

SphereInvest | GROUP

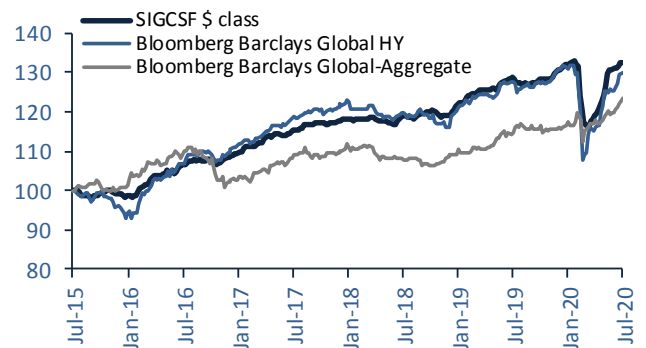


GLOBAL CREDIT STRATEGIES FUND

Monthly Performance

Class F (USD): MTD return: 1.06% 2020 return: 1.51% NAV per Share: 168.41
 Class D (EUR): MTD return: 0.99% 2020 return: 0.22% NAV per Share: 148.64
 Class E (GBP): MTD return: 1.04% 2020 return: 0.71% NAV per Share: 123.65

	YtD		5 years		Since Inception	
	Return	Return * Sharpe	Return * Sharpe	Return	Return * Sharpe	
SIGCSF Class F (US\$)	1.5%	5.7%	1.0	6.6%	1.6	
Bloomberg Barclays Global HY	-0.5%	5.3%	0.5	5.7%	0.7	
ICE EM High Yield	0.6%	6.5%	0.7	6.4%	0.8	
ICE Europe High Yield	-3.3%	3.3%	0.3	5.9%	0.8	
ICE US High Yield	-0.4%	5.6%	0.5	5.8%	0.8	
Bloomberg Barclays Global-Agg.	6.2%	4.2%	0.6	2.2%	0.3	
MSCI World	-2.3%	5.5%	0.2	7.9%	0.5	
MSCI Emerging Markets	-2.9%	3.8%	0.1	1.7%	0.0	



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

Source: SphereInvest Group; Bank of America Merrill Lynch

Portfolio and Market Commentary

Investor sentiment has so far remained unscathed by the recent worsening of the global health crisis. One key reason: growth momentum is still strong, with most economic indicators (PMIs, payrolls, retail sales) extending their recovery during July, even while the pandemic refuses to disappear. The relative strength of economic indicators may have convinced investors consumers and companies are adapting to constrained lives and economies may now be on a sustainable path of recovery. Such narrative appears naïve. July's economic momentum may have been largely carried from previous months when economies were re-opening. Rather than resiliency and pent-up consumer demand, it probably reflected considerable policy support, which investors assume will be extended, despite risks of near-term tapering. In time, investors' focus will turn away from the pace of recovery to concerns about its completeness. Second quarter earnings were not yet a trigger to operate such a shift. Schematically, credit investors' focus during lockdowns was about sheer corporate survival. Post-lockdown, they have often rewarded companies exceeding depressed expectations (largely thanks to cost-cutting and working capital management) or able to guide for small signs of improvement ("the worst is over" in guise of guidance). Of course, markets aren't ignoring cost-cutting, squeezing suppliers and liquidating inventories are rarely sustainable ways to deleverage. But concerns about depressed top-lines is still mainly transpiring in relative performance only (slower tightening), rather than outright spread widening. Even significant disappointments (for instance recent setbacks observed in tourism-dependent sectors) have only led to mild reactions in spreads. How long can this last?

With central banks unlikely to remove support any time soon, US-China tensions and untimely fiscal retrenchment are two key risks which could yet derail markets. Although headlines may create some near-term volatility –

especially ahead of November's US elections - we are rather sanguine about the former. We believe the US will calibrate its actions to avoid economic spill-over, while China's policymakers seem intent to avoid escalation (maybe playing for time ahead of a possible change in US administration), while they pursue policies of domestic-led recovery. The risk from near-or-medium-term "fiscal cliffs" looms larger in our view. Investors have focused mainly on the US so far, because the elections cycle is already putting policy continuity in play. Whether out of political calculation or fiscal sustainability concerns, we believe similar concerns could rise across many other countries where support programmes are due to expire, forcing investors contemplate the removal of one pillar of the recent economic and market recovery.

While we took partial profit in a number of positions, we made limited changes to the Fund's overall positioning during July. We continue to believe EM corporates are in a relative sweet spot, owing to either more favourable valuations than in DM, or a less muddy narrative thanks to China's more advanced recovery and apparent success at suppressing the pandemic. We are concerned, however, valuations are becoming tight across the board, while market consensus is more fragile than apparent. Major asset classes have recently sent more contradictory signals: the depreciation of EMFX in spite of the dollar weakness and strength of China; and the outlook for inflation in the US (does the collapse in real yields reflect ongoing Japanization, or rising inflation expectations?). None of those questions are likely to be answered in coming weeks or months. The lack of market consensus means the ability of investors to keep their less-liquid positions in the face of adverse developments is probably low. We saw this during July, as renewed concerns around the Turkish lira led to sharp price moves in Turkish external debt. We believe similar episodes are likely to repeat themselves in coming months, providing new opportunities to deploy capital.

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%	1.06%						1.51%
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%	0.99%						0.22%
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%	1.04%						0.71%
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.

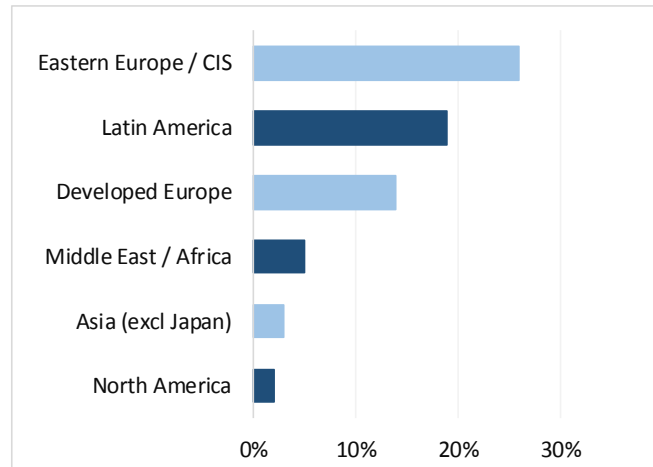
Fund Information as of July, 2020

	Avg Rating	NAV (%)	Price	Duration	Yield	Spread
SphereInvest Global Credit Strategies	BB-	100 %	97.6	1.8	6.5%	581
Cash and Equivalents	AA+	31 %				

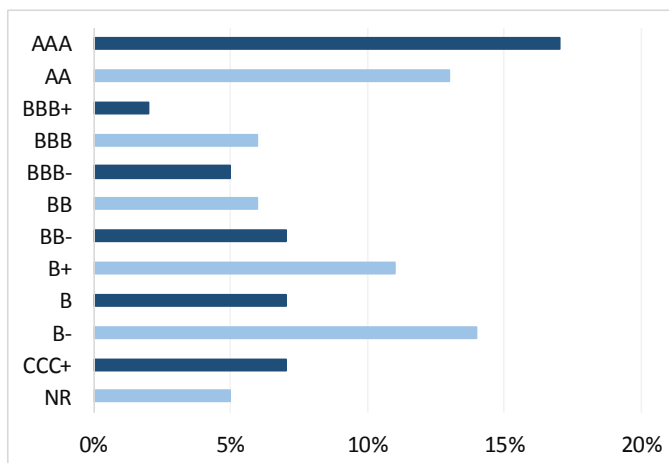
Top 10 Holdings (in % of NAV, 30/07/20)

Bond	%
6.75% KME AG, 2023	4.1%
12.00% Quiport, 2033	3.9%
7.50% Genel Energy, 2022	3.3%
4.70% BOAD, 2031	3.2%
6.125% Lukoil, 2020	3.2%
6.748% MV24 Capital, 2034	3.1%
11.00% Silknet, 2024	3.1%
12.00% Trans-Oil, 2024	3.1%
7.125% Naftogaz, 2024	2.8%
8.875% Credit Bank of Moscow, PERP	2.6%

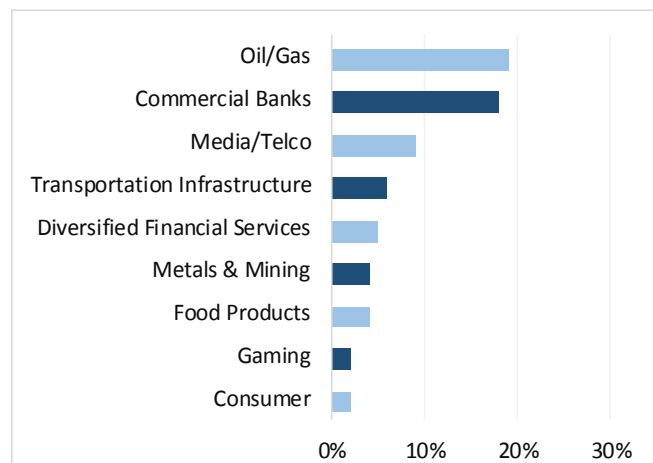
Regional Allocation (incl. cash & equiv)



Credit Quality



Sector Allocation (incl. cash & equiv)



Fund Terms

Regulatory	UCITS V	Domicile	Malta
Liquidity	Daily Pricing / Weekly dealing	Custodian	RBC International
Start Date	2 nd 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)		

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