

Swan Ultra Short-Term Bond – USD

March 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.

Risk Profile

Conservative

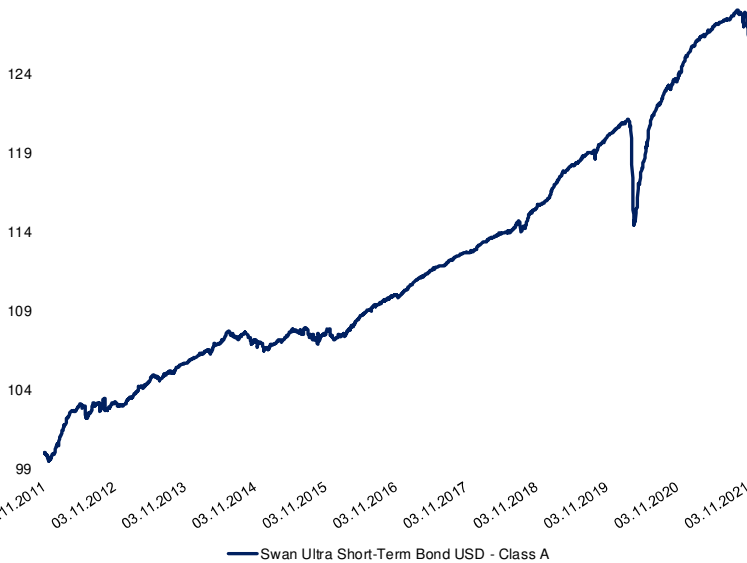
Intermediate

High Reward

Performance

MTD :	-0.02%	Fund Assets (mln) :	301.8 €
Since inception	22.10%	1 Year Std Dev :	2.99%
Last 12 Months :	-3.49%	1 Year Sharpe Ratio :	-1.06
NAVps :	USD 122.10	% of positive months :	79%

CFS Rating



Global market picture

The credit market environment remained extremely negative with year to date performances ranging from -10.5% for EM corp HY to -4.29% of the EU HY component. The IG EUR market is also negative by about 5.26% YTD, mainly due to the rates component. The short-term (1-3 year) H1WN global HY index also reports a performance of -6.25% YTD while the Global unconstrained (in terms of maturity) HY lost 5.76%. The Russian invasion of Ukraine remained the main theme of the month: there were several rounds of negotiations between the parties, but a ceasefire or any other sort of agreement seems unlikely to be reached immediately, even if sanctions imposed by western allies increased pressure on Russian economy. In this context, the 10 years bund yield was higher at +0.54% (+41bps in the month, highest level since 2018) in tandem with the 10 years Treasury at 2.34% (+51bps in the month), mainly due to concerns on inflationary pressure linked to energy cost, with oil prices reaching new year to date high at 108 per barrel. FOMC raised rates by 25bps during its march committee with Jerome Powell saying that FED need to move "expeditiously" towards tighter monetary policy, while ECB remained on hold notwithstanding mounting inflation pressure. Excluding specific idiosyncratic situations (China real estate and Russia/Ukraine), the rest of the portfolio has continued to behave in line with expectations, generating a slightly positive performance compared with a context of extreme negativity in the market. The expected return of the portfolio will be able to generate a significant performance during 2022 which, added to the potential recovery of the two idiosyncratic components, will allow a significant rebound from current levels.

Yield-type strategy

The bucket generated a gross negative contribution to the monthly performance, with 61% of the positions (51 out of 84) 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 0.98 of spread duration), combined with a gross yield of 6.03% (in EUR) and z-spread of 663 basis points.

Period	Class C*	Class A	Portfolio info
MTD	0.02%	-0.02%	# of Securities 131
YTD	-3.67%	-3.79%	% Weight 102.14%
6 months	-4.15%	-4.50%	Int Dur 0.43
1 year	-3.12%	-3.49%	Yield (gross) 6.03%
2021	1.57%	1.27%	Spread Duration 1.00
2020	3.96%	3.84%	Z-spread 663
2019	3.90%	3.94%	
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	45.93%
EUR	15.42%
NOK	19.95%
SEK	15.94%
CHF	1.23%
GBP	1.53%
TOTAL	100.00%

Geographic breakdown

EU	16.14%
US	1.84%
Oth DEV	53.06%
LATAM	0.00%
EMEA	17.92%
ASIA	11.04%
TOTAL	100.00%

Rating breakdown

AAA	0.00%
AA	0.00%
A	0.00%
BBB	3.45%
tot IG	3.45%
BB	17.05%
B	19.38%
CCC	2.74%
tot HY	39.18%
NR	57.37%
TOTAL	100.00%

Sector breakdown - Top 10

Real Estate	28.28%
Services	26.98%
Basic Industry	7.65%
Energy	6.31%
Financial Services	5.54%
Leisure	4.19%
Agency	2.97%
Transportation	2.87%
Banking	2.85%
Retail	2.44%

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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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.