

Swan Flexible - EUR

December 2024



Strategy

The fund aims to maximise total return investing in Global Bonds and Equities with a medium low target volatility. The investment strategy combines a quant and fundamental approach to identify the best opportunities on medium / short term bonds, convertibles and single stocks.

Performance

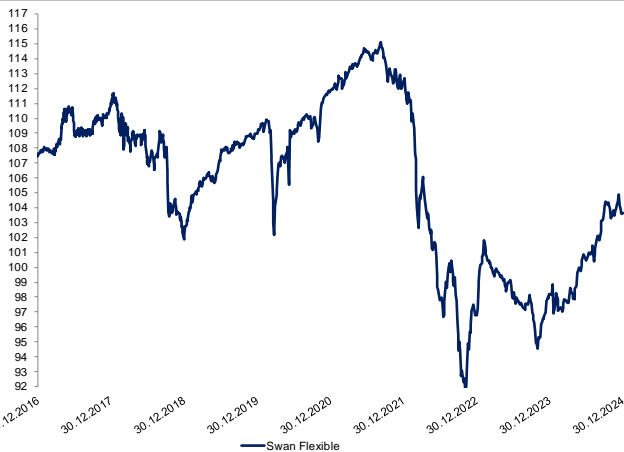
MTD	-0.55%	Nav: EUR	103.67
1 Year Std Dev	3.46%	Fund Assets (mln):	12.5 €

Risk Profile

Conservative

Intermediate

High Reward



Global market picture

High Yield Credit markets reported a contrasting performance in December ranging from -0.43% for EM corp HY to +0.65% of the EU HY and also equity market was diverging (S&P500 -2.50% and Eurostoxx50 +1.91%). The IG EUR market was negative by -0.42% while the short-term (1-3 year) H1WN global HY index reported a positive performance of +0.15%. The Global unconstrained (in terms of maturity) HY index was down -0.32%. Euro zone inflation was stuck, with core CPI print at 2.7% in November while the ECB continued reducing rates with an additional cut of 25bps: Christine Lagarde said that some rate setters proposed a bigger cut of 50bps, but support for the quarter point move was "unanimous". The ECB dropped its commitments to "keep policy rates sufficiently restrictive for as long as necessary" and lowered its growth forecast for 2026 by 1% to 1.4% and was also more pessimistic expecting 1.3% growth for 2027. Lagarde said "the direction of travel currently is very clear" implying more cuts will come at the next meetings. In the US, inflation came out higher than the 2.6% registered in October, at 2.7%, even if core inflation remained stable at +3.3% YoY. The FED cut its benchmark rate by 25bps to 4.375% but signaled a slower pace of easing next year, with dots now projecting just 50bps of additional cuts in 2025 vs the 1% forecasted in September. The 10-years bund yield was higher at 2.37% (+28bps in the month), in line with the 10-years Treasury that was up at 4.57% (+40bps in the month). Oil was up at 75\$ per barrel, while the US dollar soared, with DXY at 108.49

The Fund equity exposure, considering the convertibles equity sensitivity, is around 5%. The equity exposure is spread over Europe, UK and Switzerland with a weight of 7%, US with a weight of 22% and Emerging Markets with 72%. In terms of sectors, Consumer Staples represents the greatest weight. Fixed income direct investments are stable at 94%, where convertibles are stable at 25%. The focus is always on the short term but the exposure to longer maturities is higher at 32%. Additional duration exposure is added with futures. The fund has a 9% USD currency exposure.

Period	Class A	Class C	Asset Class	Gross	Net
MTD	-0.55%	-0.51%	Cash	3.05%	3.05%
YTD	5.63%	5.97%	Bonds	108.90%	108.90%
2023	1.42%	1.72%	Equity	4.90%	4.90%
2022	-14.01%	-13.74%	Cmdty	1.40%	1.40%
2021	0.62%	0.85%	Total	118.25%	
2020	2.61%	2.81%			
2019	6.77%	7.08%			
2018	-7.96%	-7.69%			
2017	3.13%				
2016	2.58%				
2015	0.64%				
2014	2.62%				

Equity

Sector Allocation

Consumer Staples	22.00%
Consumer Discretionary	19.00%
Financials	18.00%
Techology	16.00%
Industrial	14.00%
Health Care	11.00%
Total	100.00%

Geographic breakdown

EM	72.00%
USA	21.60%
Europe	6.45%
Total	100.05%

Bond

Rating breakdown

AAA	5.11%
AA	0.92%
A	5.74%
BBB	32.33%
tot IG	44.10%
BB	11.73%
Others	44.17%
tot HY	55.90%
Total	100.00%

FX breakdown (hedged)

EUR	95.39%
USD	3.71%
GBP	0.44%
NOK	0.35%
Total	99.89%

Sicav Structure – Terms & Conditions

Domicile: Luxembourg

Inception Date: 21 September 2009

Minimum Investment: 1 share

Liquidity / Reporting: Daily

Fees: 1.20% 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: CBSWFXA LX, class C: CBSWFXC LX

ISIN: class A: LU0451080740, class C: LU0451081045

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