



NEWSLETTER AUGUST 2015

MIDGARD
FIXED INCOME FUND LIMITED

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Performance & NAV	AA	A	B
Monthly return	0.53%	0.53%	0.45%
Return year-to-date	8.95%	8.95%	7.65%
NAV per share	258.62	127.46	121.00

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

MARKET UPDATE AUGUST 2015

The Midgard Fixed Income Fund Ltd. returned 0.53 % in August, and this brings total YTD performance for 2015 to 8.95 %.

August was generally a month characterized by heightened activity, after an expectedly slow summer. Worries of Chinese growth rippled through major assets, and saw core European yields rise as stocks plunged. All the while, markets' expectations of a September hike from the fed gradually faded.

In Danish non-callable space, the post-summer session was kicked off with issuance of approx. 100bn DKK, primarily in 1-year OAS. Volatility was low throughout the auction period, with spreads generally maintaining their pre-auction levels.

Central bank action once again stole much of markets' attention. In Denmark, the National Bank resumed issuance of government bonds and bills, and at the same time reduced the limits on current account, as the governor works to return to "normalcy" after a period of aggressive defense of the ERMII peg of the Krone against the EUR. Interestingly, o/n fixings increased in the days following the announcement, defying many analysts' expectations of the contrary, and as a result swap spreads between DKK and EUR continued the skyward path.

In Sweden, spreads on covered bonds continue to be compressed compared with their Danish counterparts, and all-in, Swedish covered bonds look relatively unattractive still. Swedish macro generally surprised to the upside in August, and subsequently The Riksbank decided not to cut its benchmark interest rate.



Stefan Helgason
Portfolio Manager, Midgard

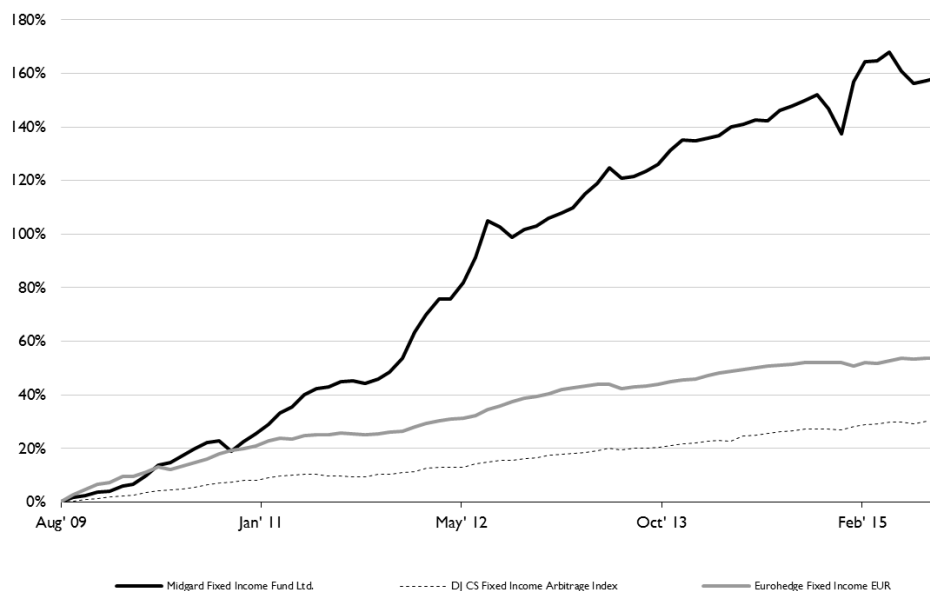
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HISTORICAL PERFORMANCE

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%	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%					8.95%



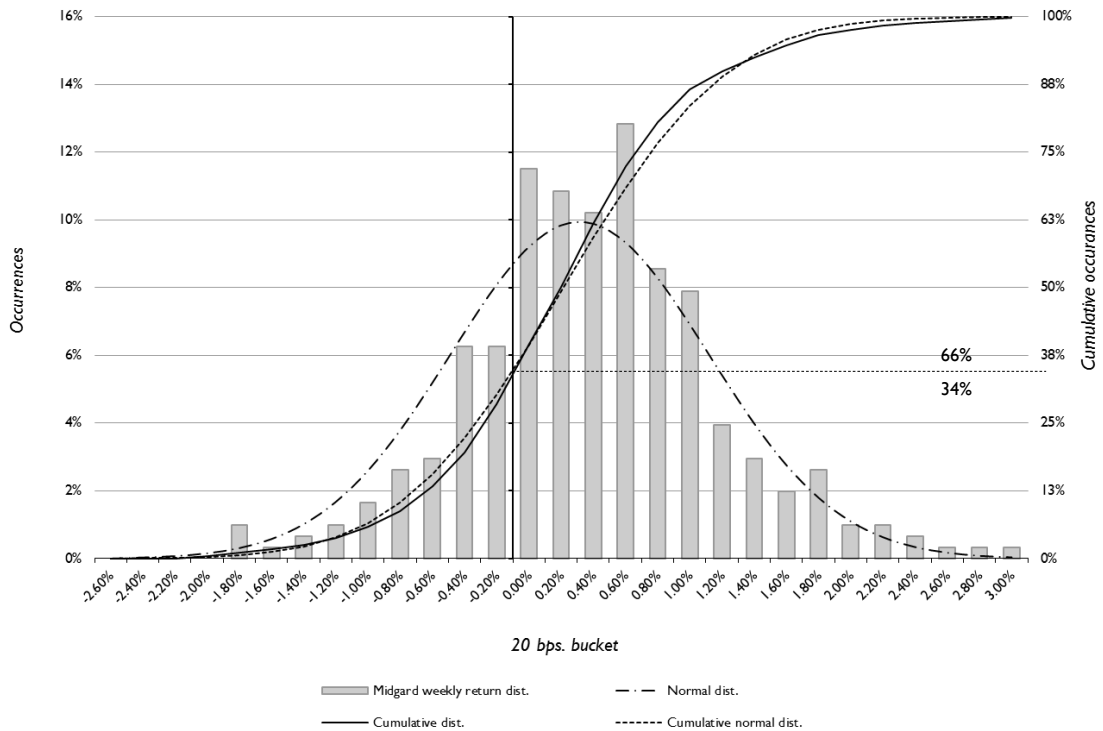
Return	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJIA Fixed Income Arbitrage Index
Annualized	17.16%	4.57%	7.42%
Last 12 months	4.39%	3.12%	1.48%
Last 3 months	-0.85%	0.26%	0.05%
Since inception	158.62%	30.25%	53.67%
Best month	8.18%	1.51%	2.77%
Worst month	-3.82%	-0.58%	-1.14%
Positive months	83.33%	85.92%	84.72%
Negative months	16.67%	14.08%	15.28%
Volatility	7.17%	1.36%	2.33%
Sharpe Ratio	2.34	3.08	3.01

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RETURN DISTRIBUTION



Moments	Midgard Fixed Income	EuroHedge Fixed	DJIA Fixed Income
	Fund Ltd.	Income Arbitrage Index	Arbitrage Index
Return	17.16%	4.57%	7.54%
Standard deviation	7.17%	1.36%	2.33%
Kurtosis	1.90	0.51	1.16
Skewness	0.50	-0.20	0.39

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	22.91%	-6.12%	34.00%

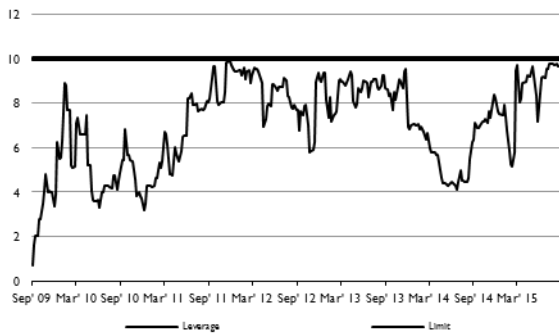
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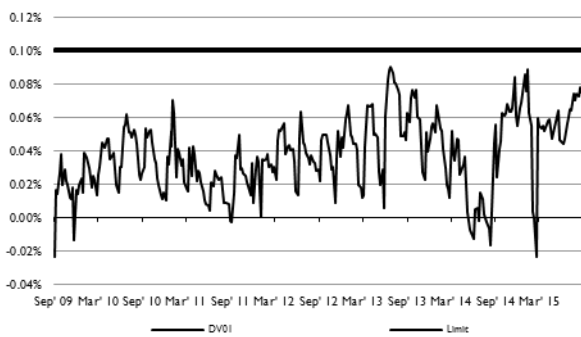
RISK & LINE LIMITS

LEVERAGE

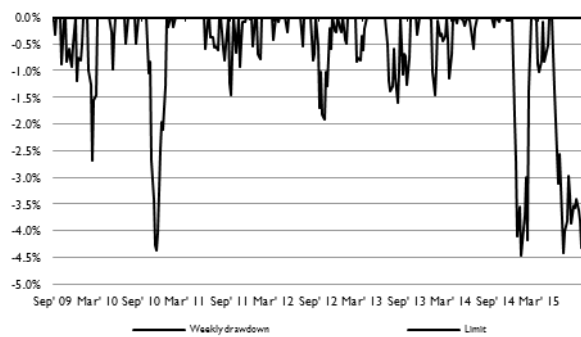


Risk	Midgard	Limit/limit
DV01	0.09%	± 0.10%
Leverage	9.62	Max. 10
VaR	0.34%	Max. 2 %
FX exposure	62.21%	Max. 100 %

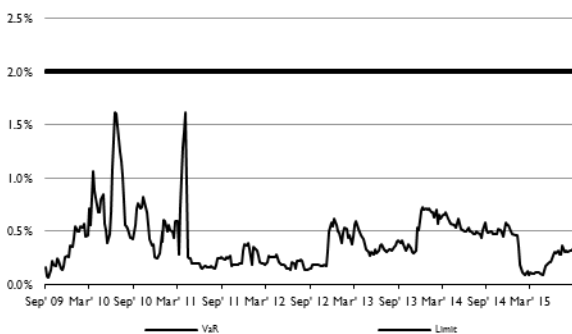
DV01



WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



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RISK FIGURES

Risk Figure	Weekly data		Note
	Since inception	1Y	
<i>Period</i>			
Portfolio return (r_p)	17.16%	4.39%	
Excess return ($r_p - r_f$)	16.79%	4.45%	
<i>36 month</i>			
Portfolio return (r_p)	8.47%	-	
Excess return ($r_p - r_f$)	8.42%	-	
Maximum drawdown since inception	4.46%	4.46%	
Maximum drawdown 36m	4.46%	-	*
Largest individual drawdown			
First	1.86%	1.86%	
Second	1.85%	1.46%	
Third	1.46%	1.22%	
Average	1.72%	1.51%	
Calmar Ratio	1.89	-	*
MAR Ratio	3.76	1.00	
Sterling ratio	9.74	2.90	
Downside risk	0.77%	1.86%	
Upside risk	1.31%	3.15%	
Loss standard deviation	6.41%	6.13%	
Gain standard deviation	5.15%	6.93%	
Mean absolute moment, downside	-24.37%	-29.04%	
Mean absolute moment, upside	37.76%	35.13%	
Omega ratio	1.69	1.69	
Volatility skewness	0.65	1.28	

* Not applicable for 1-year returns

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Strategy AUM	EUR 432.123 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
Investor Relations	PFA Asset Management +45 39 17 50 00