

Swan Ultra Short-Term Bond – USD

June 2021



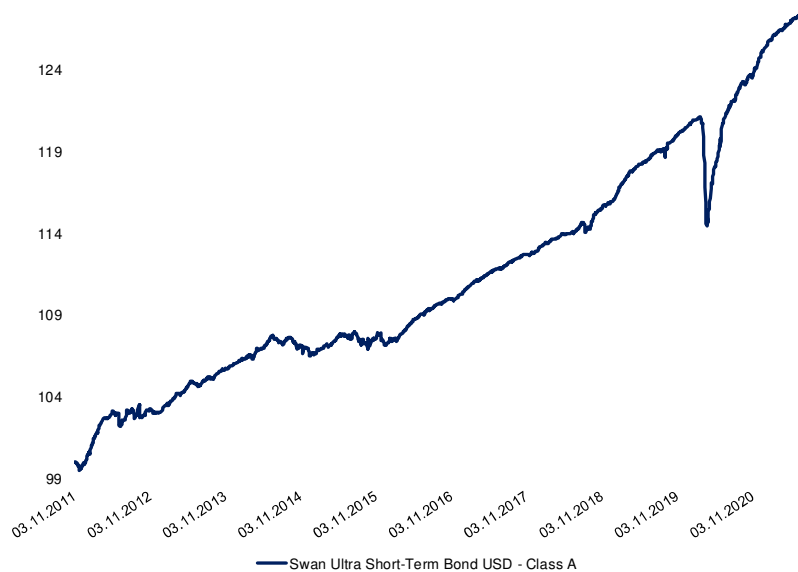
Strategy

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 :	0.13%	Fund Assets (mln) :	397.5 €
Since inception	27.39%	1 Year Std Dev :	0.69%
Last 12 Months :	4.93%	1 Year Sharpe Ratio :	7.19
NAVps :	USD 127.39	% of positive months :	83%

Risk Profile



Period	Class C*	Class A	Portfolio info	
MTD	0.11%	0.13%	# of Securities	142
YTD	1.72%	1.65%	% Weight	97.06%
6 months	1.72%	1.65%	Int Dur	0.46
1 year	5.00%	4.93%	Yield (gross)	1.88%
2020	3.96%	3.84%	Spread Duration	0.83
2019	3.90%	3.94%	Z-spread	242
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	60.03%
EUR	14.47%
NOK	15.53%
SEK	5.81%
CHF	1.44%
GBP	2.70%
AUD	0.00%
TOTAL	100.00%

Geographic breakdown

EU	12.93%
US	1.84%
Oth DEV	37.99%
LATAM	3.15%
EMEA	26.96%
ASIA	17.13%
TOTAL	100.00%

Global market picture

During June European credit markets experienced a positive performance (H9PC Index +0.60%), in tandem with the movement of the Eurostoxx 50 (+0.61%) and S&P 500 (+2.22%). Main topic of the month was inflation and Central Banks meetings: the FED left rates unchanged between 0% and 0.25%, but the tone of minutes and press conference was hawkish, with seven of the 18 members projecting a rate hike next year (versus just four in March) and Jerome Powell announcing that taper could be discussed in the next meeting. Officials agreed they should be poised to act if inflation or other risks materialize: main risk is a bounce in inflation, with PCE deflator, one of the preferred inflation measures of the FED, rising 3.9% in May, even if consensus still views this move as a transitory one, mainly due to base effect. The ECB maintained its purchases at the "significantly" faster pace seen in the last few months, confirming its accommodative policy, even if GDP growth trajectory was revised significantly up, largely reflecting higher growth in Q3. The Delta variant of COVID 19 virus is spreading all around the world causing a significant increase in cases, but hospitalization remained lower thanks to mass vaccination campaigns. In this context, the 10 years bund yield was substantially flat at -0.21% (-2bps in the month), while the 10 years Treasury was lower at 1.47% (-12bps in the month). Gold retraced to 1773 \$ per ounce, while oil jumped to 75 USD per barrel supported by optimism on fuel consumption for travel. 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 90% of the positions (91 out of 101) 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 1.88% (in EUR) and z-spread of 242 basis points.

Rating breakdown

AAA	0.00%	
AA	0.00%	
A	0.00%	
BBB	10.71%	
	tot IG	10.71%
BB	29.22%	
B	16.22%	
CCC	0.93%	
	tot HY	46.37%
NR	42.92%	
TOTAL	100.00%	

Sector breakdown - Top 10

Services	27.27%
Real Estate	21.20%
Banking	10.75%
Basic Industry	9.24%
Financial Services	4.51%
Leisure	3.81%
Consumer Goods	3.44%
Telecommunications	3.26%
Automotive	2.88%
Energy	2.50%

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.