CABA HEDGE

Monthly report
August 29 - 2025
CABA Hedge KL

Fund	
Sub-Fund	CABA Hedge KL W
ISIN	DK0061677804
AUM Strategy	DKK 981m
NAV	151,81

Return(%)	
YTD	11,20
Month	1,93

Key figures

	Total	DK	SE	NO	DE
Leverage	15,94	-0,90	16,68	0,16	
Max drawdown (%)	-32,61	-	-	-	
Max drawdown (days)	1219	-	-	-	
Spread risk (% of limit)	97,5	0,2	65,1	1,3	
Spread risk (@ 1 bp)	0,507	0,001	0,499	0,007	
Duration (@ 1 bp)	0,068	0,340	-0,029	0,070	-0,313
Convexity (@ 1 bp)	-0,003	0,016	-0,009	0,007	-0,017

August 2025 report

General Market Trends:

- Riksbanken (20th) and Norges Bank (13th) kept rates unchanged while BoE (6th) cut by 25bp to 4.00%.
- Markets remained calm through August with a continued risk-on tone, supported by stronger than expected European growth data.
- US indices again printed fresh all-time highs mid-month before consolidating into month-end. Nasdaq +2%, S&P +2%, Dow +3% while Euro Stoxx-600 were up +1%.
- Correspondingly Risk indicators made new lows but lost some of the performance up to month end: iTraxx 5y Senior Financials 59 (56), 5y Crossover 268 (268), VIX index 16 (17) and MOVE index 79 (80).
- The USD and US govt debt seem to have consolidated after months of underperformance.
- Bund ASW(6m) underperformed by 4bp, most likely driven by the sell-off in France government bond due to budget disputes. France now trades at higher 10y rates than Greece.
- EUR rates were calm, with 2y and 10y swaps down 4 and 2 bp.
- USD rates remained volatile 2y and 10y swaps fell 34 and 16 bp, respectively, bull steepening 2-10 by 18 bp, once again reversing the previous month's movements.

Denmark:

- Non-domestic were net buyers of DKK mortgages for DKK 2.3bn, mainly in 5% coupon bonds.
- The august refinancing action of DKK 70bn bonds was largely a non-event, though bullets outperformed floaters slightly.
- Ongoing very limited new issuance (c. 200m per day in Q3) of callable bonds kept these well bid, tightening 5 bp to swaps and govies. DGBs outperformed Bunds marginally while Danish swap rates remained stable vs EUR.
- We maintain a positive stance on long positions in DKK rates vs EUR.

Sweden and Norway:

- In Sweden, the 2026 budget was presented with a stunning SEK 80bn (consensus 50-60bn) in "reform space" to stimulate economic growth and strengthen household purchasing power. This accelerated SGB underperformance in ASW terms: 2y 7bp and 10y 15bp
- NGBs were unaffected and gained marginally.
- SEK and NOK rates were relatively stable vs EUR: In 5y maturities SEK outperformed by ~6bp while NOK lost ~3bp.
- Swedish and Norwegian covered bonds had a quiet month with performance of 1 and 3bp vs swaps.
- We are still positive on the Swedish economy in general and are confident in the Swedish credit story.
- We stick to our long positions in NOK rates vs EUR and SEK.

Performance

Drawdown %

Spread Risk, Limit %