

NEWSLETTER APRIL 2014



MIDGARD

FIXED INCOME FUND LIMITED

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Performance & NAV	AA	A	B
Monthly return	0.42%	0.42%	0.31%
Return year-to-date	2.67%	2.67%	2.10%
NAV per share	241.03	118.79	115.24

All statistics, unless otherwise stated, are for the AA share class.

MARKET UPDATE APRIL 2014

Midgard Fixed Income Fund returned 0.42 per cent in April leaving the total yield year to date at 2.67 pct.

Again ECB failed to deliver any hard measures against sluggish growth in the Eurozone and the verbal intervention was also negligible leaving euro rates at rather elevated levels.

While ECB remained passive the Danish Central Bank was forced to hike the rate on certificates of deposits with 15bp on the 24th of April. With short DKK rates trading below EUR ditto, EURDKK have for a prolonged period traded at the upper end of the range provided in the fixed rate regime. The Danish Central Bank initially intervened by selling foreign currency against DKK but as it failed to provide relief, a rate hike was necessary. The hike provided some relief but EURDKK still trade at high levels. There is a great possibility that short end Danish interest rates will continue to underperform European rates in the coming months.

The move by the Danish Central bank naturally left material foot prints in the short end of the Danish mortgage bond market. As a significant part of the portfolio in this segment furthermore is hedged against euro rates, this naturally dampened performance in April.

In Sweden, the flattening of the ASW curve continued and the long end of Sweden trades at historical tight levels. The long end of the curve remains well supported by low supply as Swedish banks benefit from the cross-currency swap and issue at attractive levels in the euro market.



Christian Riemann-Andersen
Senior Portfolio Manager, Midgard

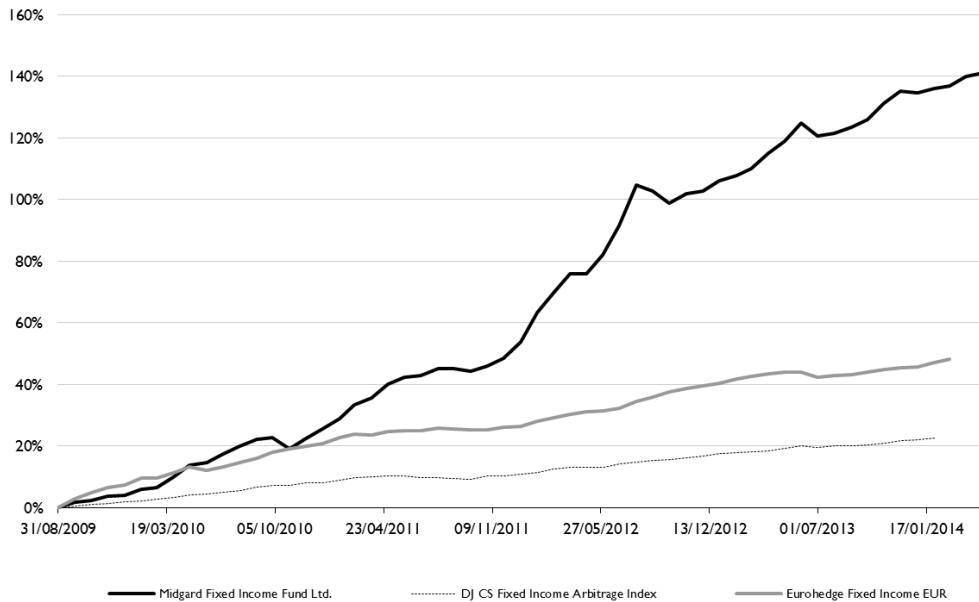
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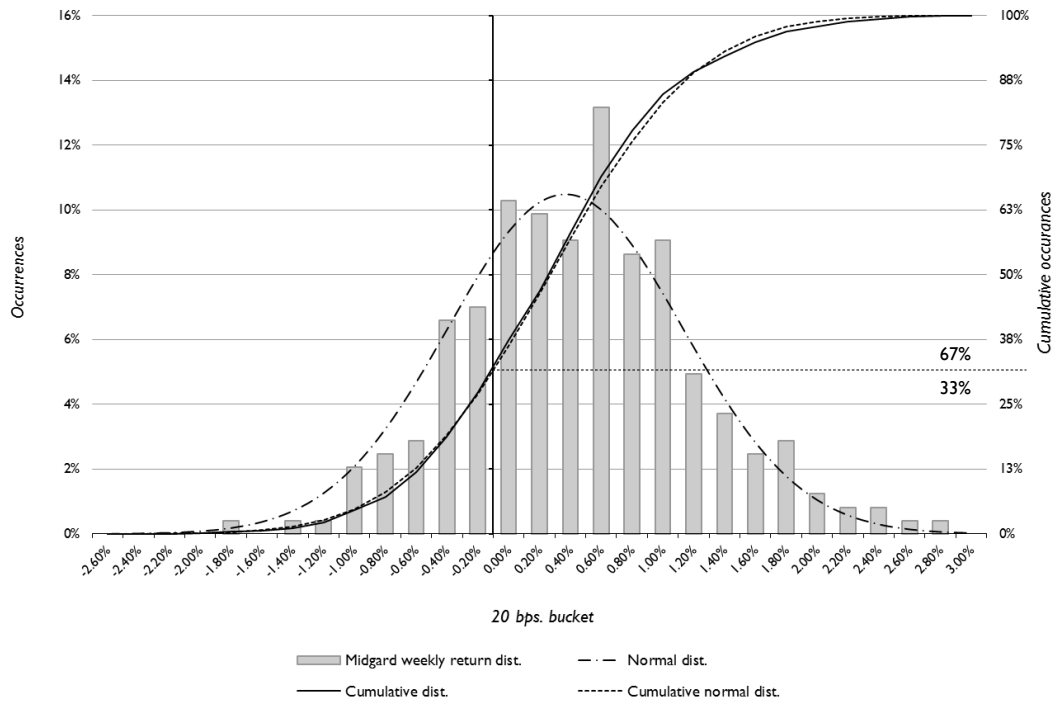
HISTORICAL PERFORMANCE

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YoY
2009									1.66%	0.59%	1.32%	0.39%	4.01%
2010	1.98%	0.44%	3.23%	3.34%	0.91%	2.32%	2.16%	2.03%	0.31%	-2.98%	2.80%	2.56%	20.67%
2011	2.71%	3.40%	1.65%	3.32%	1.74%	0.30%	1.49%	0.18%	-0.75%	1.31%	1.77%	3.45%	22.50%
2012	6.20%	4.03%	3.56%	-0.01%	3.43%	5.25%	6.97%	-1.07%	-1.82%	1.47%	0.50%	1.54%	34.00%
2013	0.91%	1.01%	2.41%	1.81%	2.70%	-1.82%	0.36%	0.89%	1.14%	2.24%	1.71%	-0.16%	13.95%
2014	0.51%	0.41%	1.29%	0.42%									2.67%



Return	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJIA Fixed Income Arbitrage Index
Annualized	20.75%	4.74%	9.14%
Last 12 months	10.07%	4.03%	3.91%
Last 3 months	2.14%	1.41%	1.84%
Since inception	141.03%	22.71%	48.18%
Best month	6.97%	1.02%	2.77%
Worst month	-2.98%	-0.50%	-1.14%
Positive months	87.50%	90.57%	90.74%
Negative months	12.50%	9.43%	9.26%
Volatility	6.26%	1.20%	2.43%
Sharpe Ratio	3.22	3.49	3.54

RETURN DISTRIBUTION



Moments	Midgard Fixed Income	EuroHedge Fixed	DJIA Fixed Income
	Fund Ltd.	Income Arbitrage Index	Arbitrage Index
Return	20.75%	4.74%	9.15%
Standard deviation	6.39%	1.20%	2.43%
Kurtosis	1.27	0.29	1.04
Skewness	0.32	-0.47	0.13

Correlation analysis	Midgard Fixed Income	EuroHedge Fixed	DJIA Fixed Income
	Fund Ltd.	Income Arbitrage Index	Arbitrage Index
Correlation coefficient	-	45.89%	18.81%
Beta	-	254.03%	51.83%
Alpha	-	9.40%	16.31%
R2	-	21.06%	3.54%
Autocorrelation	29.47%	7.65%	30.63%

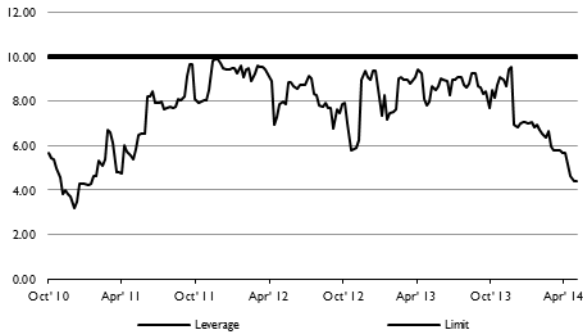
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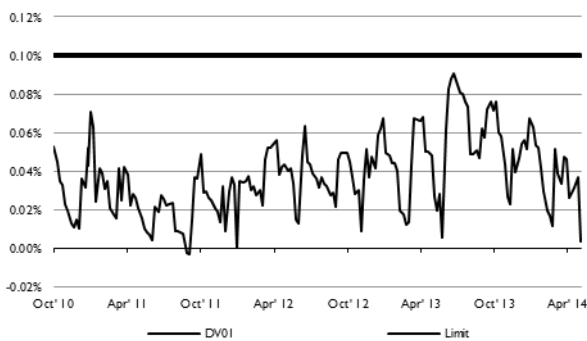
RISK & LINE LIMITS

LEVERAGE

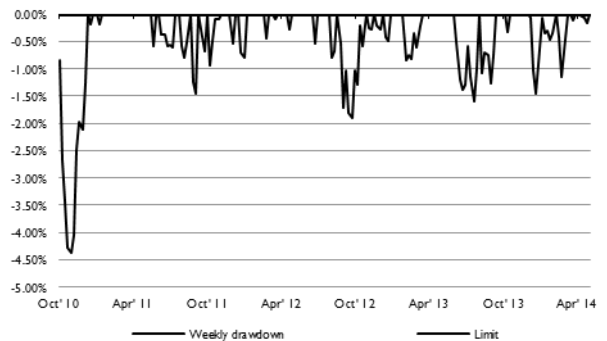


Risk	Midgard	Limit/limit
DV01	0.00%	± 0.10%
Leverage	4.40	Max. 10
VaR	0.57%	Max. 2 %
FX exposure	48.68%	Max. 100 %

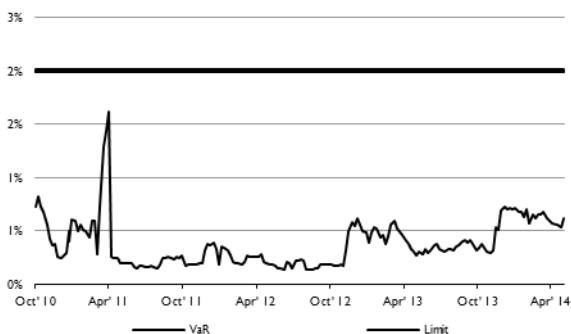
DV01



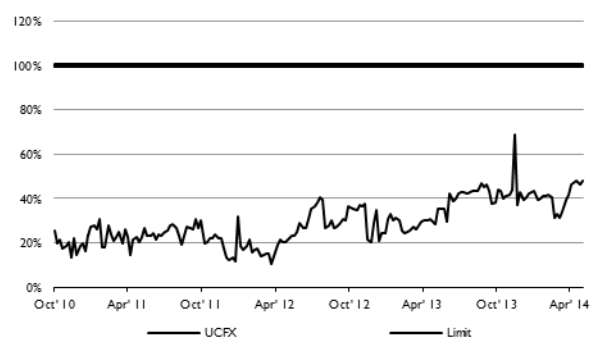
WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



RISK FIGURES

Risk Figure	Weekly data		Note
	Since inception	1Y	
<i>Period</i>			
Portfolio return (r_p)	20.75%	10.07%	
Excess return ($r_p - r_f$)	20.30%	8.21%	
<i>36 month</i>			
Portfolio return (r_p)	19.85%	-	
Excess return ($r_p - r_f$)	19.17%	-	
Maximum drawdown since inception	4.38%	1.60%	
Maximum drawdown 36m	1.91%	-	*
Largest individual drawdown			
First	1.85%	1.60%	
Second	1.42%	1.45%	
Third	1.24%	1.38%	
Average	1.50%	1.48%	
Calmar Ratio	10.03	-	*
MAR Ratio	4.64	5.13	
Sterling ratio	13.52	6.83	
Downside risk	0.87%	1.07%	
Upside risk	1.32%	1.68%	
Loss standard deviation	6.60%	5.13%	
Gain standard deviation	4.90%	3.42%	
Mean absolute moment, downside	-24.18%	-22.30%	
Mean absolute moment, upside	39.64%	29.26%	
Omega ratio	1.51	1.57	
Volatility skewness	0.55	0.44	

* Not applicable for 1-year returns

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Strategy AUM	EUR 534.87 million
Listing	Irish Stock Exchange
ISIN	KYG6125M1015
Bloomberg ID	MIDGFXI KY Equity
Investment Manager	PFA Asset Management Sundkrogsgade 4 2100 Copenhagen Denmark +45 39 17 50 00 www.pfaassetmanagement.dk
Administrator	GlobeOp Financial Services +1 345 945 5664
Prime Broker	Skandinaviska Enskilda Banken AB +45 33 36 85 07
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