

Swan Ultra Short-Term Bond – EUR January 2021



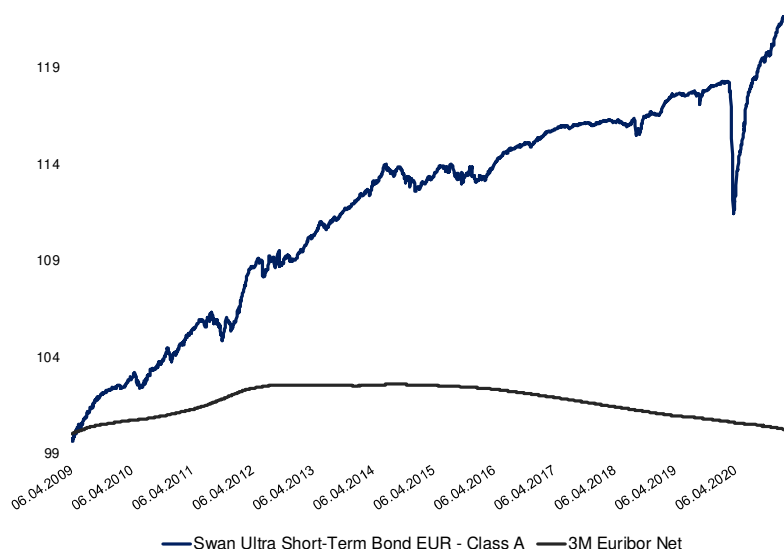
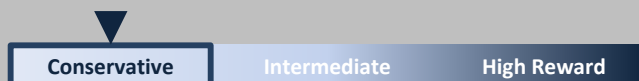
Strategy

The sub-fund aims to generate excess return vs 3m Euribor in combination with extremely low volatility. The strategy combines the “buy and hold” investment in a highly diversified and granular portfolio of liquid short-term fixed income securities with the opportunistic and residual allocation of the promised average spread over risk free rate to a number of interest rate and FX active strategies.

Performance

MTD :	0.29%	Fund Assets (mIn) :	346.9 €
Since inception	21.52%	1 Year Std Dev :	2.17%
Last 12 Months :	2.85%	1 Year Sharpe Ratio :	1.58
NAVps :	EUR 121.52	positive months %:	77%

Risk Profile



Period	Class C*	Class A	Portfolio info	
MTD	0.32%	0.29%	# of Securities	142
YTD	0.32%	0.29%	% Weight	95.02%
6 months	2.64%	2.64%	Int Dur	0.42
1 year	2.95%	2.85%	Yield (gross)	2.33%
2020	2.67%	2.58%	Spread Duration	0.80
2019	1.59%	1.36%	Z-spread	287
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

During January European credit markets experienced a positive performance (H9PC Index +0.48%), in contrast with the movement of the Eurostoxx 50 (-2.00%) and S&P 500 (-1.11%). Joe Biden took office as President of the United States of America and, after Democrats won also Georgia for the Senate, the focus shifted immediately on the size of potential additional stimulus, on top of the 900\$bn deal approved in December, giving the majority obtained. After tumultuous Capitol Hill assault, Trump left his office with one of the lowest approval ratings in last 50 years for a US president, while Biden started his mandate with an economy still heavily impacted by COVID. Second and third wave of the virus were spreading all around the world, and global growth is forecasted at just 1.3% in 1Q, firmly below potential. FED Chairman Jerome Powell affirmed that “is likely to take some time for substantial further progress” in the economy, confirming the central bank expansive policy and rejecting any possibility of tapering in the short term. ECB officials confirmed their commitment in supporting the economy, while in Italy a political crisis caused the resignation of PM Giuseppe Conte. In this context, the 10 years bund yield was higher at -0.52%, in tandem with the 10 years Treasury at 1.07% (+16bps in the month). Oil continued its rebound, with Brent @ 56 USD per barrel thanks to the 1mbd cut by Saudi in early January and lower inventories, while gold was a touch lower at 1848 \$ per ounce. We think that this is still an interesting entry point for our strategy: current YTM gives us confidence on the capability to generate positive performance in line with targets during 2021; average maturity of the bonds in our portfolios is still around 1 year and should help reduce volatility in case of new episodes of market stress.

Yield-type strategy

The bucket generated a gross positive contribution to the monthly performance, with 89% of the positions (102 out of 114) 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 (10 months or 0.80 of spread duration), combined with a gross yield of 2.33% (in EUR) and z-spread of 287 basis points.

FX breakdown (fully hedged)

USD	59.52%
EUR	17.75%
NOK	15.09%
SEK	4.40%
CHF	1.69%
GBP	1.56%
AUD	0.00%
TOTAL	100.00%

Geographic breakdown

EU	12.00%
US	3.89%
Oth DEV	36.18%
LATAM	3.80%
EMEA	26.62%
ASIA	17.51%
TOTAL	100.00%

Rating breakdown

AAA	0.00%
AA	0.00%
A	0.00%
BBB	12.04%
tot IG	12.04%
BB	28.64%
B	19.35%
CCC	0.31%
tot HY	48.29%
NR	39.66%
TOTAL	100.00%

Sector breakdown - Top 10

Services	25.13%
Real Estate	20.93%
Banking	15.45%
Basic Industry	9.13%
Leisure	6.71%
Telecommunications	3.11%
Consumer Goods	2.94%
Financial Services	2.89%
Capital Goods	2.26%
Transportation	2.02%

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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This is an advertising document. The state of origin of the fund is Luxembourg. In Switzerland the representative of the SICAV is Cornèr Banca S.A., with registered office in Via Canova 16, CH-6901 Lugano and the payment service is provided by Cornèr Banca S.A., Via Canova 16, CH-6901 Lugano.

The basic documents of the fund as well as the annual and if applicable the 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 units.