

# Swan Long Short Credit Sicav–SIF EUR

## March 2025



### Strategy

Swan Long Short Credit SIF is the alternative version of our Fixed Income High Reward risk profile. Depending on market conditions, the strategy combines an highly diversified buy and hold portfolio of liquid short-term fixed income securities, in a levered format, with an opportunistic allocation to longer dated securities in Global HY markets. Leverage is normally included between 0% and 150% of the NAV. Target Return is 3 months LIBOR + 450 bps.

### Risk Profile

Conservative

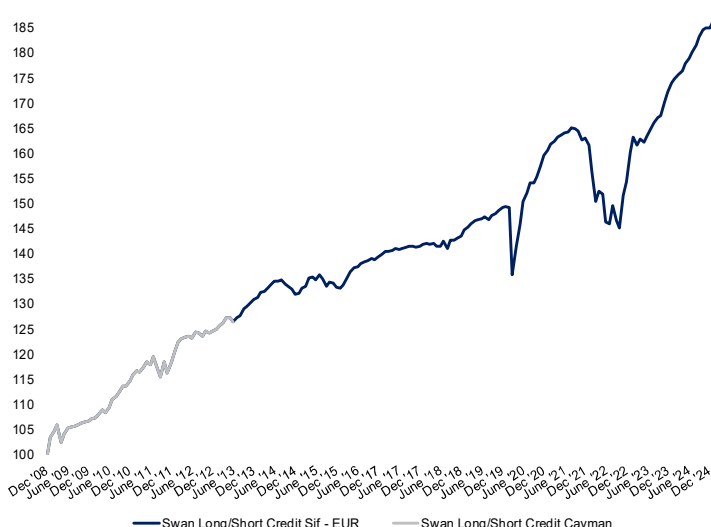
Intermediate

High Reward

### Performance

MTD :	-0.03%	Fund Assets (mln) :	114.0 €
Since inception	47.45%	1 Year Std Dev :	0.68%
Last 12 Months :	6.75%	1 Year Sharpe Ratio :	5.11
NAVps :	EUR 147.45	% of positive months :	75%

\* Returns from January 2009 to July 2013 reported in the table below refer to Swan Long/Short Credit Cayman (KKIENDD KY). They were obtained applying the same strategy that is used for Swan Long/Short Credit SIF.



### 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.

### Active portfolio

Fund's actual exposure (beta and duration adjusted) is 42.93%, lower relatively to last month (41.40%). The mix between Strategic and Tactical positions is 0% Strategic and 100% Tactical. The fund has an estimated yield of 6.68% (net of funding cost in EUR), a low spread duration of 2.23 and a z spread of 467.

### Yield-type bucket

The bucket generated a positive gross contribution to the monthly performance, with 77% of the positions (90 out of 117) 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 (12 months or average spread duration of 0.99). The fund is levered, being invested at about 153% currently.

### Fund Structure – Terms & Conditions

Domicile: Luxembourg

Inception Date: 22 July 2013

Minimum Investment: EUR 125k Initial Investment

Liquidity / Reporting: Daily

Fees: 1.2% Management Fee

15% Performance Fee (high water mark)

Period	Perf.	Portfolio info	
MTD	-0.03%	# of Securities	189
YTD	1.38%	% Weight	152.69%
6 months	2.36%	Int Dur	1.57
1 year	6.75%	Yield (gross) in EUR	6.68%
2024	7.46%	Spread Duration	2.23
2023	11.55%	Z-spread	467
2022	-5.35%		
2021	2.20%		
2020	6.96%		
2019	3.97%		
2018	1.36%		
2017	1.49%		
2016	4.53%		
2015	1.03%		
2014	0.84%		
2013	5.05%		
2012	5.44%		
2011	3.19%		
2010	7.47%		
2009	6.56%		

### FX breakdown (fully hedged)

USD	34.67%
EUR	34.77%
NOK	14.26%
SEK	8.92%
CHF	2.84%
GBP	4.55%
TOTAL	100.00%

### Rating breakdown

AAA	0.00%
AA	0.00%
A	0.00%
BBB	9.81%
tot IG	9.81%
BB	27.41%
B	9.67%
CCC	1.75%
tot HY	38.83%
NR	51.36%

### Geographic breakdown

EU	25.30%
US	8.33%
Oth DEV	41.75%
LATAM	6.81%
EMEA	16.22%
ASIA	1.59%
TOTAL	100.00%

### Sector breakdown - Top 10

Banking	15.00%
Oil and gas E&P - All	8.08%
Oil Field Equipment & Ser	6.95%
Real Estate - Mgmt Res	5.57%
Real Estate - Mgmt Comrr	5.01%
Air Transportation	3.75%
Shipping - Gas	3.69%
Finance - NPL collector	3.66%
Shipping - Crude	3.53%
Telecom - Wireline Integr	3.48%

### Strategical & Tactical buckets

Tactical bucket generated a positive gross performance during the month, with homogeneous contributions. Picking was positive both in EM and EUR HY.

Investment Manager: Swan Asset Management SA

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

Administrator & Custodian Bank: Caceis Bank

Auditor: PWC

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