

Swan Ultra Short-Term Bond – EUR

April 2022



Strategy

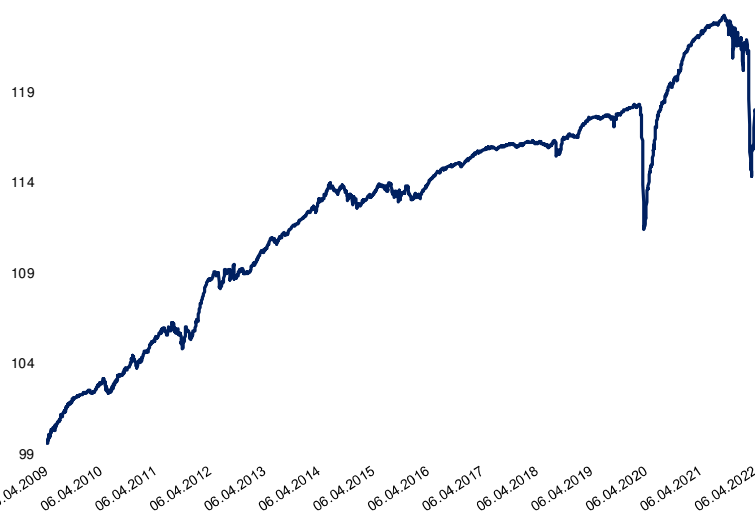
Swan Ultra Short-Term Bond is the UCITS version of our Fixed Income Conservative risk profile. The strategy invests in a highly diversified buy and hold portfolio of liquid short-term fixed income securities, with an average maturity of 1 year. Target Return is 3 months LIBOR + 150 bps.

Risk Profile

Conservative

Intermediate

High Reward



— Swan Ultra Short-Term Bond EUR - Class A

Global market picture

Credit markets remained extremely negative with year to date performances ranging from -12.90% for EM corp HY to -7.04% of the EU HY component in tandem with the movement of the Eurostoxx 50 (-18.04% YTD) and S&P 500 (-13.3% YTD). The IG EUR market is also negative by 7.89% YTD, mainly due to the rates component. The short-term (1-3 year) H1WN global HY index also reports a performance of -7.35% YTD while the Global unconstrained (in terms of maturity) HY lost 9.02%. The Russian invasion of Ukraine remained the main theme of the month: peace talks did not reach significant results, while on the ground Ukrainian troops continued their resistance thanks to the continuous support of weapons provided by NATO members. Inflation did not stop rising: FED tone was increasingly hawkish, with Jerome Powell saying that "it is appropriate in my view to be moving a little more quickly" and market now pricing 50bps hike during both May and June meeting. There were no signs of panic at the ECB meeting notwithstanding the 7.5% inflation print, with the only material change being a higher probability of QE ending in 3Q22. In this context, the 10 years bund yield was higher at +0.94% (+39bps in the month, highest level since 2015) in tandem with the 10 years Treasury at 2.93% (+60bps in the month), mainly due to concerns on inflationary pressure linked to energy cost, with oil prices closing the month at 109 per barrel. 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 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 positive contribution to the monthly performance, with 78% of the positions (62 out of 79) 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 1.03 of spread duration), combined with a gross yield of 5.44% (in EUR) and z-spread of 604 basis points.

Performance

MTD :	0.92%	Fund Assets (mIn) :	312.0 €
Since inception	18.06%	1 Year Std Dev :	3.01%
Last 12 Months :	-3.49%	1 Year Sharpe Ratio :	-0.91
NAVps :	EUR 118.06	positive months %:	75%



Period	Class C*	Class A	Portfolio info	
MTD	0.94%	0.92%	# of Securities	125
YTD	-3.05%	-3.13%	% Weight	92.29%
6 months	-3.55%	-3.65%	Int Dur	0.40
1 year	-3.30%	-3.49%	Yield (gross)	5.44%
2021	0.78%	0.59%	Spread Duration	0.95
2020	2.67%	2.58%	Z-spread	604
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.

FX breakdown (fully hedged)

USD	45.19%	EU	15.46%
EUR	14.84%	US	2.05%
NOK	19.75%	Oth DEV	54.81%
SEK	17.28%	LAT AM	0.28%
CHF	1.32%	EMEA	16.14%
GBP	1.63%	ASIA	11.26%
TOTAL	100.00%	TOTAL	100.00%

Geographic breakdown

Rating breakdown

AAA	0.00%
AA	0.00%
A	0.00%
BBB	4.20%
	tot IG 4.20%
BB	17.40%
B	14.53%
CCC	2.80%
	tot HY 34.73%
NR	61.07%
TOTAL	100.00%

Sector breakdown - Top 10

Services	26.56%
Real Estate	25.53%
Basic Industry	8.58%
Energy	7.44%
Financial Services	5.96%
Leisure	4.73%
Agency	3.37%
Banking	3.20%
Transportation	3.13%
Automotive	2.19%

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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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.