

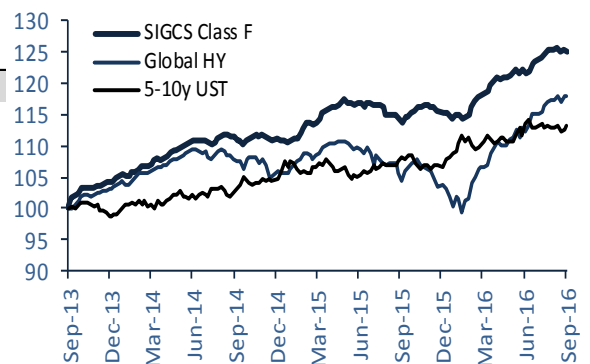


GLOBAL CREDIT STRATEGIES FUND

Monthly Performance

Class F (USD): MTD return: -0.14% 2016 return: 8.49% NAV per Share: 136.65
 Class D (EUR): MTD return: -0.25% 2016 return: 7.06% NAV per Share: 132.88
 Class E (GBP): MTD return: -0.22% 2016 return: 7.85% NAV per Share: 106.76

	2016	1-year		3 years		Since Inception	
	Return	Return *	Sharpe	Return *	Sharpe	Return *	Sharpe
SIGCSF Class F (US\$)	8.5%	10.2%	3.16	7.2%	2.67	7.6%	2.87
BOFA Global High Yield	14.0%	13.2%	1.85	5.7%	1.06	7.1%	1.45
BOFA EM High Yield	16.7%	18.6%	3.00	6.6%	0.96	7.4%	1.16
BOFA Europe High Yield	7.5%	8.8%	1.69	6.1%	0.89	9.1%	1.48
BOFA US High Yield	15.1%	12.9%	1.52	5.1%	0.86	6.4%	1.19
BOFA US Treasury 5-10yrs	6.2%	4.7%	0.96	4.2%	0.96	2.3%	0.48
MSCI World	9.1%	3.4%	0.18	3.7%	0.27	7.9%	0.62
MSCI Emerging Markets	23.6%	7.7%	0.32	-3.1%	-0.20	-0.7%	-0.06



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

Source: SphereInvest Group; Bank of America Merrill Lynch

Portfolio and Market Commentary

High yield credit markets remained constructive during September, as broadly supportive macro data, stronger commodities, limited new issue supply and still strong fund flows, helped offset a few negative developments: from renewed worries about the health of European banks; to political uncertainty ahead of the US presidential elections and November’s constitutional referendum in Italy; and amid signs the Brexit process will prove more disruptive than 100 days of limbo since the EU referendum had led some to hope. EM high yield markets outperformed, in part thanks to the credit-specific rally in PDVSA (the Venezuelan National Oil Company, which contributed 40% to the performance of the index we track) and returned 1.3% during September. US HY returned 0.55%, led by financials (helped by hopes of rising rates) and commodities. Euro HY underperformed, retreating -0.3%, as lower carry (230 to 270bps below US’ and EM’s) was not enough to offset yields wider by around 22bps.

With four meetings during the month, Central Banks continued to take centre-stage. After all major CBs announced either no policy change (in the case of the Fed, the ECB, and the BoE) or only technical tweaks (BoJ), September helped cement a recent shift in market narrative: monetary accommodation could be past its peak amid widespread concerns about the side-effects of NIRP, while fiscal stimulus – likely in the UK and in the US, whoever wins the elections - could upend fixed income markets used to monetary policy being “the only game in town”. In this context, recent press reports ECB policymakers have reached an “informal consensus” to taper asset purchases before QE ends managed to capture investor attention: although the report was denied by ECB officials and has no near-term relevance (QE appears more likely to be extended after March 2017 than curtailed, in our view, given the ECB’s lack of progress towards achieving its inflation goals), it helped trigger a 15-20 bps sell-off in rates across DM government bond markets.

Despite the occasional spike – such as towards the start of last month, following out-of-character hawkish comments by a usually dovish Fed governor - financial markets volatility has remained low so far this year, reflecting CB activism and, maybe more importantly, the low volatility of incoming economic data: this business cycle is both mediocre and impervious to all shocks – from the collapse of oil markets started 2014, to the Brexit referendum in 2016 – leaving investors unwilling to position against it. Contrasting that low volatility, however, we believe the perception remains widespread uncertainty is very high and not adequately reflected in risk premiums: from the belief that valuations are hostages to DM monetary policy support; to scepticism about the macro stabilization of China and its proxies (EM, commodities); to concerns policymakers in DM are pursuing populist and anti-business agendas. That unusual coexistence of a high degree of perceived uncertainty but low realized volatility will continue, in our view, to crowd investors into low-duration, income producing assets, such as high yield credit – while higher duration assets, such as investment grade credit or government bonds may be more vulnerable to the new uncertainty about monetary and the fiscal policy outlook in DM.

Although we remain constructive about our asset class, we erred in hindsight by tactically positioning for a market correction during the month, as we expected investors to focus on protecting generally strong year-to-date returns. Our cautious positioning was probably more consensual than we had envisaged, however, and the bar for HY markets to meaningfully correct in the near term was correspondingly higher. At this particular juncture, the Fund holds around 50% of assets in very short-duration (from several months to less than 2 years): this provides us with substantial firepower to use should credit markets correct, and we still feel patience could be well rewarded ahead of numerous hurdles for risk during the last quarter.

Monthly Performance since Inception

Class F (USD, MT7000005617)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2012							0.15%	0.72%	0.78%	2.11%	1.24%	1.72%	6.90%
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%
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%
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%
2016	-0.34%	0.03%	2.86%	2.12%	0.55%	0.03%	1.96%	1.18%	-0.14%				8.49%

Class D (Euro, MT7000005591)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2012							0.20%	0.66%	0.70%	2.04%	1.20%	1.62%	6.59%
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%
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%
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%
2016	-0.42%	-0.01%	2.57%	1.92%	0.39%	-0.08%	1.81%	0.98%	-0.25%				7.06%

Class E (GBP, MT7000005609)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2015					0.69%	-0.51%	-0.17%	-1.21%	-1.29%	1.86%	0.68%	-1.02%	-1.01%
2016	-0.38%	-0.08%	2.79%	2.07%	0.48%	0.03%	1.95%	1.01%	-0.22%				7.85%

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 %	101.4	3.7	5.0 %	417
Largest 5 Positions	BBB-	20 %	102.8	4.0	4.2 %	316
Regions						
Central & Latin America	BB-	21 %	100.8	6.2	7.3 %	599
Eastern Europe / CIS	BB	22 %	102.0	3.2	5.3 %	449
Developed Europe	B	20 %	102.9	4.8	6.6 %	606
Cash and Equivalents	AAA	20 %				
Africa	BBB	8 %	104.0	4.1	3.7 %	269
Asia ex-Japan	B+	6 %	104.6	4.4	5.3 %	424
North America	B-	3 %	88.4	3.2	12.0 %	1105
Corporates/Financials						
Corps	B+	58 %	101.9	4.9	6.7 %	579
Financials	BB+	22 %	101.5	3.9	5.1 %	407
Cash and Equivalents	AAA	20 %				
Sectors						
Commercial Banks	BB+	22 %	101.5	3.9	5.1 %	407
Cash and Equivalents	AAA	20 %				
Telecommunications	BB-	13 %	100.6	4.8	6.7 %	574
Food Products	BB-	8 %	102.4	6.9	7.0 %	574
Oil, Gas & Consumable Fuels	B	7 %	97.7	5.6	7.8 %	657
Hotels, Restaurants & Leisure	B	5 %	103.3	4.2	7.4 %	681
Media	B	5 %	104.7	3.6	6.1 %	578
Chemicals	BB+	4 %	102.3	1.3	2.5 %	150
Consumer Finance	B-	3 %	107.6	4.5	7.9 %	779
Air Freight & Logistics	BB-	2 %	105.3	2.6	7.8 %	692
Utilities	BB-	2 %	100.8	7.8	4.8 %	337
Metals & Mining	BBB-	2 %	96.9	11.2	7.5 %	575
Real Estate Management & Development	B-	2 %	104.5	2.5	7.8 %	705
Education	B	2 %	104.7	4.0	6.6 %	574
IT Services	CCC+	2 %	106.8	2.6	7.4 %	755
Containers & Packaging	CCC	1 %	96.9	5.4	7.2 %	703
Ratings						
AAA	AAA	20 %				
BB-	BB-	16 %	100.9	5.3	6.3 %	522
B	B	15 %	102.5	3.5	7.5 %	690
B+	B+	9 %	103.1	4.8	6.1 %	502
BB+	BB+	9 %	101.1	1.9	2.5 %	160
B-	B-	8 %	99.9	3.7	9.1 %	844

BBB	BBB	8 %	104.0	4.1	3.7 %	269
BB	BB	6 %	101.8	7.6	7.9 %	646
BBB-	BBB-	6 %	101.0	8.5	6.1 %	458
CCC+	CCC+	2 %	106.8	2.6	7.4 %	755
CCC	CCC	1 %	96.9	5.4	7.2 %	703
Currencies						
USD	BBB	77 %	101.0	3.6	4.6 %	363
EUR	B	15 %	103.5	4.2	6.2 %	613
GBP	B+	8 %	102.5	3.7	6.5 %	568

Fund Terms

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

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