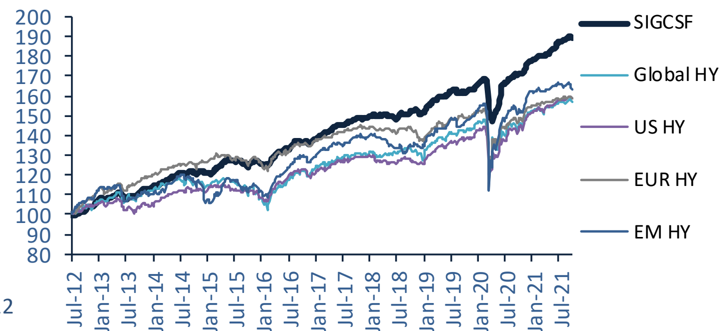
SphereInvest | GROUP

GLOBAL CREDIT STRATEGIES FUND

Monthly Performance

Class F (USD):	MTD return:	0.10%	2021 return:	6.56%	NAV per Share:	189.70
Class D (EUR):	MTD return:	0.07%	2021 return:	5.97%	NAV per Share:	165.90
Class E (GBP):	MTD return:	0.09%	2021 return:	6.44%	NAV per Share:	138.97

	YtD	3 Years		Since Inception	
	Return	Return *	Sharpe	Return *	Sharpe
SIGCSF Class F (US$)	**6.6%**	**7.6%**	**1.3**	**7.1%**	**1.8**
Global HY (etf: HYG US)	3.0%	5.4%	0.4	5.0%	0.5
US HY (etf: SPHY US)	4.7%	7.3%	0.6	5.1%	0.7
EUR HY (etf: SYBJ GY)	2.5%	3.3%	0.2	5.1%	0.5
EM HY (etf: HYEM US)	0.3%	6.3%	0.3	5.4%	0.5
Bloomberg Barc Global Agg	-4.1%	4.1%	0.6	1.8%	0.2



* Annualized Weekly Returns and Sharpe Ratios; Fund Inception: July 2012
Source: SphereInvest Group; Bloomberg

Portfolio and Market Commentary

Global financial markets have reached an uneasy juncture, as optimism grows vaccines are offering a clear path out of the covid pandemic. At the same time, anxiety rises the sharp demand recovery is undermining the very foundations of strong asset performance since the GFC. Investors are at once forced to contemplate what would have been unthinkable a few years or even months ago: stagflation in Developed Markets and a sharp downturn in the Chinese real estate market. While financial markets have recently been more volatile, valuations are still hovering near all-time highs, illustrating the dichotomy between the strength of the near-term outlook, and an increasingly cloudy medium-term horizon.

The persistence of inflationary pressures so far in 2021 is increasingly challenging the Fed's and the ECB's mantra inflation will be "transitory". That narrative, which investors had enthusiastically embraced after Q2, has recently been undermined by the hawkishness of other CBs – both in DM and in EM - raising the question why "supply-led-inflation" doesn't call for a stronger monetary answer from the Fed or the ECB, were it not for the exorbitant privilege they enjoy (higher credibility is less of a differentiating factor, after Norway became the first DM bank to hike in late September). While one understands monetary policy may do little to raise natgas supply or increase the production of electronic chips, exclusive focus on the supply side has obscured the evident truth capacity wouldn't be so stretched, if it didn't have to cope with such strong demand. Because supply can hardly adjust in the near-term and the timing for normalization keeps getting pushed back (deep into 2022 in the case of auto chips, for instance), we believe CBs are in effect counting on demand to slow down – or at least rebalance towards services. While some slowdown was always to be expected, the signal sent to economic agents and investors is problematic, in our view. First, inflation has brought to the fore inadequate level of investment over the years, for instance, in the energy sector. This should indeed call for higher prices (and the expectation thereof) as an incentive for companies to invest more. Second, CBs are implicitly enrolling companies to keep prices down, by signalling future demand will be too weak for them to sustainably raise prices, leaving margins to absorb most of the recent producer inflation, depressing earnings.

The key question facing investors lies in this paradox. The transition to a higher inflation world would prove traumatic for risk assets discounted at rock-bottom rates. At the same time, it will be very difficult to fully embrace CB's notion inflation will slow down without any need for tighter monetary policy, without accepting this implies a return to the status-quo-ante of deficient demand and anaemic growth. The path between both outcomes looks narrow to us, implying we struggle to see all assets – from safe havens, to quality, to growth – continue to perform strongly at the same time. As investors recognize there must eventually be losers, we expect volatility in financial markets to continue rising.

After briefly capturing global headlines, the near collapse of Evergrande, a giant property developer, has again receded out of focus, even while the situation for many leveraged developers in China is arguably getting worse. SphereInvest hasn't held any Chinese property bond for at least 5 years, even as they were exploding in popularity among offshore credit investors. For most of our peers, we assume the risks which kept us away must have been obvious too. Issuers' leverage was often sky-high; transparency on asset quality very limited; creditor protection for offshore holders non-existent; maturity schedules often front-loaded, leaving developers reliant on stable investor sentiment to keep funding channels always open. In short, the recent regulatory tightening of the property market was only the proximate cause for an accident waiting to happen. While Evergrande was often deemed too-big-to-fail, we believe the entire sector may have been a giant moral-hazard trade gone wrong: the belief regulators feared the Chinese property market was too crucial to the economy to rein it in. We are yet unclear whether Chinese regulators' intervention was healthy and long overdue or will prove a blunder of historical proportions: forcing so many companies in a giant sector – responsible, by some estimates, for a third of China's GDP – to all deleverage and raise liquidity at the same time, ensures a traumatic period of adjustment, in our view. Whatever their future intentions (some analysts are pinning their hopes on some short-term loosening to give developers breathing room), uncertainty around debt-sustainability means a wave of restructuring among weaker developers has become all-but-unavoidable, in our view.

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%	0.02%	0.96%	0.85%	1.79%	0.41%	0.81%	0.10%				**6.56%**
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%	-0.06%	0.89%	0.79%	1.76%	0.35%	0.73%	0.07%				**5.97%**
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%	0.00%	0.95%	0.83%	1.82%	0.39%	0.81%	0.09%				**6.44%**
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.

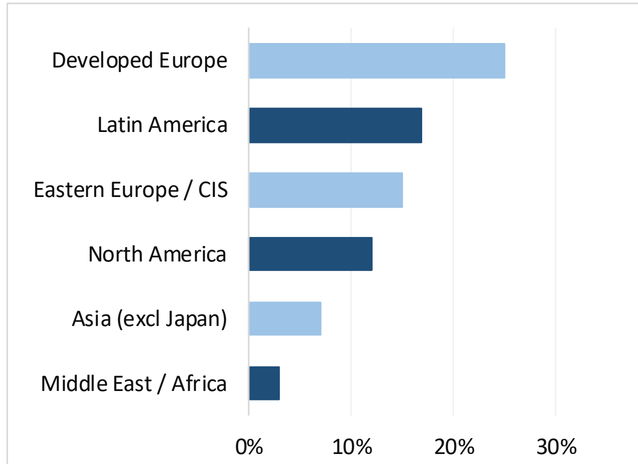
Fund Information as of September, 2021

	Avg Rating	NAV (%)	Price	Duration	Yield	Spread
SphereInvest Global Credit Strategies	BB	100 %	102.5	1.7	4.4%	420
Cash and Equivalents	AA+	21 %				

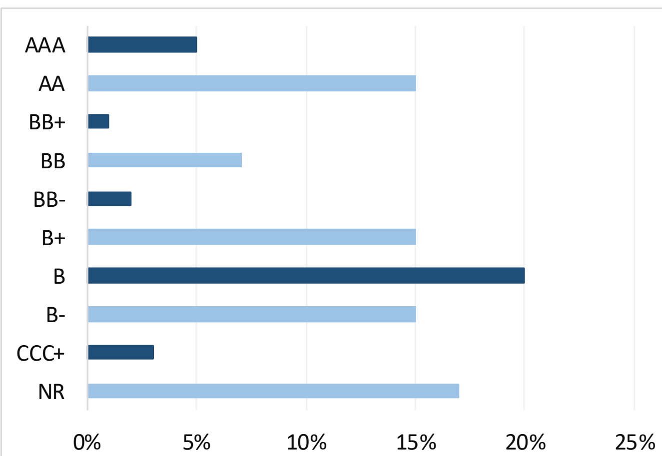
Top 10 Holdings (in % of NAV, 30/09/21)

Bond		%
12.00%	Quiport, 2033	3.5%
5.625%	Diversey, 2025	3.5%
11.00%	HKN Energy, 2024	3.2%
8.45%	Trans-Oil, 2026	3.2%
8.875%	Credit Bank of Moscow, PERPS	3.1%
8.375%	Diana Shipping, 2026	3.1%
8.875%	Telecom Services of Trinidad & Tobago, 2029	3.0%
9.25%	Genel Energy, 2025	3.0%
9.25%	Tinkoff Credit Systems, PERPS	3.0%
8.50%	Danaos, 2028	3.0%

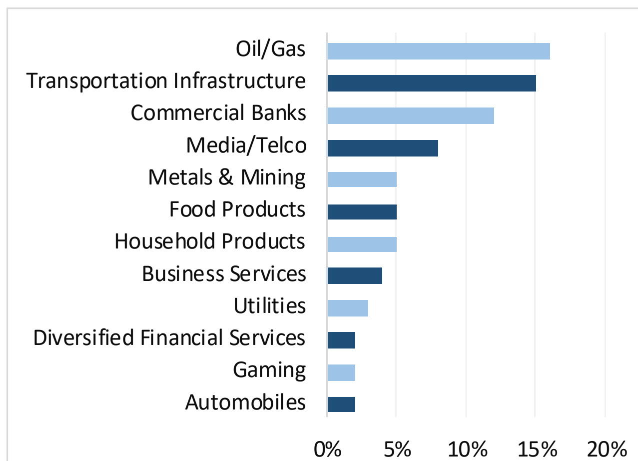
Regional Allocation (incl cash & equiv)



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)		