

Fund		Key figures				
Sub-Fund	CABA Hedge KL W	Total	DK	SE	NO	DE
ISIN	DK0061677804	Leverage	12,89	1,63	9,02	2,24
AUM Strategy	DKK 855m	Max drawdown (%)	-32,61	-	-	-
NAV	96,00	Max drawdown (days)	898	-	-	-
		Spread risk (% of limit)	100,5	27,2	61,3	11,9
		Spread risk (@ 1 bp)	0,523	0,142	0,319	0,062
		Duration (@ 1 bp)	-0,002	0,121	0,002	0,001
		Convexity (@ 1 bp)	-0,009	-0,001	0,000	0,000
Return(%)						
YTD	-0,70					
Month	1,88					

June 2023 report

General

- June showed that inflation is starting to get somewhat under control in US and Eurozone with both headline (4.0% and 5.5%, respectively) and core inflation (5.3% and 5.4%) continuing the decline from their peaks in September 2022 and March 2023. In the UK and Japan, however, headline inflation is flatlining and core inflation continues to rise with new highs of 7.1% and 4.3%.
- The FED maintained the Fed Funds Rate unchanged, although with a strong hawkish bias, as Powell emphasized that *"nearly all Committee participants view it as likely that some further rate increases will be appropriate"*. It was followed by a sweep of hawkish central banks, as ECB, BoE, SNS, Norges Bank and Riksbanken all hiked by 25-50bps. The odd one out was BoJ, as it kept its leading interest rate at -10bps. At home, Nationalbanken followed the ECB 1:1.

Denmark

- Non-callables had an intra-month performance vs. swaps of 1-4bps, although it reversed during the second half of the month, leaving spreads wider by 2-4bps.
- Looking at govy-spreads, the intra-month performance was up to 7-9bps, but some of the performance was given up in second half, leaving spreads only 2-3bps tighter over the month.
- Callables followed the same pattern with intra-month performance in terms of swap-spreads, but the segment closed out the month with an underperformance of 5bps across coupons. This is a continuation of the relative underperformance across callables that started back in April.

Sweden

- From a big-picture perspective, the Swedish covered bond market had a good month, and it continued the decoupling from negative stories surrounding SBB. In our view, this was expected to happen as Swedish covered bonds are only backed by commercial real estate to a very limited extent (capped to a maximum of 10% with most issuers having no exposure at all).
- The swap-spread curve steepened with spreads on shorter dated bonds performing up to 7bps and spreads on longer dated bonds wider by 2-3bps.
- Compared to govies, the covered bond segment performed 6-11bps across the curve.
- We have for some time been very bullish on Swedish covered bonds, and we are now seeing our Swedish positions starting to pay off.

Performance



Drawdown %



Spread Risk, Limit %

