SphereInvest | GROUP

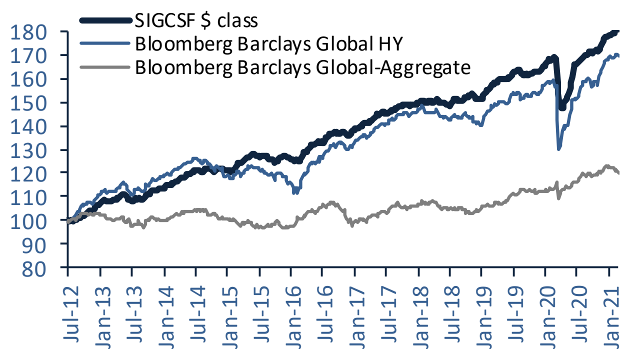
GLOBAL CREDIT STRATEGIES FUND

Monthly Performance

Class F (USD): MTD return: 0.85% 2021 return: 1.40% NAV per Share: 180.52
Class D (EUR): MTD return: 0.80% 2021 return: 1.28% NAV per Share: 158.55
Class E (GBP): MTD return: 0.81% 2021 return: 1.35% NAV per Share: 132.32

	YtD	3 years		Since Inception	
	Return	Return *	Sharpe	Return *	Sharpe
SIGCSF Class F (US$)	**1.4%**	**6.3%**	**0.9**	**7.0%**	**1.8**
Bloomberg Barclays Global HY	0.2%	5.1%	0.4	6.2%	0.8
ICE US High Yield	0.9%	6.3%	0.6	6.4%	0.9
ICE Europe High Yield	1.3%	3.8%	0.3	6.5%	0.9
ICE EM High Yield	0.0%	6.5%	0.6	7.0%	0.9
Bloomberg Barclays Global-Agg.	-2.6%	3.8%	0.5	2.1%	0.3
MSCI World	2.6%	9.6%	0.4	9.6%	0.6
MSCI Emerging Markets	7.2%	5.0%	0.2	4.5%	0.2

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



Source: SphereInvest Group; ICE BofA

Portfolio and Market Commentary

February confirmed the "everything rally" is over, for now. Yet, what replaces it remains unclear. The past ten months' drivers may be powerful enough to mobilize for one last push higher. Over a longer horizon, given valuations in many asset classes are extreme, this may prove self-defeating. More likely, markets have reached a high-level plateau, where, under the surface, competing and self-limiting themes rage: value versus growth and reflation versus excess capacity.

The recent sell-off in nominal rates hasn't brought about a significant tightening of financial conditions. Credit and equity markets have wobbled, but risk asset valuations remain elevated by historical standards, and corporate access to primary markets hasn't been impaired. Steeper yield curves arguably even help financial intermediation, as illustrated by the rally in bank shares.

It is difficult to see inflation concerns driving markets for too long before the Fed is forced to intervene. Of course, a return of inflation CBs struggle to control would be an economic and market upheaval not seen since the late 1970s. Some economists and market participants have recently raised the risk of the scale of Biden's stimulus. This isn't yet a real market concern, however. Forward-looking measures of inflation remain in line with the Fed's mandate. To the same extent there is no obvious reason to expect a one-off consumption boom to shift growth potential into higher gear, there remains doubt a bout of inflation, partly driven by base effects, will alter long-term price expectations.

This explains why Fed-speak has remained relaxed about rates developments so far, effectively pitting risk-assets and safe havens against each other. The interplay between growth optimism and rates anxiety does not seem conducive to an equilibrium, however. It is possible higher rates attract new buyers, and the sell-off naturally abates, but momentum usually prevails against value in the near-term. The Fed's hands-off stance will only encourage traders to dare it to act. A British hedge-fund, famed recently more for their coverage in the tabloid press than for their returns, reportedly wrote to their investors they expect US inflation to reach "10-to-15%" this year: a warning, in our view, moonshot forecasts more typical of tech stocks or crypto-currencies, have now reached rates. This may continue driving some volatility for now.

The recent rise in most commodities, from grains, to metals and oil, is also giving birth to ideas of a new "commodity supercycle", fed on wider reflationary forces, the weaker dollar and supply constraints. Strikingly, this only pays lip service to demand: already, there are threats of demand destruction in EM countries, such as Brazil. The recovery in China and DM does not appear likely to be particularly commodity-intensive. While we see no reason to expect a material reversal of commodity prices, as the global economy experiences a strong cyclical upswing, the narrative's rather shaky foundations do leave us wary. Rather than being on the eve of a supercycle, commodity producers may be having it as good as it gets. Opec+'s recent decision not to increase supply illustrates what's at stake. The cartel's producers, professing "caution" despite obvious signs the market is tight, have decided to continue withholding barrels, propelling oil prices to levels well in excess where higher cost producers, including shale, are profitable and incentivized to add capacity. Opec+ may be betting its nimbleness and unpredictability, as well as shale's focus on capital discipline, will ensure it can increase production again before competitors have reacted to higher prices. This, to us, flies in the face of both history and market forces. If prices remain where they are, shale's capital discipline will crumble before free-riders' incentives. Far from being cautious, we believe Opec+ is once again prioritizing price over market share. By being late to add back barrels, it is running the risk of increasing supply once the market is well supplied, setting the stage for a typical short-term cycle, rather than a "supercycle".

Although it's always easier to poke holes in a market's supporting narrative than to time its unravelling, we struggle to see recent market developments gathering much more momentum before they run into their own contradictions. This, in our view, commands patience to take advantage of the repricing process. We do not believe taking shelter in asset classes less vulnerable to rates volatility is warranted at this juncture. In credit, the year-to-date outperformance of euro credit has been noteworthy but will ultimately prove illusory: euro credit has reached a valuation impasse and will either fall foul of the ongoing global reflation – our base case - or will see spreads widen if the recovery in Europe disappoints. In contrast, recent anxiety about US$ (or Sterling, to a lesser extent) rates, means credit spreads are already moderately widening at the same time when rates are rising. This typical double whammy can be painful in the short-term. Wider credit spreads this early in a cyclical upswing, however, is as close to a recipe for future outperformance as investors could hope, and we are growing more optimistic about finding new opportunities in credit than we've been in months.

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%	0.85%											**1.40%**
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%	0.80%											**1.28%**
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%	0.81%											**1.35%**
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.

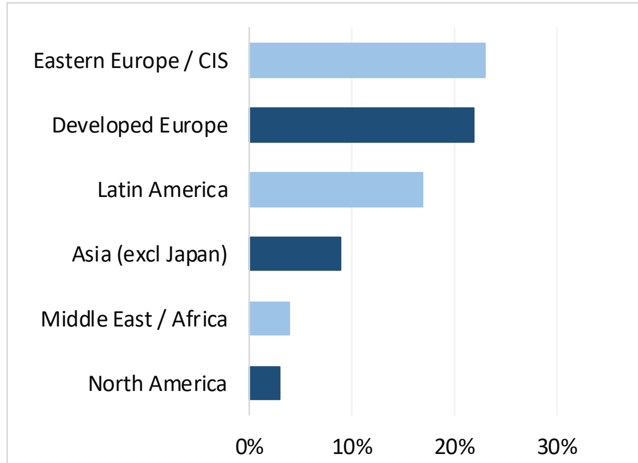
Fund Information as of February, 2021

	Avg Rating	NAV (%)	Price	Duration	Yield	Spread
SphereInvest Global Credit Strategies	BB	100 %	101.5	2.2	5.2%	500
Cash and Equivalents	AA+	22 %				

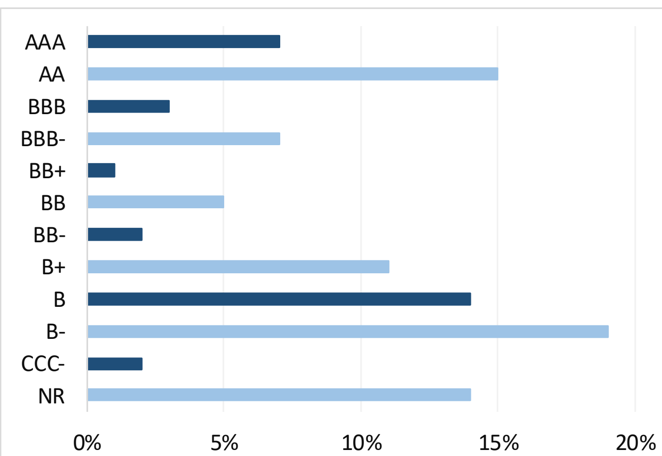
Top 10 Holdings (in % of NAV, 25/02/21)

Bond		%
12.00%	Trans-Oil, 2024	3.8%
8.50%	Danaos, 2028	3.7%
6.748%	MV24 Capital, 2034	3.6%
9.25%	Tinkoff Credit Systems, PERPS	3.5%
6.75%	KME AG, 2023	3.5%
8.875%	Telecom Services of Trinidad & Tobago, 2029	3.4%
5.875%	Ingegneria Informatica, 2026	3.2%
9.25%	Genel Energy, 2025	3.2%
6.125%	Sberbank, 2022	3.1%
6.50%	Seaspan, 2024	3.1%

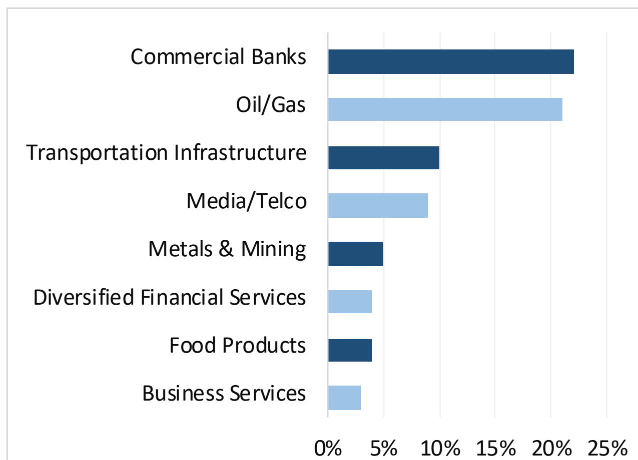
Regional Allocation (incl. cash & equiv)



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)		