

NEWSLETTER APRIL 2017



PFA
INVESTMENT FUND

Performance & NAV	AA	A	B
Monthly return	0.82%	0.82%	0.69%
Return year-to-date	2.86%	2.86%	2.51%
NAV per share	299.85	147.91	136.83

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

MARKET UPDATE APRIL 2017

PFA Investment Fund - Midgard Fixed Income Fund returned 0.82 % in April, bringing total YTD performance to 2.86 %.

The first round of the French presidential election was concluded in April, and the results were taken very “well” by markets; even though Front National’s Marine Le Pen went through to round two, markets is generally pricing out the probability of her winning on May 7th.

Assets in all of the fund’s core markets performed in April. Especially long-end SEK covered asset swaps were bid in April, with a significant flattening of the curve as a result. DKK covered asset swaps performed slightly as well, but not at all to the same extent as their Swedish counterparts. The latest developments in spreads now mean that Swedish asset swaps are no longer as attractive vis-à-vis Danish asset swaps as used to be the case; the relative value case between the two markets is no longer as clear-cut.

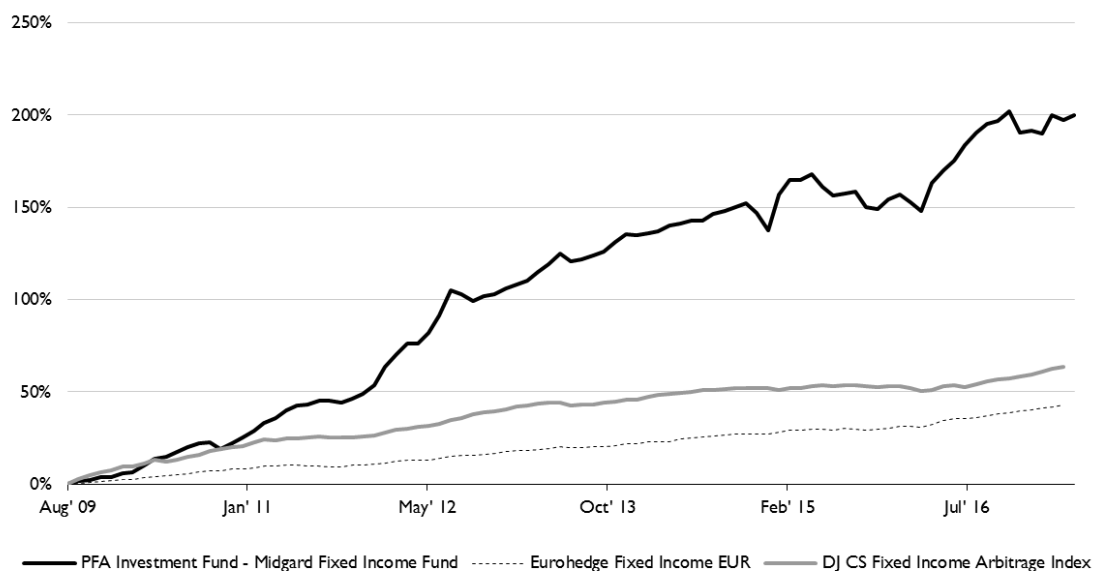
April ended relatively dovish on the monetary policy front; market implied policy rates for the Fed in particular decreased significantly for the first time this year, after having been relatively anchored for the first 3 months. While ECB pricing was more stable in April, Riksbank pricing seemed to follow Fed pricing as Swedish hard data disappointed somewhat in April. The Kroner thus continued the depreciation that it had observed since February.



Stefan Helgason
Senior Portfolio Manager, PFA Investment Fund

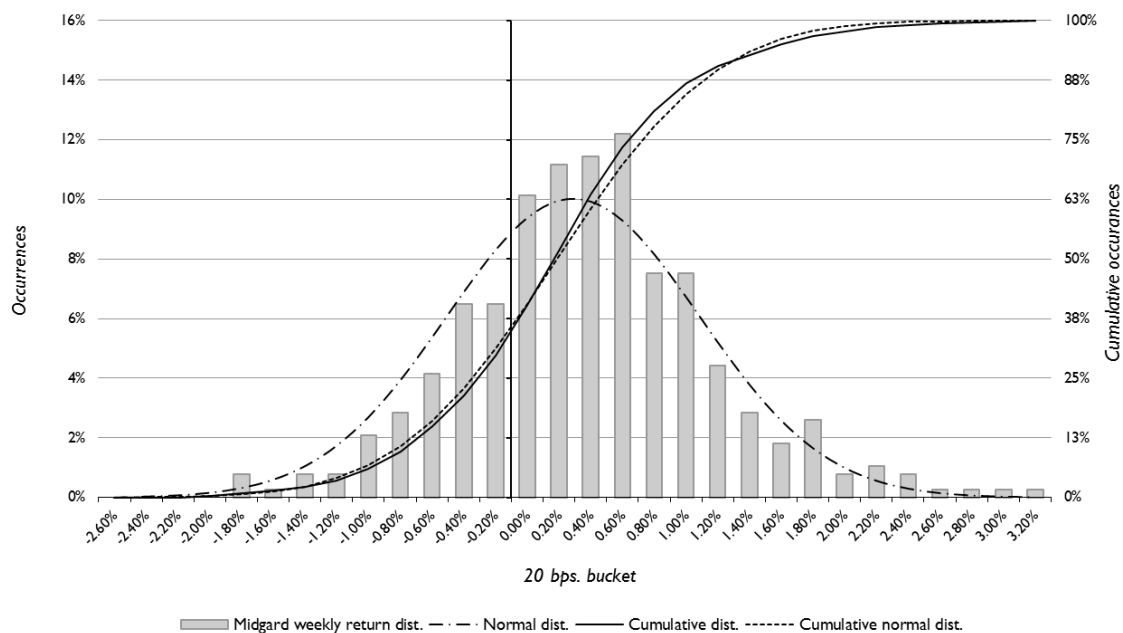
HISTORICAL PERFORMANCE

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%	0.64%	-0.05%	1.57%	0.62%	0.83%	0.88%	-2.06%	-3.82%	1.11%
2015	8.18%	3.01%	0.07%	1.26%	-2.69%	-1.74%	0.37%	0.53%	-3.37%	-0.28%	1.92%	1.18%	8.27%
2016	-1.67%	-1.86%	5.99%	2.64%	1.94%	3.09%	2.39%	1.63%	0.61%	1.62%	-3.75%	0.41%	13.42%
2017	-0.62%	3.53%	-0.84%	0.82%									2.86%



Return	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Annualized	15.40%	4.82%	6.68%
Last 12 months	11.12%	8.01%	8.02%
Last 3 months	3.50%	2.02%	2.32%
Since inception	199.85%	42.90%	63.28%
Best month	8.18%	1.51%	2.77%
Worst month	-3.82%	-0.58%	-1.14%
Positive months	79.35%	85.71%	82.42%
Negative months	20.65%	14.29%	17.58%
Volatility	7.41%	1.45%	2.35%
Sharpe Ratio	2.05	3.14	2.74

RETURN DISTRIBUTION

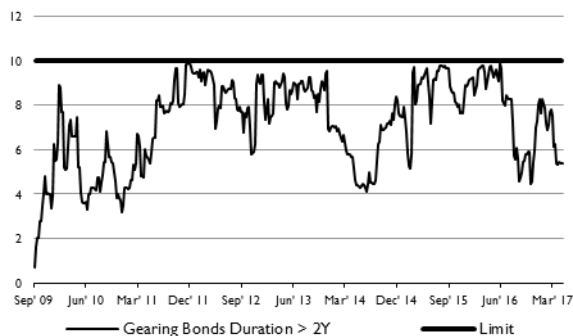


Moments	PFA Investment Fund -	EuroHedge Fixed Income	DJ CS Fixed Income
	Midgard Fixed Income Fund	Arbitrage Index	Arbitrage Index
Return	15.40%	4.82%	6.68%
Standard deviation	7.41%	1.45%	2.35%
Kurtosis	1.40	0.45	0.99
Skewness	0.30	-0.14	0.21

Correlation analysis	PFA Investment Fund -	EuroHedge Fixed Income	DJ CS Fixed Income
	Midgard Fixed Income Fund	Arbitrage Index	Arbitrage Index
Correlation coefficient	-	49.79%	27.08%
Beta	-	254.89%	85.91%
Alpha	-	2.43%	9.14%
R2	-	24.79%	7.33%
Autocorrelation	19.41%	3.92%	37.53%

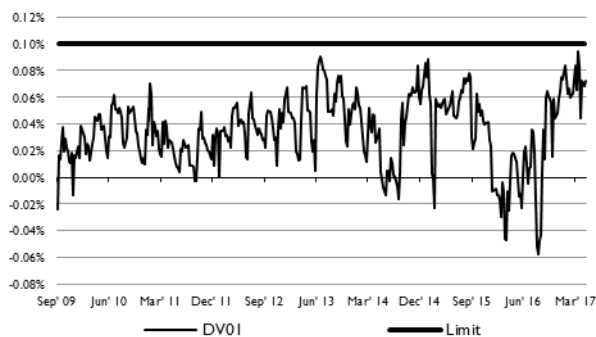
RISK & LINE LIMITS

GEARING BONDS DURATION > 2Y

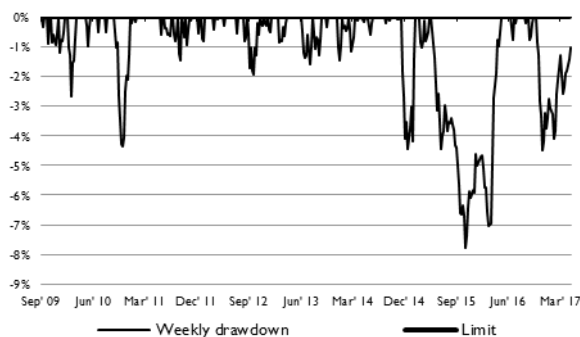


Risk	Midgard	Lime/limit
DV01	0.07%	± 0.10%
Leverage	5.38	Max. 10
VaR	0.58%	Max. 2 %
FX exposure	81.22%	Max. 100 %

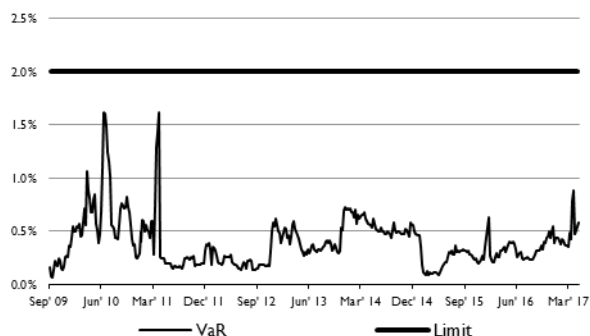
DV01



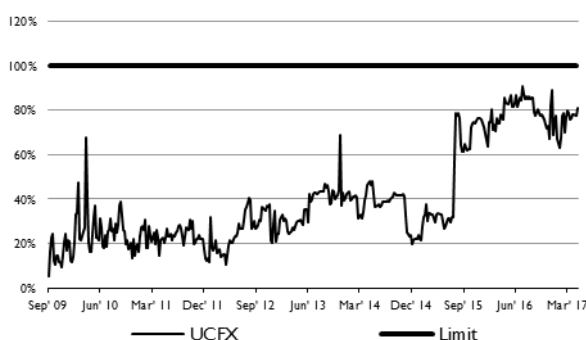
WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



RISK FIGURES

Risk Figure	Weekly data		Note
	Since inception	1Y	
<i>Period</i>			
Portfolio return (r_p)	15.40%	11.12%	
Excess return ($r_p - r_f$)	15.19%	11.51%	
<i>36 month</i>			
Portfolio return (r_p)	7.55%	-	
Excess return ($r_p - r_f$)	7.74%	-	
Maximum drawdown since inception	7.78%	4.48%	
Maximum drawdown 36m	7.78%	-	*
Largest individual drawdown			
First	1.86%	1.57%	
Second	1.85%	1.20%	
Third	1.57%	0.87%	
Average	1.76%	1.21%	
Calmar Ratio	1.00	-	*
MAR Ratio	1.95	2.57	
Sterling ratio	8.64	9.18	
Downside risk	0.68%	1.57%	
Upside risk	1.16%	1.72%	
Loss standard deviation	6.31%	6.54%	
Gain standard deviation	5.16%	4.15%	
Mean absolute moment, downside	-25.45%	-31.96%	
Mean absolute moment, upside	36.51%	29.82%	
Omega ratio	1.69	1.09	
Volatility skewness	0.67	0.40	

* Not applicable for 1-year returns

PFA

INVESTMENT FUND

Strategy AUM	EUR 534.242 million
Listing	Irish Stock Exchange
ISIN	LU1439934933
Bloomberg ID	MIDGFXI LX Equity
Investment Manager	PFA Asset Management Sundkrogsgade 4 2100 Copenhagen Denmark +45 39 17 50 00 www.pfaassetmanagement.dk
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Prime Broker	Skandinaviska Enskilda Banken AB +45 33 36 85 07
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