

# Swan Short-Term High Yield – CHF

## March 2025



### Strategy

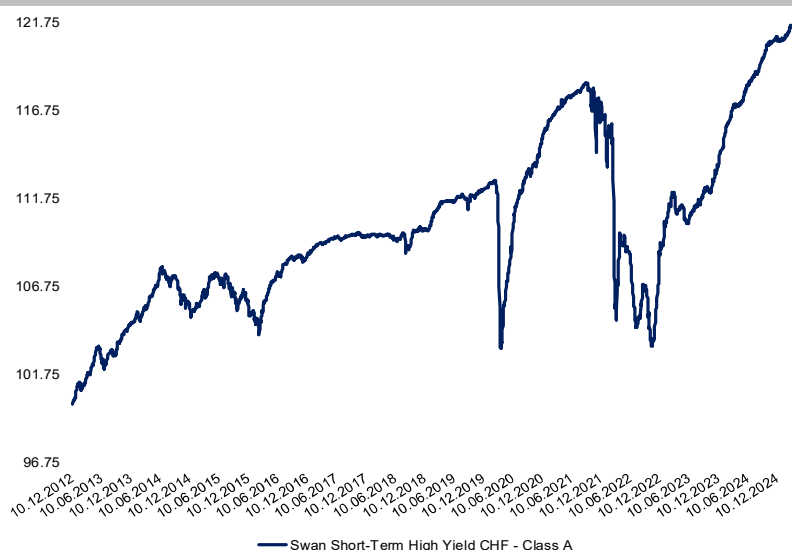
Swan Short-Term High Yield is the UCITS version of our Fixed Income Intermediate risk profile. Depending on market conditions, the strategy combines an highly diversified buy and hold portfolio of liquid short-term fixed income securities with an opportunistic allocation to longer dated securities in Global HY markets. Target Return is 3 months LIBOR + 250 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.

### Active Portfolio

Fund's actual exposure (beta and duration adjusted) is 37.70%, higher relatively to last month (37.48%). The mix between Strategic and Tactical positions is 0% Strategic and 100% Tactical. The fund has an estimated gross yield of 5.77% (in EUR), a spread duration of 1.70 and a z spread of 376.

### Yield-type bucket

The bucket generated a positive gross contribution to the monthly performance, with 83% of the positions (64 out of 77) 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 YT portfolio is very short (14 months or 1.13 of spread duration).

### Performance

MTD :	-0.12%	Fund Assets (mln) :	212.9 €
Since inception	21.39%	1 Year Std Dev :	0.64%
Last 12 Months :	3.79%	1 Year Sharpe Ratio :	7.59
NAVps :	CHF 121.39	% of positive months :	72%

Period	Class C*	Class A	Portfolio info	
MTD	-0.10%	-0.12%	# of Securities	143
YTD	0.65%	0.58%	% Weight	99.59%
6 months	1.16%	1.02%	Int Dur	1.20
1 year	4.11%	3.79%	Yield (gross) in EUR	5.77%
2024	5.66%	5.44%	Spread Duration	1.70
2023	5.33%	4.95%	Z-spread	376
2022	-5.97%	-6.31%		
2021	0.92%	0.69%		
2020	3.17%	2.94%		
2019	2.42%	2.17%		
2018	0.59%	0.32%		
2017	1.16%	0.86%		
2016	3.59%	3.29%		
2015	0.17%	-0.13%		
2014	0.88%	0.58%		
2013	4.60%	4.30%		

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

### FX breakdown (fully hedged)

USD	36.50%
EUR	32.82%
NOK	12.51%
SEK	10.67%
CHF	4.28%
GBP	3.22%
TOTAL	100.00%

### Geographic breakdown

EU	25.36%
US	6.29%
Oth DEV	42.06%
LATAM	8.65%
EMEA	16.77%
ASIA	0.88%
TOTAL	100.00%

### Rating breakdown

AAA	0.00%
AA	0.00%
A	0.00%
BBB	5.13%
tot IG	5.13%
BB	29.85%
B	15.29%
CCC	2.60%
tot HY	47.74%
NR	46.72%
TOTAL	99.59%

### Sector breakdown - Top 10

Banking	14.08%
Oil Field Equipment & Ser	7.14%
Oil and gas E&P - All	6.68%
Real Estate - Mgmt Res	5.21%
Real Estate - Mgmt Comm	5.12%
Real Estate - Dev Res	4.58%
Telecom - Wireline Integra	4.25%
Finance - NPL collector	4.09%
Shipping - Gas	3.76%
Specialty Retail	3.51%

### Strategic & Tactical buckets.

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

### Sicav Structure – Terms & Conditions

Domicile: Luxembourg

Inception Date: 11 December 2012

Minimum Investment: 1 share

Liquidity / Reporting: Daily

Fees: Class C 0.90% / Class A 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: CBASACH LX, class C: CBASCCH LX

ISIN: class A: LU0860714285, class C: LU0860714442

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