CABA HEDGE

Monthly report
February 28 - 2025
CABA Hedge KL

Fund

Sub-Fund	CABA Hedge KL A
ISIN	DK0060814523
AUM Strategy	DKK 1002m
NAV	139,69

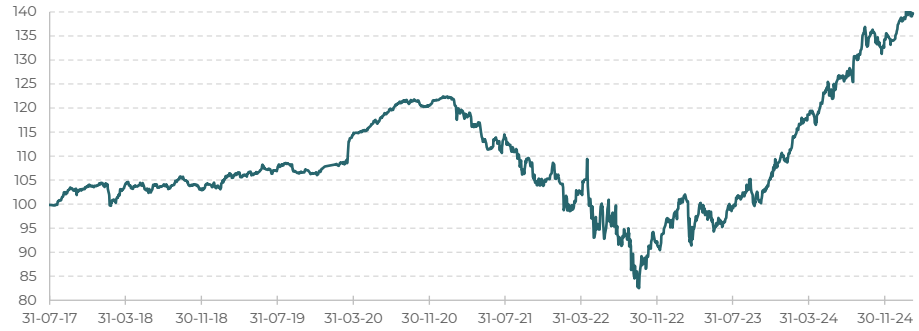
Return(%)

Since inception	39,69
YTD	4,09
Month	0,72

Key figures

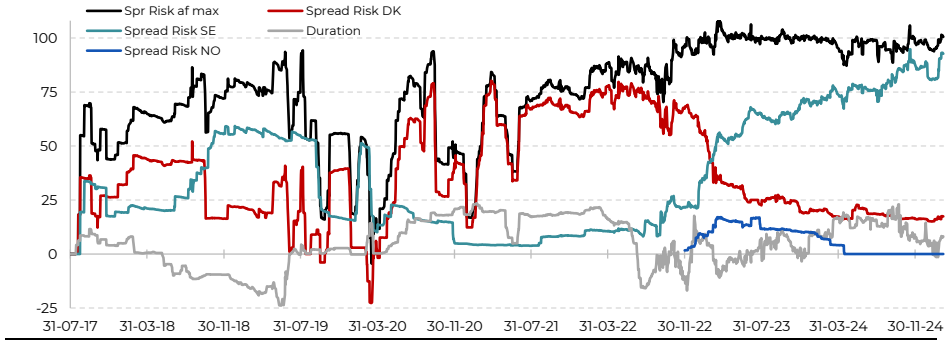
	Total	DK	SE	NO	DE
Leverage	17,27	0,19	17,08	0,00	
Max drawdown (%)	-32,61	-	-	-	
Max drawdown (days)	1219	-	-	-	
Spread risk (% of limit)	100,5	11,4	89,0	0,0	
Spread risk (@ 1 bp)	0,522	0,059	0,463	0,000	
Duration (@ 1 bp)	0,062	0,222	-0,048	0,053	-0,165
Convexity (@ 1 bp)	-0,005	0,004	-0,003	0,004	-0,010

Performance



Drawdown %

Risk limits %



February 2025 report

General Market Trends:

- BoE cuts key interes rate by 25 to 4.50% (6 feb)
- Trump continues making a lot of panic especially regarding tariffs and Ukraine
- European government bonds were under pressure due to the expected increase in military expenses. Bund ASW trading clearly though 0 (Bunds underperforming)
- Risk indicators as iTraxx 5y Senior Financials 58 (60), 5y Crossover 289 (288) and VIX index 20 (16) has been remarkable stable at historically low levels
- US Equities struggled with Nasdaq, S&P and Dow Jones down 4%, 2% and 2%, respectively, while European stock again outperformed US having a good month with Euro Stoxx 600 and 50 being up 3%
- Rates were down. Euro 2y and 10 swaps were down 13 and 7 bp respectively while US swaps were down a stunning 23 and 31 bp for 2y and 10y swaps respectively. I.e. 2-10 5 bp steeper in EUR while 8 bp flatter in US

Denmark:

- Callable bonds handled the chaotic political situation well. 0.5% coupon bonds lost 2bp while 3% bonds gained 1bp vs swaps and performed 4-6 bp better vs government bonds
- Fixed rate bullets and floaters had a quiet month with marginal performance vs swap of 1bp but up to 7bp vs government bonds
- Danish swaps underperformed about 1bp vs EUR while Danish government bonds lost 5bp vs German government bond in the 5y and 10y area

Sweden and Norway:

- Swedish CPI came in surprisingly high (Ex energy yoy 2.7, exp 2.1% (6 feb)), in our opinion closing the window for further rate cuts in Sweden
- *Activity indicators in Sweden such as PMIs are still pointing towards a strong Swedish economy*
- SEK appreciated 3.5% in February vs EUR
- Repo lines are getting a scare resource partly due to increased position taking from the HF community and security lending
- Both Norwegian and Swedish covered bonds ended February with marginally gains of 1bp for 5y bonds, while shorter Norwegian bond outperformed more and Swedish ditto the opposite
- Still elevated volatility of Norwegian and Swedish swaps vs EUR. SEK 5y swap underperformed EUR in the 5y area with 17bp while NOK rates only underperformed with 5 bp, that way outperforming SEK rates by 10+ bp