

Wealth Invest Indeksobligationer

March 2024

Return	March DKK	Fiscal YTD DKK	Since 27-10-2015 DKK
Portfolio	0,85%	-0,21%	8,32%
Benchmark	0,82%	-0,13%	7,54%
Excess Return	0,03%	-0,08%	0,78%

Key ratios	Portfolio Benchmark	
	Real Yield	1,36
Breakeven Inflation	2,38	2,34
FX hedge carry	-1,11	-1,32
Duration (nominal)	2,51	2,33
Real duration	5,01	4,66
Average maturity	5,37	4,98
Number of holdings	126	
Ex post tracking error	0,43	
Ex ante tracking error	0,63	
Ex ante beta	1,09	

Issuer	Portfolio Benchmark	
	USA	64,8%
UK	10,9%	9,9%
France	9,2%	8,6%
Germany	5,9%	3,2%
Australia	1,0%	1,1%
Canada	0,7%	0,8%
New Zealand	0,1%	0,3%
Other (incl cash)	7,3%	13,6%

Comment on the market and portfolio

In March, overweight US 10Y contributed positively to performance. In March, the fund returned 0.89%. Real yields across the universe were broadly lower in March. In the US, labour market data remained resilient, with a strong February non-farm payroll report (275k vs 200k expected) and January job openings remaining mostly unchanged and elevated. Core-CPI printed higher than expected, driven by an unexpected rise in used-cars and strong airfares, up 0.52% and 3.57% MoM respectively. Producer prices for February also printed higher than expected. At the FOMC meeting, Chairman Powell signaled that recent inflation data is just a bump in the road, which was affirmed by the new Summary of Economic Projections (SEP) which showed unchanged policy rate cut expectations in 2024 and unchanged core-inflation forecasts for 2025 and 2026. The SEP also reflected recent resilience, with improved growth and unemployment expectations. Later in the month, Fed Governor Waller cautioned that the recent inflation data may mean it is appropriate to "reduce the overall number of rate cuts or push them further into the future". In Europe, core-HICP was higher than expected, (3.1% vs 2.9% expected), however, producer prices for January came in well below expectations (-0.9% vs -0.1% expected). The ECB meeting was largely as expected, with updated projections showing downward revisions, mainly to Real GDP and HICP for 2024. Whilst the meeting signaled continued expected progress on inflation, ECB President Lagarde pointed to the need for more data. "We know that this data will come in the next few months. We will know a little more in April, but we will know a lot more in June", in a reference to future wage data. At the end of the month, preliminary Spanish, French and Italian HICP for March all printed below expectations. In the UK, the labour market report for February was weak across all measures and the Bank of England meeting delivered a dovish shift, as two previous hawks voted to 'hold', alongside "the Committee recognised that the stance of monetary policy could remain restrictive even if Bank Rate were to be reduced, given that it was starting from an already restrictive level". In Asia-Pacific, the Reserve Bank of Australia eased their tightening bias, whilst the Bank of Japan (BoJ) exited negative interest rates and yield curve control, and ended asset purchases. Whilst expected, the meeting held a dovish tilt, due to comments around continued risks that the inflation target is not met, hence the BoJ will continue to make JGB purchases. As of March end, we remain overweight US 10Y.

Largest holdings

TSY INFL IX N/B 1.125% 15.01.2033	4,2%
TSY INFL IX N/B 1.375% 15.07.2033	4,0%
TSY INFL IX N/B 0.625% 15.01.2026	3,8%
TSY INFL IX N/B 0.125% 15.01.2032	3,6%
TSY INFL IX N/B 0.625% 15.07.2032	3,3%
TSY INFL IX N/B 0.5% 15.01.2028	2,6%
TSY INFL IX N/B 0.125% 15.04.2027	2,6%
TSY INFL IX N/B 0.125% 15.07.2026	2,5%
TSY INFL IX N/B 0.125% 15.07.2030	2,5%

Maturity

	Portfolio	Benchmark
0-2	8,8%	12,8%
2-5	42,1%	44,3%
5-7	18,4%	18,2%
7-10	30,7%	24,7%
10+	0,1%	0,0%



Rating

	Portfolio
AAA	8,0%
AA1	64,8%
AA2	0,0%
AA3	20,1%
A1	0,0%
A2	0,0%
A3	0,0%
BAA1	3,2%
BAA2	0,0%
Other	3,9%

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Country	Inflation Index	Value (m.DKK)	Weight		Real rate duration		Wgt*Dur Diff	Real Yield	B.E. Infl.	FX hedge carry	Rating Index
			Ptf	Bm	Ptf	Bm					
USA	CPI	207,8	64,9%	62,3%	4,8	4,3	0,48	1,9	2,3	-2,1	AA1
UK	RPI	35,1	11,0%	11,3%	5,5	5,7	-0,03	0,2	3,7	-1,8	AA3
France	CPI ex.Tobacco	7,1	2,2%	2,1%	4,9	4,9	0,01	0,5	2,0	-0,4	AA2
France	EU CPI ex.Tobacco	22,3	7,0%	6,4%	4,6	4,9	0,01	0,4	2,2	-0,4	AA2
Germany	EU CPI ex.Tobacco	19,0	5,9%	3,2%	6,3	5,0	0,21	0,2	2,0	-0,4	AAA
Italy	EU CPI ex.Tobacco	9,4	2,9%	5,4%	3,5	5,2	-0,18	1,1	1,9	-0,4	BAA2
Spain	EU CPI ex.Tobacco	10,2	3,2%	3,2%	6,8	6,4	0,01	0,9	2,1	-0,4	A3
Japan	CPI (JGBI)	0,0	0,0%	3,0%	0,0	4,9	-0,15	0,0	0,0	3,1	A1
Sweden	CPI	2,2	0,7%	1,0%	5,7	3,9	0,00	0,9	1,4	-0,4	AAA
Canada	CPI	2,3	0,7%	0,8%	5,0	4,6	0,00	1,7	1,9	-1,5	AAA
Australia	CPI	3,2	1,0%	1,0%	4,5	4,4	0,00	1,3	2,5	-1,3	AAA
New Zealand	CPI	0,5	0,1%	0,3%	5,7	3,8	0,00	2,2	2,2	-2,2	AAA
Denmark	CPI	0,0	0,0%	0,1%	0,0	6,5	-0,01	0,0	0,0	0,0	AAA
FX (unrealized P/L)		0,4	0,1%	-0,2%	0,1	0,0	0,00	0,0	0,0		
Bank account		0,6	0,2%	0,0%	0,0	0,0	0,00	0,0	0,0		
Total		319,9	100%	100%	5,0	4,7	0,35	1,4	2,4	-1,3	

Note: Figures calculated in this table are live and may differ from the key figures in the report above.