SphereInvest | GROUP

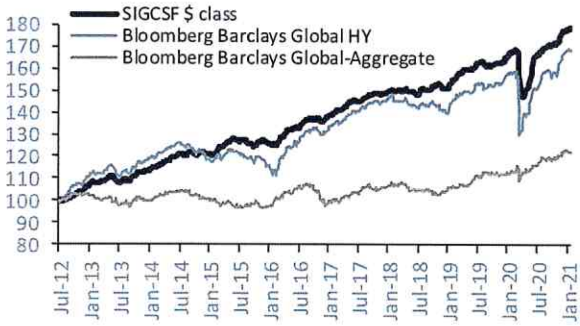
GLOBAL CREDIT STRATEGIES FUND

Monthly Performance

Class F (USD):	MTD return: 0.54%	2021 return: 0.54%	NAV per Share:	178.99
Class D (EUR):	MTD return: 0.48%	2021 return: 0.48%	NAV per Share:	157.30
Class E (GBP):	MTD return: 0.53%	2021 return: 0.53%	NAV per Share:	131.25

	YtD	3 years		Since Inception	
	Return	Return *	Sharpe	Return *	Sharpe
SIGCSF Class F (US$)	**0.5%**	**5.9%**	**0.9**	**7.0%**	**1.7**
Bloomberg Barclays Global HY	-0.2%	4.4%	0.3	6.3%	0.8
ICE EM High Yield	-0.5%	6.0%	0.5	7.0%	0.9
ICE Europe High Yield	0.3%	3.2%	0.2	6.4%	0.9
ICE US High Yield	0.5%	5.8%	0.5	6.4%	0.9
Bloomberg Barclays Global-Agg.	-0.8%	4.2%	0.5	2.3%	0.3
MSCI World	0.8%	6.9%	0.3	9.5%	0.6
MSCI Emerging Markets	4.6%	2.6%	0.1	4.3%	0.2

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



Source: SphereInvest Group; ICE BofA

Portfolio and Market Commentary

January was an unusually busy month, often feeling as if the markets' optimism could be severely tested. It was therefore striking, investors' attention was captured, not by political strife in the US, a raging global pandemic's new virus variants, or the sputtering start to most vaccine campaigns, but by a crowdfunded short-squeeze in a few struggling companies, most famously Gamestop. The episode elicited breathless commentary about the rising power of retail investors and the changing structure of financial markets. It also served to betray investors' anxiousness – not about the recovery narrative, which has become gospel, but about the state of the market: a sense the squeeze in Gamestop mirrored the risk assets melt-up since last year; a concern, frothiness may eventually prompt a regulatory crackdown, or even a rethink of monetary and fiscal support. In short, investors like fundamentals – valuations, not so much.

The good news is markets' comfort with fundamentals remains on solid ground, in our view. Any investor narrowly focussed on large cap tech earnings, manufacturing surveys, housing and construction, or even bank earnings bolstered by trading gains, might even question the need for further fiscal or monetary support at all. Markets are not so much disconnected from reality, then driven by a subset of that reality: the winning side of the "K-shaped" recovery. Meanwhile, this strong fundamental momentum is opening the space for investors to place bets on sectors (airlines, leisure, hotels...) and countries (often in EM, but also in Europe) which stand to gain most once the virus has been brought under control.

Of course, the case for more fiscal and monetary support remains compelling, as shown again by the loss of momentum in the US job market since December, or elevated unemployment throughout Europe. Confronted with competing urgent priorities, we do not believe financial stability is likely to rank high on policymakers' agendas in the near-term. Recent Fed speak has broadly been dismissive about bubble concerns, while the Biden administration is giving short shrift to any pushback against the scale of its stimulus plans (or "rescue package" as the nomenclature now goes). Policymakers, in our view, are resigned to the reality any plan of the scale under consideration, inevitably generates excess savings which will find their ways on financial markets.

If policymakers are concerned only with doing too little, could financial markets themselves start worrying they are doing too much? Signs of this have been creeping in, most notably in the treasury market. Parts of the curve are now steepest since 2015, while breakeven rates have backed-up some 165bps since their nadir last year and are closing on their recent peak in 2018. Our view remains there is too much slack in job markets for any burst of inflation to trigger secondary effects forcing CBs to act. The risk does exist, however, if only at first in market narratives – which may matter more than reality in the near-term.

While markets may fret CBs could be forced to tighten earlier than priced in, we see a more favourable near-term dimension for corporate earnings. It is an interesting thought experiment to wonder what a sudden burst of demand could mean for companies, especially in Europe, which have operated for years under the assumption output gaps are negative, capacity must be rationalized, and oligopolistic market power is the main way to thrive. Container shipping provides a striking illustration of the potential result. For investors following it, the sector had been a byword for debilitating overcapacity since the GFC. Shipping companies then spent years rationalizing capacity, including through thinly disguised cartels, to a point where they are now proving collectively unable to cope with the bottlenecks caused by the pandemic. Freight rates have shot up more than 200% as a result, to reach a level around 3 times higher than their post-GFC average, portending a period of extraordinary profits for vessel owners and shipping lines. Building up fixed capacity could take years, and most companies will be reluctant anyway to respond to a near-term demand shock with long-term capex. We believe container shipping may well provide a template for corporate earnings this year and next, in particular in the manufacturing sector, and are exploring more ways to capitalize on it.

Monthly Performance since Inception

Class F (USD, ISIN: IE00BKXBBV70)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2021	0.54%												**0.54%**
2020	1.09%	0.05%	-12.07%	2.67%	4.24%	5.53%	1.06%	0.81%	1.00%	-0.05%	2.69%	1.16%	**7.31%**
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, ISIN: IE00BKXBBS42)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2021	0.48%												**0.48%**
2020	0.89%	-0.10%	-12.52%	2.54%	4.12%	5.42%	0.99%	0.75%	0.92%	-0.11%	2.62%	1.05%	**5.55%**
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, ISIN: IE00BKXBBT58)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2021	0.53%												**0.53%**
2020	1.00%	-0.04%	-12.48%	2.59%	4.23%	5.50%	1.04%	0.81%	0.98%	-0.06%	2.65%	1.11%	**6.34%**
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.

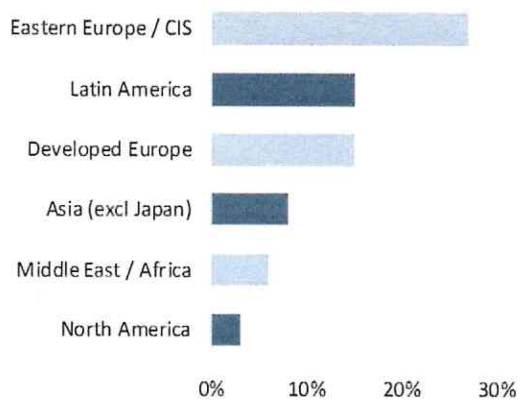
Fund Information as of January, 2021

	Avg Rating	NAV (%)	Price	Duration	Yield	Spread
SphereInvest Global Credit Strategies	BB	100 %	101.3	1.8	4.8%	463
Cash and Equivalents	AA+	26 %				

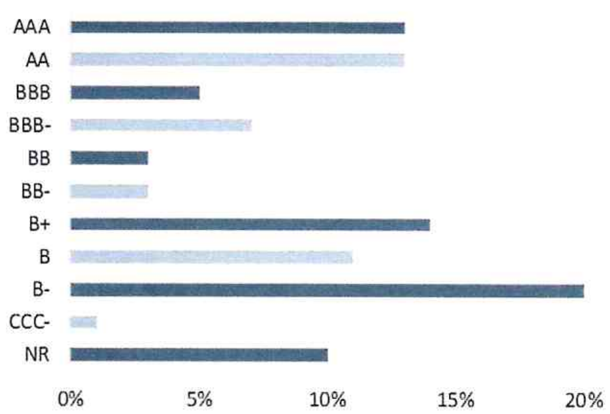
Top 10 Holdings (in % of NAV, 28/01/21)

Bond		%
5.875%	Ingegneria Informatica, 2026	4.2%
12.00%	Trans-Oil, 2024	3.8%
4.125%	Sazka Group, 2024	3.5%
6.748%	MV24 Capital, 2034	3.3%
6.125%	Sberbank, 2022	3.3%
6.75%	KME AG, 2023	3.1%
9.25%	Tinkoff Credit Systems, PERPS	3.1%
6.50%	Seaspan, 2024	3.1%
12.00%	Quiport, 2033	3.0%
11.00%	Silknet, 2024	2.9%

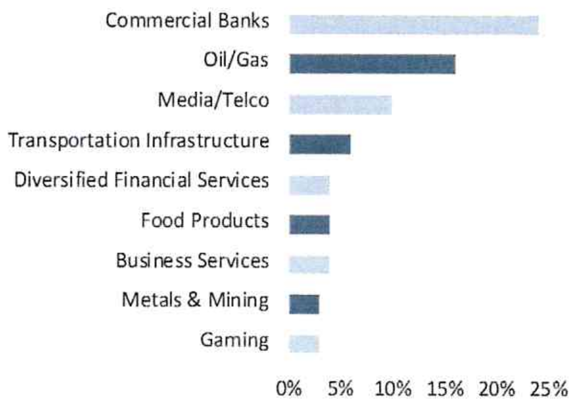
Regional Allocation (incl. cash & equiv)



Credit Quality



Sector Allocation (incl. cash & equiv)



Fund Terms

Regulatory	UCITS V	Domicile	Ireland
Liquidity	Daily Pricing / Weekly dealing	Global Custodian	Citibank N.A., London
Start Date	2nd July 2012	Auditor	Deloitte (Ireland) LLP
Management Fee	1.5% (Retail) 1% (Institutional)	Legal Counsel	Eversheds Sutherland
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)		