

# Swan Bond Enhanced Sicav–SIF USD

## March 2025



### Strategy

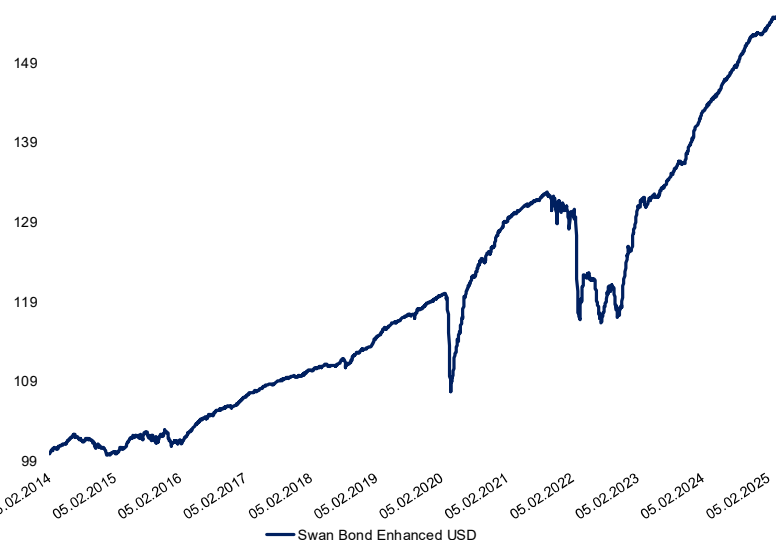
Swan Bond Enhanced SIF is the alternative version of our Fixed Income Intermediate risk profile. The strategy is focused on an highly diversified buy and hold portfolio of liquid short-term fixed income securities, in a levered format. Leverage is normally included between 50% and 150% of the NAV. Target Return is 3 months LIBOR + 350 bps.

### Risk Profile

Conservative

Intermediate

High Reward



### Global market picture

High Yield Credit markets reported a negative performance in March ranging from -0.33% for EM corp HY to -0.98% of the EU HY while equity market was negative in Europe (Eurostoxx50 +3.34%) and US (S&P500 -5.75%). The IG EUR market was negative at -0.93% while the short-term (1-3 year) H1WN global HY index reported a negative performance of -0.40%. The Global unconstrained (in terms of maturity) HY index was down -0.98%. Euro zone inflation was slightly lower, with core CPI print at 2.6% in February, while GDP growth in 4Q2024 was revised higher at 1.2% YoY. ECB cut rates by 25bps to 2.5%, but there was a change of tone to a more hawkish one, signaling a possible pause in rate cuts. In the US, inflation came out lower than the 3% registered in January, at 2.8%, and also core inflation inched lower at +3.1% YoY. Trade war remain a strong drag on future growth and business sentiment: rising recession probabilities in US drag market down, and a new set of levies hitting Europe is expected the 2nd of April. To counteract the rising recession probabilities and reviving a sluggish economy, Germany launched a new fiscal program of 500bio EUR aiming to renew infrastructure of the country. In addition, European Union proposed 800bio EUR defense plan, to increase common and single states defense army. The 10-years bund yield was higher at 2.74% (+33bps in the month), in contrast with the 10-years Treasury that was down at 4.20% (-1bps in the month). Oil was up at 75\$ per barrel, while the US dollar was down, with DXY at 104.11. Our funds have a yield to maturity between 5% and 6.75% in EUR, combined with an average spread duration of around 17 months. The combination of diversification, good credit quality and high expected yields pave the way for attractive returns in 2025.

### Yield-type strategy

The bucket generated a positive gross contribution to the monthly performance, with 71% of the positions (129 out of 182) contributing positively. During the month our invested capital slightly increased and conditions remain attractive in the short-term part of the credit curve. The average life of the yield-type portfolio is very short (15 months or average spread duration of 1.28), combined with a yield of 6.34% (net of funding cost in EUR) and z-spread of 433 basis points. The fund is levered, being invested at about 139% currently.

### Performance

MTD :	0.04%	Fund Assets (mln) :	189.5 €
Since inception	54.73%	1 Year Std Dev :	0.69%
Last 12 Months :	7.05%	1 Year Sharpe Ratio :	3.17
NAVps :	USD 154.73	% of positive months :	81%

Period	Perf.
MTD	0.04%
YTD	1.38%
6 months	2.38%
1 year	7.05%
2024	8.20%
2023	12.51%
2022	-4.14%
2021	2.14%
2020	7.31%
2019	5.35%
2018	3.07%
2017	3.32%
2016	4.99%
2015	1.53%
2014	-0.21%

Portfolio info	
# of Securities	182
% Weight	139.15%
Int Dur	1.28
Yield (gross) in EUR	6.34%
Spread Duration	1.79
Z-spread	433

### FX breakdown (fully hedged)

USD	32.25%
EUR	35.50%
NOK	14.46%
SEK	8.93%
CHF	3.86%
GBP	5.00%
AUD	0.00%
TOTAL	100.00%

### Geographic breakdown

EU	28.43%
US	8.76%
Oth DEV	42.68%
LATAM	5.58%
EMEA	13.04%
ASIA	1.51%
TOTAL	100.00%

### Rating breakdown

AAA	0.00%
AA	0.00%
A	0.00%
BBB	11.19%
tot IG	11.19%
BB	27.68%
B	8.87%
CCC	1.26%
tot HY	37.81%
NR	51.00%
TOTAL	100.00%

### Sector breakdown - Top 10

Banking	15.75%
Oil and gas E&P - All	7.60%
Oil Field Equipment & Se	6.61%
Real Estate - Mgmt Res	5.28%
Real Estate - Mgmt Comr	5.12%
Finance - NPL collector	3.65%
Shipping - Crude	3.64%
Recreation & Travel	3.51%
Shipping - Gas	3.27%
Air Transportation	3.24%

\* Portfolio 100%

### Fund Structure – Terms & Conditions

Domicile: Luxembourg

Inception Date: 5 February 2014

Minimum Investment: EUR 125k Initial Investment

Liquidity / Reporting: Daily

Fees: 1.5% Management Fee

20% Performance Fee (high water mark)

Investment Manager: Swan Asset Management SA

Sub-Custodian Bank & Prime Broker: BNP Paribas, London Branch

Administrator & Custodian Bank: Banque Privée Edmond de Rothschild

Auditor: PWC

Bloomberg: SWBENAU LX

ISIN: LU1019165882

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