

Balance EUR

BLEND FUNDS

Continued optimism

Further improvement in the Economy

Markets Also in the month of March, macroeconomic figures were continuing their improving streak. In many cases, we saw the highest or strongest numbers for consumer confidence since the financial crisis. The same was the case for indicators covering business confidence, even though stock returns were lower than previous months.

MSCI World (EUR) ended the month almost unchanged, which was primarily caused by a strengthened euro. The volatility index (VIX) was kept rather low throughout the month, which is beginning to indicate some complacency among equity investors.

Long interest rates increased in the beginning of the month, but they almost fell back to the starting point at the end of the month. The same goes for EUR/USD, which ended the month slightly higher due to "dovish" tones from the FED, which led to a weakening of the USD.

Opinion polls and bookmaker-odds on the French presidential election indicate an about 22% likelihood that Marine Le

Pen will be the next president. If that would happen, the euro would most likely drop.

Moderate returns in quiet market

The Portfolio The fund delivered a slightly lower than its benchmark which was primarily caused by the fact that the fund's exposure to stocks was performing below its benchmark in March. Especially the Japanese exposure did worse than the Japanese stock market in general, but also the European and US exposures were performing below their benchmarks.

Again, the overweight to Danish mortgage bonds showed better returns than the general European market for high grade bonds.

The fund's exposure to High Yield corporate bonds delivered an excess return of 0,4%, which was quite satisfactory, but due to the small allocation to this asset class, it didn't have much of an impact on total return for the fund.

See performance and fund data

[Click here >](#)

Strategy

Balance is targeted at investors with a short investment horizon and/or low risk tolerance. The fund has a well-diversified exposure to equities, mortgage credit bonds, developed market treasury bonds, emerging market treasury bonds, corporate bonds and cash. The equities exposure is tilted to benefit from the value, small cap and momentum factors, and the exposure to corporate bonds is sought to be obtained through small issuers, low net debt and strong asset backing. For treasury and mortgage credit bonds, the strategy is to maintain a constant portfolio duration within a tight range. The overall exposure to the different asset classes is strategic and no attempt is made to time the market. The target equity exposure is 50%, but a deviation of +/- 5% is allowed before the portfolio is re-balanced.

