

Swan Ultra Short-Term Bond – USD

December 2021



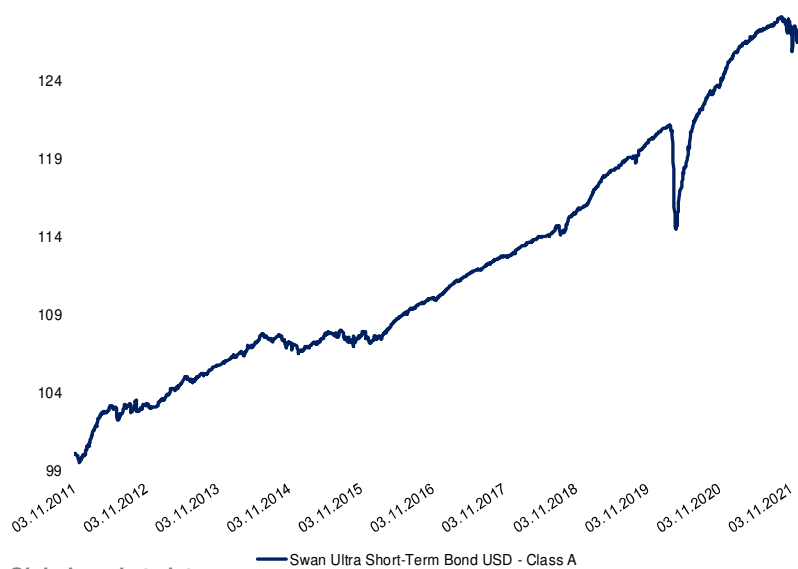
Strategy

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 : **0.20%** Fund Assets (mln) : 380.3 €
 Since inception : **26.91%** 1 Year Std Dev : 1.52%
 Last 12 Months : **1.27%** 1 Year Sharpe Ratio : 1.02
 NAVps : USD 126.91 % of positive months : 81%

Risk Profile



Period	Class C*	Class A	Portfolio info
MTD	0.42%	0.20%	# of Securities
YTD	1.57%	1.27%	137
6 months	-0.14%	-0.38%	% Weight
1 year	1.57%	1.27%	97.41%
2021	1.57%	1.27%	Int Dur
2020	3.96%	3.84%	0.10
2019	3.90%	3.94%	Yield (gross)
2018	2.91%	2.66%	4.16%
2017	2.68%	2.43%	Spread Duration
2016	3.13%	2.88%	0.94
2015	0.88%	0.63%	Z-spread
2014	0.78%	0.53%	476
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	51.12%
EUR	11.47%
NOK	17.91%
SEK	12.69%
CHF	1.84%
GBP	4.98%
TOTAL	100.00%

Geographic breakdown

EU	16.92%
US	0.91%
Oth DEV	48.42%
LATAM	1.58%
EMEA	17.40%
ASIA	14.76%
TOTAL	100.00%

Global market picture

During December, European credit markets experienced a positive performance (H9PC Index +0.86%), in tandem with the movement of the Eurostoxx 50 (+5.79%) and S&P 500 (+4.36%). Surging COVID-19 cases linked to Omicron variant continued to impact economies: some European countries imposed new lock-down measures to limit impact on hospitals, while more vaccinated countries like Italy were still reluctant to issue fresh restrictions. Notwithstanding this new Covid wave, US economy should grow close to 7% in 4Q21 thanks to growth in inventories, while high vaccination rate should help Euro area GDP to return to the pre-pandemic levels by the end of 2022. During its meeting the FED announced that it will double the monthly pace of tapering: median forecast now signals three rate hikes in 2022. The ECB was not as hawkish as the FED, reiterating the view that inflation pressures are only transitory and that rates are unlikely to be raised in 2022. Inflation prints continued their march higher: in US CPI was 6.8% YoY (core +4.9% YoY), while Eurozone reached 4.9% and 2.6% respectively. In next months a significant increase to European inflation could come from energy prices: gas delivered Europe reached new highs in December, with prices up more than 800% in 2021. In this context, the 10 years bund yield was higher at -0.18% (+17bps in the month), in tandem with the 10 years Treasury at 1.51% (+7bps in the month). Oil partially recovered the loss experienced in November and closed the month at 78 USD per barrel. After a strong 2020, performances of our funds were below target, but we honored our mandate to generate positive performance for the 13th year in a row, since inception. Funds offers attractive returns for 2022, even if market volatility could persist in the first half of the year.

Yield-type strategy

The bucket generated a gross positive contribution to the monthly performance, with 80% of the positions (77 out of 96) 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 (12 months or 0.97 of spread duration), combined with a gross yield of 4.16% (in EUR) and z-spread of 476 basis points.

Rating breakdown

AAA	0.00%
AA	0.00%
A	0.00%
BBB	9.14%
tot IG	9.14%
BB	16.61%
B	19.77%
CCC	1.77%
tot HY	38.15%
NR	52.71%
TOTAL	100.00%

Sector breakdown - Top 10

Real Estate	28.12%
Services	27.79%
Basic Industry	6.84%
Energy	6.00%
Banking	5.85%
Automotive	4.15%
Financial Services	3.67%
Leisure	3.63%
Agency	2.43%
Supranational	2.26%

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

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.