

Swan Ultra Short-Term Bond – USD

March 2021



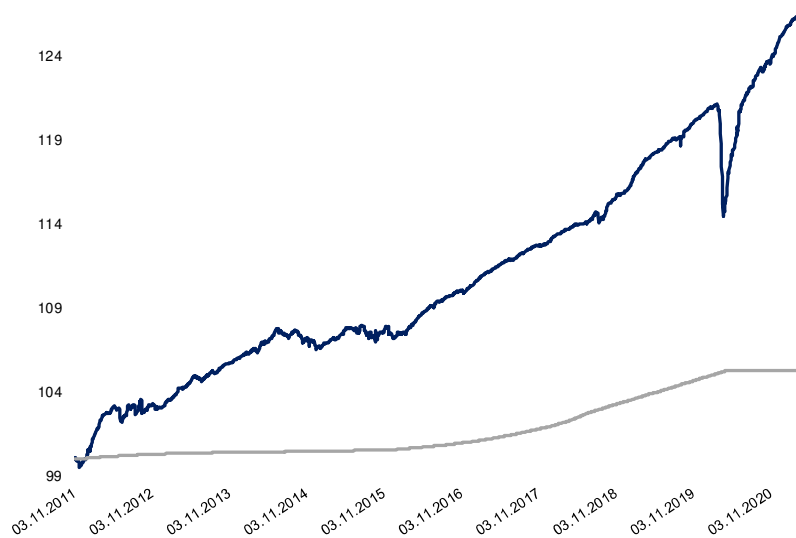
Strategy

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 :	0.18%	Fund Assets (mln) :	353.1 €
Since inception	26.51%	1 Year Std Dev :	1.15%
Last 12 Months :	9.80%	1 Year Sharpe Ratio :	8.57
NAVps :	USD 126.51	% of positive months :	82%

Risk Profile



Period	Class C*	Class A	Portfolio info	
MTD	0.21%	0.18%	# of Securities	148
YTD	0.99%	0.95%	% Weight	99.41%
6 months	2.71%	2.75%	Int Dur	0.45
1 year	9.89%	9.80%	Yield (gross)	2.38%
2020	3.96%	3.84%	Spread Duration	0.79
2019	3.90%	3.94%	Z-spread	294
2018	2.91%	2.66%		
2017	2.68%	2.43%		
2016	3.13%	2.88%		
2015	0.88%	0.63%		
2014	0.78%	0.53%		
2013	3.11%	2.86%		
2012	3.11%	2.86%		
2011	0.52%	0.27%		

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

FX breakdown (fully hedged)

USD	64.62%
EUR	15.21%
NOK	13.42%
SEK	3.69%
CHF	1.56%
GBP	1.50%
AUD	0.00%
TOTAL	100.00%

Geographic breakdown

EU	11.38%
US	2.02%
Oth DEV	35.48%
LATAM	3.65%
EMEA	29.32%
ASIA	18.15%
TOTAL	100.00%

Rating breakdown

AAA	0.00%
AA	0.00%
A	0.00%
BBB	10.20%
tot IG	10.20%
BB	29.73%
B	18.64%
CCC	0.32%
tot HY	48.69%
NR	41.11%
TOTAL	100.00%

Sector breakdown - Top 10

Services	25.54%
Real Estate	19.05%
Banking	15.89%
Basic Industry	8.13%
Leisure	4.81%
Financial Services	3.42%
Consumer Goods	3.32%
Telecommunications	2.97%
Energy	2.79%
Capital Goods	2.75%

Global market picture

During March European credit markets experienced a positive performance (H9PC Index +0.50%), in tandem with the movement of the Eurostoxx 50 (+7.78%) and S&P 500 (+4.24%). After Biden's stimulus plan of 1.9 \$trn approval, the attention moved to the infrastructure package, with proposals ranging from \$2trn to \$4trn; the big question is how this plan will be funded: it could be a mix of higher taxes and increased deficit, with US growth that should be around 5.7% in 2021. Anti-COVID-19 mass vaccination campaign failed to gain pace in continental Europe: AstraZeneca vaccine has been stopped for some days by EMA, pending further investigations, while Pfizer reported delays on drug delivery; at this pace herd immunity could be reached at the end of the summer, posing risk on Eurozone growth rebound. Officials from both the FED and the ECB confirmed their commitment in supporting the economy during their meeting: the FOMC raised its growth forecast but did not signal any intention to change monetary policy, adding that eventual spike in inflation above the 2% core PCE target will be tolerated, while Christine Lagarde announced that PEPP program will be "conducted at a significantly higher pace" in the next quarter. In this context, the 10 years bund yield was slightly lower at -0.29% (-3bps in the month), while the 10 years Treasury was significantly higher at 1.72% (+31bps in the month). Oil was stable, with Brent @ 63 USD per barrel, while gold was a lower at 1698 \$ per ounce due to higher real yields. 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 83% of the positions (96 out of 115) 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 2.38% (in EUR) and z-spread of 294 basis points.

Sicav Structure – Terms & Conditions

Domicile: Luxembourg

Inception Date: 3 November 2011

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: CBSBAUH LX, class C: CBSBCUH LX

ISIN: class A: LU0698400198, class C: LU0698400354

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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.