

Swan Ultra Short-Term Bond – EUR

February 2022



Strategy

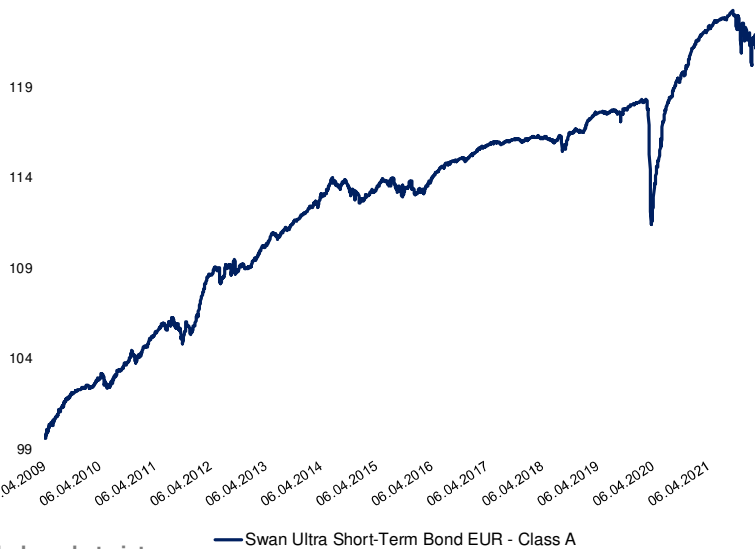
Swan Ultra Short-Term Bond is the UCITS version of our Fixed Income Conservative risk profile. The strategy invests in a highly diversified buy and hold portfolio of liquid short-term fixed income securities, with an average maturity of 1 year. Target Return is 3 months LIBOR + 150 bps.

Performance

MTD :	-3.48%	Fund Assets (mIn) :	336.6 €
Since inception	17.20%	1 Year Std Dev :	2.52%
Last 12 Months :	-3.89%	1 Year Sharpe Ratio :	-1.23
NAVps :	EUR 117.20	positive months%:	75%



Risk Profile



Period	Class C*	Class A	Portfolio info	
MTD	-3.45%	-3.48%	# of Securities	146
YTD	-3.79%	-3.84%	% Weight	102.21%
6 months	-4.70%	-4.78%	Int Dur	0.04
1 year	-3.69%	-3.89%	Yield (gross)	6.92%
2021	0.78%	0.59%	Spread Duration	1.00
2020	2.67%	2.58%	Z-spread	742
2019	1.59%	1.36%		
2018	0.58%	0.39%		
2017	0.92%	0.75%		
2016	2.05%	1.86%		
2015	0.58%	0.35%		
2014	0.63%	0.54%		
2013	3.00%	2.77%		
2012	3.05%	2.84%		
2011	2.07%	1.85%		
2010	1.90%	1.73%		
2009	2.63%	2.38%		

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

Global market picture

During February European credit markets experienced a negative performance (H9PC Index - 2.98%), in tandem with the movement of the Eurostoxx 50 (-6.00%) and S&P 500 (-3.14%). In particular, the credit market environment was extremely negative with year to date performances ranging from -7.5% for EM corp HY to -3.78% of the EU HY component. The IG EUR market is also negative by about 3.93% YTD, mainly due to the rates component. The short-term (1-3 year) H1WN global HY index also reports a performance of -4.64% YTD while the Global unconstrained HY lost 4.59%. Sell-off intensified in the last week of February following Russian invasion of Ukraine: at the moment objectives of the operation are not clear yet, but market did not expect a full invasion and immediately started pricing in very negative scenarios. In this context, the 10 years bund yield was higher at +0.13% (+12bps in the month) in tandem with the 10 years Treasury at 1.82% (+5bps in the month), mainly due to concerns on inflationary pressure linked to energy cost, with oil prices reaching highest level (101\$ per barrel) since 2014. The funds' strategy remains focused on the short term: we remain committed to our investment philosophy of constant and significant excess returns, coupled with low volatility (last period was an extraordinary one). Excluding specific idiosyncratic situations (China real estate and Russia/Ukraine), the rest of the portfolio has continued to behave in line with expectations, generating a slightly negative performance compared with a context of extreme negativity in the market. The expected return of the portfolio (excluding China and Russia/Ukraine), will be able to generate a significant performance during 2022 which, added to the potential recovery of the two idiosyncratic components, will allow a significant rebound from current levels.

Yield-type strategy

The bucket generated a gross negative contribution to the monthly performance, with 29% of the positions (28 out of 95) 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 (12 months or 0.98 of spread duration), combined with a gross yield of 6.92% (in EUR) and z-spread of 742 basis points.

FX breakdown (fully hedged)

USD	49.75%	EU	14.98%
EUR	14.02%	US	2.18%
NOK	18.06%	Oth DEV	52.37%
SEK	14.04%	LAT AM	1.64%
CHF	1.85%	EMEA	16.38%
GBP	2.28%	ASIA	12.45%
TOTAL	100.00%	TOTAL	100.00%

Geographic breakdown

Rating breakdown

AAA	0.00%
AA	0.00%
A	0.00%
BBB	7.93%
tot IG	7.93%
BB	14.63%
B	19.35%
CCC	1.30%
tot HY	35.28%
NR	56.80%
TOTAL	100.00%

Sector breakdown - Top 10

Services	28.57%
Real Estate	27.70%
Energy	6.79%
Basic Industry	6.05%
Financial Services	5.37%
Banking	3.72%
Leisure	3.70%
Agency	2.64%
Transportation	2.58%
Supranational	2.45%

Sicav Structure – Terms & Conditions

Domicile: Luxembourg

Inception Date: 1 April 2009

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: CBSWBOA LX, class C: CBSWBOC LX

ISIN: class A: LU0417109773, class C: LU0417110193

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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.