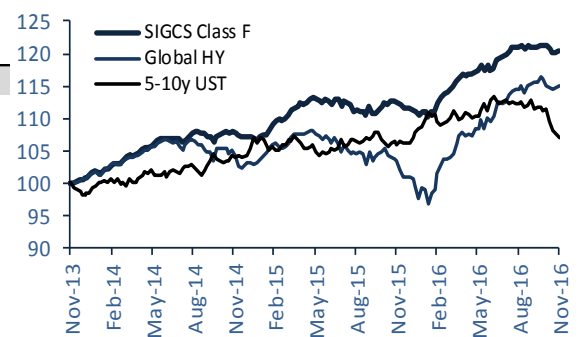


## GLOBAL CREDIT STRATEGIES FUND

### Monthly Performance

Class F (USD): MTD return: -0.72%    2016 return: 8.09%    NAV per Share: 136.15  
 Class D (EUR): MTD return: -1.01%    2016 return: 6.14%    NAV per Share: 131.73  
 Class E (GBP): MTD return: -0.94%    2016 return: 7.15%    NAV per Share: 106.07

	2016	1-year		3 years		Since Inception	
	Return	Return	* Sharpe	Return	* Sharpe	Return	* Sharpe
<b>SIGCSF Class F (US\$)</b>	<b>8.1%</b>	<b>6.9%</b>	<b>2.16</b>	<b>6.4%</b>	<b>2.34</b>	<b>7.2%</b>	<b>2.72</b>
BOFA Global High Yield	13.8%	10.8%	1.56	4.7%	0.87	6.8%	1.39
BOFA EM High Yield	15.5%	11.3%	1.89	5.7%	0.82	6.9%	1.08
BOFA Europe High Yield	7.3%	5.1%	0.96	5.0%	0.72	8.7%	1.43
BOFA US High Yield	15.2%	12.2%	1.52	4.2%	0.69	6.1%	1.14
BOFA US Treasury 5-10yrs	0.9%	0.7%	0.02	2.3%	0.46	1.0%	0.18
MSCI World	8.4%	1.8%	0.08	2.2%	0.15	7.4%	0.58
MSCI Emerging Markets	16.2%	4.7%	0.19	-4.9%	-0.30	-2.0%	-0.14



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

Source: SphereInvest Group; Bank of America Merrill Lynch

### Portfolio and Market Commentary

Mr. Trump's election as president of the United States was November's standout event, triggering a dramatic rise in risk-free rates and an equity rally, which has so far extended into the first week of December. From November 8th to the end of November, 10-year treasury yields increased 52bps to their highest since mid-2015, while the Russell 2000 equity index jumped more than 10%. Corporate credit spreads were broadly resilient, buffeted between the threat of higher risk-free-rates and an improving growth outlook. Global IG lost -2.35% during the Fund's performance period, while Euro and US high yield outperformed, returning -0.79% and -0.68%, respectively. EM HY lost 1.28%, with pockets of more acute weakness in countries perceived as most vulnerable to protectionist threats, such as Mexico (-3.3%). Russian credits, possibly a relative "winner" of Mr. Trump's election, but also a commodity-heavy sector, outperformed (-0.33%, thanks to a significant spread tightening of 44bps).

The post-election acceleration of the "reflation trade", only a few months after markets mistook Brexit as a deflationary shock, has left many surprised about markets' enthusiasm in embracing Mr. Trump's pro-growth policies (tax reforms, infrastructure spending plans, and deregulation), while disregarding the threats to global growth raised by some less sensible proposals (Mr. Trump's protectionist stance and views of international trade as a zero-sum game). Anyone non-partisan will also be well-aware of the execution challenges the new president will face in implementing even less controversial parts of his agenda: while ostensibly pursuing a mandate to revive manufacturing in the US, the immediate effect of his policies will be to tighten financial conditions through higher real rates and a stronger dollar; while the boost provided by the new administration's stimulus is unlikely to be felt before 2018, at a time the US will be even closer to reaching capacity barring unexpected productivity gains. Finally, EM investors will be well aware of the pitfalls of large-scale infrastructure programmes, when trying to improve a country's growth potential.

Does this mean any optimism is misplaced?

As we noted in our October letter, US elections coincided with an upswing in global economic conditions, which has been widespread enough not to be derailed by any of the recent political shocks – from Brexit to the unsuccessful constitutional referendum in Italy in early December. Although the sustainability of that improvement remains uncertain, because of what it owes to the credit stimulus in China earlier in 2016, developed economies ("DEs") may now be taking the baton of fiscal loosening. According to the IMF's cyclically-adjusted primary balance measure, fiscal policy in DEs turned expansionary in 2016 for the first time since 2010, a trend Mr. Trump's election will likely reinforce. Related to the recent US elections or not, both consumer and business confidence have recently improved in the US – the former jumping to the highest since 2007 in November, according to the Conference Board, which bodes well for future economic growth. Finally, after years of stultifying monetary policy and policy gridlock, fiscal loosening and deregulation are welcome, if only they help revive animal spirits.

However, there is not the same justification for credit investors to fully share equity investors' recent enthusiasm. US equities stand to benefit from the earnings-per-share boost provided by Mr. Trump's corporate tax cuts. Bond investors, in contrast, are paid out of pre-tax cash flows: the benefit of lower taxes accruing to them will likely be marginal, especially if companies use tax savings to boost shareholder returns. While a few segments in US leveraged credit, such as steel, coal mining, or energy may benefit from Mr Trump's industrial policies, their fortune will continue to be primarily dictated by China's outlook and, in the case of oil, the expected rebalancing of the market in 2017. Finally, while over-regulation is a deadweight loss for the entire economy, it is also part of the ecosystem in which established businesses entrench their competitive positions, often thanks to armies of lawyers. While we do not doubt all businesses welcome less red tape, deregulation can also be disruptive, something high yield investors, who mostly lend to established, yet financially vulnerable companies, will be mindful of in 2017.

During November and the first week of December, we took advantage of cheaper valuations to add to existing positions, including Atento, the global customer relations services company; United Group, the cable-TV company operating across the former Yugoslavia; and Cosan, the Brazilian bioethanol producer. We initiated new positions, including Codere, the Spanish gambling company, and Mexichem, the Mexican petrochemical company; while we cut our position in Digicel, the Caribbean mobile phone provider, following disappointing third quarter results. We believe November's agreement between OPEC and non-OPEC countries to cut output removed the tail-scenario of renewed market share war between producers, and should support oil prices near \$50/bbl. This will be enough for many cost-effective oil E&Ps to continue deleveraging during 2017, and we expressed our constructive views by adding to our positions in oil producers Petrobras, DNO and DEA Deutsche Erdoel.

## Monthly Performance since Inception

### Class F (USD, MT7000005617)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
<b>2012</b>							0.15%	0.72%	0.78%	2.11%	1.24%	1.72%	<b>6.90%</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>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>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>2016</b>	-0.34%	0.03%	2.86%	2.12%	0.55%	0.03%	1.96%	1.18%	-0.14%	0.36%	-0.72%		<b>8.09%</b>

### Class D (Euro, MT7000005591)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
<b>2012</b>							0.20%	0.66%	0.70%	2.04%	1.20%	1.62%	<b>6.59%</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>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>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>2016</b>	-0.42%	-0.01%	2.57%	1.92%	0.39%	-0.08%	1.81%	0.98%	-0.25%	0.15%	-1.01%		<b>6.14%</b>

## Class E (GBP, MT7000005609)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
<b>2015</b>					0.69%	-0.51%	-0.17%	-1.21%	-1.29%	1.86%	0.68%	-1.02%	<b>-1.01%</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%		<b>7.15%</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 %	99.5	2.9	4.7 %	411
Largest 5 Positions	B+	16 %	103.7	2.6	6.7 %	617
<b>Regions</b>						
Cash and Equivalents	AA+	35 %				
LATAM	BB-	27 %	98.0	3.7	7.1 %	642
Developed Europe	B	20 %	102.1	4.1	6.8 %	627
Eastern Europe / CIS	BB	12 %	96.6	6.9	8.4 %	707
Africa	BBB-	5 %	100.8	4.7	7.2 %	608
Asia ex-Japan	B+	1 %	104.7	2.4	7.6 %	688
<b>Corporates/Financials</b>						
Cash and Equivalents	AA+	35 %				
Corps	BB-	47 %	99.3	4.1	7.1 %	636
Financials	B	18 %	100.1	5.0	6.9 %	603
<b>Sectors</b>						
Cash and Equivalents	AA+	35 %				
Commercial Banks	BB-	14 %	97.4	3.5	5.9 %	518
Oil, Gas & Consumable Fuels	BB	10 %	95.6	5.3	9.1 %	792
Telecommunications	BB+	8 %	102.7	3.1	7.7 %	702
Media	B	5 %	101.3	8.1	7.6 %	667
Chemicals	BB+	4 %	98.5	6.5	9.6 %	833
Containers & Packaging	CCC	4 %	102.3	3.8	9.4 %	940
Sovereign	B-	3 %	105.5	2.2	6.0 %	518
Money Market Instrument	BB+	3 %	101.6	1.1	2.8 %	178
Real Estate Management & Development	B-	3 %	100.5	4.0	6.1 %	529
Air Freight & Logistics	BB-	3 %	99.2	4.1	6.9 %	697
Gaming	B	2 %	100.7	3.9	7.9 %	691
Hotels, Restaurants & Leisure	B	2 %	102.7	5.3	5.4 %	524
Diversified Financial Services	BB-	2 %	106.5	5.1	6.0 %	481
Airlines	CCC	1 %	99.9	4.0	4.1 %	305
Communications Equipment	B+	1 %	91.6	9.5	6.6 %	497

Ratings							
AAA	AAA	30 %					
AA	AA	5 %					
B	B	14 %	100.2	5.0	6.1 %		551
B-	B-	6 %	103.1	3.0	6.1 %		523
B+	B+	8 %	95.6	4.4	9.8 %		877
BB	BB	5 %	93.7	5.5	7.7 %		671
BB-	BB-	12 %	102.5	2.9	5.6 %		519
BB+	BB+	7 %	94.5	4.4	7.2 %		605
BBB	BBB	6 %	101.4	3.9	7.1 %		606
BBB-	BBB-	2 %	91.4	9.3	9.9 %		824
CCC	CCC	5 %	101.6	3.9	7.9 %		760
Currencies							
USD	BBB+	74 %	98.7	2.6	4.1 %		332
EUR	B	19 %	101.0	4.1	6.7 %		669
GBP	B+	7 %	102.9	3.0	6.2 %		552

## Fund Terms

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

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