

NEWSLETTER APRIL 2018



PFA
INVESTMENT FUND

Performance & NAV	AA	A	B
Monthly return	1.24%	1.24%	1.02%
Return year-to-date	2.97%	2.97%	2.35%
NAV per share	322.56	158.72	144.64

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

MARKET UPDATE APRIL 2018

PFA Investment Fund - Midgard Fixed Income Fund returned 1.23 % in April, bringing total return to 2.97 %.

The Month of April showed continuation in the risk on tone set as Financial Markets focused on positive key figures, growth momentum and global Central Banks turning to sustained attention towards normalization of monetary policy. Even the ECB and other European Central Banks turned further towards normalizing ultra-easy policy. That said, liquidity in the financial system will continue to stay at very elevated levels for several Years into the future.....only issue is how and when the price for this liquidity will turn higher?

European Yields showed a moderate rise whereas US rose some 15bp with a continued drift lower in the difference between 2 Year and 10 Year rates pushing towards the magical mark of zero. This is the level where most investors and prognosticators will ask the question; when will the next recession emerge? Judging from foreign exchange EURUSD showed that it was not upfront as the USD showed strength taking the cross from 1,23 to just shy of the 1,20 mark.

Midgard's core markets showed great resilience as sub 5 Year covered bonds continued performing versus interest rate swap although most Scandinavian investors were focusing on the weakening of the Swedish Krona which took the EURSEK cross to levels above 10,60 – levels not seen since the crisis of 2008/2009.

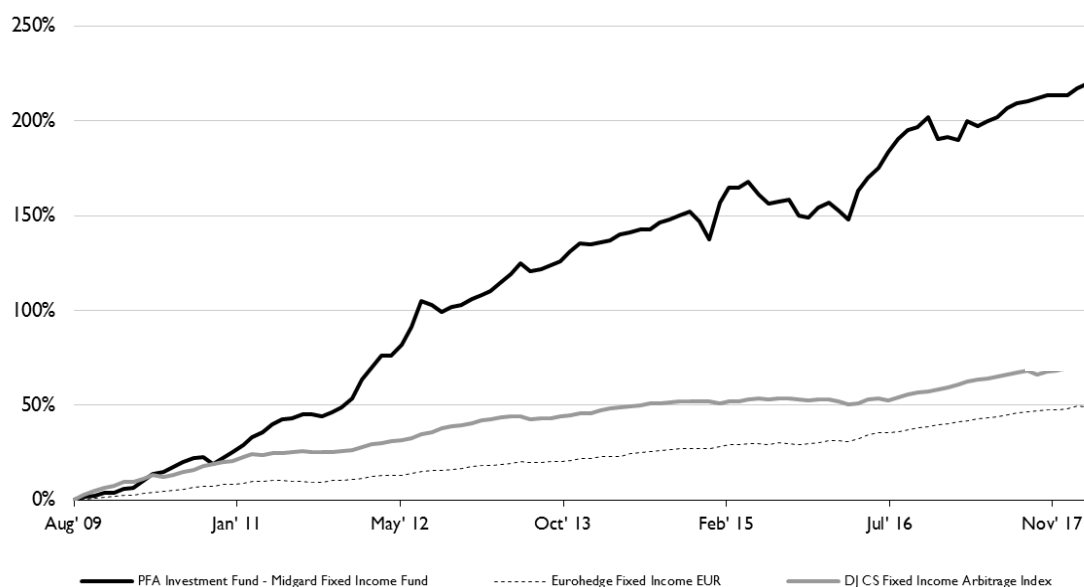
Danish covered continued to be a favorite of foreign investors, talk mostly of Asian accounts, although at a somewhat slower pace. That combined with a gradual rise in Yields sent Option Adjusted Spreads wider for 30 Year callable bonds.



Jesper Slemming
Chief Investment Officer, PFA Investment Fund

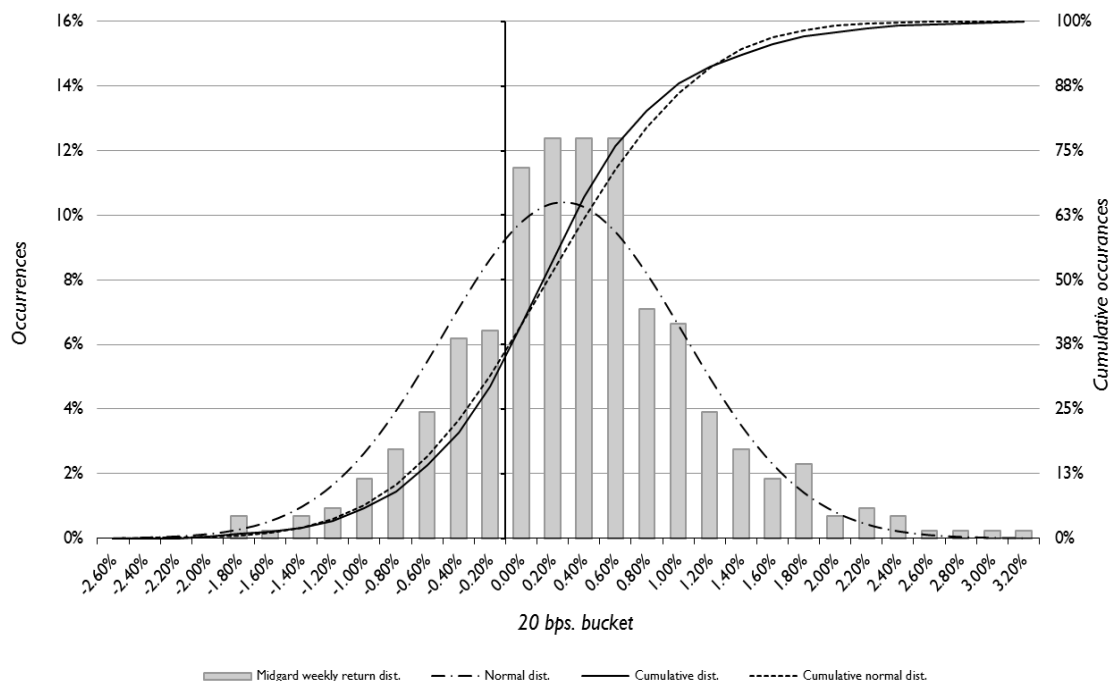
HISTORICAL PERFORMANCE

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%	0.74%	1.45%	0.87%	0.33%	0.57%	0.42%	0.08%	-0.07%	7.46%
2018	1.23%	0.68%	-0.20%	1.24%									2.97%



Return	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Annualized	14.47%	4.77%	6.59%
Last 12 months	7.58%	4.39%	5.93%
Last 3 months	1.72%	0.65%	1.75%
Since inception	222.56%	49.19%	72.96%
Best month	8.18%	1.51%	2.77%
Worst month	-3.82%	-0.58%	-1.19%
Positive months	79.81%	85.44%	83.50%
Negative months	20.19%	14.56%	16.50%
Volatility	7.02%	1.41%	2.30%
Sharpe Ratio	2.03	3.26	2.79

RETURN DISTRIBUTION

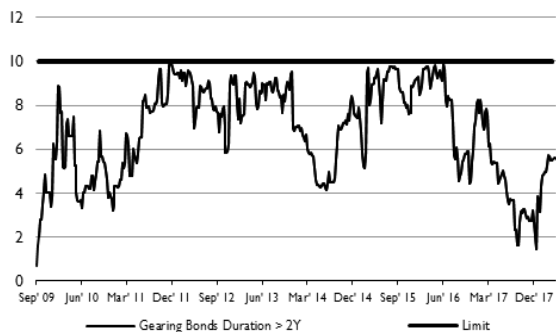


Moments	PFA Investment Fund -	EuroHedge Fixed Income	DJ CS Fixed Income
	Midgard Fixed Income Fund	Arbitrage Index	Arbitrage Index
Return	14.47%	4.77%	6.59%
Standard deviation	7.02%	1.41%	2.30%
Kurtosis	1.85	0.54	1.28
Skewness	0.40	-0.12	0.06

Correlation analysis	PFA Investment Fund -	EuroHedge Fixed Income	DJ CS Fixed Income
	Midgard Fixed Income Fund	Arbitrage Index	Arbitrage Index
Correlation coefficient	-	49.66%	26.02%
Beta	-	249.25%	79.82%
Alpha	-	1.94%	8.69%
R2	-	24.66%	6.77%
Autocorrelation	20.04%	4.06%	32.77%

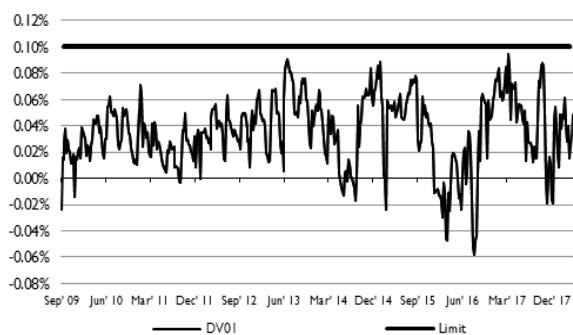
RISK & LINE LIMITS

GEARING BONDS DURATION > 2Y

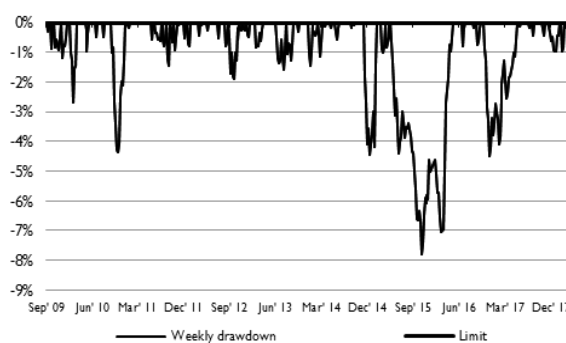


Risk	Midgard	Lime/limit
DV01	0.01%	± 0.10%
Leverage	5.39	Max. 10
VaR	0.66%	Max. 2 %
FX exposure	52.01%	Max. 100 %

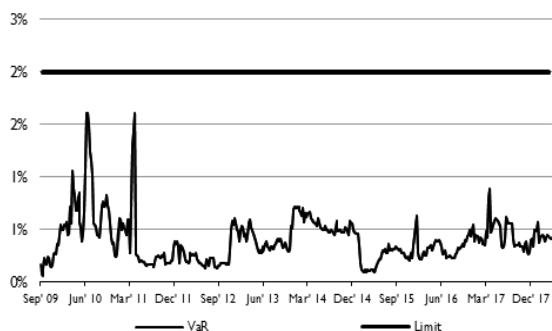
DV01



WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



RISK FIGURES

Risk Figure	Weekly data		Note
	Since inception	1Y	
<i>Period</i>			
Portfolio return (r_p)	14.47%	7.58%	
Excess return ($r_p - r_f$)	14.33%	7.96%	
<i>36 month</i>			
Portfolio return (r_p)	6.37%	-	
Excess return ($r_p - r_f$)	6.68%	-	
Maximum drawdown since inception	7.78%	4.08%	
Maximum drawdown 36m	7.78%	-	*
Largest individual drawdown			
First	1.86%	0.85%	
Second	1.85%	0.69%	
Third	1.57%	0.63%	
Average	1.76%	0.72%	
Calmar Ratio	0.86	-	*
MAR Ratio	1.84	1.95	
Sterling ratio	8.15	10.52	
Downside risk	0.66%	0.85%	
Upside risk	1.11%	1.33%	
Loss standard deviation	6.07%	3.62%	
Gain standard deviation	5.02%	2.56%	
Mean absolute moment, downside	-24.33%	-16.21%	
Mean absolute moment, upside	34.89%	19.27%	
Omega ratio	1.69	1.57	
Volatility skewness	0.68	0.50	

* Not applicable for 1-year returns

PFA

INVESTMENT FUND

Strategy AUM	EUR 522.7 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
Administrator	GlobeOp Financial Services +1 345 945 5664
Prime Broker	Skandinaviska Enskilda Banken AB +45 33 36 85 07
Investor Relations	PFA Asset Management +45 39 17 50 00