

Swan Ultra Short-Term Bond – EUR

May 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.

Risk Profile

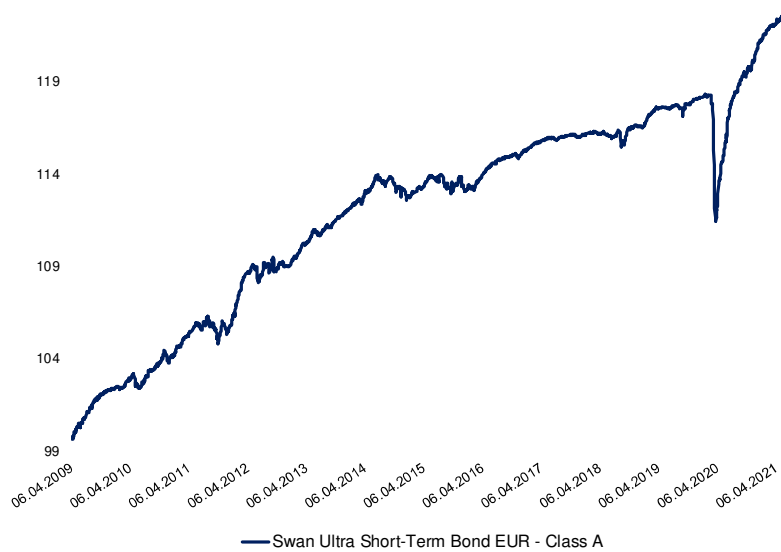
Conservative

Intermediate

High Reward

Performance

MTD :	0.25%	Fund Assets (mIn) :	392.6 €
Since inception	22.63%	1 Year Std Dev :	0.80%
Last 12 Months :	5.83%	1 Year Sharpe Ratio :	8.08
NAVps :	EUR 122.63	positive months %:	77%



Period	Class C*	Class A
MTD	0.26%	0.25%
YTD	1.30%	1.20%
6 months	1.77%	1.73%
1 year	5.93%	5.83%
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%

Portfolio info	
# of Securities	142
% Weight	91.72%
Int Dur	0.42
Yield (gross)	1.93%
Spread Duration	0.76
Z-spread	244

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

FX breakdown (fully hedged)

USD	59.22%
EUR	16.87%
NOK	15.55%
SEK	4.87%
CHF	1.52%
GBP	1.96%
AUD	0.00%
TOTAL	100.00%

Geographic breakdown

EU	14.60%
US	1.91%
Oth DEV	37.84%
LATAM	3.28%
EMEA	24.52%
ASIA	17.85%
TOTAL	100.00%

Rating breakdown

AAA	0.00%
AA	0.00%
A	0.00%
BBB	10.69%
tot IG	10.69%
BB	28.68%
B	14.66%
CCC	0.60%
tot HY	43.94%
NR	45.37%
TOTAL	100.00%

Sector breakdown - Top 10

Services	27.88%
Real Estate	21.26%
Banking	10.49%
Basic Industry	8.34%
Financial Services	3.97%
Capital Goods	3.88%
Consumer Goods	3.42%
Leisure	3.35%
Telecommunications	2.85%
Energy	2.66%

Global market picture

During May European credit markets experienced a positive performance (H9PC Index +0.20%), in tandem with the movement of the Eurostoxx 50 (+1.63%) and S&P 500 (+0.55%). Main topic of the month was inflation and its possible impact on monetary policy and markets: US CPI rose 4.2% YoY in April, while consensus was much lower at 3.6%, feeding concerns that world's main economy is overheating. On the same tone, the PCE core deflator printed a 3.1% increase YoY, biggest jump since the 1990's, while the FED confirmed through its members that it will look through transitory inflation moves, focusing on long run inflation expectations. Higher prints in inflation indicators are linked to relaxed anti covid measures adopted in DM countries: mass vaccination campaigns are producing positive results with both new case and deaths significantly lower than last month; global growth is booming with high single digit growth forecasted for 2Q both in US and Western Europe. Additional boost to recovery could be provided by a suspension of intellectual property rights for vaccines, but Angela Merkel refused the proposal advanced by Joe Biden and supported by Vladimir Putin. In this context, the 10 years bund yield was substantially flat at -0.19% (+1bps in the month), while the 10 years Treasury was lower at 1.59% (-4bps in the month). Oil jumped to 69 USD per barrel, gold rebounded to 1906 \$ per ounce, while copper reached highest level of the last 5 years close to 500\$ level. 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 93% of the positions (98 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 0.83 of spread duration), combined with a gross yield of 1.93% (in EUR) and z-spread of 244 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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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.