

NEWSLETTER JANUARY 2015

MIDGARD

FIXED INCOME FUND LIMITED



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Performance & NAV	AA	A	B
Monthly return	8.18%	8.18%	7.84%
Return year-to-date	8.18%	8.18%	7.84%
NAV per share	256.81	126.57	121.20

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

MARKET UPDATE JANUARY 2015

Midgard Fixed Income Fund Ltd returned 8.18 per cent in January, which constitutes the highest monthly return since the inception of the fund in 2009.

A firm policy response from ECB governor Mr. Draghi forced rates lower and led the Swiss National Bank to let go of the 1.20 Euro Swiss Franc floor introduced in 2011 during the flight-to-quality under the European periphery crisis. Initial impact was a 15 per cent appreciation of Swiss Franc with the obvious potential devastating consequences for the Swiss economy. At this stage, it's too early to judge what the long term impacts are going to be.

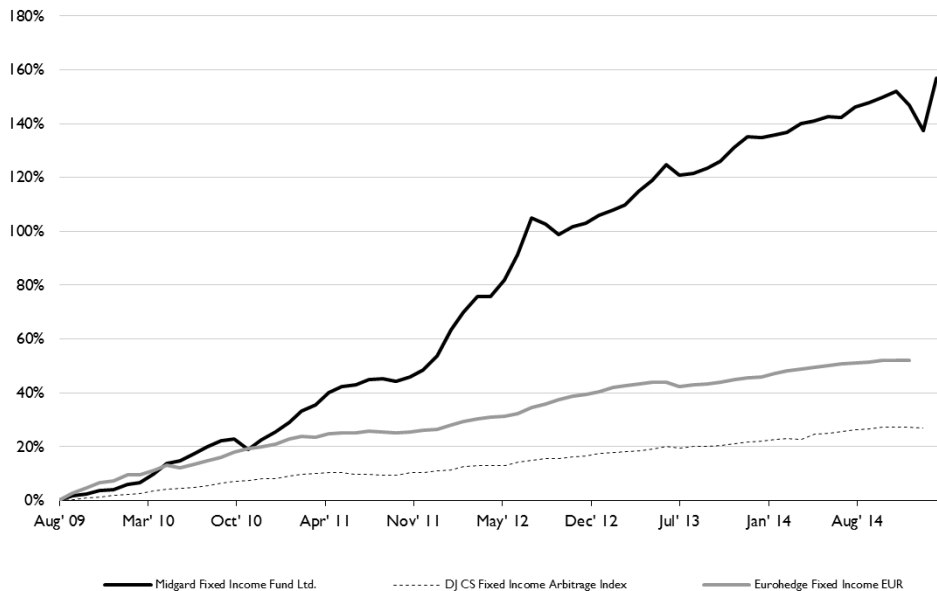
Denmark took centre stage as investors eyed the magnitude of the ECB quantitative easing program and its potential consequences for pegged currencies. Within a week following the Swiss National Bank defeat, Danish Krone inflows led the Danish National Bank to cut rates as a defence of the EURDKK peg band. January offered multiple cuts and a massive expansion of the net balance in the Danish National Bank and the banking industry. By the end of January, Danish currency reserves reached an all-time high. The Danish National Bank continued to face massive inflows and announced on the very last day of the month a full stop to new government bond issuances for the rest of 2015. The announcement gave strong support to most Danish assets, and as a consequence Midgard's month end valuation was substantially influenced.



Christian Lindstrøm Lage
Chief Investment Officer, Midgard

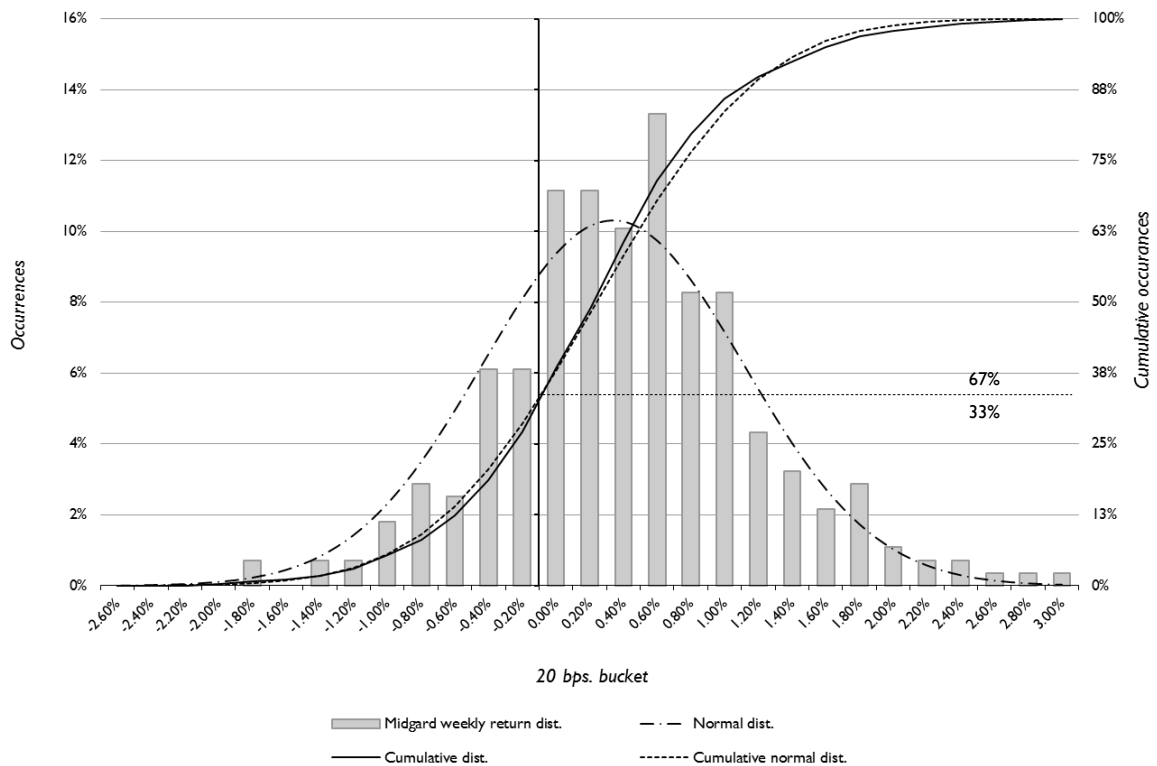
HISTORICAL PERFORMANCE

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%												8.18%



Return	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJIA Fixed Income Arbitrage Index
Annualized	19.02%	4.58%	8.33%
Last 12 months	8.83%	4.01%	4.63%
Last 3 months	1.90%	-0.30%	0.53%
Since inception	156.81%	26.98%	52.23%
Best month	8.18%	1.51%	2.77%
Worst month	-3.82%	-0.50%	-1.14%
Positive months	84.62%	87.50%	90.48%
Negative months	15.38%	12.50%	9.52%
Volatility	7.13%	1.30%	2.32%
Sharpe Ratio	2.61	3.17	3.40

RETURN DISTRIBUTION



Moments	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJIA Fixed Income Arbitrage Index
Return	19.02%	4.58%	8.33%
Standard deviation	7.13%	1.31%	2.32%
Kurtosis	2.08	0.64	1.27
Skewness	0.54	-0.01	0.36

Correlation analysis	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJIA Fixed Income Arbitrage Index
Correlation coefficient	-	45.89%	18.81%
Beta	-	254.03%	51.83%
Alpha	-	9.40%	16.31%
R2	-	21.06%	3.54%
Autocorrelation	17.54%	-6.03%	33.62%

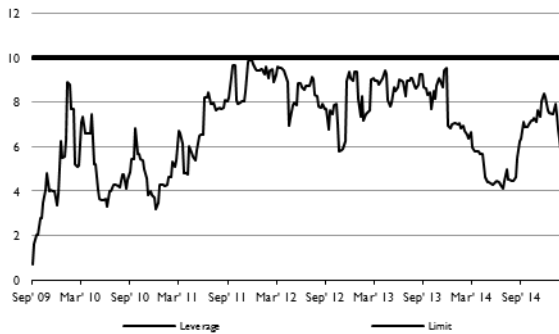
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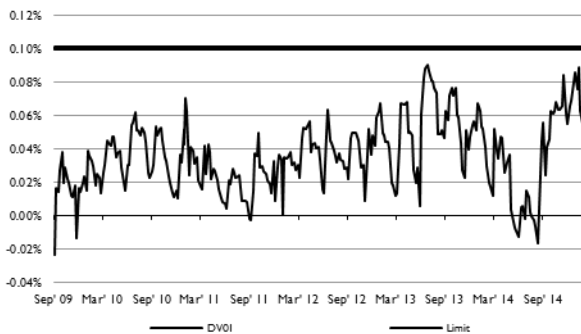
RISK & LINE LIMITS

LEVERAGE

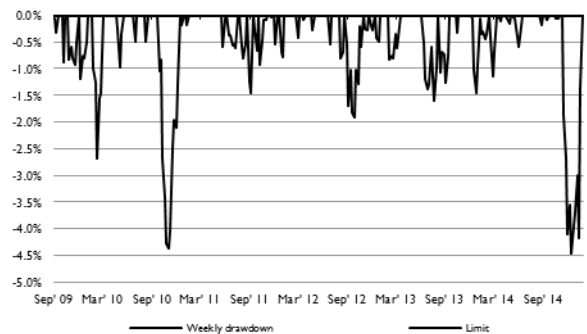


Risk	Midgard	Limit/limit
DV01	0.05%	± 0.10%
Leverage	5.86	Max. 10
VaR	0.11%	Max. 2 %
FX exposure	28.04%	Max. 100 %

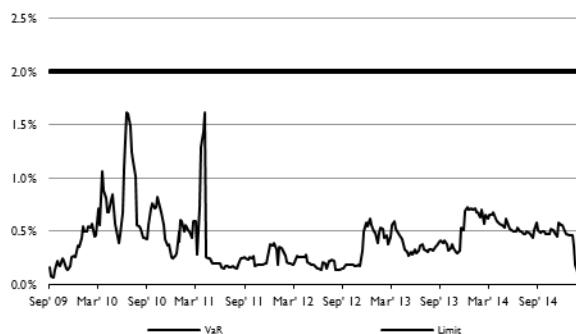
DV01



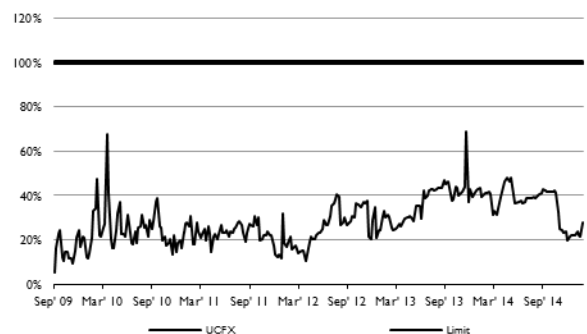
WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



RISK FIGURES

Risk Figure	Weekly data		Note
	Since inception	1Y	
<i>Period</i>			
Portfolio return (r_p)	19.02%	8.83%	
Excess return ($r_p - r_f$)	0.08%	8.76%	
<i>36 month</i>			
Portfolio return (r_p)	16.29%	-	
Excess return ($r_p - r_f$)	16.15%	-	
Maximum drawdown since inception	4.46%	4.46%	
Maximum drawdown 36m	4.46%	-	*
Largest individual drawdown			
First	1.86%	4.46%	
Second	1.85%	4.18%	
Third	1.46%	4.11%	
Average	1.72%	4.25%	
Calmar Ratio	3.62	-	*
MAR Ratio	0.02	1.96	
Sterling ratio	0.04	2.08	
Downside risk	0.81%	1.86%	
Upside risk	1.27%	2.94%	
Loss standard deviation	6.55%	5.85%	
Gain standard deviation	4.95%	4.81%	
Mean absolute moment, downside	-24.32%	-24.12%	
Mean absolute moment, upside	37.55%	25.43%	
Omega ratio	1.58	1.58	
Volatility skewness	0.57	0.68	

* Not applicable for 1-year returns

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Strategy AUM	EUR 533.52 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