



## PORTFOLIO MANAGER COMMENT

The year began with falling interest rates, where the rise in interest rates from the second half of December 2022 reversed. From the level of 3.14% at the turn of the year, the ten-year Swedish swap rate fell to 2.57% on January 17th. The swap rate turned up slightly after that and stabilized around 2.70%. Swedish inflation rose during January to the new record high of 12.3% at an annual rate, while the underlying inflation adjusted for interest and energy prices landed at 8.4%. The Riksbank has a difficult balancing act ahead of it, where interest rate increases may lead to a more severe recession than necessary, while a more dovish policy may weaken the Swedish krona and give more prolonged inflationary pressure than, for example, the euro area gets. The interest rate sensitivity of the Swedish economy with high leverage with a short fixed interest period for both households and companies makes it even more difficult to navigate.

Credit spreads have tightened during the month, European index by 12 basis points from 92 to 80 basis points and US by 9 basis points from 82 to 73 basis points. In the European index, consumer staples in particular have performed strongly, while communication has widened somewhat. In the US index, the energy sector has tightened the most and consumer durables have widened the most.

This month and going forward, we have chosen to present the fund's performance next to benchmark that is 1.4 x Bloomberg Global Agg Corp hedged SEK. It is the Bloomberg global corporate bond index with 40% leverage which in turn is financed at SEK Stibor TN + 0.4% with the leverage rebalanced daily. We are making this change so that the fund can be compared with a portfolio that roughly has the same risk level as the fund. We have not made any changes to the strategy of the fund. You are welcome to contact us if you would like more information.

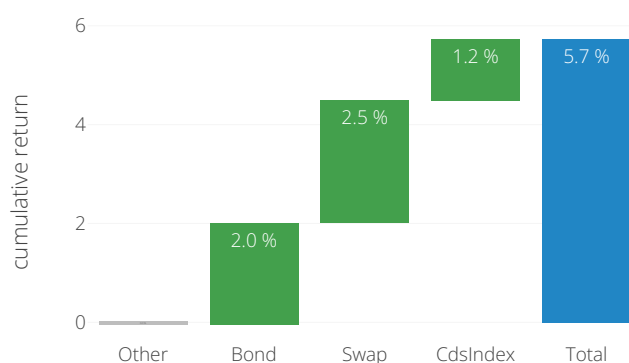
## INVESTMENT GOAL AND STRATEGY

The fund targets highly liquid exposure in European and North American Investment Grade credit, whilst keeping both currency and interest rate risk in Swedish Krona. To this end credit exposure is assumed via index-based centrally cleared Credit Default Swaps (CDS). The Reference Indices of the CDS contracts are Itraxx Europe Main and CDX Investment Grade North America. The exposure to each issuer is equally weighted, ensuring a well-diversified portfolio.

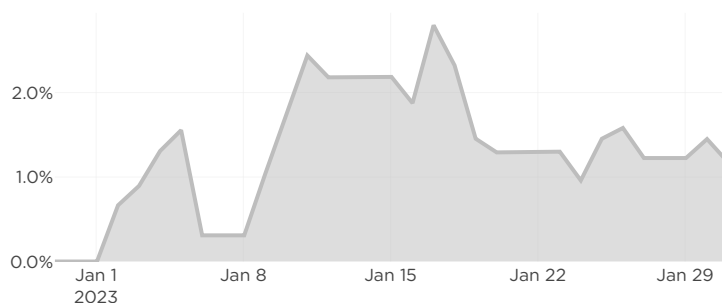
The fund takes positions that eliminate its exposure to companies that do not meet the sustainability requirements set up by Captor. The fund is classified as Article 8 according to the Disclosure Regulation.

The fund's capital will be invested in AAA rated SEK bonds, primarily Swedish covered bonds. Interest rate exposure is assumed via these bonds and cleared interest rate swaps in Swedish Krona.

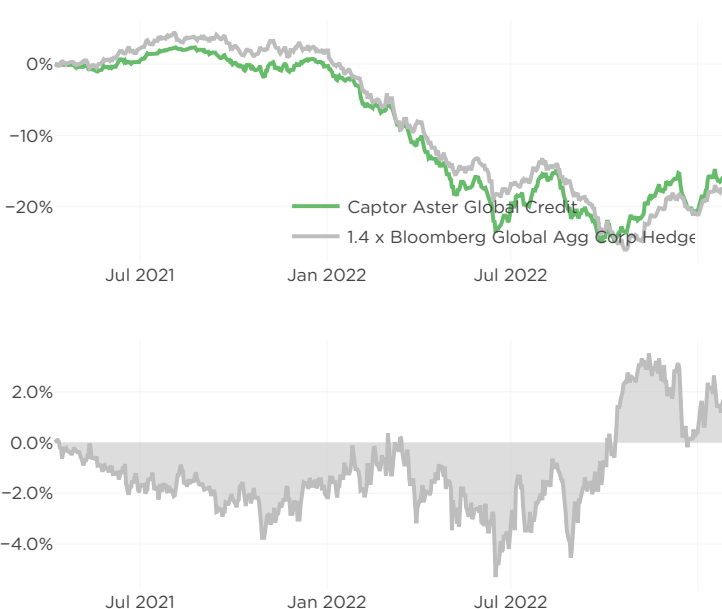
## ATTRIBUTION THIS MONTH



## RELATIVE PERFORMANCE



## PERFORMANCE



## RISK METRICS

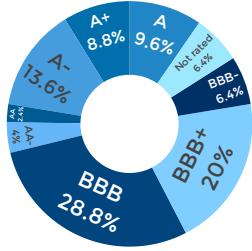
Duration	10.06 years	CDS IG EUR spread	80.07 bp
Credit duration (CDS)	9.72 years	CDS IG USD spread	72.56 bp

## DISCLAIMER

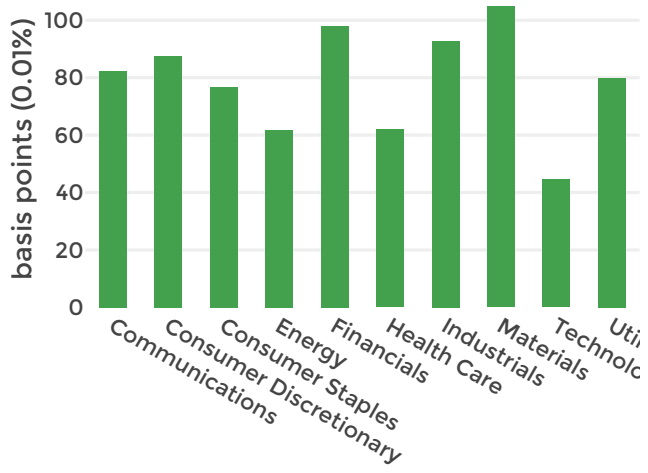
The information provided herein is generally descriptive and the fund may not be available for or suitable for you. Any opinions expressed do not constitute investment advice. Independent advice should be sought in cases of doubt. The value of the fund and any securities mentioned herein can fall as well as rise and an investor may get back less than the capital invested. Past performance is not necessarily a guide to future performance. Please go to <https://captor.se/fonder/> for further information.

EUROPE CDS

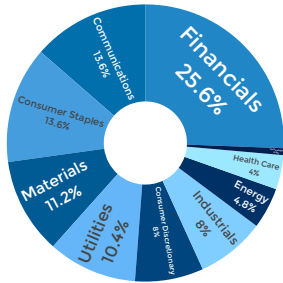
CREDIT RATING



SECTOR SPREADS

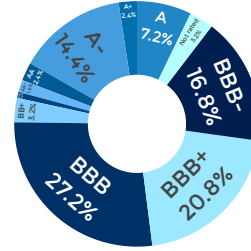


SECTOR ALLOCATION

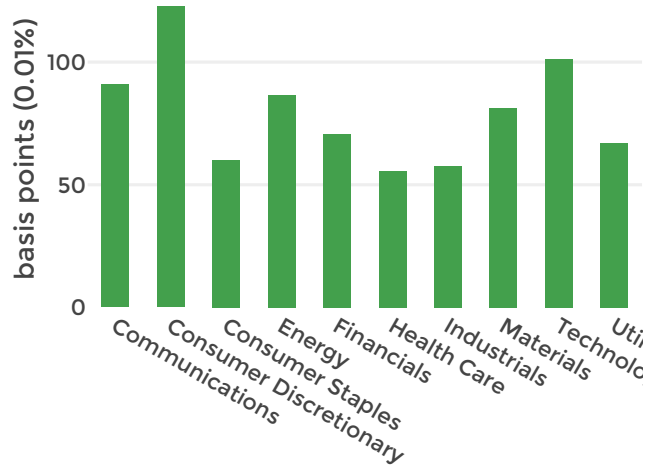


NORTH AMERICA CDS

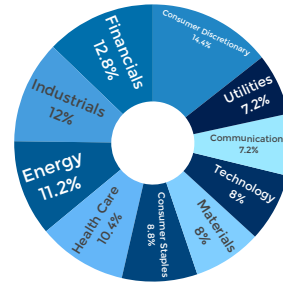
CREDIT RATING



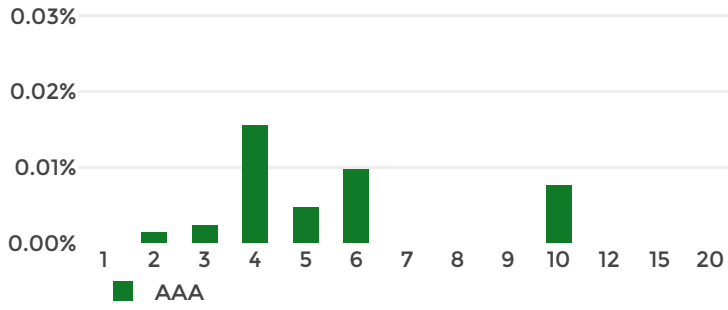
SECTOR SPREADS



SECTOR ALLOCATION

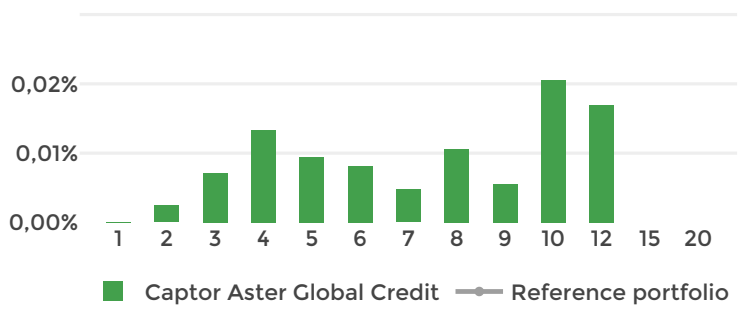


### CREDIT SPREAD RISK



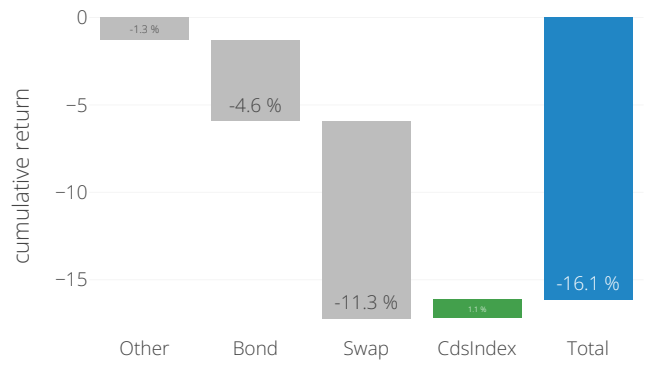
The graph shows the effect on fund NAV in % when shifting credit spreads down by 0.01%.

### INTEREST RATE RISK



The graph shows the effect on fund NAV in % when shifting the underlying curve down by 0.01%.

### CUMULATIVE ATTRIBUTION



## RETURN TABLE

	Helår	Jan Feb Mar	Apr Maj Jun	Jul Aug Sep	Okt Nov Dec
2023	5.7%	5.7%			
2022	-20.5%	-2.9% -3.3% -4.6%	-5.4% -1.3% -5.6%	6.9% -6.3% -4.0%	3.2% 5.3% -3.6%
2021	-0.3%		-0.4% -0.2% 0.8%	1.8% -0.1% -2.0%	-1.7% 1.7% -0.2%

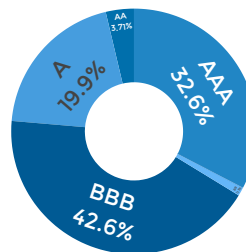
## TOP HOLDINGS

Issuer	Weight	Maturity	Rating	Sector
Nordea Hypotek AB	13.0%	2026-09-16	AAA	Bank/finans
Stadshypotek AB	10.2%	2028-09-01	AAA	Bank/finans
SEB Covered Bond Programme	9.3%	2026-12-16	AAA	Bank/finans
Kingdom of Sweden	8.6%	2028-05-12	AAA	Statlig
Sveriges Säkerställda Obligationer AB	7.9%	2026-06-17	AAA	Bank/finans
Kingdom of Sweden	7.7%	2033-11-11	AAA	Statlig
Sveriges Säkerställda Obligationer AB	5.9%	2027-06-09	AAA	Bank/finans
Stadshypotek AB	5.2%	2027-03-01	AAA	Bank/finans
Danske Hypotek AB	3.7%	2026-12-16	AAA	Bank/finans
SEB Covered Bond Programme	3.6%	2024-12-18	AAA	Bank/finans

## TOP ISSUERS

Issuer	Weight	Rating	Sector
Stadshypotek AB	17.4%	AAA	Bank/finans
Sveriges Säkerställda Obligationer AB	17.4%	AAA	Bank/finans
SEB Covered Bond Programme	16.4%	AAA	Bank/finans
Nordea Hypotek AB	16.4%	AAA	Bank/finans
Kingdom of Sweden	16.3%	AAA	Statlig
Swedbank Hypotek AB	4.1%	AAA	Bank/finans
Länsförsäkringar Hypotek AB	4.0%	AAA	Bank/finans
Danske Hypotek AB	3.7%	AAA	Bank/finans
Skandiabanken Covered Bond Programme	1.4%	AAA	Bank/finans
Sparebanken Vest Boligkreditt AS	1.1%	AAA	Försäkring

## CREDIT RATINGS



## SHARE CLASSES

	Class A	Class C
NAV	250.7175	84.0044
NAV Date	2023-01-31	2023-01-31
Dividend	No	No
Bloomberg Ticker	CASTERA SS Equity	CASTERC SS Equity
ISIN	SE0015243878	SE0015243886
Trade Cycle	Dagligen	Dagligen
Cut-off	14:00	10:00
SFDR	Article 8	Article 8
Min. Investment	100	10 000 000
Fee	0,6%	0,4%
Currency	SEK	SEK
Reg. Status	UCITS	UCITS
Currency Hedged	Yes	Yes

## REASONS TO INVEST

The fund is suitable for investors with home currency in Swedish Krona looking for attractive risk-adjusted returns through a well-diversified exposure to global investment grade credit. The strategy is suitable for investors looking for liquidity in all market conditions.

By construction the strategy effectively avoids being directly exposed to EUR or USD long term interest rates. In addition, the fund avoids all costs typically associated with hedging foreign currency back into Swedish Krona.

## HOW TO INVEST IN THE FUND

Some of the fund's share classes are available through Swedish banks and fund platforms. Furthermore, some share classes have a higher minimum investment, and for such share classes a dilution levy can be applied at subscription/redemption in order to protect the fund's shareholders. The process is the same as employed by exchange traded funds and also allows for physical creations/redemptions.

## RISK PROFILE

Interest rate risk and credit risk are the dominant risk factors in the fund. Typically a portfolio with equal exposure to these two risk factors will create a well balanced portfolio due to low correlation between them.

## Portfolio managers



Daniel Karlgren, Ph.D

Daniel has fifteen years of experience in trading fixed income, equity and currency products. He has previously worked as a quantitative analyst and asset manager at Handelsbanken and built up and managed a derivative portfolio at Industrivärden.

Contact: [daniel.karlgrén@captor.se](mailto:daniel.karlgrén@captor.se)



William Sjöberg

William Sjöberg holds a MSc from KTH in Stockholm with financial mathematics focus and an education in quantitative finance from the CQF Institute. William has previously worked at Nordea for eight years in derivatives covering several asset classes.

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