

# SphereInvest | GROUP

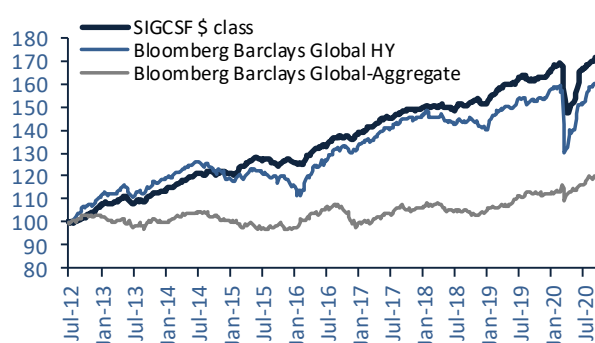


## GLOBAL CREDIT STRATEGIES FUND

### Monthly Performance

Class F (USD): MTD return: -0.05% 2020 return: 3.31% NAV per Share: 171.39  
 Class D (EUR): MTD return: -0.11% 2020 return: 1.79% NAV per Share: 150.97  
 Class E (GBP): MTD return: -0.06% 2020 return: 2.46% NAV per Share: 125.79

	YtD	5 years		Since Inception	
	Return	Return	* Sharpe	Return	* Sharpe
<b>SIGCSF Class F (US\$)</b>	<b>3.3%</b>	<b>6.2%</b>	<b>1.2</b>	<b>6.6%</b>	<b>1.6</b>
Bloomberg Barclays Global HY	-0.4%	5.4%	0.5	5.5%	0.7
ICE EM High Yield	1.8%	6.9%	0.8	6.3%	0.8
ICE Europe High Yield	-2.2%	3.7%	0.3	5.9%	0.8
ICE US High Yield	0.2%	6.0%	0.6	5.7%	0.8
Bloomberg Barclays Global-Agg.	5.9%	3.9%	0.5	2.1%	0.3
MSCI World	-1.7%	6.2%	0.3	7.7%	0.4
MSCI Emerging Markets	0.5%	5.7%	0.2	2.1%	0.1



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

Source: SphereInvest Group; Bank of America Merrill Lynch

### Portfolio and Market Commentary

The sharp rally of risk assets on November 9th, after Pfizer/BioNTech announced their vaccine had proved very effective, exemplifies at once the strength and vulnerability of markets at this important juncture.

Markets strength is, by now, well understood. In a mirror image of the post-GFC expansion's last innings, when investors were spying an elusive recession at every turn, markets now have recovery for sole horizon. The economic shocks triggered by the virus are seen both as structural at the micro level, but temporary at the macro one. While consumption and production patterns may have changed forever, investors - and the public at large - can only comprehend the constraints to daily life caused by the virus as limited in time - and therefore to be looked "beyond". The Pfizer vaccine did not, in our view, provide the proverbial "light at the end of the tunnel". A vaccine was already seen as the end-game; there were numerous signs one was likely to be approved in the coming months. But the Pfizer vaccine did suddenly bring forward that tantalizing post-covid horizon. How much forward? is going to be the question everyone will need to grapple with in the coming months. For now, however, the vaccine did reassure investors they are right to look "beyond" the coming weeks or months, which could be blighted by the resurgent virus.

Markets are vulnerable, however, because covid is becoming the only game in town. The issue with letting any virus - let alone a novel one - dominate the market narrative to such an extent is, of course, investors aren't epidemiologists. Their collective understanding is probably the same as the broad educated publicum. The market rallied on the Pfizer news because investors were caught off-guard. It appears inevitable to us markets will remain in a similar largely reactive mode as long as the virus drives the narrative: positioning will remain very one-sided,

as investors react to new information in the same way (buying cyclicals and value stocks when the pandemic seems manageable, buying large cap techs when it seems not, etc.), and the risk of market ruptures (either a sharp rally, but also a sharp sell-off) will remain high in our view.

Recognizing market vulnerability is not in itself a strong enough reason to push back against the dominant narrative. The market is fixated on a medium-term recovery which, by definition, will only play out in time. Before then, bears face, in our view, an uncomfortable outlook, with markets likely able to climb fairly steep walls of worries and adopt a glass half-full view of earnings and incoming data – which have, so far, often beaten expectations anyway.

Longer term, however, we see signs investors may be repeating the same mistakes they did after the 2016 oil price crash, when they bankrolled too soon US E&Ps betting on a swift recovery, paving the way for a second wave of defaults. The ability of many vulnerable credits to attract capital in 2020 has been seen as both a survival condition and an imprimatur of the viability of their business models in a post-covid world. Our growing concern is 2021 is likely to still be a stop-and-go economy, until a vaccine has reached a wide enough part of the population. The implicit bets made by investors showering companies with debt, is as much on an eventual recovery, as on its timing. Should the recovery be delayed, capital will inevitably be more challenging to attract for companies with already inflated capital structures.

## Monthly Performance since Inception

### Class F (USD, ISIN: IE00BKXBBV70)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
<b>2020</b>	1.09%	0.05%	-12.07%	2.67%	4.24%	5.53%	1.06%	0.81%	1.00%	-0.05%			<b>3.31%</b>
<b>2019</b>	2.34%	1.46%	0.60%	1.06%	0.22%	1.08%	0.93%	-1.43%	0.12%	1.01%	0.14%	1.69%	<b>9.59%</b>
<b>2018</b>	0.49%	-0.09%	-0.08%	0.39%	-0.71%	-0.75%	1.98%	-0.54%	0.87%	0.46%	-0.81%	0.07%	<b>1.26%</b>
<b>2017</b>	1.12%	1.30%	0.50%	0.98%	1.28%	-0.10%	0.66%	0.94%	0.48%	0.63%	-0.19%	0.44%	<b>8.33%</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%	1.36%	<b>9.56%</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>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>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>2012</b>							0.15%	0.72%	0.78%	2.11%	1.24%	1.72%	<b>6.90%</b>

### Class D (Euro, ISIN: IE00BKXBB542)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
<b>2020</b>	0.89%	-0.10%	-12.52%	2.54%	4.12%	5.42%	0.99%	0.75%	0.92%	-0.11%			<b>1.79%</b>
<b>2019</b>	2.14%	1.22%	0.30%	0.77%	0.02%	0.94%	0.63%	-1.70%	-0.12%	0.73%	-0.05%	1.45%	<b>6.45%</b>
<b>2018</b>	0.32%	-0.36%	-0.32%	0.19%	-1.04%	-0.99%	1.75%	-0.66%	0.68%	0.19%	-1.08%	-0.20%	<b>-1.56%</b>
<b>2017</b>	0.82%	1.05%	0.40%	0.85%	1.13%	-0.23%	0.50%	0.78%	0.34%	0.42%	-0.29%	0.22%	<b>6.15%</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%	1.23%	<b>7.44%</b>
<b>2015</b>	-0.29%	1.82%	1.33%	1.55%	0.97%	-0.63%	-0.20%	-1.27%	-1.46%	1.77%	0.91%	-1.13%	<b>3.35%</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>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>2012</b>							0.20%	0.66%	0.70%	2.04%	1.20%	1.62%	<b>6.59%</b>

### Class E (GBP, ISIN: IE00BKXBBT58)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
<b>2020</b>	1.00%	-0.04%	-12.48%	2.59%	4.23%	5.50%	1.04%	0.81%	0.98%	-0.06%			<b>2.46%</b>
<b>2019</b>	2.26%	1.33%	0.39%	0.82%	0.03%	1.01%	0.89%	-1.60%	0.00%	0.86%	0.09%	1.54%	<b>7.84%</b>
<b>2018</b>	0.39%	-0.24%	-0.23%	0.30%	-0.84%	-1.09%	1.80%	-0.74%	0.89%	0.34%	-1.02%	-0.66%	<b>-1.14%</b>
<b>2017</b>	1.01%	1.21%	0.40%	0.94%	1.21%	-0.18%	0.56%	0.85%	0.33%	0.57%	-0.24%	0.29%	<b>7.17%</b>
<b>2016</b>	-0.39%	-0.08%	2.79%	2.07%	0.48%	0.03%	1.95%	1.01%	-0.22%	0.29%	-0.94%	1.30%	<b>8.55%</b>
<b>2015</b>					0.69%	-0.51%	-0.17%	-1.21%	-1.29%	1.86%	0.68%	-1.02%	<b>-1.01%</b>

Past performance is no guarantee of future results. Performance figures are net of all fees.

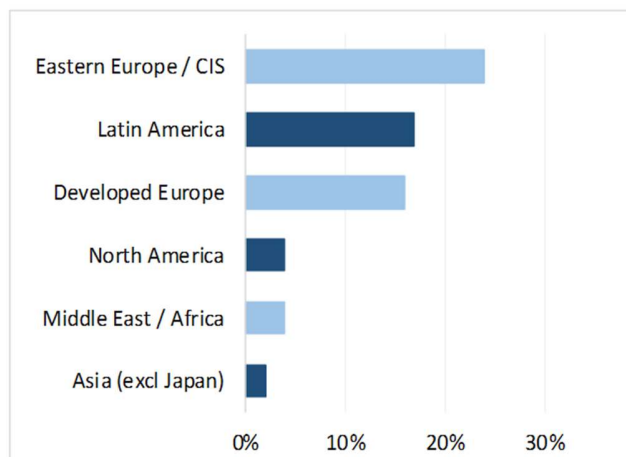
### Fund Information as of October, 2020

	Avg Rating	NAV (%)	Price	Duration	Yield	Spread
SphereInvest Global Credit Strategies	BB-	100 %	97.9	1.7	5.9%	590
Cash and Equivalents	AA+	33 %				

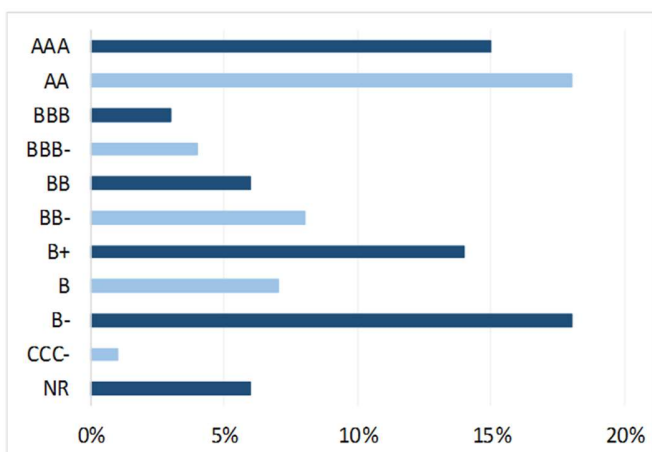
#### Top 10 Holdings (in % of NAV, 29/10/20)

Bond	%
9.875% Global Ship Lease, 2022	4.2%
6.748% MV24 Capital, 2034	3.9%
6.75% KME AG, 2023	3.7%
11.00% Silknet, 2024	3.0%
5.875% Ingegneria Informatica, 2026	3.0%
6.125% Lukoil, 2020	3.0%
12.00% Trans-Oil, 2024	2.8%
12.00% Quiport, 2033	2.7%
9.25% Tinkoff Credit Systems, PERPS	2.6%
8.875% Credit Bank of Moscow, PERPS	2.5%

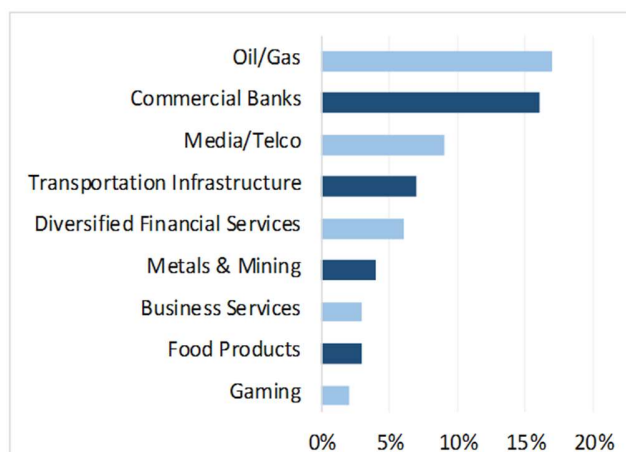
#### Regional Allocation (incl. cash & equiv)



#### Credit Quality



#### Sector Allocation (incl. cash & equiv)



### Fund Terms

<b>Regulatory</b>	UCITS V	<b>Domicile</b>	Ireland
<b>Liquidity</b>	Daily Pricing / Weekly dealing	<b>Global Custodian</b>	Citibank N.A., London
<b>Start Date</b>	2nd July 2012	<b>Auditor</b>	Deloitte (Ireland) LLP
<b>Management Fee</b>	1.5% (Retail) 1% (Institutional)	<b>Legal Counsel</b>	Eversheds Sutherland
<b>Performance Fee</b>	5% Incentive Fee	<b>Administrator</b>	Apex Fund Services (Ireland) Limited
<b>Minimum Investment</b>	Retail = 25,000 (GBP,EUR,USD,CAD,CHF,NOK) Institutional = 200,000 (GBP,EUR,USD,CAD,CHF,NOK)		

**Disclaimer:**

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