

Swan Ultra Short-Term Bond – USD

April 2021



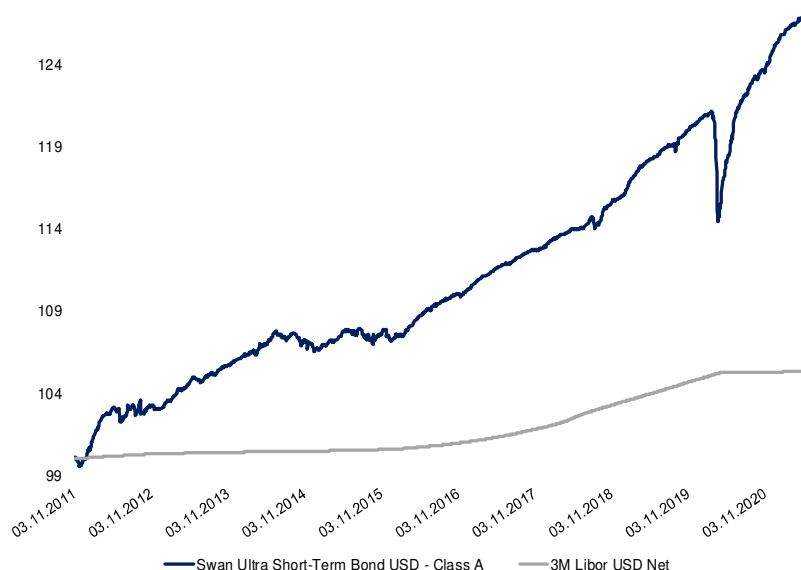
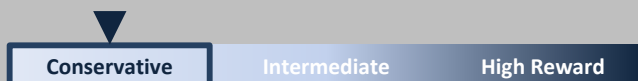
Strategy

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 : **0.27%** Fund Assets (mln) : 359.3 €
 Since inception : **26.85%** 1 Year Std Dev : 0.98%
 Last 12 Months : **7.41%** 1 Year Sharpe Ratio : 7.59
 NAVps : USD 126.85 % of positive months : 83%

Risk Profile



| Period | Class C* | Class A | Portfolio info |
|----------|----------|---------|----------------------|
| MTD | 0.28% | 0.27% | # of Securities 143 |
| YTD | 1.28% | 1.22% | % Weight 96.82% |
| 6 months | 2.69% | 2.70% | Int Dur 0.45 |
| 1 year | 7.49% | 7.41% | Yield (gross) 2.23% |
| 2020 | 3.96% | 3.84% | Spread Duration 0.80 |
| 2019 | 3.90% | 3.94% | Z-spread 270 |
| 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 | 62.29% |
| EUR | 15.37% |
| NOK | 15.62% |
| SEK | 3.64% |
| CHF | 1.58% |
| GBP | 1.49% |
| AUD | 0.00% |
| TOTAL | 100.00% |

Geographic breakdown

| | |
|--------------|----------------|
| EU | 11.96% |
| US | 2.00% |
| Oth DEV | 36.72% |
| LATAM | 3.42% |
| EMEA | 26.53% |
| ASIA | 19.38% |
| TOTAL | 100.00% |

Global market picture

During April European credit markets experienced a positive performance (H9PC Index +0.64%), in tandem with the movement of the Eurostoxx 50 (+1.42%) and S&P 500 (+5.24%). Anti-COVID-19 mass vaccination campaign gathered pace in Europe: Italy reached the 500k inoculations per day, while Germany did better with 1mio jab in 24 hours. Notwithstanding this huge effort, cases are still elevated in Europe, and additional threat came from Indian variant that hit more than 360'000 persons in a single day in the Asian country. According to ECB projection Eurozone economy is likely to contract in the first quarter and then rebound 1.3% from April to June, while Christine Lagarde confirmed that "ample degree of monetary accommodation" is still necessary and an "ambitious and co-ordinated fiscal stance" from governments "remain crucial". US economy showed signs of strong recovery, posting the biggest monthly gain in retail sales in 10 years in addition to mounting evidence that labor market and economic activity are recovering quickly; GDP grew 6.4% in 1Q, bringing real GDP just 1% shy of its pre pandemic level. Biden's attention remained on the \$2.3tn infrastructure spending bill and \$1.8tn expansion of the social safety net, with the latter funded mainly with higher taxes on corporations and wealthy. In this context, the 10 years bund yield was higher at -0.20% (+9bps in the month), while the 10 years Treasury was lower at 1.63% (-11bps in the month). Oil jumped to 67 USD per barrel, while gold rebounded to 1769 \$ 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 85% of the positions (89 out of 105) 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 2.23% (in EUR) and z-spread of 270 basis points.

Rating breakdown

| | |
|---------------|----------------|
| AAA | 0.00% |
| AA | 0.00% |
| A | 0.00% |
| BBB | 10.77% |
| tot IG | 10.77% |
| BB | 30.72% |
| B | 15.52% |
| CCC | 0.62% |
| tot HY | 46.86% |
| NR | 42.37% |
| TOTAL | 100.00% |

Sector breakdown - Top 10

| | |
|--------------------|--------|
| Services | 26.51% |
| Real Estate | 20.70% |
| Banking | 12.69% |
| Basic Industry | 8.74% |
| Leisure | 4.81% |
| Financial Services | 3.46% |
| Consumer Goods | 3.27% |
| Telecommunications | 2.97% |
| Energy | 2.77% |
| Capital Goods | 2.76% |

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

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 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.