

Swan Short-Term High Yield – EUR

January 2022



Strategy

Swan Short-Term High Yield is the UCITS version of our Fixed Income Intermediate risk profile. Depending on market conditions, the strategy combines an highly diversified buy and hold portfolio of liquid short-term fixed income securities with an opportunistic allocation to longer dated securities in Global HY markets. Target Return is 3 months LIBOR + 250 bps.

Risk Profile

Conservative

Intermediate

High Reward

Performance

MTD :	-0.83%	Fund Assets (mIn) :	220.2 €
Since inception	32.04%	1 Year Std Dev :	2.92%
Last 12 Months :	-0.43%	1 Year Sharpe Ratio :	0.13
NAVps :	EUR 132.04	% of positive months :	74%



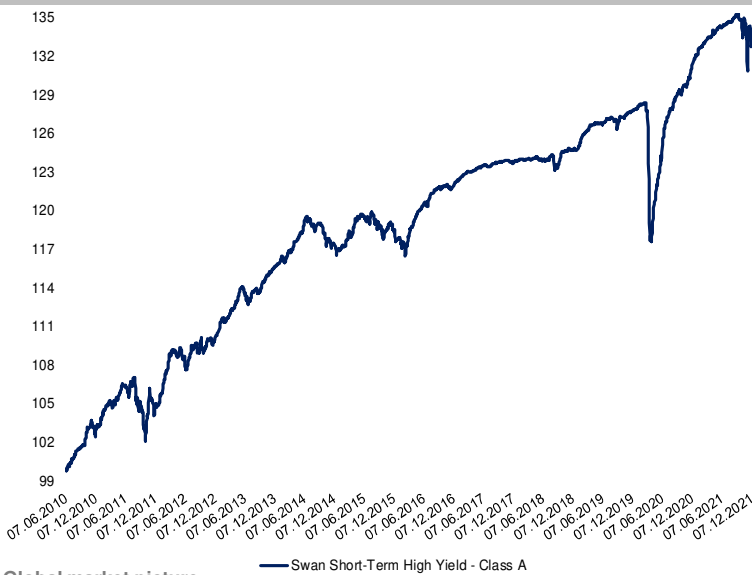
REFINITIV LIPPER
FUND AWARDS

2021 WINNER
SWITZERLAND



REFINITIV LIPPER
FUND AWARDS

2021 WINNER
EUROPE



Global market picture

During January, European credit markets experienced a negative performance (H9PC Index -1.45%), in tandem with the movement of the Eurostoxx 50 (-2.88%) and S&P 500 (-5.26%). COVID-19 cases were still high around the world but pressure on hospital were diminishing, with several European country lifting quarantine period and restrictions. Significant increase in inventories was one of the main driver of US 6.9% QoQ GDP growth in 4Q2021, while 1Q22 should be significantly lower at just 1.5%. After a strong third quarter, growth in Europe moderate to 0.3% QoQ, with only a modest 2% forecasted for 1Q22. On the other side inflation continued its march higher: core inflation in US reached 5.5% with no suggestion in details of a future slowing, while in Europe it reached the 2.6% YoY. FOMC commented strength in job market and strong inflation, supporting the case for a 25bps hike in March, with market speculating about a possible double hike of 50bps at next meeting: cumulatively FED forecasted three hikes in 2022, with three more in 2023 and another two in 2024. Markets will wait for the ECB reaction at February meeting, even if significant movement could materialize only at March meeting, when new staff projections will be available. In this context, the 10 years bund yield was higher at +0.01% (+19bps in the month, above zero for the first time since 2019), in tandem with the 10 years Treasury at 1.78% (+27bps in the month). The movement in rates had significant impact on markets, especially on the tech sector in US, with NASDAQ index loosing close to 9% during the month. Increasing tension between Russia and Ukraine supported oil that started the year on a positive note, closing the month at 91 USD per barrel (+17% MoM). Funds offers attractive returns for 2022, even if market volatility could persist in the first half of the year.

Active Portfolio

Credit Allocation Scoring (CAS) indicates a medium-long-dated allocation of 18.40%, flat relatively to the end of December (18.40%). Fund's actual exposure (beta and duration adjusted) is 24.56%, lower relatively to last month (27.01%). The mix between Strategic and Tactical positions is 0% Strategic and 100% Tactical. The fund has an estimated gross yield of 5.90% (in EUR), a low spread duration of 1.22 and a z spread of 650.

Yield-type bucket

The bucket generated a negative gross contribution to the monthly performance, with 61% of the positions (43 out of 71) 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 YT portfolio is

Period	Class C*	Class A	Portfolio info	
MTD	-0.81%	-0.83%	# of Securities	113
YTD	-0.81%	-0.83%	% Weight	101.84%
6 months	-1.77%	-1.87%	Int Dur	0.58
1 year	-0.20%	-0.43%	Yield (gross)	5.90%
2021	1.13%	0.91%	Spread Duration	1.22
2020	3.40%	3.21%	Z-spread	650
2019	2.77%	2.52%		
2018	0.93%	0.72%		
2017	1.53%	1.28%		
2016	4.29%	3.82%		
2015	1.12%	0.74%		
2014	1.20%	0.90%		
2013	4.96%	4.66%		
2012	5.49%	5.19%		
2011	2.13%	1.83%		
2010	3.65%	3.35%		

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

FX breakdown (fully hedged)

USD	52.27%
EUR	15.19%
NOK	17.81%
SEK	14.03%
CHF	0.00%
GBP	0.70%
TOTAL	100.00%

Geographic breakdown

EU	10.62%
US	4.42%
Oth DEV	46.92%
LATAM	0.74%
EMEA	19.49%
ASIA	17.82%
TOTAL	100.00%

Rating breakdown

AAA	0.00%	
AA	0.00%	
A	0.00%	
BBB	3.57%	
	tot IG	3.57%
BB	19.22%	
B	20.78%	
CCC	3.80%	
	tot HY	43.80%
NR	52.63%	
TOTAL	100.00%	

Sector breakdown - Top 10

Real Estate	36.44%
Services	22.60%
Energy	10.34%
Basic Industry	7.98%
Financial Services	5.27%
Banking	3.06%
Leisure	2.81%
Transportation	2.74%
Utility	2.31%
Consumer Goods	2.28%

very short (10 months or 0.81 of spread duration), with a combination of yield close to 3.92% and z-spread of 452.

Strategic & Tactical buckets.

Tactical bucket generated a positive performance, with homogeneous contributions. Geographical allocation in EM was negative, while picking was positive both in EM and EUR HY.

Sicav Structure – Terms & Conditions

Domicile: Luxembourg

Inception Date: 7 June 2010

Minimum Investment: 1 share

Liquidity / Reporting: Daily

Fees: Class C 0.90% / Class A 1.20% 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: CBASHYA LX, class C: CBASHYC LX

ISIN: class A: LU0511796509, class C: LU0511796764

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.

The Refinitiv Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. Lipper Leaders fund ratings do not constitute and are not intended to constitute investment advice or an offer to sell or the solicitation of an offer to buy any security of any entity in any jurisdiction. For more information, see lipperfundawards.com.