

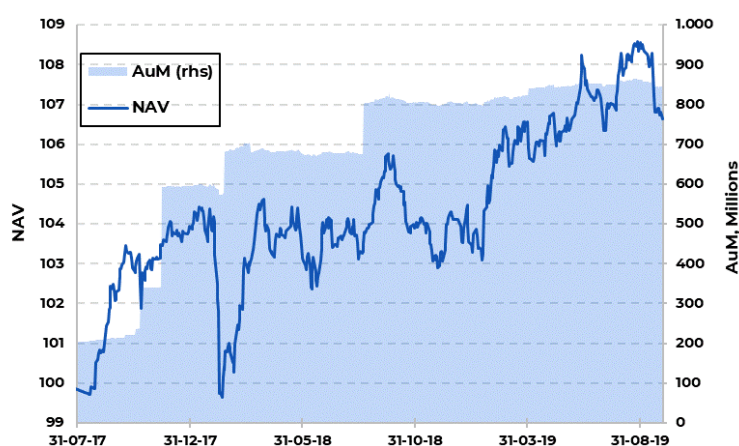
### Investment Strategy

The strategy of CABA Hedge KL is utilizing the spread between mortgage / covered bonds and sovereign bonds. Financial leverage and hedging are used to produce excess return on the bond market. CABA Hedge KL invests in Scandinavian sovereign and Mortgage / covered bonds but can use German sovereign bonds, swaps and derivatives for leverage and as hedging instruments. CABA Hedge KL has an absolute return target of 5-6% p.a. over a 5-year period. Duration and interest rate risk is hedged, and the return is low correlated with fixed income and equity returns. With low volatility and limited drawdowns, the risk is particularly associated with large sudden moves in the credit structure due to unexpected events.

### Monthly Performance (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	-0,47	2,80	0,10	0,05	0,13	0,44	0,21	1,14	-1,77				2,60
2018	0,49	-3,56	3,50	-0,56	-0,51	0,62	0,27	-0,08	1,43	-1,48	-0,97	1,00	0,00
2017							-0,15	0,70	2,67	-0,32	0,91	0,09	3,93

### Performance & AuM



### Drawdown



### September 2019

Return	1M	3M	6M	9M	12M	18M
%	-1,77	-0,44	0,16	2,60	1,10	2,28

### Key Attributes

- Liquid alternative investment
- Attractive excess return compared to short and medium-term bonds
- Low volatility and small drawdowns
- Low correlation with other assets\*
- Market neutral towards interest rate developments\*, business cycles and other general market conditions
- Return target of 5-6 % p.a. over a five-year period

### Key Facts & Figures

Kapitalforeningen Investin,	CABA Hedge KL
Sub-Fund	
ISIN	DK0060814523
Subscription & Depository	Nykredit Bank
FAIF	Nykredit Portefølje Administration
Investment manager	CABA Capital
Management fee	1%
Performance fee	15%
APR (ÅOP)	2,18%
Initial charge**	0,81%
Exit charge**	0,81%
Publicly traded	No
Benchmark	No
Trade date	weekly, Tuesdays
Acc./Dist.	Accumulating
Risk label (Danish FSA)	Red investment product
Asset under management	DKK 844m
Risk Classification; 1-7 scale	4

\* Except in extreme markets.

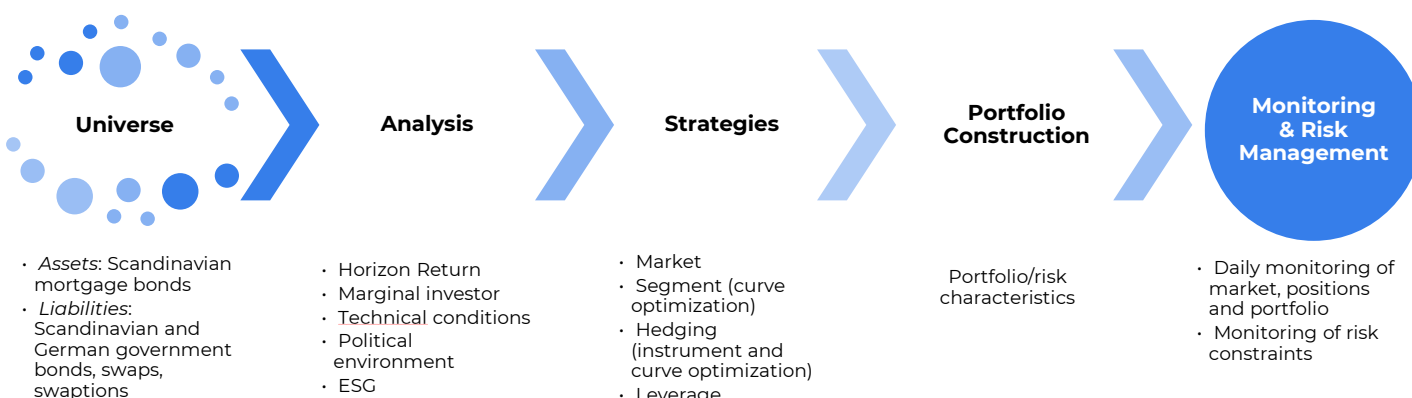
\*\* The charge associated with issuance/redemptions are estimated from the commission, spread and further trading costs. The maximum charge is 1,00% of NAV.

### Returns

Return	OMX C25	Euro Stoxx 50	DM Mtg Callable CM 7Y	Market Strategy*	CABA Hedge KL
<b>2018</b>	-13,16%	-14,34%	1,73%	0,23%	0,0%
<b>Feb-Mar</b>	-1,91%	-6,87%	1,01%	-0,06%	0,18%
<b>Oct</b>	-8,50%	-5,93%	-0,14%	-0,55%	-1,48%
Ann. Volatility	OMX C25	Euro Stoxx 50	DM Mtg Callable CM 7Y	Market Strategy	CABA Hedge KL
<b>2018</b>	14,31%	13,43%	2,80%	n/a	4,19%

\*Market Strategy: Asgard Income, PFA Midgard, Nykredit Mira, Danske Fixed Income strategies, Danske Mortgage Hedge Arbitrage

### Portfolio Construction



### Team



**Niels-Ulrik Mousten (1963) Chairman of the Board** in CABA Capital, has more than 30 years of experience from the asset management industry. Niels-Ulrik has held senior positions with BankInvest, Unibank Investment Management and SEB Asset Management. At Danske Bank he was the CEO of Danske Capital, the Bank's asset management arm. Today Niels-Ulrik holds several Board memberships for e.g. PFA Pension and Nykredit Invest.



**Carsten Bach (1965) CIO** in CABA Capital and lead Portfolio Manager of CABA Hedge KL, has more than 30 years of experience in the financial sector, where he has primarily engaged with fixed income portfolio management. Carsten was Deputy Director of Danske Bank's Proprietary Trading, and was thus responsible for managing more than DKK 200bn. Lastly, Carsten has been Head of Investment Management within Danske Bank, in a department acting similar to a hedge fund.



**Mette Østerbye Vejen (1974) CEO** in CABA Capital, has more than 20 years of experience in the asset management industry, where she has primarily been responsible for portfolio management of Danish and European equity. Mette has previously worked in Dexia Bank Denmark, SEB Asset Management and Industriens Pension. Most recently Mette worked with Danske Capital, where she was responsible for developing alternative investment products. Mette was also member of the Danske Bank Product Governance Group, which has global responsibility for Governance in relation to MIFID II.



**Chris Nygaard Sørensen (1989) Hedge Fund Manager**, has 4 years of experience from Danske Bank, where he primarily worked on analyzing complex issues within fixed income and risk. Chris was an analyst with Danske Capital in the Fixed Income team, where he developed analysis models and contributed with analyses of both the Danish and the global fixed income market.

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