SphereInvest | GROUP

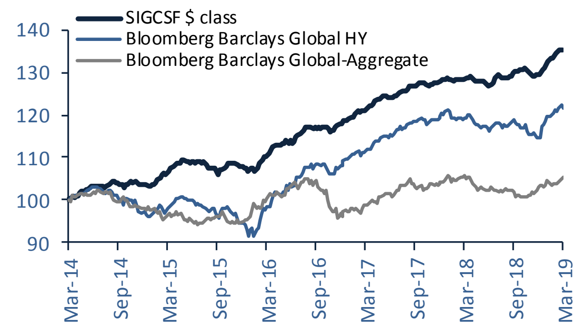
GLOBAL CREDIT STRATEGIES FUND

Monthly Performance

Class F (USD):	MTD return:	0.60%	2019 return:	4.46%	NAV per Share:	158.13
Class D (EUR):	MTD return:	0.30%	2019 return:	3.69%	NAV per Share:	144.48
Class E (GBP):	MTD return:	0.39%	2019 return:	4.03%	NAV per Share:	118.43

	2019	1 year	5 years		Since Inception	
	Return	Return *	Return *	Sharpe	Return *	Sharpe
SIGCSF Class F (US$)	**4.5%**	**5.4%**	**6.2%**	**2.2**	**6.9%**	**2.7**
Bloomberg Barclays Global HY	6.1%	2.1%	4.0%	0.6	6.0%	1.1
ICE EM High Yield	5.8%	3.8%	5.7%	0.9	6.5%	1.2
ICE Europe High Yield	5.1%	1.8%	4.0%	0.8	6.8%	1.7
ICE US High Yield	7.1%	5.7%	4.6%	0.7	6.1%	1.1
Bloomberg Barclays Global-Agg.	2.3%	-0.3%	1.0%	0.0	1.1%	0.1
MSCI World	11.2%	1.4%	4.8%	0.3	8.0%	0.6
MSCI Emerging Markets	8.2%	-10.6%	1.4%	0.0	1.5%	0.0

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



Source: SphereInvest Group; Bank of America Merrill Lynch

Portfolio and Market Commentary

Despite some loss of momentum towards the end of March and worrying developments in core rates, risk assets are unlikely to have reached a change of regime, in our view. The fourth quarter of 2018 was marred by tighter monetary policy, pervasive geopolitical uncertainty and economic slowdown in China and Europe - culminating in a brief panic after the Fed seemed dismissive of investors' concerns in early December. Since then, risk markets (global equities/ junk bonds/commodities) and core rates appear to have reached different conclusions whether the worst is behind. Risk assets seem increasingly confident activity should pick-up thanks to dovish central banks, stimulus in China and fading trade tensions. In contrast, core rates reflect rising concerns Europe could be stuck in a prolonged funk, while the (short-lived) inversion of the widely watched 3-month/10-year yield curve has raised worries a recession could be around the corner in the US.

"Which is right?" between risk assets or core rates is unlikely to be the right question. The spotless track record of the yield curve as a recession prognosticator invites caution: no investor can afford to be dismissive whenever the yield curve inverts - even though the most recent episode may have more benign explanations, in particular in a context of continuing lack of inflation pressures in the US. Beyond all the soul-searching around the meaning of the yield curve, one thing is certain - its inversion is not in itself a good signal to time risk markets, because risk assets and rates have different time horizons. The yield-curve, by construction, reflects markets expectations over the next few years; junk bonds or equities are mostly concerned about cash flows/earnings over the next few quarters. In the near-term, we would only become concerned about the inverted yield-curve if it impacted economic activity by impairing credit extension, affecting animal spirits or delaying investment plans.

Crucially, this isn't the case yet. While admittedly a circular argument, it is difficult to get too concerned about recessionary signals by the yield curve when corporate spreads – including high yield credit spreads, most vulnerable to a recession – are back near multi-year tights. More importantly, investors and economic agents are more likely to base near-term decisions on more tangible triggers: notably the trade negotiations between China and the US or the removal of the risk of a "no-deal Brexit". While positive outcomes are largely priced-in already (raising some risk both turn into "sell-the-news" events – not to mention considerable downside if more adverse scenarios come to pass), we believe markets are unlikely to sell-off meaningfully as long as hope remains global growth indicators are about to turn up in response. This market configuration means the onus will be on management outlooks more than on corporate results as the Q1 earnings season gets underway; it also means investors are likely to react much more negatively if macro data fails to improve (or the yield curve inverts again) even as a trade deal between China and the US has been reached.

In the near-term, we believe investors should consider a "melt-up" in risk assets as a higher likelihood than a sell-off. Investor positioning and behaviour in recent weeks both point to under-owned markets, while valuations don't appear stretched yet. At the same time, positive narratives around favourable domestic conditions (looser financial conditions and rising disposable incomes, thanks to lower inflation and unemployment) and improving external conditions (if the US/China and UK/EU reach a deal) are likely to prevail over recession fears. We have recently adjusted the Fund's positioning towards more cyclical credits to benefit from this near-term dynamic – notably through our investments in Schmolz & Bickenbach, the specialty steelmaker; Aldesa, the engineering and construction company; and KCA Deutag, the oilfield services company. At the same time, the portfolio remains anchored by credit largely insulated from the DM cycle – such as our long-held investments in African telecom tower companies and Eurotorg, the Belarussian retailer. To the core portfolio, we have recently added new issues by Silknet, the Georgian telecom company, and Quiport, the manager of the Quito International Airport in Ecuador.

Monthly Performance since Inception

Class F (USD, MT7000005617)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2019	2.34%	1.46%	0.60%										**4.46%**
2018	0.49%	-0.09%	-0.08%	0.39%	-0.71%	-0.75%	1.98%	-0.54%	0.87%	0.46%	-0.81%	0.07%	**1.26%**
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
2019	2.14%	1.22%	0.30%										**3.69%**
2018	0.32%	-0.36%	-0.32%	0.19%	-1.04%	-0.99%	1.75%	-0.66%	0.68%	0.19%	-1.08%	-0.20%	**-1.56%**
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%	-0.20%	-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
2019	2.26%	1.33%	0.39%										**4.03%**
2018	0.39%	-0.24%	-0.23%	0.30%	-0.84%	-1.09%	1.80%	-0.74%	0.89%	0.34%	-1.02%	-0.66%	**-1.14%**
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	-0.39%	-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.

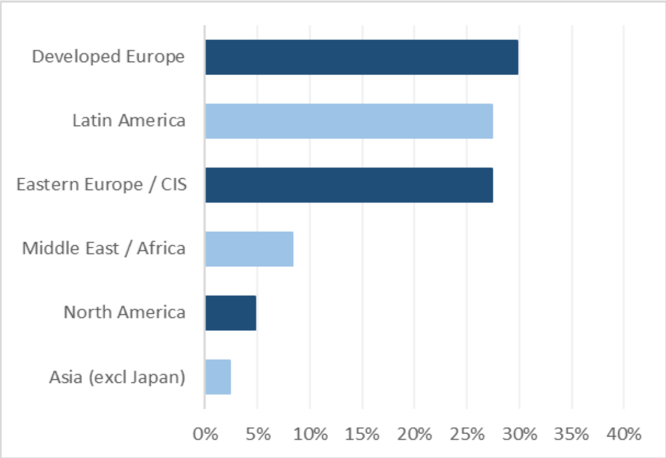
Fund Information as of March, 2019

	Rating	NAV (%)	Price	Duration	Yield	Spread
SphereInvest Global Credit Strategies	BB-	100 %	98.2	2.8	6.8 %	515
Cash and Equivalents	AA	16 %				

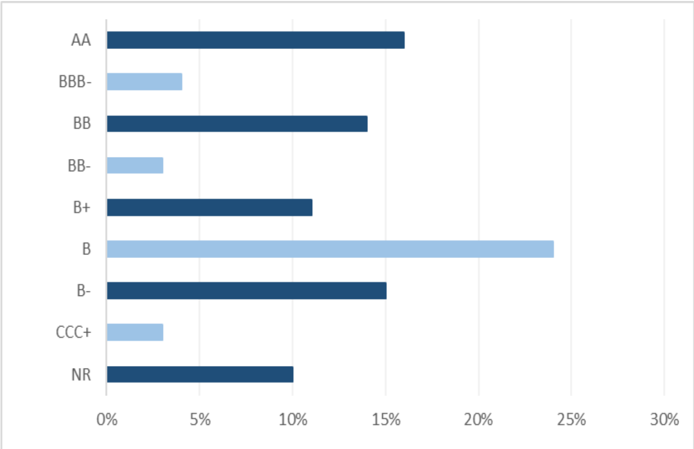
Top 10 Holdings (in % of NAV, 28/03/19)

Bond	%
9.25% Gazprom, 2019	4.2%
6.75% Telfon Celular del Paraguay, 2022	3.3%
8.75% DNO ASA, 2020	3.2%
9.875% Global Ship Lease, 2022	3.2%
5.50% Turkiye IS Bankasi, 2019	3.1%
7.625% Banco Mercantil del Norte, PERP	3.1%
8.125% Global Liman Isletmeleri, 2021	3.0%
9.25% Seplat Petroleum, 2023	2.6%
8.75% Eurotorg, 2022	2.6%
10.00% Crystal Almond, 2021	2.5%

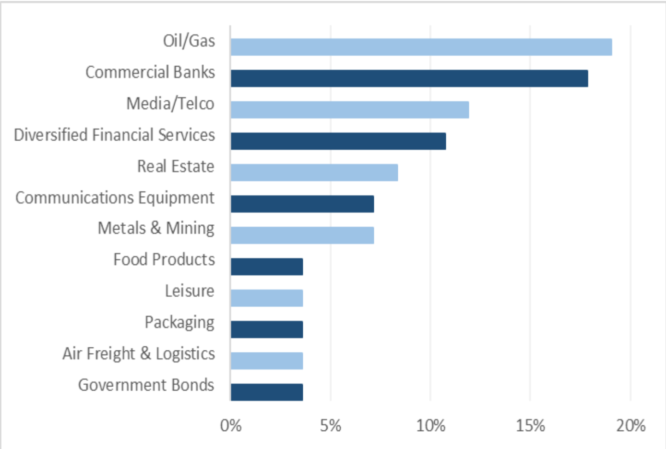
Regional Allocation (excl. cash & equiv)



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	Apex Fund Services (Ireland) Limited
Minimum Investment	Retail = 25,000 (GBP,EUR,USD,CAD,CHF,NOK) Institutional = 200,000 (GBP,EUR,USD,CAD,CHF,NOK)		