

# Swan Ultra Short-Term Bond – CHF August 2021



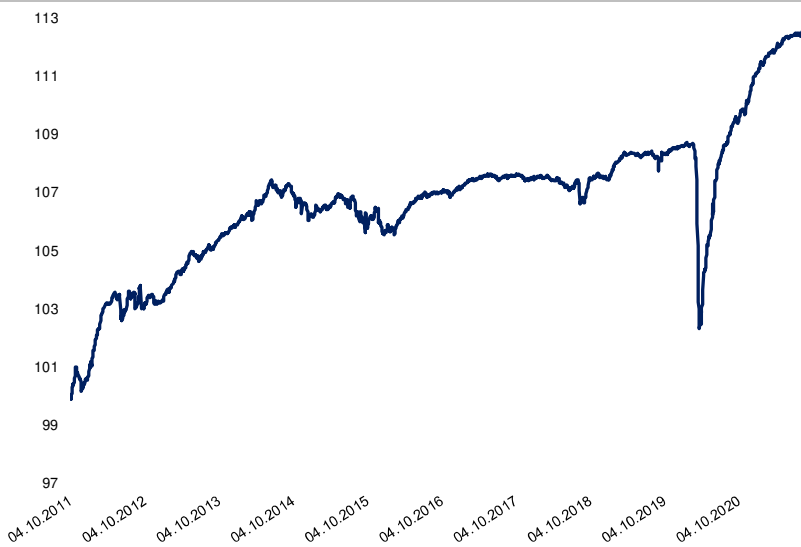
## Strategy

Swan Ultra Short-Term Bond is the UCITS version of our Fixed Income Conservative risk profile. The strategy invests in a highly diversified buy and hold portfolio of liquid short-term fixed income securities, with an average maturity of 1 year. Target Return is 3 months LIBOR + 150 bps.

## Performance

|                  |               |                        |         |
|------------------|---------------|------------------------|---------|
| MTD :            | <b>0.30%</b>  | Fund Assets (mln) :    | 417.1 € |
| Since inception  | <b>12.71%</b> | 1 Year Std Dev :       | 0.61%   |
| Last 12 Months : | <b>3.19%</b>  | 1 Year Sharpe Ratio :  | 6.85    |
| NAVps :          | CHF 112.71    | % of positive months : | 73%     |

## Risk Profile



| Period   | Class C* | Class A |
|----------|----------|---------|
| MTD      | 0.31%    | 0.30%   |
| YTD      | 1.56%    | 1.48%   |
| 6 months | 0.96%    | 0.88%   |
| 1 year   | 3.41%    | 3.19%   |
| 2020     | 2.58%    | 2.30%   |
| 2019     | 1.24%    | 1.04%   |
| 2018     | 0.19%    | 0.01%   |
| 2017     | 0.58%    | 0.29%   |
| 2016     | 1.54%    | 1.43%   |
| 2015     | -0.29%   | -0.53%  |
| 2014     | 0.49%    | 0.27%   |
| 2013     | 2.73%    | 2.54%   |
| 2012     | 2.71%    | 2.42%   |
| 2011     | 1.08%    | 0.83%   |

| Portfolio info  |        |
|-----------------|--------|
| # of Securities | 148    |
| % Weight        | 97.96% |
| Int Dur         | 0.20   |
| Yield (gross)   | 1.93%  |
| Spread Duration | 0.82   |
| Z-spread        | 240    |

\*Class A adjusted for management fee difference used for periods before Class C inception.

## FX breakdown (fully hedged)

|              |                |
|--------------|----------------|
| USD          | 59.03%         |
| EUR          | 15.13%         |
| NOK          | 15.83%         |
| SEK          | 6.13%          |
| CHF          | 1.38%          |
| GBP          | 2.50%          |
| AUD          | 0.00%          |
| <b>TOTAL</b> | <b>100.00%</b> |

## Geographic breakdown

|              |                |
|--------------|----------------|
| EU           | 13.14%         |
| US           | 1.28%          |
| Oth DEV      | 38.76%         |
| LATAM        | 1.59%          |
| EMEA         | 26.72%         |
| ASIA         | 18.51%         |
| <b>TOTAL</b> | <b>100.00%</b> |

## Global market picture

During August, European credit markets experienced a positive performance (H9PC Index +0.37%), in tandem with the movement of the Eurostoxx 50 (+2.62%) and S&P 500 (+2.90%). US and international data releases missed forecasts, as highlighted by CESI indexes that turned negative for the first time since March 2020. Spreading of the COVID-19 Delta variant raised concerns that global recovery could slow: US consumer confidence fell sharply below estimates, followed by weaker than expected reports on retail sales, with economist revising down US growth for 2021 at 6.2%. With regards to tapering, minutes from the FED's July meeting showed disagreement among officials, though a majority believe that taper could begin later this year, with Jerome Powell confirming during his Jackson Hole speech that "if the economy evolve broadly as anticipated, it could be appropriate to start reducing the pace of asset purchase this year". Germany's inflation rose to 3.4% in August, its highest level since 2008, intensifying discussions about Eurozone's ultra-loose monetary policy and its consequences, even if the ECB expects this year surge in inflation to be only transitory. In this context, the 10 years bund yield was higher at -0.38% (+8bps in the month), in tandem with the 10 years Treasury at 1.31% (+9bps in the month). Gold was substantially flat at 1814 \$ per ounce, while oil was down at 73 USD per barrel, reflecting concerns on slowing China recovery. We think that this is still an interesting entry point for our strategy: current YTM gives us confidence on the capability to generate positive performance in line with targets during 2021; average maturity of the bonds in our portfolios is still around 1 year and should help reduce volatility in case of new episodes of market stress.

## Yield-type strategy

The bucket generated a gross positive contribution to the monthly performance, with 90% of the positions (94 out of 104) contributing positively. The YTM remains attractive and conditions are always interesting in the short-term part of the credit curve. The average life of the yield-type portfolio is very short (10 months or 0.82 of spread duration), combined with a gross yield of 1.93% (in EUR) and z-spread of 240 basis points.

## Rating breakdown

|              |                |
|--------------|----------------|
| AAA          | 0.00%          |
| AA           | 0.00%          |
| A            | 0.00%          |
| BBB          | 10.50%         |
|              | tot IG 10.50%  |
| BB           | 26.77%         |
| B            | 17.64%         |
| CCC          | 0.92%          |
|              | tot HY 45.33%  |
| NR           | 44.16%         |
| <b>TOTAL</b> | <b>100.00%</b> |

## Sector breakdown - Top 10

|                    |        |
|--------------------|--------|
| Services           | 27.07% |
| Real Estate        | 23.58% |
| Banking            | 12.62% |
| Basic Industry     | 5.75%  |
| Financial Services | 5.06%  |
| Consumer Goods     | 4.01%  |
| Leisure            | 3.13%  |
| Telecommunications | 2.89%  |
| Automotive         | 2.66%  |
| Agency             | 2.17%  |

## Sicav Structure – Terms & Conditions

Domicile: Luxembourg

Inception Date: 4 October 2011

Minimum Investment: 1 share

Liquidity / Reporting: Daily

Fees: Class C 0.75% / Class A 1.00% Management Fee

15% Performance Fee (high water mark)

Promoter / Distributor: Corner Banca SA

Investment Manager: Swan Asset Management SA

Custodian Bank: State Street Bank Lux

Administrator Agent: State Street Bank Lux

Auditor: Ernst & Young

Bloomberg: class A: CBSWBAC LX, class C: CBSWBCC LX

ISIN: class A: LU0681571880, class C: LU0681572268

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*This is an advertising document. The state of origin of the fund is Luxembourg. In Switzerland the representative of the SICAV is Cornèr Banca S.A., with registered office in Via Canova 16, CH-6901 Lugano and the payment service is provided by Cornèr Banca S.A., Via Canova 16, CH-6901 Lugano.*

*The basic documents of the fund as well as the annual and if applicable the semi-annual report may be obtained free of charge from the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption units.*