SphereInvest | GROUP

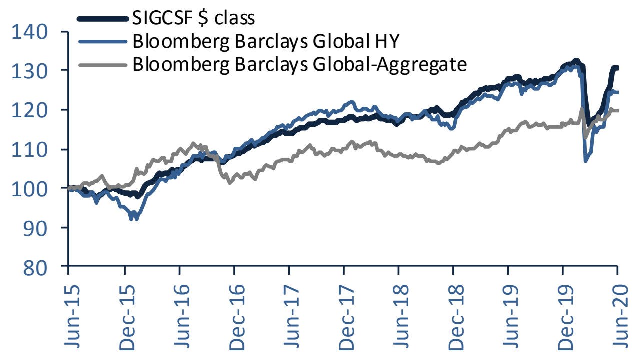
GLOBAL CREDIT STRATEGIES FUND

Monthly Performance

Class F (USD):	MTD return:	5.53%	2020 return:	0.45%	NAV per Share:	166.65
Class D (EUR):	MTD return:	5.42%	2020 return:	-0.77%	NAV per Share:	147.19
Class E (GBP):	MTD return:	5.50%	2020 return:	-0.32%	NAV per Share:	122.38

	YtD	5 years		Since Inception	
	Return	Return *	Sharpe	Return *	Sharpe
SIGCSF Class F (US$)	**0.5%**	**5.4%**	**1.0**	**6.5%**	**1.5**
Bloomberg Barclays Global HY	-4.0%	4.4%	0.4	5.2%	0.6
ICE EM High Yield	-1.6%	5.8%	0.6	6.1%	0.8
ICE Europe High Yield	-4.7%	3.2%	0.3	5.8%	0.8
ICE US High Yield	-4.0%	4.6%	0.4	5.4%	0.7
Bloomberg Barclays Global-Agg.	3.1%	3.6%	0.4	1.9%	0.2
MSCI World	-5.5%	4.9%	0.2	7.5%	0.4
MSCI Emerging Markets	-8.2%	1.0%	0.0	1.0%	0.0

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



Source: SphereInvest Group; Bank of America Merrill Lynch

Portfolio and Market Commentary

Within just 4 months, global high yield markets have sped through an accelerated credit cycle, with spreads collapsing even as default rates climb. Investors anticipate a strong recovery, betting defaults are lagging indicators of a severe, but quick, economic downturn. So far, so good: the global economy is indeed experiencing a sharp rebound from the March-April freeze. But the recovery has been striking nonetheless – from China, to Europe and the US, employment, manufacturing, retail sales, and confidence indicators are often dramatically exceeding expectations. Investors are taking the growing number of reported covid cases in the US and many EM countries in stride, for a few key reasons. There may be something about the "boiling frog syndrome" in the steady deterioration of the pandemic through the second half of June: having failed to react at first, investors appear to have become desensitised to alarming daily headlines. Even in countries where the pandemic is still raging, mortality has so far remained steady, though at elevated levels. Benefit from the impulse, whether social or political, to try to bring the pandemic under control – necessitating a very high upfront economic cost – is therefore unclear. More fundamentally, China appears to be successfully controlling the pandemic, as demonstrated again during June, when it quickly suppressed an outbreak in Beijing. As long as this remains the case, investors will take comfort China remains on track to grow in 2020, providing support for a wide range of assets, from EM to commodities. DM countries have, broadly speaking, failed to manage the pandemic. But investors are betting any "second wave" would only force policymakers to apply the same potent cure: more fiscal and monetary stimulus.

Although CB liquidity has lifted many boats, the recovery of high-yield credit hasn't been uniform. HY is broadly a value asset class, with little representation from growth sectors structurally benefiting from the pandemic. For HY, the health crisis is either: a cyclical tailwind (likely transitory, e.g. in retail - first boosted by consumer precautionary stocking, then by pent-up demand); a structural challenge (in those sectors hurt by social distanciation requirements and changing consumer patterns); or, for the large majority of credits, a severe cyclical challenge brought by collapsing activity.

HY investors have therefore tended to target not sectors, but balance sheet strength going into the crisis, at first, then, corporate self-help (cost cutting, ability to access liquidity). Implicitly, investors are assuming survival itself will position corporates as relative winners once they emerge from the crisis, with less competition, and/or leaner cost structures. Cost-cutting and cash flow protection guided by corporates has indeed been striking. The HY corporates we follow have often made the most of furlough schemes, negotiating lower labour costs and extracting lower rents or better payment terms – none of which would have been achievable in "normal" times. Plainly, not all of those measures are sustainable. The concern is indeed acceleration of activity could tip some companies into liquidity crunches as some measures are reversed (landlords and leasing companies won't always accept lower payments). Margin and cash flow protection could also come at a steep cost for top lines: not everyone can cut costs and capex, shed jobs and grow at the expense of everyone else. But for a market with a near-term glass-half-full disposition, the success of self-help has certainly provided good news for now.

The Fund continued to benefit during June from the ongoing normalization of default probabilities across several of our core positions – most in Emerging Markets, such as Silknet (Georgia), TSTT (Trinidad), Quiport (Ecuador), Genel (Iraq), or Trans-Oil (Moldova). While EM HY is currently seeing its fair share of hard defaults and restructurings, its year-to-date outperformance vs. Euro and US HY has been remarkable. We believe it reflects an enduring strength of the asset class: for a given yield, the standalone credit quality of issuers the Fund is able to invest in is simply much stronger than for DM peers. Of course, the excess compensation exists for a reason: EM corporates often do not borrow in their own currencies, and don't benefit from a stable investor base. As shown again during March and April, capital outflows can depress valuations to a larger extent than in DM and could have eventually bankrupted many sound borrowers. The threat of a runaway dollar has now receded, however, allowing a sharper normalization of valuations in EM HY than in DM HY, where distress tends to be more idiosyncratic.

Monthly Performance since Inception

Class F (USD, MT7000005617)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2020	1.09%	0.05%	-12.07%	2.67%	4.24%	5.53%							**0.45%**
2019	2.34%	1.46%	0.60%	1.06%	0.22%	1.08%	0.93%	-1.43%	0.12%	1.01%	0.14%	1.69%	**9.59%**
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
2020	0.89%	-0.10%	-12.52%	2.54%	4.12%	5.42%							**-0.77%**
2019	2.14%	1.22%	0.30%	0.77%	0.02%	0.94%	0.63%	-1.70%	-0.12%	0.73%	-0.05%	1.45%	**6.45%**
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
2020	1.00%	-0.04%	-12.48%	2.59%	4.23%	5.50%							**-0.32%**
2019	2.26%	1.33%	0.39%	0.82%	0.03%	1.01%	0.89%	-1.60%	0.00%	0.86%	0.09%	1.54%	**7.84%**
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.

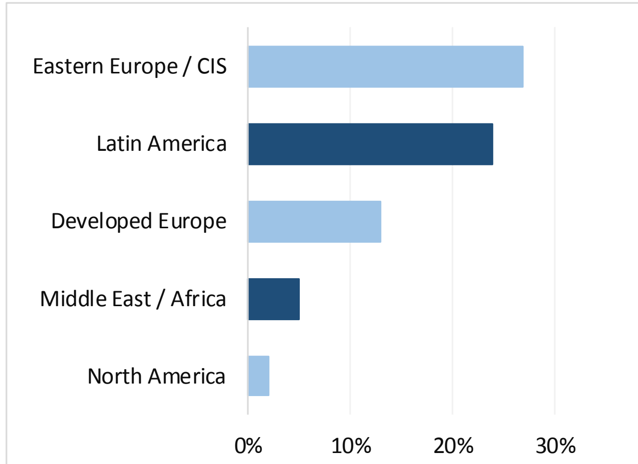
Fund Information as of June, 2020

	Avg Rating	NAV (%)	Price	Duration	Yield	Spread
SphereInvest Global Credit Strategies	BB	100 %	96.0	2.0	8.0%	789
Cash and Equivalents	AA	29 %				

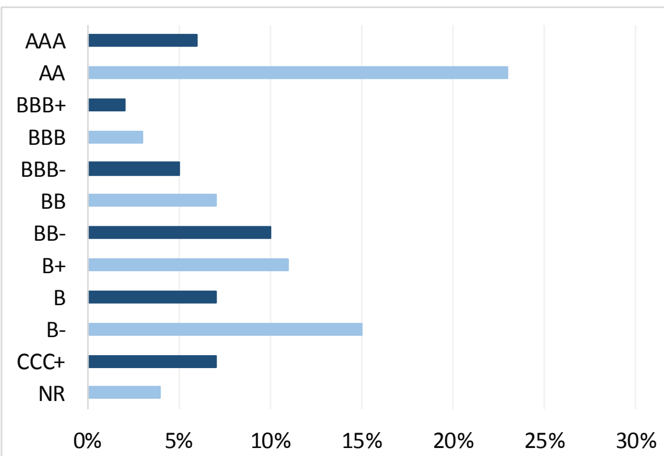
Top 10 Holdings (in % of NAV, 02/07/20)

Bond		%
8.875%	Telecom Services of Trinidad & Tobago, 2029	4.1%
6.75%	KME AG, 2023	3.9%
12.00%	Quiport, 2033	3.8%
6.748%	MV24 Capital, 2034	3.8%
7.50%	Genel Energy, 2022	3.3%
6.125%	Lukoil, 2020	3.2%
12.00%	Trans-Oil, 2024	3.1%
11.00%	Silknet, 2024	3.1%
7.125%	Naftogaz, 2024	3.0%
8.875%	Credit Bank of Moscow, PERP	2.7%

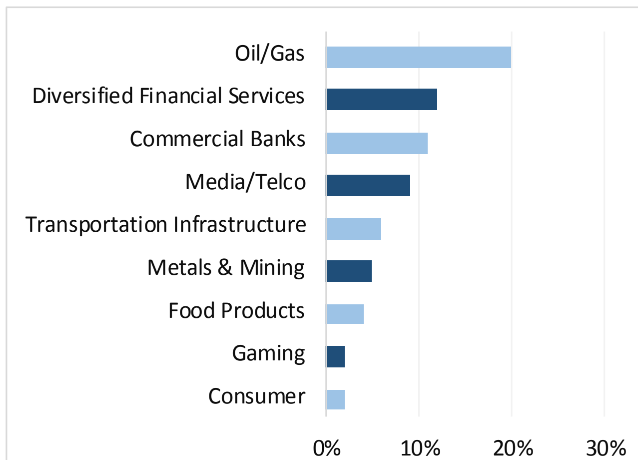
Regional Allocation (incl. cash & equiv)



Credit Quality



Sector Allocation (incl. cash & equiv)



Fund Terms

Regulatory	UCITS V	Domicile	Malta
Liquidity	Daily Pricing / Weekly dealing	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)		