

Swan Ultra Short-Term Bond – EUR

March 2025



Strategy

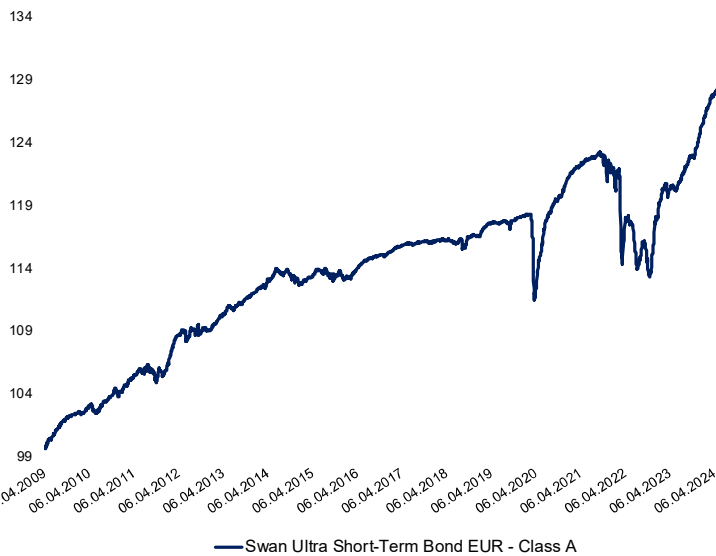
Swan Ultra Short-Term Bond is the UCITS version of our Fixed Income Conservative risk profile. The strategy invests in a highly diversified buy and hold portfolio of liquid short-term fixed income securities, with an average maturity of 1 year. Target Return is 3 months LIBOR + 150 bps.

Performance

MTD :	0.10%	Fund Assets (mIn) :	254.3 €
Since inception	33.91%	1 Year Std Dev :	0.45%
Last 12 Months :	4.86%	1 Year Sharpe Ratio :	4.11
NAVps :	EUR 133.91	positive months %:	76%



Risk Profile



Period	Class C*	Class A	Portfolio info
MTD	0.12%	0.10%	# of Securities 162
YTD	0.97%	0.92%	% Weight 100.12%
6 months	1.97%	1.86%	Int Dur 0.88
1 year	5.09%	4.86%	Yield (gross) in EUR 5.06%
2024	6.00%	5.77%	Spread Duration 1.23
2023	6.45%	6.27%	Z-spread 305
2022	-2.89%	-3.14%	
2021	0.78%	0.59%	
2020	2.67%	2.58%	
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

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 75% of the positions (121 out of 162) 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 (15 months or 1.23 of spread duration), combined with a gross yield of 5.06% (in EUR) and z-spread of 305 basis points.

FX breakdown (fully hedged)

USD	27.60%
EUR	41.62%
NOK	11.70%
SEK	8.60%
CHF	5.10%
GBP	5.37%
TOTAL	100.00%

Geographic breakdown

EU	30.38%
US	9.91%
Oth DEV	40.68%
LATAM	5.10%
EMEA	12.45%
ASIA	1.47%
TOTAL	100.00%

Rating breakdown

AAA	1.19%
AA	0.00%
A	0.55%
BBB	19.07%
tot IG	20.81%
BB	23.61%
B	9.14%
CCC	1.13%
tot HY	33.89%
NR	45.42%
TOTAL	100.12%

Sector breakdown - Top 10

Banking	14.79%
Oil Field Equipment & Ser	5.80%
Real Estate - Mgmt Res	5.49%
Oil and gas E&P - All	5.09%
Real Estate - Mgmt Comm	4.87%
Investments & Misc Finan	4.68%
Shipping - Gas	3.76%
Finance - NPL collector	3.72%
Software/Service	3.25%
Specialty Retail	3.25%

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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