

Swan Ultra Short-Term Bond – CHF

January 2022



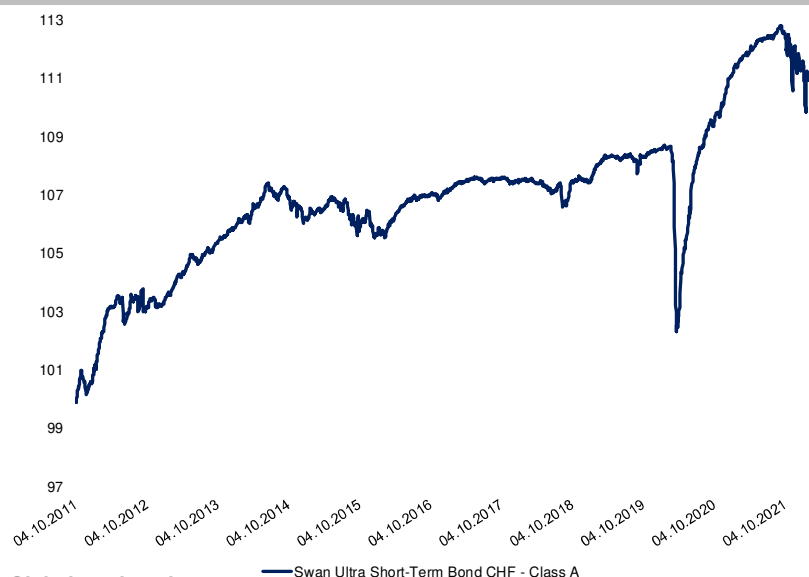
Strategy

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 :	-0.41%	Fund Assets (mIn) :	349.3 €
Since inception	11.04%	1 Year Std Dev :	1.71%
Last 12 Months :	-0.30%	1 Year Sharpe Ratio :	0.44
NAVps :	CHF 111.04	% of positive months :	71%

Risk Profile



Period	Class C*	Class A	Portfolio info	
MTD	-0.36%	-0.41%	# of Securities	135
YTD	-0.36%	-0.41%	% Weight	101.41%
6 months	-0.99%	-1.18%	Int Dur	0.08
1 year	-0.02%	-0.30%	Yield (gross)	4.85%
2021	0.61%	0.39%	Spread Duration	0.97
2020	2.58%	2.30%	Z-spread	545
2019	1.24%	1.04%		
2018	0.19%	0.01%		
2017	0.58%	0.29%		
2016	1.54%	1.43%		
2015	-0.29%	-0.53%		
2014	0.49%	0.27%		
2013	2.73%	2.54%		
2012	2.71%	2.42%		
2011	1.08%	0.83%		

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

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.

Yield-type strategy

The bucket generated a gross negative contribution to the monthly performance, with 63% of the positions (60 out of 95) 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 4.85% (in EUR) and z-spread of 545 basis points.

FX breakdown (fully hedged)

USD	52.01%
EUR	11.77%
NOK	15.74%
SEK	13.41%
CHF	1.84%
GBP	5.23%
TOTAL	100.00%

Geographic breakdown

EU	16.24%
US	1.11%
Oth DEV	49.05%
LATAM	1.59%
EMEA	18.40%
ASIA	13.62%
TOTAL	100.00%

Rating breakdown

AAA	0.00%
AA	0.00%
A	0.00%
BBB	7.59%
	tot IG 7.59%
BB	16.28%
B	21.21%
CCC	2.03%
	tot HY 39.51%
NR	52.90%
TOTAL	100.00%

Sector breakdown - Top 10

Real Estate	27.98%
Services	26.36%
Basic Industry	7.10%
Energy	6.63%
Banking	5.53%
Automotive	4.36%
Financial Services	4.12%
Leisure	3.76%
Agency	2.57%
Supranational	2.39%

Sicav Structure – Terms & Conditions

Domicile: Luxembourg

Inception Date: 4 October 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: CBSWBAC LX, class C: CBSWBCC LX

ISIN: class A: LU0681571880, class C: LU0681572268

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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.