

Fund		Key figures				
Sub-Fund	CABA Hedge KL A	Total	DK	SE	NO	DE
ISIN	DK0060814523	Leverage	12,49	1,58	8,66	2,25
AUM Strategy	DKK 839m	Max drawdown (%)	-32,61	-	-	-
NAV	94,30	Max drawdown (days)	868	-	-	-
		Spread risk (% of limit)	102,9	32,4	55,9	14,6
		Spread risk (@ 1 bp)	0,535	0,168	0,291	0,076
		Duration (@ 1 bp)	-0,008	0,115	0,002	0,001
		Convexity (@ 1 bp)	-0,004	0,005	0,000	0,000
Return(%)						
Since inception	-5,70					
YTD	-2,68					
Month	-4,75					

### May 2023 report

#### General

- From a banking crisis perspective, May has been relatively calm in the US and central Europe. However the opposite has been the case in Sweden.
- High CPI numbers from UK trickered even euro rates to raise significantly (20bp). Reality quickly returned and sent rates rapidly lower again.
- The volatility in short rates has been high with the calendar spread between Euribor sep23 and sep24 hovering between -54 and -95. An impressive 41 basis point move.
- ECB (Villeroy) seem to try to tell the market that ECB will reach its terminal rate this summer, meaning "end September", and FED members are split between no more or one rate hike more.

#### Denmark

- The average daily activity is still moderate with a decreasing trend.
- Debtor activities are benign and net issuance is now close to zero.
- Resent data are showing that foreign buying in Callabels has increased.
- The exorbitant DKK 127bn June flex/float action went well, leaving floating rate bonds on the cheap side compared to fixed rates.
- Callable bonds lost ground on the OAS metric, with lower coupons as the biggest loser (17bp for 0.5% bonds), and approx. 10bp for the higher coupon (5%) bonds.

#### Sweden

- The Swedish real estate market, and SBB in particular, has attracted a lot of attention. The share dropped 72% during May, now trading with a marked cap off approximately only SEK 6.9bln. Since December 2021 the share has dropped a staggering 94%.
- Uncertainty about the Swedish economy also showed up in the forward looking indicators, as the May PMI number came in very low at 40.6 (e. 45.0).
- In total, this has put SEK covered bond spreads under pressure. We don't expect problems around SBB, to have material credit impact on the Swedish covered bond market. Numerous rumors of ongoing SBB asset sales seem to stabilize the market.
- We see extremely good value in all Scandinavian covered bond markets, and especially in the Swedish.

#### Performance



#### Drawdown %



#### Risk limits %

