

# Swan Ultra Short-Term Bond – EUR

## May 2024



### Strategy

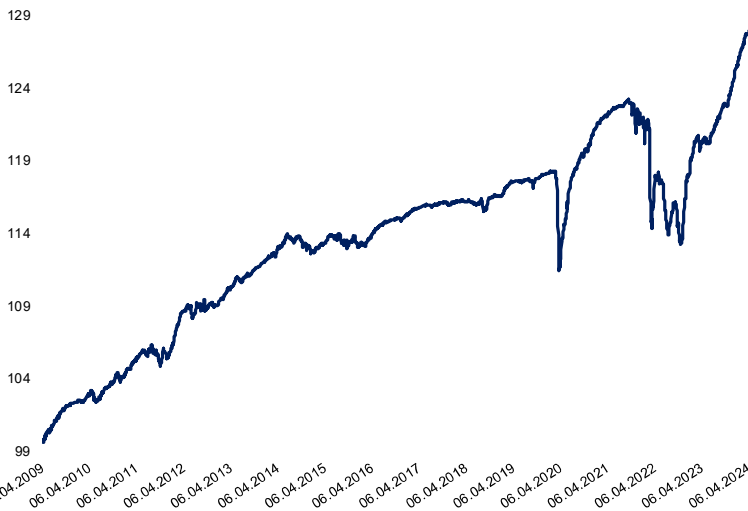
Swan Ultra Short-Term Bond is the UCITS version of our Fixed Income Conservative risk profile. The strategy invests in a highly diversified buy and hold portfolio of liquid short-term fixed income securities, with an average maturity of 1 year. Target Return is 3 months LIBOR + 150 bps.

### Risk Profile



### Performance

MTD :	0.62%	Fund Assets (mIn) :	253.3 €
Since inception	28.94%	1 Year Std Dev :	0.65%
Last 12 Months :	7.28%	1 Year Sharpe Ratio :	5.49
NAVps :	EUR 128.94	positive months %:	74%



— Swan Ultra Short-Term Bond EUR - Class A

Period	Class C*	Class A	Portfolio info
MTD	0.64%	0.62%	# of Securities 169
YTD	2.87%	2.78%	% Weight 97.97%
6 months	3.81%	3.69%	Int Dur 1.03
1 year	7.45%	7.28%	Yield (gross) in EUR 5.93%
2023	6.45%	6.27%	Spread Duration 1.32
2022	-2.89%	-3.14%	Z-spread 250
2021	0.78%	0.59%	
2020	2.67%	2.58%	
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	26.09%
EUR	49.22%
NOK	12.10%
SEK	6.04%
CHF	3.36%
GBP	3.18%
<b>TOTAL</b>	<b>100.00%</b>

### Geographic breakdown

EU	40.56%
US	8.83%
Oth DEV	33.14%
LATAM	5.13%
EMEA	11.69%
ASIA	0.66%
<b>TOTAL</b>	<b>100.00%</b>

### Rating breakdown

AAA	4.96%
AA	0.00%
A	1.22%
BBB	15.08%
<b>tot IG</b>	<b>21.26%</b>
BB	25.60%
B	12.01%
CCC	1.28%
<b>tot HY</b>	<b>38.88%</b>
NR	39.86%
<b>TOTAL</b>	<b>100.00%</b>

### Sector breakdown - Top 10

Banking	12.96%
Telecom - Wireline Integra	5.86%
Real Estate - Mgmt Res	5.10%
Shipping - Gas	4.89%
Sovereign	4.85%
Oil and gas E&P - All	4.53%
Oil Field Equipment & Ser	3.38%
Investments & Misc Finan	3.20%
Software/Service	3.15%
Real Estate - Dev Res	3.11%

### Global market picture

High Yield Credit markets reported a positive performance in May ranging from +1.73% for EM corp HY to +0.88% of the EU HY in tandem with positive equity markets, S&P500 (+4.80%) and Eurostoxx50 (+1.27%). The IG EUR market was positive by 0.24% in line with the short-term (1-3 year) H1WN global HY index that reported a positive performance of 0.94%. The Global unconstrained (in terms of maturity) HY index was positive at +1.12%. In Europe inflation continued to retrace, with core CPI print at 2.7% in April (vs 2.9% in March), but most important April release provided reassurances that the sharp increases in services prices in January and February were a bump, this confirming that services inflation is not reaccelerating. Markets expect the ECB to start its easing cycle at the monetary policy meeting to be held on 6th June due to projections of a rapid recovery in activity and a gradual disinflation process to continue. After its meeting on the 1st of May, the FOMC signaled that "a lack of further progress" towards the bank's 2% inflation target will mean US borrowing costs are likely to remain higher for longer; however, officials also indicated that they were not yet concerned enough by uptick in inflation to consider rate rises. Indeed, inflation print in line with expectations at 3.4% (core CPI at 3.6%) for April reinforced the market view for two possible cuts in 2024. The 10 years bund yield was lower at 2.58% (+28bps in the month), in tandem with the 10 years Treasury at 4.68% (+48bps in the month). Oil was down at 82\$ per barrel, while US dollar was lower, with DXY at 104.67. Our funds have a yield to maturity between 6% and 8%, combined with an average spread duration around 18 months. The combination of diversification, good credit quality and high expected yields pave 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 92% of the positions (154 out of 168) 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 (16 months or 1.35 of spread duration), combined with a gross yield of 5.93% (in EUR) and z-spread of 250 basis points.

### 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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