

# Swan Ultra Short-Term Bond – EUR

## April 2023



### Strategy

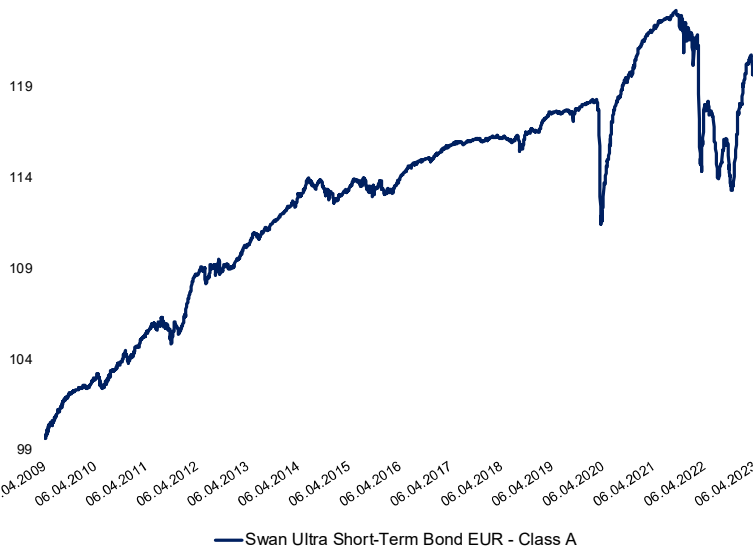
Swan Ultra Short-Term Bond is the UCITS version of our Fixed Income Conservative risk profile. The strategy invests in a highly diversified buy and hold portfolio of liquid short-term fixed income securities, with an average maturity of 1 year. Target Return is 3 months LIBOR + 150 bps.

### Risk Profile



### Performance

MTD :	0.39%	Fund Assets (mIn) :	294.5 €
Since inception	20.61%	1 Year Std Dev :	1.88%
Last 12 Months :	2.16%	1 Year Sharpe Ratio :	0.55
NAVps :	EUR 120.61	positive months %:	73%



Period	Class C*	Class A	Portfolio info	
MTD	0.41%	0.39%	# of Securities	170
YTD	2.25%	2.17%	% Weight	97.36%
6 months	6.28%	6.14%	Int Dur	0.92
1 year	2.42%	2.16%	Yield (gross)	7.44%
2022	-2.89%	-3.14%	Spread Duration	1.26
2021	0.78%	0.59%	Z-spread	435
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%		

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

### Global market picture

High Yield Credit markets reported a mixed performance in April ranging from -0.42% for EM corp HY to +0.37% of the EU HY in contrast with the movement of the S&P500 (+1.46%) Eurostoxx50 (+1.03%). The IG EUR market was positive by 0.70%. The short-term (1-3 year) H1WN global HY index also reports a positive performance of +0.24% YTD while the Global unconstrained (in terms of maturity) HY gained +0.51%. In US, economy expanded 1.1% YoY in 1Q23, below the consensus, while core CPI at 5.6% YoY remained significantly above FED objective; market continues to expect a 25bps hike at FOMC May meeting and significant pivot in the rates path during the 2H23. In Europe growth was 1.3% YoY, but April flash composite PMI at 54.4 indicated a possible rebound to 2% for the 2Q23; inflation did not show significant improvements, with core CPI at 5.7% YoY, influenced by tight labour market and increased inflation expectations. ECB speakers did not signal a clear view with regards to the possible hike at May meeting, with investors still debating if a 25 or 50bps will take place: markets is pricing a peak at 3.7% later in 2023 (current rate is 3%), implying that also ECB rush for higher rates could be close to an end. Tighter credit conditions were indicated both in US and Europe and this could influence growth in the 2H23. Oil was stable at around 79\$ per barrel, while US dollar lost some ground with DXY at 101.66. Thanks to the recent volatility spike we have been able to add several new credit stories at very interesting levels of credit spreads: our funds have a yield to maturity between 7.5% and 12.5%, combined with an average spread duration of below 16 months. The combination of higher diversification, higher credit quality and higher expected yields paves the way for extremely attractive returns in the next future.

### Yield-type strategy

The bucket generated a positive gross contribution to the monthly performance, with 84% of the positions (143 out of 170) 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 (15 months or 1.26 of spread duration), combined with a gross yield of 7.44% (in EUR) and z-spread of 435 basis points.

### FX breakdown (fully hedged)

USD	22.29%
EUR	43.99%
NOK	19.52%
SEK	11.98%
CHF	1.44%
GBP	0.78%
<b>TOTAL</b>	<b>100.00%</b>

### Geographic breakdown

EU	34.85%
US	6.16%
Oth DEV	45.14%
LATAM	1.81%
EMEA	8.69%
ASIA	3.35%
<b>TOTAL</b>	<b>100.00%</b>

### Rating breakdown

AAA	0.00%
AA	0.00%
A	0.00%
BBB	10.88%
<b>tot IG</b>	<b>10.88%</b>
BB	31.07%
B	10.06%
CCC	2.05%
<b>tot HY</b>	<b>43.19%</b>
NR	45.93%
<b>TOTAL</b>	<b>100.00%</b>

### Sector breakdown - Top 10

Banking	6.58%
Real Estate - Mgmt Res	6.37%
Shipping - Gas	5.83%
Gaming - Online Gaming	5.12%
Oil and gas E&P - All	5.11%
Real Estate - Mgmt Comm	4.95%
Air Transportation	3.54%
Real Estate - Dev Res	3.47%
Telecom - Wireline Integra	3.20%
Investments & Misc Financ	2.77%

### 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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