US High Yield Fund

January 31, 2018 Class A Capitalization

SKY HARBOR GLOBAL FUNDS

Portfolio Commentary

Market

The positive momentum created by the impact of tax reform and expectations for strong Q4 corporate earnings, against a backdrop of synchronized global growth, fueled equity prices to record highs and high yield option-adjusted spreads to post-crisis tights. Half of S&P 500 constituents had reported earnings by the end of January and 75% of the reporters exceeded expectations and lifted forward guidance. Commodities remained strong, as WTI Crude Oil ended the month up $4.31 (or 7.13%) to $64.73/bbl, a multi-year high, lifting Energy 1.82% to be the top-returning sector in January. During the month, the US Dollar Index was down 3.25% and the US Treasury curve steepened with the 2-yr Treasury higher by 25 bps to 2.13% and the 10-yr Treasury yield rose 31 bps to 2.72%.

Technicals were mixed in January. HY and loan mutual funds saw net outflows of $1.7bn and $34mn, respectively, as tracked by Lipper and Barclays. Bond new issuance increased to $24.1bn, offset by $31.7bn in redemptions, leaving supportive net supply at -$7.6bn, per Barclays. The loan market priced $49.3bn during the month ($15.6bn net), according to JP Morgan. The percentage of the HY bond market trading at distressed levels (below 70% of par) remained low at 2.6%; the comparable figure for the loan market (below 80% of par) also remained low at 2.8%. Similarly, default rates continue to be low. The par-weighted twelve-month HY bond default rate declined to 1.34% at month-end, per BofA Merrill Lynch, and the loan market par-weighted trailing default rate was 1.78%, per JP Morgan.

The ICE BofAML US High Yield Index returned 0.64% in January, and the Credit Suisse Leveraged Loan Index returned 1.08%. The YTW for the HY index decreased 2 bps to 5.75% and spreads decreased 32 bps to 326 bps. The BB, B and CCC bond sub-indices returned 0.11%, 0.82% and 1.95%, respectively. By sector, Energy led, while Automotive was the bottom performer, returning -0.25%. Across risk types (defined by duration and yield to worst), the most speculative, equity-like part of the market led while the better-quality, more rate sensitive part of the market lagged. High yield underperformed large and small cap equities, represented by the S&P 500's 5.72% and the Russell 2000's 2.61% returns, respectively, but outperformed investment grade corporate bonds, represented by the ICE BofAML US Corporate Index's -0.92% return.

Strategy

SKY Harbor Global Funds–US High Yield Fund modestly underperformed the benchmark in January. The primary driver of underperformance was an underweight to the top-performing most speculative, equity-like part of the market. This was mostly a function of not owning the most speculative securities, which rallied in January after some volatility at year-end. This was partially offset by an underweight to the bottom-performing, more rate sensitive part of the market as well as strong security selection in the more defensive, shortest duration segment.

The largest positive contributor to returns was Approach Resources Inc. (AREX) again this month, continuing to benefit from a recovery in the valuation of smaller exploration and production companies. The largest negative contributor was SFR Group (SFRFP) 7.375% notes due 2026, which traded down in January due to growing uncertainty around 2018 earnings coupled with parent Altice's long-term capital allocation policies. Last month's largest bottom contributor, Genesys Telecommunications Laboratories (GENLAB) 10% notes due 2024 was among top contributors to returns this month, recovering during an up market.

Outlook

We maintained a consistent view of market risks and opportunities for most of 2017's second half and saw little evidence to support a change in January. Our greatest conviction remains around strong corporate fundamentals and generally synchronous global growth. We have acknowledged that valuations are tight and rising rates present potential risks but believe high yield could have further spread compression absent a general spike in risk premiums. Given the continued absence of volatility, high yield spreads grinded to post-crisis cycle tights in January. However, as many conjectured it would at some point, volatility returned in the first week of February via the equity market causing high yield spreads to widen, though much more muted relative to equities. Beyond the impact from low volatility unwinds and algorithmic trading, we believe that equity investors have been underprepared for the impact of rising rates, unlike high yield investors who have been focused on this risk for quite some time. We nonetheless continue to have a high degree of conviction around the near-term fundamentals of high yield issuers and expect returns to benefit from the market income and below-average default losses. As a result, our positioning has not changed although we have been opportunistic purchasers during market volatility.

Our Broad High Yield Market portfolios remain underweight to the better-quality, more rate sensitive segment part of the market. We continue to look for opportunities to add income through credit picking among companies with improving earnings. While corporate fundamentals are strong, we believe we are generally not being paid to take "equity-like" risk at current market levels due to the underlying secular and/or cyclical changes that much of the remaining higher-yielding part of the market faces. Based on our view of risks and valuations across the market, we continue to believe Single-B rated credit offers the best opportunity for attractive returns through credit picking.

Investment Objective

To outperform the broad US high yield market over a full market cycle with less volatility through investing across the full maturity spectrum of the US below-investment-grade debt market. The Fund principally invests in a diversified portfolio of high yield debt securities issued by companies domiciled or listed in the US.

Benchmark

ICE BofAML US High Yield Index (H0A0)

Launch Date

April 5, 2012

Lead Portfolio Manager

Hannah H. Strasser, CFA

- A founder and Managing Director of SKY Harbor Capital Management, LLC.
- 35 years of investment experience.
- Has managed Broad High Yield Market strategies since 1988.
- Previously Head of US Fixed Income, AXA Investment Managers.

Top 10 Holdings by Issuer Weight

Name	Ratings	Sector	Weight (%)
SPRINT CAPITAL CORPORATION	B2	Telecommunications	2.15
VALEANT PHARMACEUTICALS	BB3	Healthcare	1.50
HCA INC.	BB3	Healthcare	1.29
AMERICAN AXLE & MANUFACTURING INC.	B1	Automotive	1.09
CCO HOLDINGS LLC	BB2	Media	1.09
ALLY FINANCIAL INC.	BB2	Banking	1.07
XPO LOGISTICS INC.	B1	Transportation	1.04
AHERN RENTALS INC.	B3	Services	1.03
CALUMET SPECIALTY PRODUCTS PARTNERS L.P.	CCC2	Energy	1.03
DISH DBS CORPORATION	BB3	Media	1.00

Fund Information	SHGF*	Benchmark
Market Value (mn/bn)	$354.7	$1,311.5
Average Credit Rating	B2	B1
Average Coupon (%)	7.0	6.4
Yield to Worst (%)	5.7	5.8
Yield to Maturity (%)	6.3	6.1
Current Yield (%)	6.8	6.3
Average Maturity (yrs)	6.3	6.3
Avg Mod. Dur. to Wst	3.4	3.8
Average Price	102.9	100.7
No of Issuers/Issues	268 / 346	880 / 1898
% of Top 10 Issuers	12.3	12.8

*securities portfolio only, excludes cash

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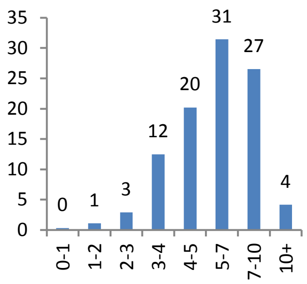
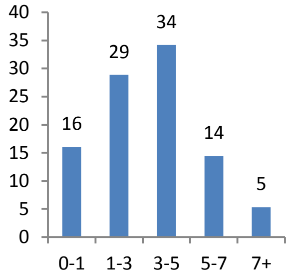
Maturity (%)



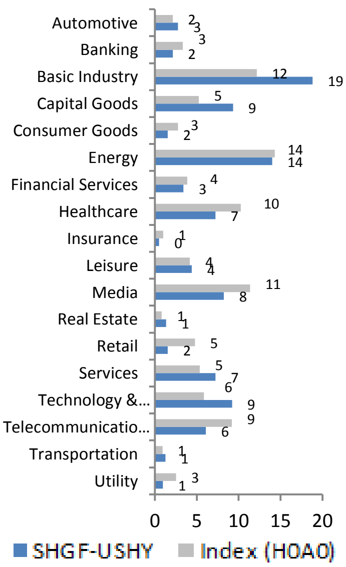
Modified Duration to Worst (%)



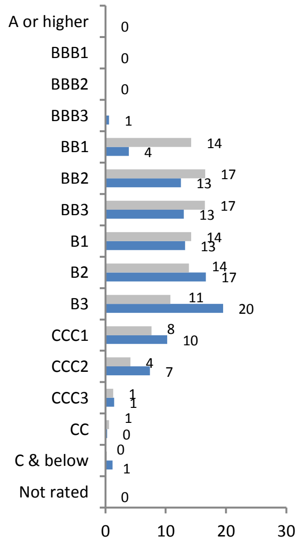
Fund Facts

Fund Type	Open-end
Legal Form	SICAV
Domicile	LUX
Countries of Registration	AT, BE, CH, DE, DK, ES, FI, FR, GB, IT, LU, NL NO, PT, SE
Min. Initial Inv	65M USD
Management Fee p.a.	45 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

Sector (%)



Average Rating (%)



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Find all fund documents at:
www.skyharborglobalfunds.com

Net Performance

Currency	ISIN	Cumulative 1M	Cumulative 3M	Cumulative YTD	Ann. Since Inception
USD	LU0765420822	0.58	0.86	0.58	5.91
EUR	LU0765421127	0.39	0.17	0.39	5.05
GBP	LU0765421473	NA	NA	NA	NA
CHF	LU0765421630	0.35	0.02	0.35	4.63

Currency	ISIN	Cumulative 1M	Cumulative 3M	Cumulative YTD	Ann. Since Inception
SEK	LU0765421804	NA	NA	NA	NA
NOK	LU0765422018	NA	NA	NA	NA
DKK	LU0765422281	NA	NA	NA	NA
ICE BofAML US High Yield Index (H0A0)†		0.66	0.66	0.66	6.80

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

† Index performance inception date is the first share class launch date - April 5, 2012

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

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.