

# NEWSLETTER April 2020



**PFA**  
INVESTMENT FUND

Performance & NAV	<b>AA</b>	<b>A</b>	<b>B</b>
Monthly return	<b>2.71%</b>	<b>2.67%</b>	<b>2.67%</b>
Return year-to-date	<b>-5.59%</b>	<b>-5.75%</b>	<b>-5.75%</b>
NAV per share	<b>324.67</b>	<b>157.30</b>	<b>142.95</b>

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

**MARKET UPDATE April 2020**

April was a month of careful relief after a highly volatile March. Most of Europe and the US was in lockdown mode due to the COVID-19 virus for most of the month, and not until the end was there scattered signs of easing. Despite this April showed signs of continued optimism in the financial markets. Most likely this was partly due to both an increasing realization that the deeply depressed pricing of March was no longer justified, as well as continued highly supportive policy initiatives from both fiscal and monetary policymakers globally.

This risk-on sentiment was evident across markets. Equities was up and in the US the S&P 500 index recording its 3rd highest monthly return since the 1950s. Credit spreads were lower, while rates were broadly unchanged through the month. In Scandinavia the tone was also apparent with both the SEK and NOK strengthening versus the Euro and ASW spreads in all markets lower.

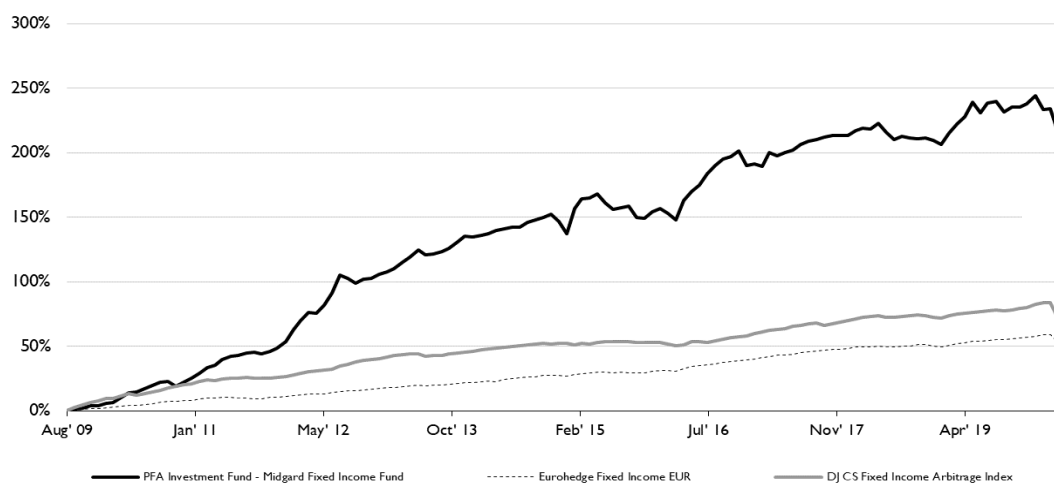
The Midgard fund returned a very decent 2.71% over the month. This was largely attributable to the tightening in Scandi ASW spreads, after the aggressive widening in March. All three Scandinavian markets returned positive, although positioning in SEK was the largest contributor.

Jesper Slemming  
Chief Investment Officer, PFA Investment Fund



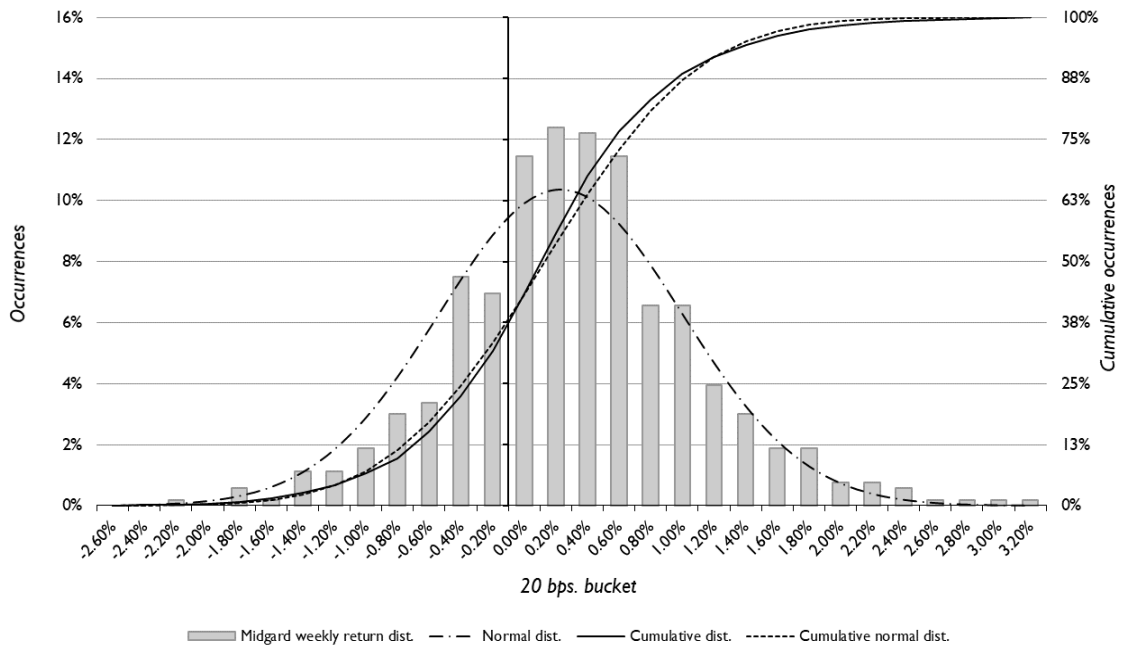
**HISTORICAL PERFORMANCE**

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%	-2.12%	-1.80%	0.77%	-0.26%	-0.25%	0.10%	-0.60%	-0.93%	-2.18%
2019	2.90%	2.08%	1.88%	3.39%	-2.39%	2.29%	0.41%	-2.43%	1.14%	-0.09%	0.83%	1.78%	12.23%
2020	-2.96%	0.18%	-5.44%	2.71%									-5.59%



Return	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Annualized	11.67%	4.06%	5.25%
Last 12 months	-4.23%	-0.20%	-2.16%
Last 3 months	-2.71%	-3.48%	-5.76%
Since inception	224.67%	52.41%	71.82%
Best month	8.18%	1.51%	2.77%
Worst month	-5.44%	-4.09%	-6.51%
Positive months	75.00%	82.68%	81.89%
Negative months	25.00%	17.32%	18.11%
Volatility	7.22%	1.99%	3.09%
Sharpe Ratio	1.61	2.00	1.67

RETURN DISTRIBUTION

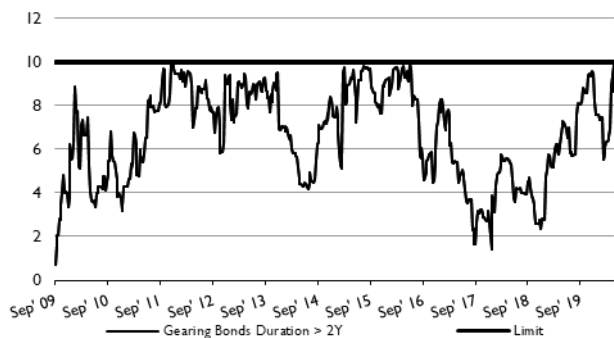


Moments	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Return	11.67%	4.06%	5.25%
Standard deviation	7.22%	1.99%	3.09%
Kurtosis	1.68	27.07	28.60
Skewness	0.15	-3.67	-3.66

Correlation analysis	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Correlation coefficient	-	54.30%	41.10%
Beta	-	196.92%	96.16%
Alpha	-	3.15%	6.21%
R2	-	29.49%	16.89%
Autocorrelation	15.75%	13.16%	26.69%

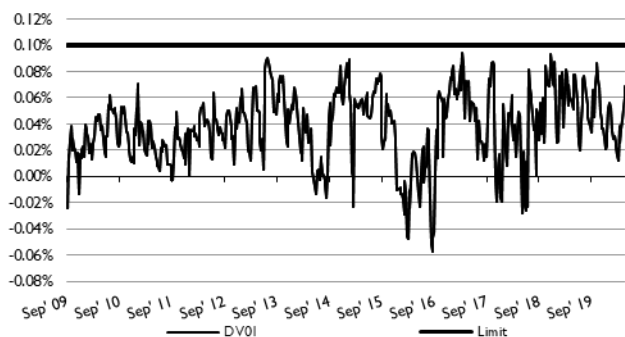
### RISK & LINE LIMITS

#### GEARING BONDS DURATION > 2Y

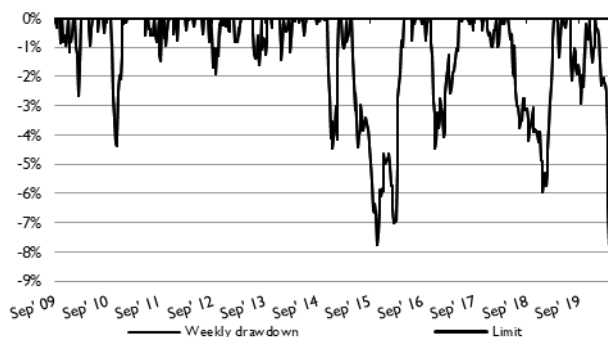


Risk	Midgard	Lime/limit
DV01	0.07%	± 0.10%
Leverage	8.81	Max. 10
VaR	0.53%	Max. 2 %
FX exposure	22.83%	Max. 100 %

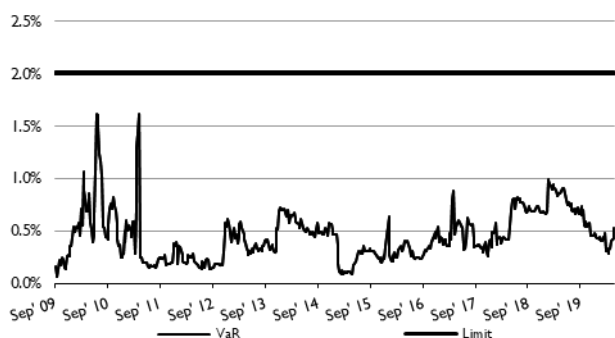
#### DV01



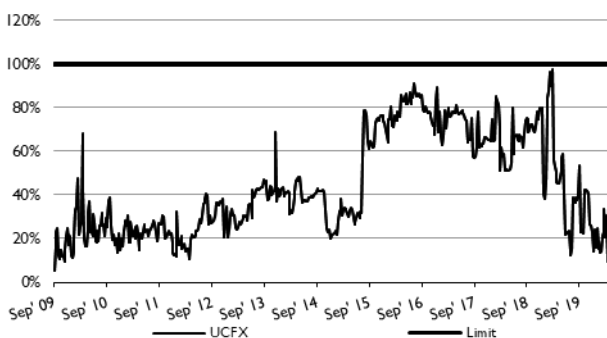
#### WEEKLY DRAWDOWN



#### VaR



#### NON-COVERED FX EXPOSURE



RISK FIGURES

Risk Figure	Weekly data		Note
	Since inception	1Y	
<i>Period</i>			
Portfolio return ( $r_p$ )	11.67%	-4.23%	
Excess return ( $r_p - r_f$ )	11.65%	-3.81%	
<i>36 month</i>			
Portfolio return ( $r_p$ )	2.69%	-	
Excess return ( $r_p - r_f$ )	3.08%	-	
Maximum drawdown since inception	7.78%	7.72%	
Maximum drawdown 36m	7.72%	-	*
Largest individual drawdown			
First	2.34%	2.34%	
Second	1.86%	1.57%	
Third	1.85%	1.50%	
Average	2.02%	1.80%	
Calmar Ratio	0.40	-	*
MAR Ratio	1.50	-0.49	
Sterling ratio	5.78	-2.35	
Downside risk	0.73%	2.34%	
Upside risk	0.99%	1.51%	
Loss standard deviation	5.93%	5.51%	
Gain standard deviation	4.99%	5.74%	
Mean absolute moment, downside	-25.14%	-31.50%	
Mean absolute moment, upside	33.39%	30.00%	
Omega ratio	1.35	0.64	
Volatility skewness	0.71	1.09	

\* Not applicable for 1-year returns

# PFA

INVESTMENT FUND

Strategy AUM	EUR 508.7 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 <a href="http://www.pfaassetmanagement.dk">www.pfaassetmanagement.dk</a>
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