

Swan Ultra Short-Term Bond – USD

July 2021



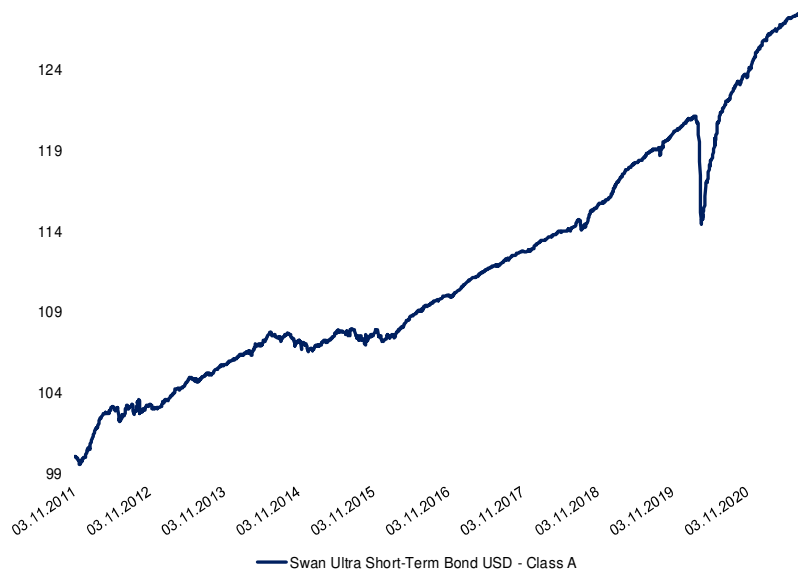
Strategy

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 : **0.05%** Fund Assets (mln) : 412.3 €
 Since inception : **27.46%** 1 Year Std Dev : 0.68%
 Last 12 Months : **4.39%** 1 Year Sharpe Ratio : 6.47
 NAVps : USD 127.46 % of positive months : 83%

Risk Profile



Period	Class C*	Class A	Portfolio info
MTD	0.05%	0.05%	# of Securities 139
YTD	1.77%	1.71%	% Weight 93.10%
6 months	1.40%	1.34%	Int Dur 0.23
1 year	4.43%	4.39%	Yield (gross) 1.97%
2020	3.96%	3.84%	Spread Duration 0.78
2019	3.90%	3.94%	Z-spread 251
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	59.74%
EUR	14.83%
NOK	15.40%
SEK	5.82%
CHF	1.48%
GBP	2.74%
AUD	0.00%
TOTAL	100.00%

Geographic breakdown

EU	13.01%
US	0.89%
Oth DEV	37.65%
LATAM	2.30%
EMEA	27.44%
ASIA	18.71%
TOTAL	100.00%

Global market picture

During July European credit markets experienced a positive performance (H9PC Index +0.41%), in tandem with the movement of the Eurostoxx 50 (+0.62%) and S&P 500 (+2.27%). PCE core deflator was up 4% YoY in US, while consumer price rose 5.4% YoY (fastest pace since 2008), challenging the view that high inflation will be temporary. FOMC statement indicated that economy is moving toward the goals that FED set out to begin tapering, but the tone used by Jerome Powell during the press conference was less hawkish: he told that the labor market is still "some way away" from justifying tapering, postponing any decision to September/November meeting. European Central Bank did not change its monetary policy; changes were only made on the forward guidance but nothing on the QE or the PEPP: ECB will continue buy bonds and maintain its deeply negative rates in an effort to bring Eurozone out of its persistent pattern of sluggish inflation. In addition ECB terminated its strategy review (the first for 18 years) setting a new 2% inflation targets where "negative and positive deviation of inflations from target are equally undesirable", a shift that gives policymakers flexibility to keep rates at historic lows for longer. In this context, the 10 years bund yield was significantly lower at -0.46% (-25bps in the month), in tandem with the 10 years Treasury at 1.22% (-25bps in the month). Gold rose to 1814 \$ per ounce, while oil was stable at 76 USD per barrel supported by OPEC+ deal that limited increase in production. 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 77% of the positions (77 out of 100) 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 0.85 of spread duration), combined with a gross yield of 1.97% (in EUR) and z-spread of 251 basis points.

Rating breakdown

AAA	0.00%
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A	0.00%
BBB	11.70%
tot IG	11.70%
BB	27.53%
B	16.90%
CCC	1.00%
tot HY	45.43%
NR	42.86%
TOTAL	100.00%

Sector breakdown - Top 10

Services	26.75%
Real Estate	23.00%
Banking	10.94%
Basic Industry	8.20%
Financial Services	4.56%
Consumer Goods	3.81%
Telecommunications	3.11%
Automotive	2.91%
Leisure	2.87%
Energy	2.52%

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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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.