

# Swan Ultra Short-Term Bond – EUR

## March 2024



### Strategy

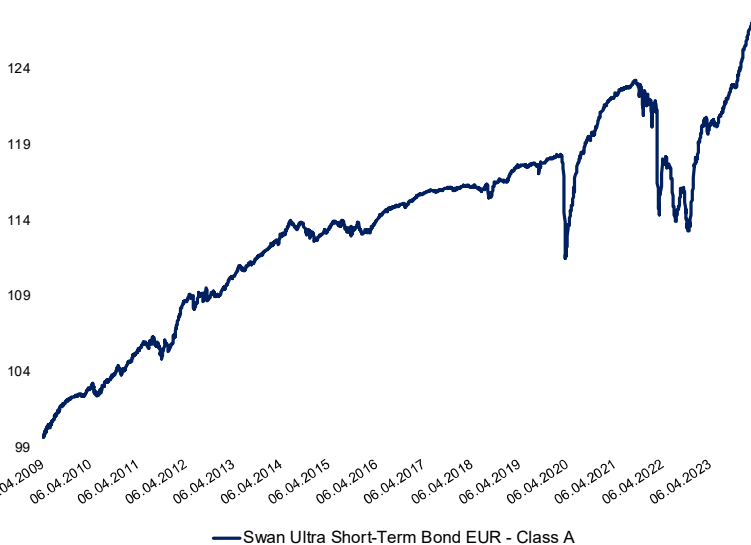
Swan Ultra Short-Term Bond is the UCITS version of our Fixed Income Conservative risk profile. The strategy invests in a highly diversified buy and hold portfolio of liquid short-term fixed income securities, with an average maturity of 1 year. Target Return is 3 months LIBOR + 150 bps.

### Risk Profile



### Performance

MTD :	0.28%	Fund Assets (mIn) :	246.6 €
Since inception	27.70%	1 Year Std Dev :	0.74%
Last 12 Months :	6.29%	1 Year Sharpe Ratio :	3.7
NAVps :	EUR 127.70	positive months %:	74%



Period	Class C*	Class A	Portfolio info
MTD	0.31%	0.28%	# of Securities 164
YTD	1.85%	1.79%	% Weight 96.39%
6 months	4.05%	3.94%	Int Dur 1.00
1 year	6.47%	6.29%	Yield (gross) in EUR 6.26%
2023	6.45%	6.27%	Spread Duration 1.31
2022	-2.89%	-3.14%	Z-spread 292
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.

### FX breakdown (fully hedged)

USD	25.76%
EUR	45.28%
NOK	14.94%
SEK	7.80%
CHF	2.83%
GBP	3.39%
<b>TOTAL</b>	<b>100.00%</b>

### Geographic breakdown

EU	37.61%
US	9.71%
Oth DEV	37.84%
LATAM	3.73%
EMEA	10.41%
ASIA	0.70%
<b>TOTAL</b>	<b>100.00%</b>

### Rating breakdown

AAA	0.00%
AA	0.00%
A	0.85%
BBB	16.99%
<b>tot IG</b>	<b>17.84%</b>
BB	26.34%
B	10.27%
CCC	0.57%
<b>tot HY</b>	<b>37.18%</b>
NR	44.98%
<b>TOTAL</b>	<b>100.00%</b>

### Sector breakdown - Top 10

Banking	10.48%
Oil Field Equipment & Ser	5.54%
Shipping - Gas	5.06%
Real Estate - Mgmt Res	5.02%
Telecom - Wireline Integra	4.53%
Software/Service	4.43%
Oil and gas E&P - All	3.68%
Investments & Misc Finan	3.30%
Real Estate - Dev Res	3.23%
Finance - NPL collector	2.97%

### Global market picture

High Yield Credit markets reported a positive performance in March ranging from +1.55% for EM corp HY to +0.43% of the EU HY in tandem with positive equity markets, S&P500 (+3.10%) and Eurostoxx50 (+4.22%). The IG EUR market was positive by +1.21% while the short-term (1-3 year) H1WN global HY index reported a positive performance of 0.73%. The Global unconstrained (in terms of maturity) HY index was positive at +1.00%. In Europe inflation continued to retrace, with core CPI print at 3.1% in February (vs 3.3% in January), even if consensus expected a lower number (2.9%). The ECB meeting was characterized by the release of new staff forecast: the most significant surprise was the cut by 0.2% of the core inflation forecast for 2025 to 2.1%. Lagarde said that a "little more" information will be available in April and a "a lot more" in June: so a cut in April does not seem to be the base case, while doors are open for lower rates in June, even if final decision will still be data dependent. The FOMC and Powell reiterated January's guidance that the FED needs greater confidence in disinflationary pressures to initiate cuts. At the same time FED Chair sent a dovish message, saying that even though the firm January and February inflation prints did little to reinforce this confidence, monetary policy remains restrictive, and inflation is set to slow in coming months. The 10 years bund yield was lower at 2.30% (-11bps in the month), in tandem with the 10 years Treasury at 4.20% (-5bps in the month). Oil moved higher to 87\$ per barrel, while US dollar was stronger, with DXY at 104.49. Our funds have a yield to maturity between 6.5% and 8.5%, combined with an average spread duration around 17 months. The combination of diversification, good credit quality and high expected yields pave the way for extremely attractive returns in the next future.

### Yield-type strategy

The bucket generated a positive gross contribution to the monthly performance, with 88% of the positions (144 out of 164) 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 (16 months or 1.31 of spread duration), combined with a gross yield of 6.26% (in EUR) and z-spread of 292 basis points.

### 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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