SphereInvest | GROUP

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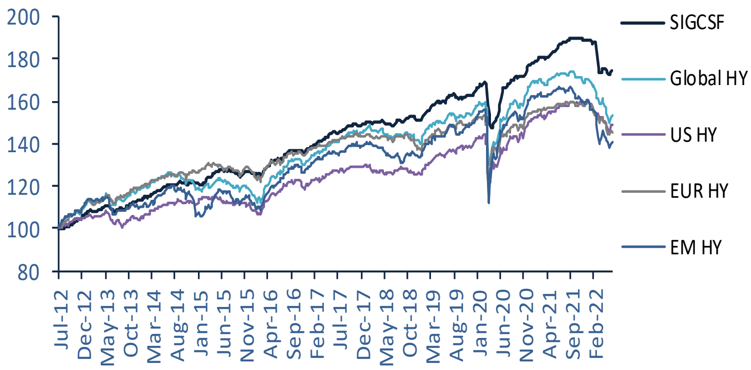
GLOBAL CREDIT STRATEGIES FUND

Monthly Performance

Class F (USD):	MTD return:	0.20%	2022 return:	-7.70%	NAV per Share:	174.59
Class D (EUR):	MTD return:	0.01%	2022 return:	-8.22%	NAV per Share:	151.52
Class E (GBP):	MTD return:	0.18%	2022 return:	-7.72%	NAV per Share:	127.83

	YtD	3 Years		Since Inception	
	Return	Return *	Sharpe	Return *	Sharpe
SIGCSF Class F (US$)	**-7.7%**	**2.9%**	**0.4**	**5.8%**	**1.3**
Bloomberg Global HY	-10.2%	0.9%	0.0	4.4%	0.6
US HY (etf: SPHY US)	-7.1%	3.7%	0.3	4.1%	0.5
EUR HY (etf: SYBJ GY)	-8.9%	0.1%	0.0	3.8%	0.4
EM HY (etf: HYEM US)	-12.3%	-0.6%	-0.1	3.5%	0.3
Bloomberg Global Agg	-11.5%	-1.4%	-0.4	0.4%	-0.1

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



The UCITS is actively managed by SphereInvest Group Limited. It is not managed with reference to any benchmark, the above comparisons are provided for information purposes only.

Portfolio and Market Commentary

May had seen tentative signs markets could regain a footing, thanks to range-bound risk-free-rates, resilient US economic data, hope China's covid lockdowns might be loosening. The surprising acceleration of US inflation, however, likely means most risk assets are still some way from having reached an inflection point, leaving cheap valuations as the only anchor for now.

The deterioration of inflation in the US, despite 75bps of hikes by the Fed and significantly tightened financial conditions, had one positive aspect: it helped clarify once and for all the nature and severity of the inflation problem the US is now facing. The subtext of the "transitory inflation" thesis was inflation would come down solely thanks to supply-side improvements – leaving recovering demand largely intact. It is maybe a tribute to US policymakers' credibility, investors didn't at first recognize the same pipedream they would otherwise laugh-off when mentioned by a Turkish or Argentine politician. Anyone reading about – or experiencing themselves - widespread chaos at airports recently, probably understands why among the three variables (supply, demand, prices), it is supply (from labour shortages, to better airport infrastructure) which is least likely to adjust first, leaving price as the key balancing variable to contain red-hot demand. While the Ukraine war or continued supply-chain disruptions in South-East Asia are undoubtedly playing an unhelpful role, we believe investors and policymakers now recognize the policy mix in the US has remained wrong for too many months, leaving the US economy overheating and the Fed behind the curve. The implications are three-fold. First: The Fed still needs to work harder to regain credibility. Working hard, in our mind, would start with a 75bps hike in June. Second: The risk of de-anchored expectations is no longer an academic issue. We struggle to see how a gradual slowdown may be enough for expectations to quickly converge back towards 2%, rather than bottoming at higher level. If the Fed is serious about its 2% target, we believe it may resign itself to a shallow recession rather than a soft landing. Third: as Powell said in March, "policy works through financial conditions, that's how it reaches the real economy." Plainly speaking, investors in most risk assets will continue fighting the Fed in coming months, a Fed targeting lower equity valuations and higher credit spreads not as a side-effect of tightening policy, but as a key part of it.

Fighting the Fed rarely sounds like a winning formula, and, realistically, we do not believe it will prove one this time either. Liquid instruments may help investors stay nimble when expressing views on their preferred macro scenarios: from owning long duration if the Fed causes a recession, to IG credit or value stocks in a stagflation scenario. However, with so many unknowns in play at the same time – including non-domestic ones, such the war in Ukraine or the evolution of covid in China – the market as a whole will struggle to coalesce in the near-term. This likely means volatility will remain high, and the "nimbleness" offered by liquid instruments may prove illusory for low-conviction investors stopping-out whenever scenario probabilities shift. High yield credit, as an asset class, is likely to remain out of favour for now, for some good reasons, and others less obvious. Among the good reasons, HY issuers are dependent on well-functioning financial markets, and the almost complete shut-down of the primary market in EM and Europe remains concerning. Should it last for many more months, it could imply a rise in default risk, although we believe the shutdown so far reflects in part the absence of urgent refinancing needs, as many treasurers took advantage of strong conditions to refinance during 2021. The usual HY reflexivity (issuers are better credits when markets are stronger) is at play again. The rise in market yields may over time result in a deterioration of creditworthiness across the market, with debt servicing likely to consume a higher proportion of cash flows, as issuers refinance at higher yield levels. The concern is particularly prevalent in Europe, where rock-bottom yields likely encouraged overoptimism among dealmakers and treasurers. Issuers could next need to pay from twice as much on their debt, which could expose many inadequate capital structures. An EM or US issuer struggling at 7%, might still just manage at 10% - but a European issuer struggling at 3%, will default at 6%.

Other reasons are more systemic. Whenever recession probabilities rise, investors will require a higher risk-premium for holding "junk" credit, almost irrespectively from actual default probabilities. On average, we calculate oil & gas spreads on "single B"-rated bonds have widened around 100bps year-to-date. Such cheapening in excess of the rise in risk-free-rates (all-in-yields for single-B oil&gas bonds have risen around 250bps) is plainly unjustified fundamentally for issuers which have arguably never enjoyed such strong conditions: in contrast with previous episodes of high oil prices, most HY energy producers enjoy strong balance sheets and lean cost structures. We already believe such indiscriminate selling has left many parts of the HY market cheap and attractive, and possibly a buying opportunity for buy-and-hold investors unconcerned about near-term volatility. Down the line, higher yields will make the life of credit investors much easier, unless the Fed loses control of inflation – a theoretical tail risk only for now. Any strong credit yielding 7% or 8% will eventually look an attractive proposition, irrespectively whether risk-free-rates peak at 3% or 4%: spreads will eventually settle down, probably to tighter levels than when risk-free-rates were at 0%. But the uncertainty about monetary policy and growth still means, in our view, the market is a "hold" at this point, rather than a "buy".

Our focus for now remains on idiosyncratic situations as the best way to avoid fighting the Fed frontally. Among those trades, the Fund continues to hold a few positions in Ukraine, Russia, and Belarus. While we expect those positions to be strong positive drivers of the Fund's performance in coming months, we are also attentive to the risks and sensitivity of investing in countries at war. Sadly, Russia is far from the only country where a repressive regime is committing human rights abuses, and a blanket investment ban in those countries is unlikely to be the answer. We prefer to think in terms of cost of risk: investors should certainly have applied much higher risk-premiums to all assets in Russia, rather than exclusively focusing on its rock-solid sovereign balance sheet before the war. We added during May to our positions in Tinkoff Bank, a Russian consumer lender, and Eurotorg, a Belarussian grocery retailer, because we are comfortable those private entities are removed from their respective regimes, and unlikely to be sanctioned: Tinkoff is systemically irrelevant and makes solely small-ticket loans to private individuals, while sanctioning Eurotorg would only hurt Belarussian civilians looking to buy food. We also purchased those assets at mispriced levels, which has already allowed us to multiply our investments between 3 times and 4 times in both. While we have started taking profit in Eurotorg, we believe our position in Tinkoff remains mispriced: investors still fail to realize the lender is now trying to de-dollarize its balance sheet (because investments and hedging opportunities in dollar have all but dried up for the bank), which makes it very likely it will sooner or later either call their dollar debt at par or tender at a discount, which would still likely mean a significant return for our holdings.

Monthly Performance since Inception

Share Class F (USD, ISIN: IE00BKXBBV70)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2022	-1.04%	-3.08%	-3.57%	-0.40%	0.20%								**-7.70%**
2021	0.54%	0.85%	0.02%	0.96%	0.85%	1.79%	0.41%	0.81%	0.10%	-0.04%	-0.52%	0.26%	**6.25%**
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%**

Share Class D (EUR, ISIN: IE00BKXBBS42)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2022	-1.07%	-3.16%	-3.74%	-0.49%	0.01%								**-8.22%**
2021	0.48%	0.80%	-0.06%	0.89%	0.79%	1.76%	0.35%	0.73%	0.07%	-0.08%	-0.57%	0.15%	**5.46%**
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%	-2.22%	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%**

Share Class E (GBP, ISIN: IE00BKXBBT58)

	Jan	Feb	Mar	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
2022	-1.01%	-3.14%	-3.56%	-0.39%	0.18%								**-7.72%**
2021	0.53%	0.81%	0.00%	0.95%	0.83%	1.82%	0.39%	0.81%	0.09%	-0.05%	-0.47%	0.19%	**6.10%**
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 does not predict future returns.

Fund Information as of May, 2022

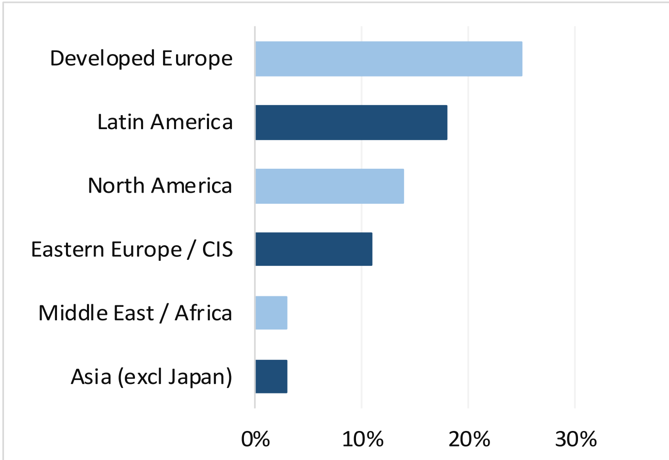
	Avg Rating	NAV (%)	Price	Duration	Yield	Spread
SphereInvest Global Credit Strategies	BBB-	100 %	91.9	2.1	9.8 %	950
Cash and Equivalents	AA+	26 %				

Ratings by S&P/Fitch/Moody's; remaining data calculated by SphereInvest.

Top 10 Holdings (in % of NAV, 02/06/22)

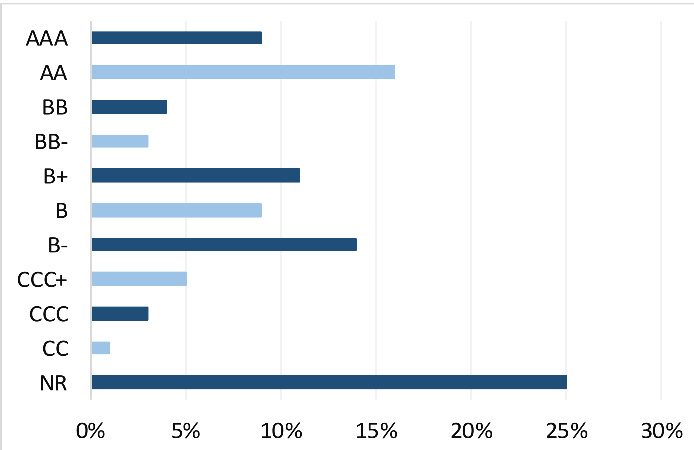
Bond		%
12.00%	Quiport, 2033	3.7%
8.50%	Danaos, 2028	3.6%
9.25%	Genel Energy, 2025	3.4%
11.00%	HKN Energy, 2024	3.3%
8.375%	Diana Shipping, 2026	3.3%
5.50%	Alsea, 2027	3.2%
8.875%	Telecom Services of Trinidad & Tobago, 2029	3.0%
5.875%	Engineering Ingegneria Informatica, 2026	2.7%
8.45%	Trans-Oil, 2026	2.6%
6.50%	Seaspan, 2024	2.3%

Regional Allocation (incl cash & equiv)

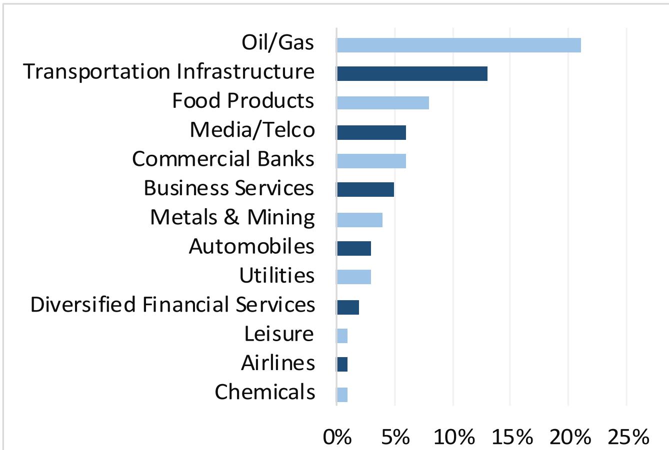


Credit Quality

The ratings are produced by S&P/Fitch/Moody's



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% p.a. (Retail), 1% p.a. (Institutional)	Legal Counsel	Eversheds Sutherland
Performance Fee	5% p.a. of the increase in the Net Asset Value per Share on each Valuation Day, above the high-water mark, payable annually.	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)		

Key Risks

The value of shares in the UCITS and income received from it can go down as well as up and investors may not get back the full amount invested. Performance may also be affected by currency fluctuations.

The UCITS seeks to achieve its investment objective by principally investing in a diversified portfolio of publicly-issued bonds. The UCITS may utilise financial derivative instruments for hedging, efficient portfolio management and/or investment purposes.

Bonds or other debt securities involve credit risk represented by the possibility of default by the issuer. In the event that any issuer experiences financial or economic difficulties, this may affect the value of the relevant securities and any amounts paid on such securities. This may in turn affect the Net Asset Value per Share of the UCITS.

Investment instruments have historically been subject to price movements that may occur due to market or issue-specific factors. As a result, the performance of the UCITS can fluctuate over time.

Other significant risks include: liquidity risk and operational risk. For full details of the risks applicable to the UCITS, please refer to the 'Risk Factors' sections in the current Prospectus of SphereInvest Global UCITS ICAV and the Offering Supplement of the UCITS sub-fund - SphereInvest Global Credit Strategies Fund.

Disclaimer - Important Information

This is a marketing communication issued by SphereInvest Group Limited ("SIGL"), a company incorporated in Malta and authorised and regulated by the Malta Financial Services Authority ("MFSA") as a UCITS and AIFM Investment Management Company.

SIGL is the Investment Manager of SphereInvest Global UCITS ICAV (the "UCITS"), a company incorporated under the laws of Ireland, authorised and regulated by the Central Bank of Ireland. Please refer to the Prospectus of the UCITS, the Offering Supplement of SphereInvest Global Credit Strategies Fund (a sub-fund of the UCITS) and to the Key Investor Information Document, available in English for all authorised share classes of the sub-fund upon request and via www.sphereinvest.com. In addition, a summary of investor rights is also available in English, upon request and via www.sphereinvest.com.

SphereInvest Global Credit Strategies Fund is notified for marketing in a number of European Member States under the UCITS Directive. The UCITS can terminate such notification for any share class and/or for the sub-fund (as a whole) at any time by using the process contained in article 93a of the UCITS Directive.

This publication is only being provided for illustrative purposes. It should not be construed as investment advice or an offer, invitation or recommendation to transact in any of the investment instruments mentioned. The investment which is being promoted through this communication concerns the acquisition of investor shares in SphereInvest Global Credit Strategies Fund (a sub-fund of the UCITS) and not in any of the underlying assets of this sub-fund.

Past performance does not predict future returns. Performance details provided are in share class currency, include reinvested dividends (if any), net of all fees, including any management and performance fees, as well as, all costs incurred by, and charged to, the UCITS.

Potential investors should seek their own independent financial advice. Every investment involves risk, especially with regard to fluctuations in value, currency movement and return. The value of investments and the income therefrom can go down as well as up. Prospective Investors should read the Prospectus and Offering Supplement for details and specific risk factors of the UCITS promoted herein.

Share Class monthly performance information is being disclosed to enable investors to see actual returns achieved since inception in various currency share classes.