

NEWSLETTER JULY 2015

MIDGARD

FIXED INCOME FUND LIMITED



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Performance & NAV	AA	A	B
Monthly return	0.37%	0.37%	0.29%
Return year-to-date	8.37%	8.37%	7.17%
NAV per share	257.26	126.79	120.45

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

MARKET UPDATE JULY 2015

The Midgard Fixed Income Fund Ltd. returned 0.37 per cent in July, bringing the total return for the year to 8.37 per cent.

July was generally characterized by low turnover in all Midgard's primary markets, as many participants were off desk for the summer vacation.

The Riksbank cut its repo rate by 10 bps to -35 bps at the beginning of July and expanded its QE programme, on the back of signs of diminishing economic activity. Even so, disappointing inflation prints by the end of the month saw the SEK weakening to 9.45-9.50 towards the Euro, after having been range-bound at 9.20-9.40 for the past couple of months. SEK covered bonds, although hit by the cut, generally tightened against swaps over the duration of the month even as outright SEK IRS rates declined.

In Denmark, the national bank continued downsizing the foreign currency reserves at an elevated pace. Subsequently, rates differentials on short-term contracts on day-to-day interbank loans (DKK-EUR OIS) between DKK and EUR kept edging higher as banks' surplus liquidity drained. Moreover, the resolution in Greece mid-month put further upward pressure on short-term DKK rates as safe-haven flows reversed. All told, at the current rate of normalization of the DKK rates regime vis-à-vis traded DKK-EUR forward spreads, inconsistencies from past months seem to have been neutralized, and we believe that spreads are trading at levels consistent with most analysts' expectations.



Stefan Helgason
Portfolio Manager, Midgard

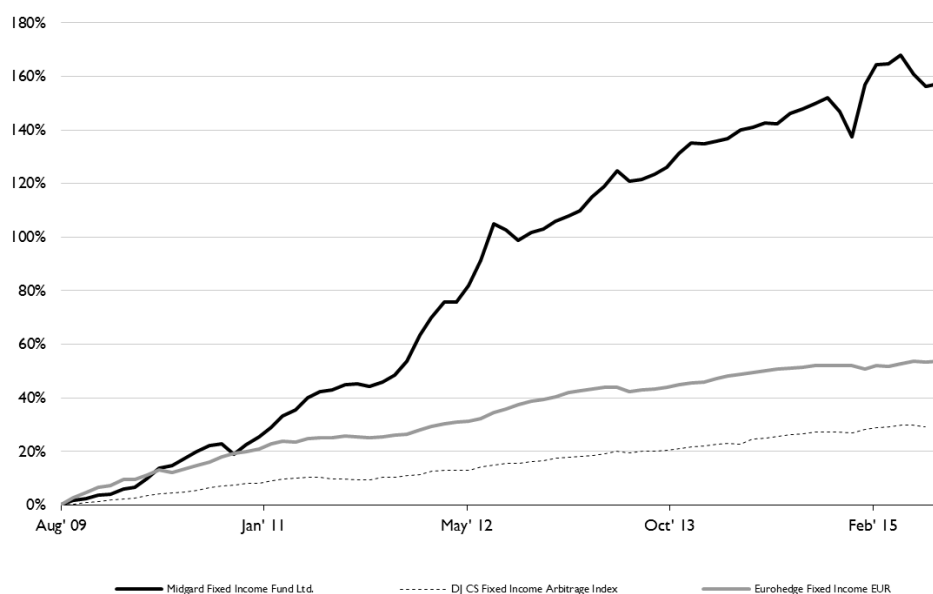
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HISTORICAL PERFORMANCE

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%						8.37%



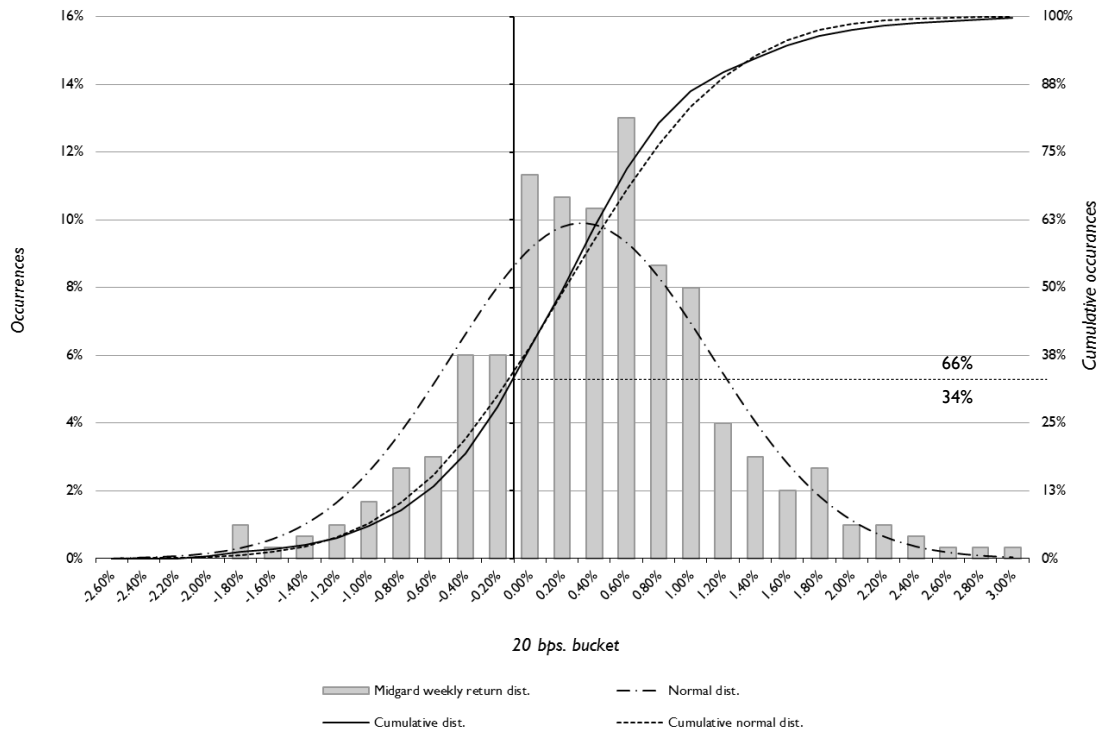
Return	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJIA Fixed Income Arbitrage Index
Annualized	17.32%	4.48%	7.54%
Last 12 months	4.48%	2.85%	1.70%
Last 3 months	-4.03%	-0.13%	0.57%
Since inception	157.26%	29.10%	53.73%
Best month	8.18%	1.51%	2.77%
Worst month	-3.82%	-0.58%	-1.14%
Positive months	83.10%	85.71%	85.92%
Negative months	16.90%	14.29%	14.08%
Volatility	7.21%	1.35%	2.33%
Sharpe Ratio	2.34	2.99	3.04

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RETURN DISTRIBUTION



Moments	Midgard Fixed Income	EuroHedge Fixed	DJIA Fixed Income
	Fund Ltd.	Income Arbitrage Index	Arbitrage Index
Return	17.32%	4.48%	7.60%
Standard deviation	7.21%	1.35%	2.33%
Kurtosis	1.84	0.58	1.18
Skewness	0.48	-0.19	0.36

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	22.70%	-1.56%	33.62%

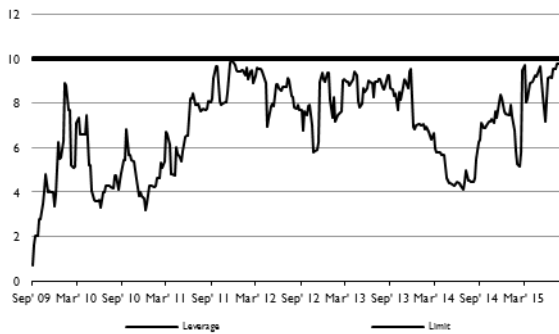
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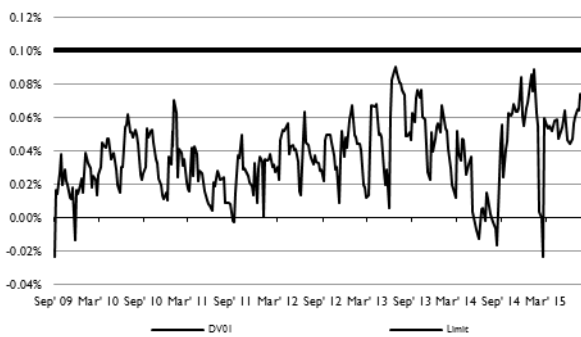
RISK & LINE LIMITS

LEVERAGE

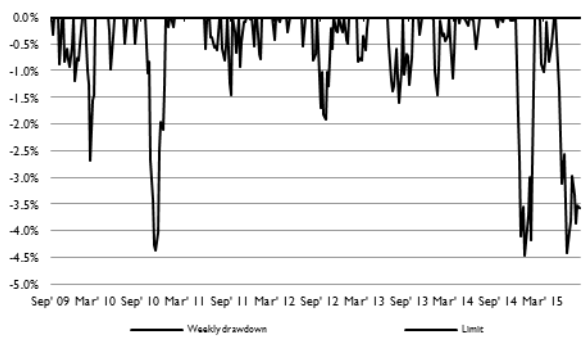


Risk	Midgard	Limit/limit
DV01	0.07%	± 0.10%
Leverage	9.74	Max. 10
VaR	0.31%	Max. 2 %
FX exposure	77.76%	Max. 100 %

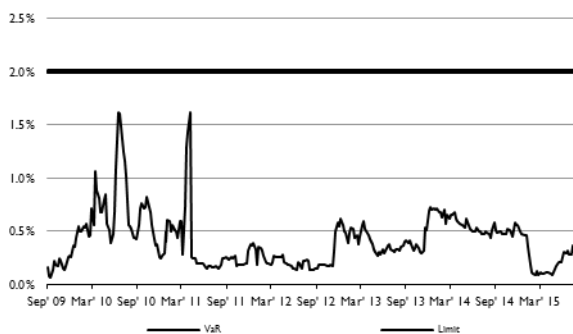
DV01



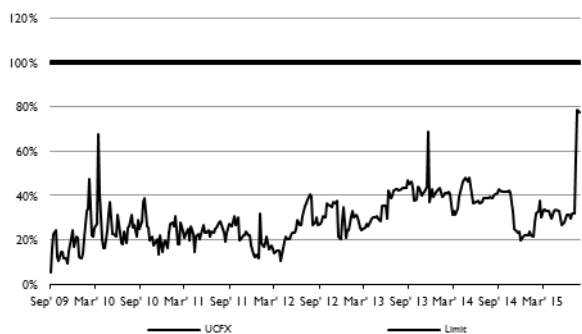
WEEKLY DRAWDOWN



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)	17.32%	4.48%	
Excess return ($r_p - r_f$)	16.94%	4.53%	
<i>36 month</i>			
Portfolio return (r_p)	7.89%	-	
Excess return ($r_p - r_f$)	7.83%	-	
Maximum drawdown since inception	4.46%	4.46%	
Maximum drawdown 36m	4.46%	-	*
Largest individual drawdown			
First	1.86%	4.46%	
Second	1.85%	4.42%	
Third	1.46%	4.18%	
Average	1.72%	4.36%	
Calmar Ratio	1.75	-	*
MAR Ratio	3.79	1.01	
Sterling ratio	9.83	1.03	
Downside risk	0.78%	1.86%	
Upside risk	1.31%	3.15%	
Loss standard deviation	6.50%	6.66%	
Gain standard deviation	5.14%	6.48%	
Mean absolute moment, downside	-24.61%	-30.93%	
Mean absolute moment, upside	37.90%	33.45%	
Omega ratio	1.69	1.69	
Volatility skewness	0.62	0.95	

* Not applicable for 1-year returns

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Strategy AUM	EUR 429.899 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
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