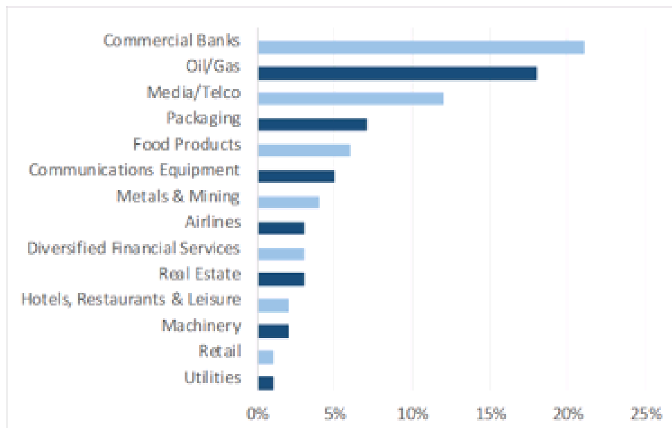
Regional Allocation (excl. cash & equiv)



Credit Quality



Sector Allocation (excl. cash & equiv)



Fund Terms

Regulatory	UCITS V	Domicile	Malta
Liquidity	Weekly	Custodian	RBC International
Start Date	2nd July 2012	Auditor	Deloitte & Touche
Management Fee	1.5% (Retail) 1% (Institutional)	Legal Counsel	Ganado & Associates
Performance Fee	5% Incentive Fee	Administrator	Equinoxe Alternative Investment Services (Part of the Apex Group)
Minimum Investment	Retail = 25,000 (GBP, EUR, USD, CAD, CHF) Institutional = 200,000 (GBP, EUR, USD, CAD, CHF)		