

US High Yield Fund

July 31, 2017

Class B Capitalization

SKY HARBOR
GLOBAL FUNDS

Portfolio Commentary

Market

Risk assets remained resilient, shrugging off continued geopolitical tensions and some uncertainty created by the Trump administration. High Yield posted a fourth consecutive positive monthly return, benefiting from new equity market highs, a weakening US dollar, strong corporate earnings and rising commodity prices. WTI Crude Oil closed the month up \$4.13 (or 8.97%) to \$50.17/bbl after four months of declines. The US Dollar Index was down 2.89%, and the US Treasury curve steepened slightly with the 2-yr Treasury lower by 3bps to 1.35% and the 10-yr Treasury yield lower by 1bp to 2.30%.

High yield technicals were supportive in July as net supply decreased and loan funds saw inflows, only partially offset by HY mutual fund outflows. HY mutual funds saw net outflows of \$578mn and loan funds had inflows of \$752mn, as tracked by Lipper and provided by Barclays. New issuance decreased to \$11.0bn, offset by \$28.1bn in redemptions, leaving net supply at -\$17.1bn, according to Barclays. The percentage of the market trading at distressed levels (below 70% of par) ended July at 2.5%, per JP Morgan. The par-weighted twelve-month default rate was basically unchanged at 2.3% at month-end, per BofA Merrill Lynch. Excluding commodities, the default rate was 1.7%.

The BofA Merrill Lynch US High Yield Index returned 1.15% in July. The YTW decreased 23 bps to 5.39% and spreads decreased 17 bps to 356 bps. The BB, B and CCC sub-indices posted returns of 1.01%, 1.08% and 1.83%, respectively. Returns were positive in all sectors with Energy the top performer, returning 1.89% while Retail was the bottom performer, returning 0.56%. Across risk types (defined by duration and yield to worst), the most speculative, equity-like part of the market led while the most defensive, shortest duration securities lagged. High Yield underperformed large cap equities, represented by the S&P 500's 2.06% return, but outperformed investment grade corporate bonds, represented by the BofA ML US Corporate Index's 0.75% return, as well as small cap equities, represented by the Russell 2000's 0.74% return.

Strategy

SKY Harbor Global Funds–US High Yield Fund underperformed the benchmark in July. By risk type, overall security selection was a positive contributor to relative performance while allocation was a drag on performance. The primary drivers of underperformance were security selection within the most speculative part of the market, although this was more a function of not owning some of the most speculative securities that rallied during the month. Relative performance also suffered from the Fund's overweight to the most defensive, shortest duration securities which could not keep pace this month. These were partially offset by strong selection in the short duration part of the market. By sector, security selection in Services and Leisure were sources of outperformance but were offset by selection in Basic Industry and Healthcare.

The largest positive contributor to returns was Ahern Rentals Inc. (AHERN) 7.375% notes due 2023, which traded up on positive earnings in the sector and strong economic indicators on industrial production. Last month's largest positive contributor, Approach Resources Inc. (AREX) was the largest bottom contributor in July, trading down on no news. Last month's largest negative contributor, Comstock Resources (CRK) 9.5% notes due '20 was among the top contributors to overall returns this month.

Outlook

While a variety of geopolitical risks remain, markets are benefiting from the strongest corporate earnings growth in the last five years. The overall high yield market has not reached cycle tight spreads, yet parts of the market have or are approaching cycle tightness. We continue to believe further spread compression is possible absent a general spike in risk premiums. Tighter valuations continue to be balanced by improving fundamentals, a falling default rate and the possibility that longer-dated Treasury yields do not increase meaningfully. Our conviction that fundamentals will continue to improve and HY defaults will peak and recede over the course of 2017 remains high and the strongest driver of portfolio positioning. That said, we believe we are generally not being paid to take "equity-like" risk at current market levels although the higher-yielding part of the market has historically benefited the most from strong earnings and low default rates. We still expect high yield issuance to remain tilted towards better quality and refinancing, but generally be demand driven and sensitive to fund flows, which we expect to be more volatile. 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.

We believe our Broad High Yield Market portfolios continue to be well positioned for the current market environment. We have and will continue moderating our underweight to the better-quality, more-spread-sensitive segment of the market as we believe the risk associated with rising long rates is largely priced in. We continue to look for opportunities to benefit from credit picking among the higher-yielding segments of the market although remain underweight this segment.

Top 10 Holdings by Issuer Weight

Name	Ratings	Sector	Weight (%)
SPRINT CAP CORP	B2	Telecommunications	2.18
VALEANT PHARMA	CCC1	Healthcare	1.48
HCA INC	BB3	Healthcare	1.21
CCO HOLDINGS LLC	BB2	Media	1.09
DISH DBS CORP	BB3	Media	1.07
TMS INTL CORP	B3	Services	1.01
CSC HOLDINGS LLC	B2	Media	1.00
TENET HEALTHCARE	CCC1	Healthcare	0.97
ARDAGH PKG FIN	B3	Capital Goods	0.89
CHS/COMMUNITY	CCC1	Healthcare	0.88

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

BofA Merrill Lynch 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.
- 34 years of investment experience.
- Has managed Broad High Yield Market strategies since 1988.
- Previously Head of US Fixed Income, AXA Investment Managers.

Fund Information	SHGF*	Benchmark
Market Value (mn/bn)	\$366.2	\$1,310.2
Average Credit Rating	B2	B1
Average Coupon (%)	6.9	6.5
Yield to Worst (%)	5.6	5.4
Yield to Maturity (%)	6.4	5.9
Current Yield (%)	7.0	6.3
Average Maturity (yrs)	6.3	6.2
Avg Mod. Dur. to Wst	3.2	3.5
Average Price	102.8	102.0
No of Issuers/Issues	302 / 389	868 / 1888
% of Top 10 Issuers	11.8	13.2

*securities portfolio only, excludes cash

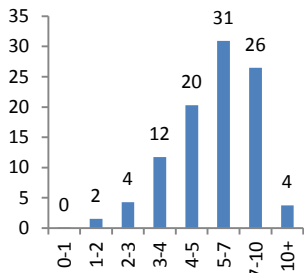
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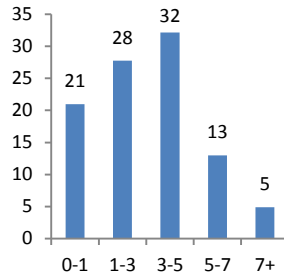
Class B Capitalization

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Maturity (%)



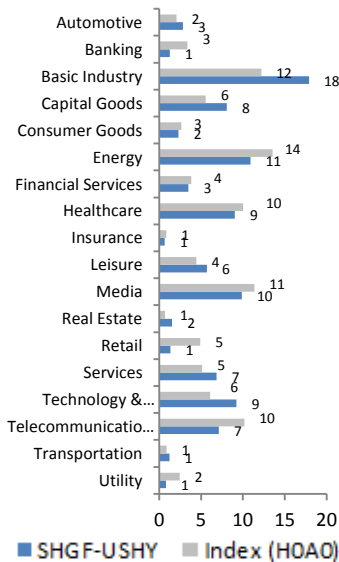
Modified Duration to Worst (%)



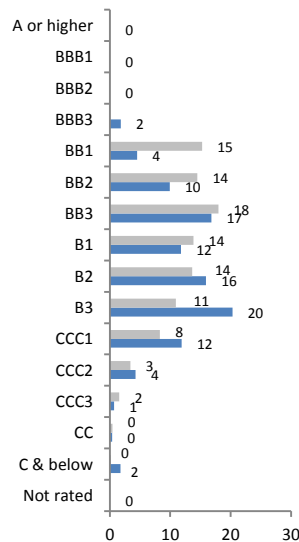
Fund Facts

Fund Type	Open-end
Legal Form	SICAV
Domicile	LUX
Countries of Registration	AT, BE, CH, DE, DK, ES, FI, FR, GB, LU, NL, NO
SE	
Min. Initial Inv	1M USD
Management Fee p.a.	75 bps

Sector (%)



Average Rating (%)



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

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Find all fund documents at:

www.skyharborglobalfunds.com

Net Performance

Currency	ISIN	Cumulative			Ann. Since Inception	Currency	ISIN	Cumulative			Ann. Since Inception
		1M	3M	YTD				1M	3M	YTD	
USD	LU0765422448	1.01	1.84	5.30	5.78	SEK	LU0765423339	NA	NA	NA	NA
EUR	LU0765422794	0.84	1.33	4.17	5.04	NOK	LU0765423503	0.92	1.64	4.94	5.81
GBP	LU0765422950	NA	NA	NA	NA	DKK	LU0765423768	NA	NA	NA	NA
CHF	LU0765423172	NA	NA	NA	NA	BofA Merrill Lynch US High Yield Index (HOAO)†		1.15	2.20	6.12	7.08

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

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 BofAML Index data referenced herein is the property of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("BofAML") and/or its licensors and has been licensed for use by SKY Harbor. 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 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.