

Fund		Key figures				
Sub-Fund	CABA Hedge KL A	Total	DK	SE	NO	DE
ISIN	DK0060814523	Leverage	13,05	1,50	9,30	2,25
AUM Strategy	DKK 881m	Max drawdown (%)	-32,61	-	-	-
NAV	99,13	Max drawdown (days)	929	-	-	-
		Spread risk (% of limit)	100,9	24,1	65,1	11,7
		Spread risk (@ 1 bp)	0,525	0,126	0,338	0,061
		Duration (@ 1 bp)	0,015	0,141	-0,001	0,001
		Convexity (@ 1 bp)	-0,020	-0,011	0,000	0,000
Return(%)						
Since inception	-0,87					
YTD	2,30					
Month	3,09					

July 2023 report

General

- As expected by the market, both ECB and FED hiked rates by 25bps in July. There are lots of indicators showing that the inflation pressure is leveling off in both EU and the US, and therefore the central banks are likely to be more data dependent going forward.
- In our view, it is likely that both central banks have already done enough, and that the upward trend in long rates are over. Nonetheless, ECB might hike 25bps more before halting their hikes.
- This view is supported by German Bunds and US Treasuries, where the high level of interest rate volatility has declined in recent months.
- As the inflation pressure is leveling off and interest rate volatility has come down, we have seen strong performance across risky assets, including equities and credit bonds.
- However, while the inflation dust might be settling in EU and the US, the opposite is true in Japan.
- The upward inflation pressure is still very high in Japan, and while keeping the rates unchanged, the BoJ has signaled that its yield-curve-control could be less stringent going forward.
- We believe BoJ is significantly behind the curve, and for the rest of the year they are one of the main risk factors from an interest rate volatility perspective.

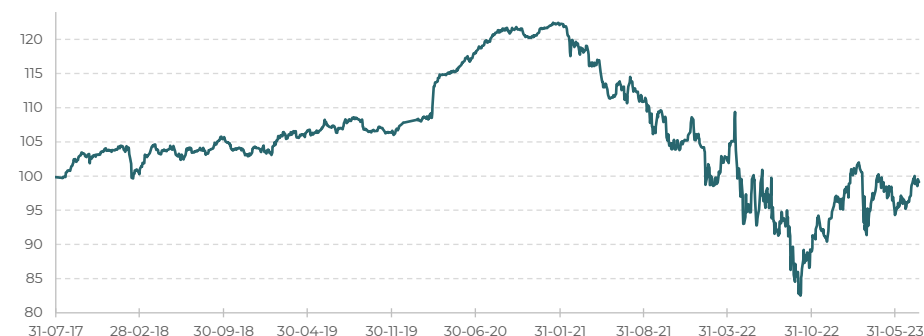
Denmark

- Danish non-callables have performed well in July with spread tightening relative to both swaps and govies of around 5bps across the 2- to 3-year segment.
- The performance is also found in the callable market with an average OAS tightening of around 5bps across coupons and maturities.

Sweden

- The Swedish economy is struggling with PMI numbers below 50 and negative GDP growth.
- Spreads on Swedish covered bonds traded sideways against both swaps and govies, and as such they did not mirror the performance in Danish covered bonds and other risky assets.
- We are still very bullish on the segment with significant open positions.

Performance



Drawdown %



Risk limits %

