

Fund		Key figures		
Sub-Fund	CABA Hedge KL	Total	DK	SE
ISIN	DK0060814523	Leverage	5,46	-
AUM	675 mio. kr.	Max drawdown (%)	-4,52	-
NAV	103,14	Max drawdown (days)	82	-
		Spread risk (% of limit)	61,4	40,9
		Spread risk (@ 1 bp)	0,319	0,213
		Duration (@ 1 bp)	-0,015	-0,011
		Convexity (@ 1 bp)	-0,100	-0,103
			0,003	
Return(%)				
Since inception	3,14			
YTD	-0,76			
Month	-0,51			

May 2018 report

Denmark

Interest rates were rather volatile in May, which was mainly due to the political uncertainty in Italy. In general, Danish callable bonds suffer from increased volatility and that was also the case in May. The option-adjusted spread on Danish callable bonds widened on average by 4-5bps to DKK swaps and 11-12bps to Danish government bonds.

Due to the uncertainty in Italy there was a minor "flight to safety" attitude in the market in May and as a consequence, Danish, Swedish and German government bonds performed relative to their respective swap curves. For example, 10-year Danish government bonds outperformed the 10-year DKK swap rate by 11bps. Hedging the interest rate exposure by using government bonds thus has become a more attractive alternative relative to swaps.

Danish non-callable bonds (flex) underperformed on average by 1-2bp to DKK swaps and 6-7bp to Danish government bonds.

Sweden

Similar development occurred in Sweden as in Denmark where 10-year Swedish government bonds outperformed the 10-year SEK swap rate by 14bps. This performance in government bonds is also reflected in the differences in Swedish mortgage bond spreads. The swap spread widened on average by 1-2bp across the curve, although the widening was more severe for long-term bonds (4-6 years). The spread to government bonds widened by 2bp for mortgage bonds with 3 years to maturity and as much as 9bp for mortgage bonds with 6 years to maturity.

Performance



Drawdown %



Risk limits %

