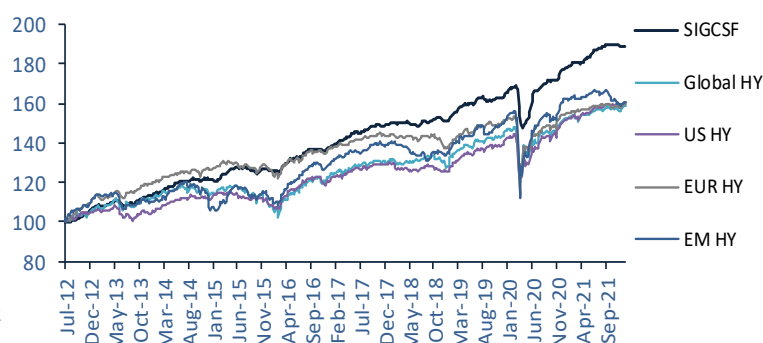


## GLOBAL CREDIT STRATEGIES FUND

### Monthly Performance

Class F (USD): MTD return: 0.26% 2021 return: 6.25% NAV per Share: 189.15  
 Class D (EUR): MTD return: 0.15% 2021 return: 5.46% NAV per Share: 165.09  
 Class E (GBP): MTD return: 0.19% 2021 return: 6.10% NAV per Share: 138.53

	YtD		3 Years		Since Inception	
	Return	Return * Sharpe	Return * Sharpe	Return	Return * Sharpe	Return * Sharpe
<b>SIGCSF Class F (US\$)</b>	<b>6.3%</b>	<b>7.6%</b>	<b>1.3</b>	<b>6.9%</b>	<b>1.8</b>	
Global HY (etf: HYG US)	3.8%	7.2%	0.6	4.9%	0.5	
US HY (etf: SPHY US)	5.6%	8.3%	0.8	5.1%	0.7	
EUR HY (etf: SYBJ GY)	2.9%	4.9%	0.3	5.0%	0.5	
EM HY (etf: HYEM US)	-1.3%	5.9%	0.3	5.1%	0.4	
Bloomberg Barc Global Agg	-4.7%	3.5%	0.5	1.7%	0.2	



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

### Portfolio and Market Commentary

After a year of punishing volatility in core rates, one key attraction of HY credit endures: no matter the direction of rates or the yield curve, coupons keep rolling in, cash built up, and investors able to recycle into new opportunities. A caveat: the shorter the duration, the higher the potential credit risk loss, as investors lending short-term to Chinese property companies are now finding. HY credit isn't immune to the mechanical headwind of rising rates, which pushes returns toward maturity, while rates volatility itself often pressures credit spreads wider, a double-whammy for bond pricing. Ultimately, however, HY is a secondary bet on rates, a primarily a bet on the cycle. A growing economy in which leveraged companies can service their debt more easily, and functioning credit markets for when they need to refinance, will always matter more to HY investors than higher risk-free-rates (RFR). Conversely, any fear by investors they may not receive the coupons they were counting on, as becomes more likely in a slower economy, will always trigger a jump in discount rates dwarfing the impact of higher RFR. This explains why the flattening of the curve was a strong headwind for credit during the last quarter of 2021, since it undermined confidence in the longevity of the cycle.

In this age of heavy CB intervention, while positioning and flows have played starring roles, the consensus track record in forecasting rates and the yield curve has been patchy for many years. Paradoxically, given the extraordinary rates volatility seen during 2021, consensus has recently coalesced around a fairly relaxed outlook for 2022: with the short end having significantly repriced, a Fed upset now seemed less likely; while at the same time, analysts have been calling for a reflexive flattening of the curve (because this is the usual behaviour when CBs hike) sometimes on rather flimsy rationales ("more hikes now imply fewer later").

Although a few days of renewed sell-off in rates since the start of 2022 don't prove that outlook conclusively wrong, we would make a few observations: CBs have now dropped any "forward guidance", raising uncertainty and the potential for further volatility. For investors not equipped with a crystal ball, this alone should command higher term premiums.

Second, the latest FOMC minutes proved the Fed is attentive to the mechanical flattening hiking rates will trigger and may run down asset holdings faster to counter that effect. While the Fed is unlikely to exceed 3 hikes in 2022, we believe the pace of balance sheet reduction may yet upset markets.

Third, while rates up to 5-years have already risen significantly, they remain historically low in the long end. Even more strikingly, real rates remain negative across the curve (even adjusted for the expectation inflation will decline). Investors are effectively pricing financing conditions to remain ultra-accommodative - forever. Whether negative real rates reflect pessimism about growth, fiscal sustainability concerns, a dearth of safe assets, or transitory factors, there remains ample room for "normalization", should CBs push for it.

In combination, those three observations leave us concerned duration remains particularly unattractive, if not downright dangerous, at this juncture, and we continue to position the Fund accordingly.

Among the many surprises 2021 sprang, one market development was both amongst the most striking and least surprising: the underperformance of EM. With growing expectations of tighter monetary policy in the US, a strengthening dollar, China slowing down, and many major EM countries battling spiralling inflation, the asset class was facing too many headwinds at the same time. Still, EM assets did benefit from better terms of trade, thanks to rising commodity prices and the surprisingly strong Yuan. As so often, however, the asset class was undermined by haphazard policymaking, e.g. recent developments in Turkey. Mexico under president AMLO, whose singular focus on ill-guided economic nationalism means his country is barely growing, despite the strong impulse from his Northern neighbour, now counts among the EM countries feted as well-managed: a testament how far investors' expectations about EM have fallen. We are not hopeful about the general outlook for the asset class in 2022. Poor policymaking is a symptom of deep structural challenges for which EM leaders lack answers. Dealing with the post-covid cyclical recovery is likely to remain a priority over structural reforms, while the political calendar in 2022 is heavy again, notably in India, Colombia, and Brazil. Finally, while a more stimulative policy-mix in China is supportive, 2021 proved EM no longer trades as a commodity/Yuan proxy. Still, we see a few important saving graces: EMFX has now fallen two-years in a row; most EM central banks have been pro-active in tightening; and EM external position is generally strong, leaving the asset class well prepared for the expected tightening by the Fed in 2022. Such a relatively stable backdrop should be conducive to bottom-picking as the year progresses.

## Monthly Performance since Inception

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

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
<b>2021</b>	0.54%	0.85%	0.02%	0.96%	0.85%	1.79%	0.41%	0.81%	0.10%	-0.04%	-0.52%	0.26%	<b>6.25%</b>
<b>2020</b>	1.09%	0.05%	-12.07%	2.67%	4.24%	5.53%	1.06%	0.81%	1.00%	-0.05%	2.69%	1.16%	<b>7.31%</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>2021</b>	0.48%	0.80%	-0.06%	0.89%	0.79%	1.76%	0.35%	0.73%	0.07%	-0.08%	-0.57%	0.15%	<b>5.46%</b>
<b>2020</b>	0.89%	-0.10%	-12.52%	2.54%	4.12%	5.42%	0.99%	0.75%	0.92%	-0.11%	2.62%	1.05%	<b>5.55%</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>2021</b>	0.53%	0.81%	0.00%	0.95%	0.83%	1.82%	0.39%	0.81%	0.09%	-0.05%	-0.47%	0.19%	<b>6.10%</b>
<b>2020</b>	1.00%	-0.04%	-12.48%	2.59%	4.23%	5.50%	1.04%	0.81%	0.98%	-0.06%	2.65%	1.11%	<b>6.34%</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.

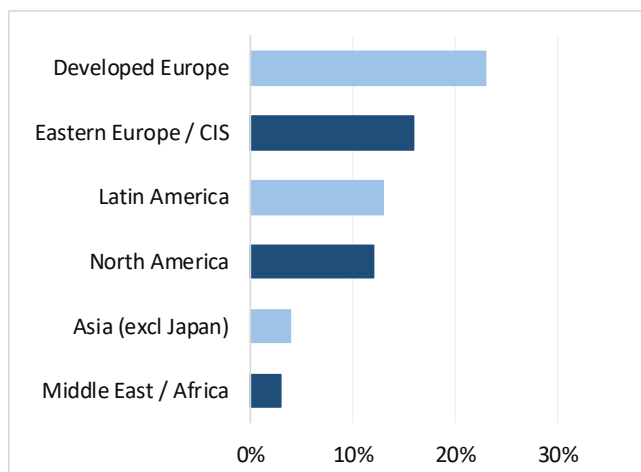
## Fund Information as of December, 2021

	Avg Rating	NAV (%)	Price	Duration	Yield	Spread
SphereInvest Global Credit Strategies	BB+	100 %	100.5	1.8	5.1%	490
Cash and Equivalents	AA+	29 %				

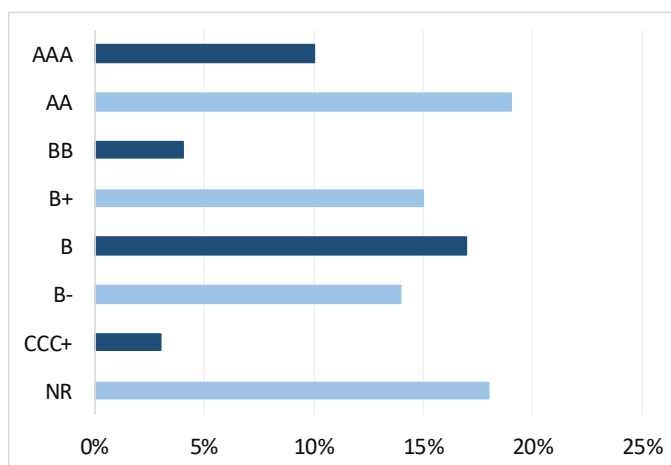
### Top 10 Holdings (in % of NAV, 31/12/21)

Bond	%
12.00% Quiport, 2033	3.4%
11.00% HKN Energy, 2024	3.0%
8.875% Telecom Services of Trinidad & Tobago, 2029	2.8%
8.875% Credit Bank of Moscow, PERPS	2.8%
7.125% Naftogaz, 2024	2.8%
8.50% Tidewater, 2026	2.8%
8.375% Diana Shipping, 2026	2.8%
5.875% Engineering Ingegneria Informatica, 2026	2.7%
8.50% Danaos, 2028	2.7%
8.45% Trans-Oil, 2026	2.6%

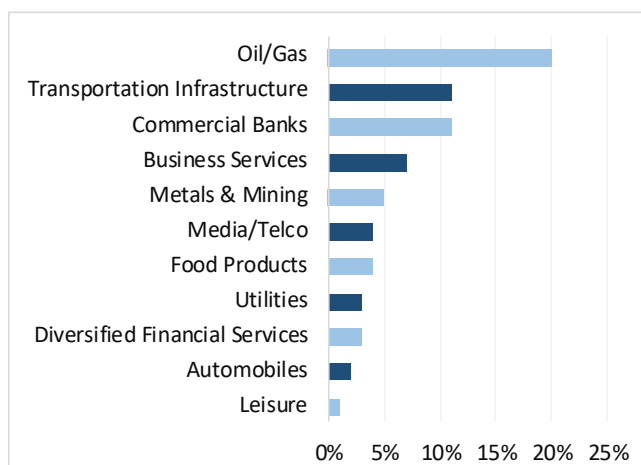
### Regional Allocation (incl cash & equiv)



### 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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