SphereInvest | GROUP

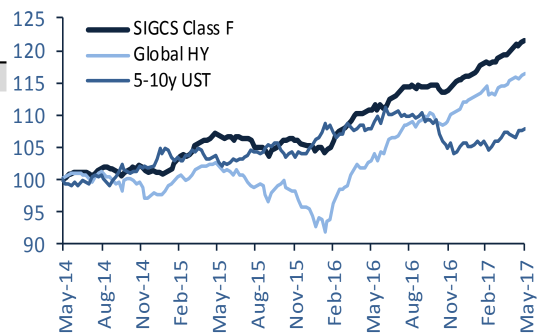
MORNINGSTAR ★★★★★

GLOBAL CREDIT STRATEGIES FUND

Monthly Performance

Class F (USD): MTD return: 1.28% 2017 return: 5.28% NAV per Share: 145.29
Class D (EUR): MTD return: 1.13% 2017 return: 4.32% NAV per Share: 139.12
Class E (GBP): MTD return: 1.21% 2017 return: 4.86% NAV per Share: 112.68

	2017	1-year		3 years		Since Inception	
	Return	Return *	Sharpe	Return *	Sharpe	Return *	Sharpe
SIGCSF Class F (US$)	**5.3%**	**9.6%**	**3.89**	**6.6%**	**2.39**	**7.8%**	**3.05**
BOFA Global High Yield	4.9%	13.3%	3.31	5.2%	0.91	7.5%	1.58
BOFA EM High Yield	5.4%	14.1%	3.71	6.0%	0.85	7.6%	1.24
BOFA Europe High Yield	4.0%	9.4%	2.78	5.1%	0.70	9.0%	1.55
BOFA US High Yield	4.9%	14.1%	3.08	4.8%	0.74	6.9%	1.32
BOFA US Treasury 5-10yrs	2.5%	-0.1%	-0.19	2.5%	0.47	1.5%	0.27
MSCI World	9.8%	14.9%	1.44	3.7%	0.26	9.2%	0.75
MSCI Emerging Markets	17.0%	24.6%	1.58	-0.9%	-0.08	1.4%	0.07



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

Source: SphereInvest Group; Bank of America Merrill Lynch

Portfolio and Market Commentary

While broad credit markets enjoyed another month of positive performance during May, the month was marked by a rapid succession of localized tremors, among which the collapse of commodity trader Noble Group in Singapore and medium-sized lender Banco Popular in Spain; the flare-up of the political crisis in Brazil; continued turmoil in the US administration; and the diplomatic and economic blockade of Qatar, a large foreign currency debt issuer.

Market losses on the scale experienced last month usually translate into diminished risk appetite at best, and forced deleveraging at worst. Even shocks perceived as idiosyncratic may be responsible for significant market-wide volatility: it is striking, for instance, the wipe-out of Popular's subordinated debt – which inflicted several billion euros of losses on bondholders – has so far triggered much less contagion in European subordinated debt markets than the mere concern, early last year, Deutsche Bank could skip coupons on some of their bonds.

What explained investors benign reaction during May? Certainly, optimism about broader macro conditions, as well as profits accrued after several months of strong market performance, provide a cushion against negative developments. In our view, a more convincing explanation: credit markets are proving immune to "fundamental" shocks because fundamentals are not in the driving seat anymore. While strong corporate earnings, and, more generally, the synchronized global recovery, certainly contributed to the year-to-date compression in corporate spreads, they have now given way to a more familiar driver in bond markets: the conviction rates will stay low despite improving growth conditions, because inflation pressures remain elusive despite tighter job markets across most DM, while the supply of capital continues to vastly exceed the demand for it. In spite of all the talk about "quantitative tightening", the combined balance sheet of major central banks is actually still expanding – although the process is expected to reverse later this year in the US and in 2018 in Europe. Meanwhile, a distracted US administration means the timing and extent of infrastructure spending and fiscal stimulus, which could help soak-up the excess supply of capital, remains unclear as ever.

Where are the risks and opportunities at this juncture? “Goldilocks” conditions – solid economic growth and subdued inflation - are unlikely to reverse in the near-term, while the likelihood major central banks need to tighten more quickly than expected is also receding. While the weakness in commodities bears watching, we continue to believe it reflects oversupplied conditions rather than a deficit in demand. Historically tight market spreads, however, imply the tide of easy money has left very few laggards to lift, and are leaving investors exposed to mispriced deteriorating credits: similar to May’s pattern, we expect return dispersion and the risk of price gaps to rise. With few “top down” themes remaining, possibly in the commodities complex and in select EM countries, our focus remains on bottom-up selection. We have been paring down some of our well performing stressed positions – such as Gol, the Brazilian airline – while raising our allocation to fundamentally stronger short-dated positions, as well as less crowded parts of the market – such as telecom towers operators IHS Holdings and Helios Towers. Finally, we continue taking advantage of select opportunities in the primary market, such as the new bonds of Costa Rican toll road operator Autopistas del Sol.

Monthly Performance since Inception

Class F (USD, MT7000005617)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	**YTD**
2017	1.12%	1.30%	0.50%	0.98%	1.28%								**5.28%**
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**
2017	0.82%	1.05%	0.40%	0.85%	1.13%								**4.32%**
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**
2017	1.01%	1.21%	0.40%	0.94%	1.21%								**4.86%**
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.

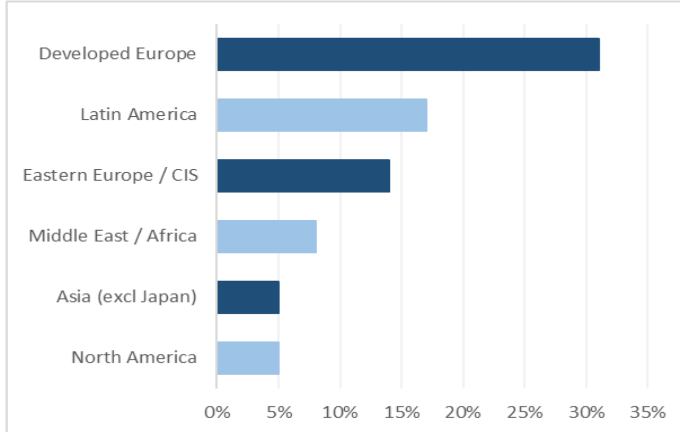
Portfolio Composition

	Rating	**NAV (%)**	**Price**	**Duration**	**Yield**	**Spread**
SphereInvest Global Credit Strategies	BB-	100 %	102.5	3.5	5.7 %	459
Cash and Equivalents	AA+	20 %				

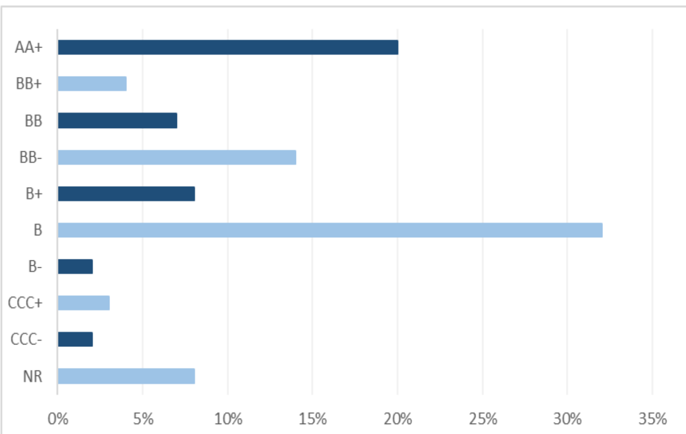
Top 10 Holdings (in % of NAV, 01/06/17)

7.374% Atento Luxco 1 SA, 2020	3%
9.125% HTA Group Ltd, 2022	3%
7.25% Altice Luxembourg SA, 2022	3%
4.204% Phosagro, 2018	3%
7.25% Aldesa Financial Services SA, 2021	3%
7.875% United Group BV, 2020	3%
7.375% Nemean Bondco Plc, 2024	3%
8.75% DNO ASA, 2020	3%
8.625% Banglalink Digital Comm, 2019	3%
7.375% Autopistas del Sol SA, 2030	3%

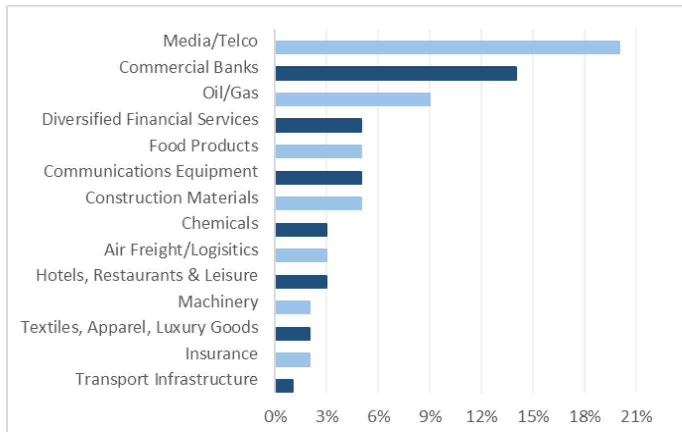
Regional Allocation (excl. cash & equiv)



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 (Ireland) Ltd.
Minimum Investment	Retail = 25,000 (GBP, EUR, USD, CAD, CHF) Institutional = 200,000 (GBP, EUR, USD, CAD, CHF)		