

US Short Duration High Yield Fund

April 30, 2018

Class X Distribution

SKY HARBOR
GLOBAL FUNDS

Portfolio Commentary

Market

Geopolitical risks associated with a second Syrian missile strike and deteriorating Russian relations as well as concern that escalating trade tensions might lead to weakened global growth created volatility during April. However, better-than-feared Congressional testimony by Facebook CEO Mark Zuckerberg took pressure off the tech sector, which helped sentiment. The High Yield market reversed course from the prior two months and posted positive returns in April. WTI Crude Oil continued to rally, ending the month up \$3.63/bbl (or 5.59%) to \$68.57/bbl. The US Dollar Index was up 2.08% and the US Treasury curve slightly steepened with the 2-yr Treasury higher by 19 bps to 2.47% and the 10-yr Treasury yield increased 20 bps to 2.94%.

Technicals were positive as both loan funds and high yield mutual funds saw inflows for the month. Loans received inflows of \$2.6bn while HY mutual funds saw inflows of \$402mn, as tracked by Lipper and reported by Barclays. Bond new issuance decreased to \$17.4bn in April, offset by \$30.1bn in redemptions, leaving a positive technical as net supply was -\$12.6bn, per Barclays. After pricing a one-year high amount in March the loan primary market slowed, pricing \$68.9bn during the month, according to JP Morgan. The percentage of the HY bond market trading at distressed levels (below 70% of par) remained low at 2.3%; the comparable figure for the loan market (below 80% of par) was also low at 2.8%. The par-weighted twelve-month HY bond default rate was 1.56% at month-end, per BofA Merrill Lynch, and the loan market par-weighted trailing default rate decreased to 2.35%, per JP Morgan.

High Yield once again outperformed broad-based equities as the ICE BofAML US High Yield Index returned 0.67% for the month. Senior floating rate loans had another positive month as the Credit Suisse Leveraged Loan Index returned 0.49%. The YTW for the HY index decreased 15 bps to 6.24% and spreads decreased 34 bps to 344 bps. Returns were driven by increasing risk as the BB, B and CCC bond sub-indices returned 0.21%, 0.95% and 1.43%, respectively. The Automotive sector was again the bottom performer, returning -1.69%, while Telecommunications outperformed and returned 2.64% for the month. Across risk types (defined by duration and yield to worst), the highest-yielding, most speculative part of the market led while longer duration and more rate-sensitive parts of the market lagged in tandem with the move in rates. High yield outperformed large cap equities, represented by the S&P 500's 0.38% return, as well as investment grade corporate bonds, represented by the ICE BofAML US Corporate Index's -0.85% return, but underperformed small cap equities, represented by the Russell 2000's 0.86% return.

Strategy

SKY Harbor Global Funds—US Short Duration High Yield Fund posted a solid return in April, capturing over 85% of the broader US high yield market (as defined by the ICE BofAML US High Yield Index) return for the month on a gross-of-fee basis and excluding currency impact. By risk segmentation (defined by yield and duration to worst), the most speculative (defined as yielding in excess of 9%) and longer duration segments led performance. All sectors posted positive returns for the month, led by Insurance while Retail lagged. By rating, lower quality led again this month with Triple-Cs outperforming Single-Bs and Double-Bs.

The YTW on the Fund decreased 3 bps to 5.14% and represented 82% of the broad market yield at month-end. The duration-to-worst was 2.0, or 48% of the broad market duration. The average coupon of 6.52% was down slightly from last month's figure but was 20 bps above the average coupon in the broad market. Exclusive of cash, Fund holdings (363 issues, representing 263 issuers) comprised 34% bonds with maturities of less than three years and 66% in longer maturities but trading to expected early take-outs inside this three-year period. This overweight to the latter group continues to show that we find greater value in the yield-to-call opportunities. Nevertheless, we do value the relative price stability the short maturity group can offer in volatile periods in the market. Overall credit quality decreased slightly in the Fund: at month-end Double-B rated holdings represented 34.4% of the portfolio, Single-Bs were 54.4% and Triple-Cs were 9.1%.

Outlook

Despite continued geopolitical events causing persistent volatility, we maintain a consistent view of high yield market risks and opportunities and see little evidence to change our positioning at this point. Our greatest conviction remains around strong corporate fundamentals. We have acknowledged that valuations are fair and rising rates present potential risks, but believe high yield could have further spread compression as markets return focus to strength of the US economy and company growth trends. Near-term fundamentals of high yield issuers remain strong and we expect returns to benefit from the market income opportunity and below-average default losses so long as risks outside the high yield market remain in balance (e.g., trade wars do not escalate, etc.). As a result, our positioning has not substantially changed over the last month although we have been opportunistic purchasers of better-quality, rate-sensitive risk that has repriced during the market selloff.

We continue to believe our Short Duration High Yield portfolios are well positioned to take advantage of any potential volatility or curve repricing associated with more aggressive rate assumptions. Natural turnover, created by calls, tender and maturities, should be high considering the large amount of front-end maturities and expected near-term calls held in the portfolio, which will allow us to continue to optimize the portfolio as the market environment evolves.

Top 10 Holdings by Issuer Weight

Name	Ratings	Sector	Weight (%)
SPRINT NEXTEL CORPORATION	B2	Telecommunications	2.14
HCA HEALTHCARE INC	BB3	Healthcare	1.73
TENET HEALTHCARE CORPORATION	BB3	Healthcare	1.37
DISH DBS CORPORATION	B1	Media	1.35
CENTURYLINK INC.	B1	Telecommunications	1.26
DIAMOND 1 FINANCE CORPORATION	BB2	Technology & Electronics	1.23
ICAHN ENTERPRISES L.P.	BB2	Financial Services	1.22
BOMBARDIER INC.	B3	Capital Goods	1.19
SLM CORPORATION	BB3	Financial Services	1.19
VALEANT PHARMACEUTICALS	BB3	Healthcare	1.16

Investment Objective

To generate a high level of current income while also experiencing lower volatility than the broader high yield market. The Fund principally invests in US below-investment-grade corporate debt securities that are expected to be redeemed through maturity, call or other corporate action within three years. The strategy seeks to capture the current income of the high yield market with substantially less volatility through the consistency of monthly returns and reinvestment.

Benchmark

Not a benchmarked strategy

Launch Date

April 5, 2012

Lead Portfolio Manager

Anne C. Yobage, CFA

- A founder and Director of SKY Harbor Capital Management, LLC.
- 30 years of investment experience.
- Has managed Short Duration High Yield strategies since 1992.
- Previously Co-Head of US Fixed Income, AXA Investment Managers.

Fund Information*

Fund NAV (mn)	\$2,773
Average Credit Rating	B1
Average Coupon (%)	6.5
Yield to Worst (%)	5.1
Yield to Maturity (%)	5.6
Current Yield (%)	6.4
Average Maturity (yrs)	3.6
Avg Mod. Dur. to Wst	2.0
Average Price	102.6
No of Issuers/Issues	263 / 363
% of Top 10 Issuers	13.8

*securities portfolio only, excludes cash

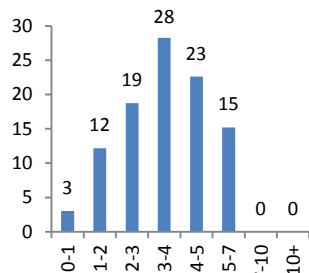
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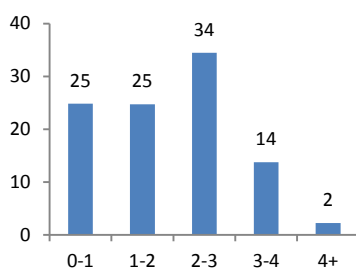
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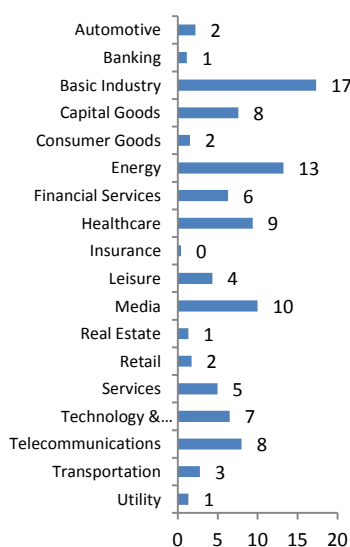
Maturity (%)



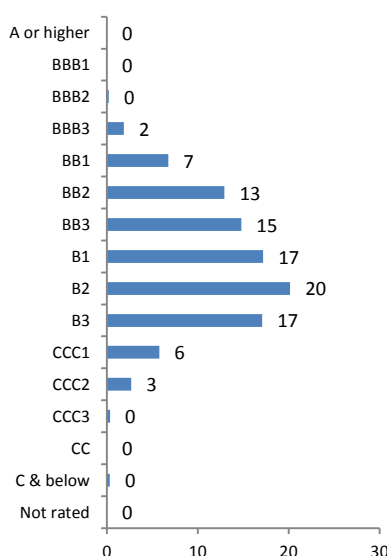
Modified Duration to Worst (%)



Sector (%)



Average Rating (%)



Fund Facts

Fund Type	Open-end
Legal Form	SICAV
Domicile	LUX
Countries of	AT, BE, CH, DE
Registration	DK, ES, FI, FR GB, IT, LU, NL NO, PT, SE
Min. Initial Inv	None
Management Fee p.a.	0 bps
Order Cut-off	12:00 CET
Settlement	T+3
Custodian	JP Morgan Luxembourg
Fiscal Year End	31-Dec
Dealing Frequency	Daily
Valuation Frequency	Daily
Swing pricing	None

Contact

info@skyhcm.com

+49 69 75938622

+1 203 769 8800

Find all fund documents at:

www.skyharborglobalfunds.com

Net Performance and Yield

Currency	ISIN	Cumulative			Ann. Since Inception	Ann. Div. Yield†	Currency	ISIN	Cumulative			Ann. Since Inception	Ann. Div. Yield†
		1M	3M	YTD					1M	3M	YTD		
USD						SEK							
EUR	LU1580156179	0.27	-0.18	NA	1.84	5.02	NOK						
GBP						DKK							
CHF													

† Annualized Dividend Yield = Most Recent Dividend / NAV as of Ex Date × Annual Frequency. Historical data provided and does not imply prospective returns or yields.

Net Performance is calculated as of the last NAV date of the reporting period.

About SKY Harbor Capital Management

SKY Harbor Capital Management, LLC, an independent investment manager registered with the US Securities and Exchange Commission ("SKY Harbor"), is the appointed Investment Manager for SKY Harbor Global Funds. SKY Harbor offers Broad High Yield and Short Duration High Yield strategies for institutional investors and global wealth advisors. Senior leadership and co-founders Hannah Strasser and Anne Yobage have managed high yield investments as a team through multiple market cycles for nearly 30 years. Our process is grounded in fundamental analysis, then refined by quantitative and technical assessment, to identify income potential while effectively managing risk. SKY Harbor is based in Greenwich, CT USA. Visit www.skyhcm.com.

A Message to Investors

This disclaimer is intended to be read and understood by prospective investors because investing in high yield below-investment-grade corporate debt securities entails risk of loss; may be unsuitable to your circumstances; and cannot rely on past performance as a guarantor of future results. This two-page summary document is designed to be read by institutional investors for marketing and summary information purposes. While the information herein is derived from reliable sources and expresses our good faith beliefs, be aware that the Portfolio Commentary comprises "forward-looking statements," which means that there is no guarantee or warranty as to the accuracy of our current assumptions, market views, data or future expectations – all of which are subject to change at any time without notice to you and for which we are not to be held liable if future developments depart from our expectations. Accordingly, this document cannot and does not replace, revise or reinterpret the information and risk factors set forth in the Prospectus, KIID, Annual and Semi-annual reports, which along with other disclosures are available without charge from SKY Harbor Global Funds or from JPMorgan Bank Luxembourg, the Fund's transfer agent, fund accountant and custodian at: 6, route de Trèves, L-2633 Senningerberg, Luxembourg (also available on www.skyharborglobalfunds.com) or from the Swiss Representative. Because this summary is not intended to solicit or offer securities for purchase or sale, nor does it take into account your investment objectives, risk tolerances, tax or legal situation, it is your responsibility and duty to read with care the fund Prospectus and other disclosures before investing. SKY Harbor Global Funds is established under Luxembourg law and is not registered under the US Securities Act of 1933 nor the US Investment Company Act of 1940 and may not be offered or sold in the United States (or to a US person) absent registration or an applicable exemption from the registration requirements. The net performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units, which if charged, would have a negative impact on performance. The ICE BofAML Index data referenced herein is the property of ICE Data Indices ("ICE BofAML") and/or its licensors and has been licensed for use by SKY Harbor. ICE BofAML PERMITS USE OF THE BofAML INDICES AND RELATED DATA ON AN "AS IS" BASIS, MAKES NO WARRANTIES REGARDING SAME, DOES NOT GUARANTEE THE SUITABILITY, QUALITY, ACCURACY, TIMELINESS, AND/OR COMPLETENESS OF THE ICE BofAML INDICES OR ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM, ASSUMES NO LIABILITY IN CONNECTION WITH THE USE OF THE FOREGOING, AND DOES NOT SPONSOR, ENDORSE, OR RECOMMEND SKY Harbor or ANY OF ITS PRODUCTS OR SERVICES.

Supplementary Information for Swiss Investors

The representative in Switzerland is ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zurich. The paying agent in Switzerland is Banque Cantonale Vaudoise, Place Saint-François 14, 1001 Lausanne, Switzerland. The relevant Fund documents such as the prospectus, the key investor information document (KIIDs), the articles of association, and the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.