

Swan Ultra Short-Term Bond – EUR November 2022



Strategy

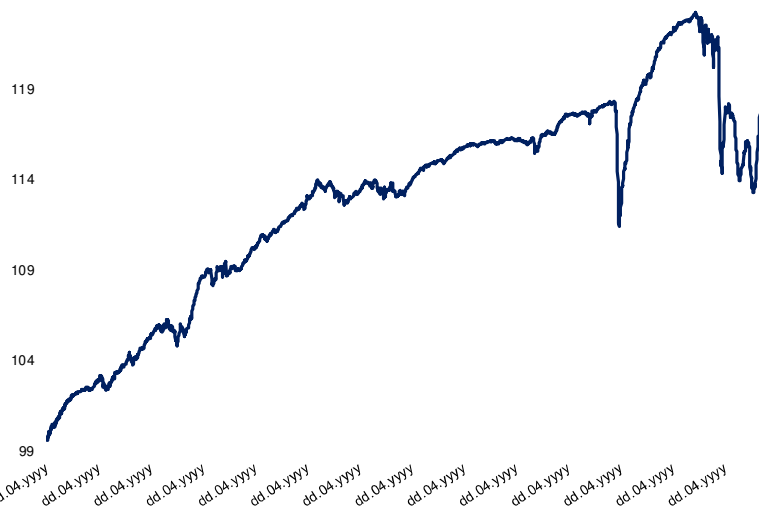
Swan Ultra Short-Term Bond is the UCITS version of our Fixed Income Conservative risk profile. The strategy invests in a highly diversified buy and hold portfolio of liquid short-term fixed income securities, with an average maturity of 1 year. Target Return is 3 months LIBOR + 150 bps.

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 -18.88% for EM corp HY to -10.49% of the EU HY. The IG EUR market is also negative by -12.53% YTD, mainly due to the rates component. The short-term (1-3 year) H1WN global HY index also reports a performance of -10.29% YTD while the Global unconstrained (in terms of maturity) HY lost -13.32%. US CPI came lower than expected at 7.7% YoY, fueling optimism that rate hikes by FED will be less than previously expected by investors. Comments by Jerome Powell reinforced the expectations for a December hike of only 50bps, while other FED members like Bullard suggested that the proper zone for FED funds could be in the 5% / 7% range. Christine Lagarde said that the ECB "is not done" raising interest rates, affirming that inflation "still has way to go". Notwithstanding lower prices of energy and easing of gas supply bottlenecks, inflation did not invert its path, with core CPI stable at 5% YoY. After China Communist Party Congress, the authorities further raised the support to the embattled real estate sector, providing further funding in order to ease liquidity crunch. The 10 years bund yield was lower at +1.93% (-21bps in the month) in tandem with the 10 years Treasury that closed the month at 3.61% (-44bps). Thanks to the recent volatility spike we have been able to add several new credit stories at very interesting levels of credit spreads: our funds have a yield to maturity between 8% and 15%, combined with an average spread duration of below 16 months. The combination of higher diversification, higher credit quality and higher expected yields paves the way for extremely attractive returns in the next future.

Yield-type strategy

The bucket generated a positive gross contribution to the monthly performance, with 89% of the positions (134 out of 150) 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 (14 months or 1.19 of spread duration), combined with a gross yield of 7.91% (in EUR) and z-spread of 573 basis points.

Performance

MTD :	2.63%	Fund Assets (mIn) :	289.8 €
Since inception	16.62%	1 Year Std Dev :	3.14%
Last 12 Months :	-4.21%	1 Year Sharpe Ratio :	-1.29
NAVps :	EUR 116.62	positive months %:	73%



Period	Class C*	Class A	Portfolio info	
MTD	2.65%	2.63%	# of Securities	150
YTD	-4.09%	-4.32%	% Weight	94.37%
6 months	-0.59%	-0.71%	Int Dur	0.69
1 year	-3.98%	-4.21%	Yield (gross)	7.91%
2021	0.78%	0.59%	Spread Duration	1.13
2020	2.67%	2.58%	Z-spread	573
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	26.45%	EU	26.00%
EUR	32.65%	US	9.84%
NOK	25.57%	Oth DEV	47.42%
SEK	11.72%	LAT AM	1.38%
CHF	0.12%	EMEA	11.99%
GBP	3.49%	ASIA	3.37%
TOTAL	100.00%	TOTAL	100.00%

Geographic breakdown

Rating breakdown

AAA	0.00%	
AA	0.00%	
A	0.00%	
BBB	9.11%	
	tot IG	9.11%
BB	23.54%	
B	14.24%	
CCC	2.87%	
	tot HY	40.65%
NR	50.24%	
TOTAL	100.00%	

Sector breakdown - Top 10

Real Estate - Mgmt Res	6.31%
Banking	5.48%
Real Estate - Mgmt Comm	4.81%
Real Estate - Dev Res	4.60%
Shipping - Gas	4.55%
Shipping - Chemicals	4.29%
Investments & Misc Finan	4.13%
Finance - NPL collector	3.55%
Automakers	3.29%
Telecom - Wireline Integra	3.16%

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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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.