

# Swan Long Short Credit Sicav–SIF

## November 2023



### 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.

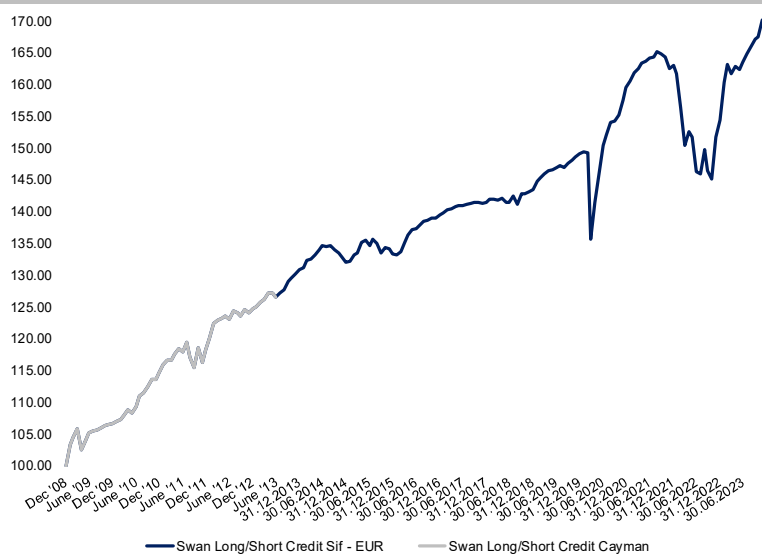
### Risk Profile

Conservative Intermediate **High Reward**

### Performance

MTD :	<b>1.53%</b>	Fund Assets (mln) :	71.7 €
Since inception	<b>33.71%</b>	1 Year Std Dev :	2.19%
Last 12 Months :	<b>12.12%</b>	1 Year Sharpe Ratio :	4.05
NAVps :	EUR 133.71	% of positive months :	73%

\* 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 positive performance in November ranging from +3.64% for EM corp HY to +2.86% of the EU HY in tandem with positive equity markets, S&P500 (+8.92%) and Eurostoxx50 (+7.91%). The IG EUR market was positive by +2.30% while the short-term (1-3 year) H1WN global HY index reported a positive performance of 2.15%. The Global unconstrained (in terms of maturity) HY index was positive at +3.88%. The FED had its policy decision meeting the first week of November: interest rates remained at 22 years highs and Jerome Powell kept open the possibility of additional monetary tightening amid evidence that the US economy remain strong. But the FED Chair increasingly described risks as balanced with "considerable" progress on lowering inflation as they "have moved policy rate well into restrictive territory". Markets responded to this news reversing the bond yields spike of September/October thanks also to declining inflation data: October core CPI YoY was 4% in US vs 4.1% expected, while in Europe expectation for November core inflation were revised down to 3.6% YoY. Rates market incorporated relatively high probabilities of easing by both the FED and ECB during next quarters, even if we believe central banks will act only when they will be convinced that inflation will remain below 3% on a sustained basis. The 10 years bund yield was lower at 2.45% (-36bps in the month), in tandem with the 10 years Treasury at 4.33% (-60bps in the month). Oil moved lower to 82\$ per barrel, while US dollar lost some ground with DXY at 103.50. Our funds have a yield to maturity between 7.5% and 10%, combined with an average spread duration around 17 months. The combination of higher diversification, higher credit quality and higher expected yields pave the way for extremely attractive returns in the next future.

### Active portfolio

Fund's actual exposure (beta and duration adjusted) is 70.52%, lower relatively to last month (73.80%). The mix between Strategic and Tactical positions is 0% Strategic and 100% Tactical. The fund has an estimated yield of 9.33% (net of funding cost in EUR), a low spread duration of 2.55 and a z spread of 590.

### Yield-type bucket

The bucket generated a positive gross contribution to the monthly performance, with 72% of the positions (75 out of 91) contributing positively. During the month we decreased our invested capital even if conditions remain attractive in the short-term part of the credit curve. The average life of the yield-type portfolio is very short (8 months or average spread duration of 0.68). The fund is levered, being invested at about 179% 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	<b>1.53%</b>	# of Securities	207
YTD	<b>10.20%</b>	% Weight	179.33%
6 months	<b>4.80%</b>	Int Dur	1.82
1 year	<b>12.12%</b>	Yield (gross) in EUR	9.33%
2022	<b>-5.35%</b>	Spread Duration	2.55
2021	<b>2.20%</b>	Z-spread	590
2020	<b>6.96%</b>		
2019	<b>3.97%</b>		
2018	<b>1.36%</b>		
2017	<b>1.49%</b>		
2016	<b>4.53%</b>		
2015	<b>1.03%</b>		
2014	<b>0.84%</b>		
2013	<b>5.05%</b>		
2012	<b>5.44%</b>		
2011	<b>3.19%</b>		
2010	<b>7.47%</b>		
2009	<b>6.56%</b>		

### FX breakdown (fully hedged)

USD	21.51%
EUR	47.50%
NOK	17.59%
SEK	8.27%
CHF	2.05%
GBP	3.08%
<b>TOTAL</b>	<b>100.00%</b>

### Geographic breakdown

EU	41.82%
US	7.94%
Oth DEV	36.06%
LATAM	1.90%
EMEA	11.91%
ASIA	0.37%
<b>TOTAL</b>	<b>100.00%</b>

### Rating breakdown

AAA	0.00%
AA	0.00%
A	0.00%
BBB	9.98%
<b>tot IG</b>	<b>9.98%</b>
BB	31.13%
B	14.57%
CCC	0.49%
<b>tot HY</b>	<b>46.19%</b>
NR	43.84%
<b>TOTAL</b>	<b>100.00%</b>

### Strategical & Tactical buckets

Tactical bucket generated a positive gross performance during the month, with homogeneous contributions. Geographical allocation in EM was negative; picking was negative both in EM and EUR HY.

### Sector breakdown - Top 10

Banking	9.81%
Real Estate - Mgmt Res	6.08%
Oil Field Equipment & Ser	5.80%
Shipping - Gas	4.72%
Finance - NPL collector	3.56%
Oil and gas E&P - All	3.53%
Telecom - Wireline Integr	3.53%
Shipping - Crude	3.44%
Pharmaceuticals	3.12%
Air Transportation	3.01%

\* Portfolio 100%

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: SWSLSCA LX

ISIN: LU0849750954

Contacts at Swan Asset Management SA:

E-mail: info@swan-am.ch - Tel: +41 91 986 31 90

*This is an advertising document. The state of the origin of the fund is Luxembourg. In Switzerland, this document may only be provided to qualified investors within the meaning of art. 10 para. 3 and 3ter CISA. In Switzerland, the representative is Acolin Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the paying agent is Cornèr Banca SA, Via Canova 16, CH – 6900 Lugano. The basic documents of the fund as well as the annual and, if applicable, semi-annual report may be obtained free of charge from the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units. Please be aware that this document may include funds for which neither a representative nor a paying agent in Switzerland have been appointed. These funds cannot be offered in Switzerland to qualified investors as defined in art. 5 para 1 FinSA.*