

A black and white photograph of a beach. In the foreground, several white beach huts with dark roofs are arranged in a row on the sand. The huts are simple, rectangular structures. In the background, the ocean waves are breaking onto the shore. A person is visible walking on the beach in the distance. The overall scene is serene and coastal.

NEWSLETTER JUNE 2015

MIDGARD
FIXED INCOME FUND LIMITED

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Performance & NAV	AA	A	B
Monthly return	-1.74%	-1.74%	-1.82%
Return year-to-date	7.97%	7.97%	6.86%
NAV per share	256.31	126.32	120.11

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

MARKET UPDATE JUNE 2015

The Midgard Fixed Income Fund Ltd. returned -1.74 per cent in June, bringing the year-to-date return to 7.97 per cent.

In Denmark, market participants saw approx. 50-100 bn in redemption money coming to market towards the latter part of June; however, the market movements that were anticipated by many going into this placement, by and large failed to materialize in FRN and non-callable space. Perhaps due to the historically large volumes of issuance in FRNs having been able to absorb much of the demand already, this led to a somewhat anti-climactic end of the half-year. The Danish Krone remained somewhat anchored around the central parity, as the Danish Central Bank kept up its pace of normalizing the size of its FX reserves.

In Sweden, the asset swap spread curve steepened quite dramatically in June. While the short end emerged from June relatively unscathed, 5-year spreads took quite the beating mid-month and – in contrast to the short end – failed to gain back some of the lost ground. On the back of this widening, however, the relative value trade in Sweden vis-à-vis Denmark is beginning to look increasingly attractive as carry and roll potential between the two markets has converged, primarily in the 3-5 year segment. Sweden has thus once again become a competitive market in terms of spreads, and as a result is one that will undoubtedly draw more attention than it has done for quite some time.



Stefan Helgason
Portfolio Manager, Midgard

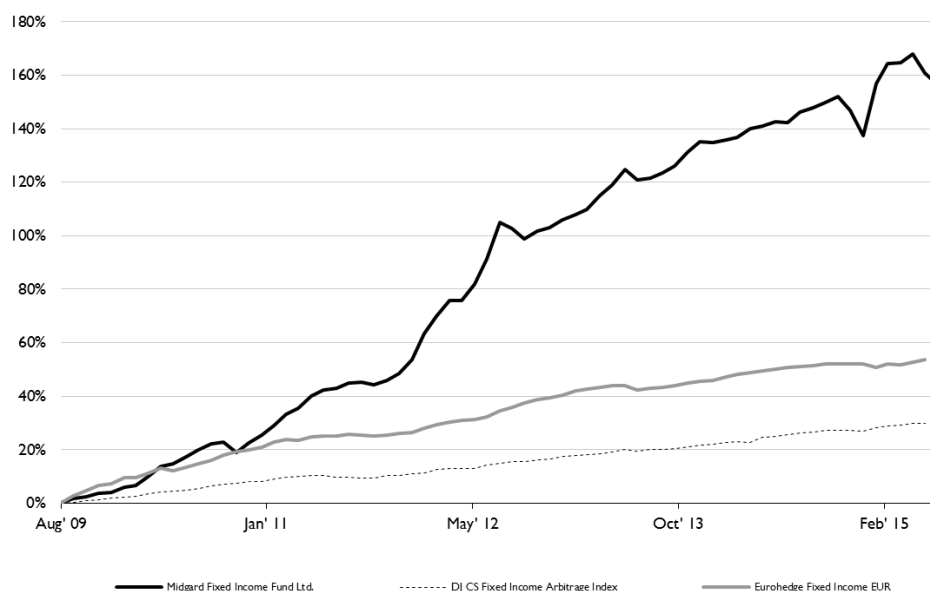
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HISTORICAL PERFORMANCE

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%							7.97%



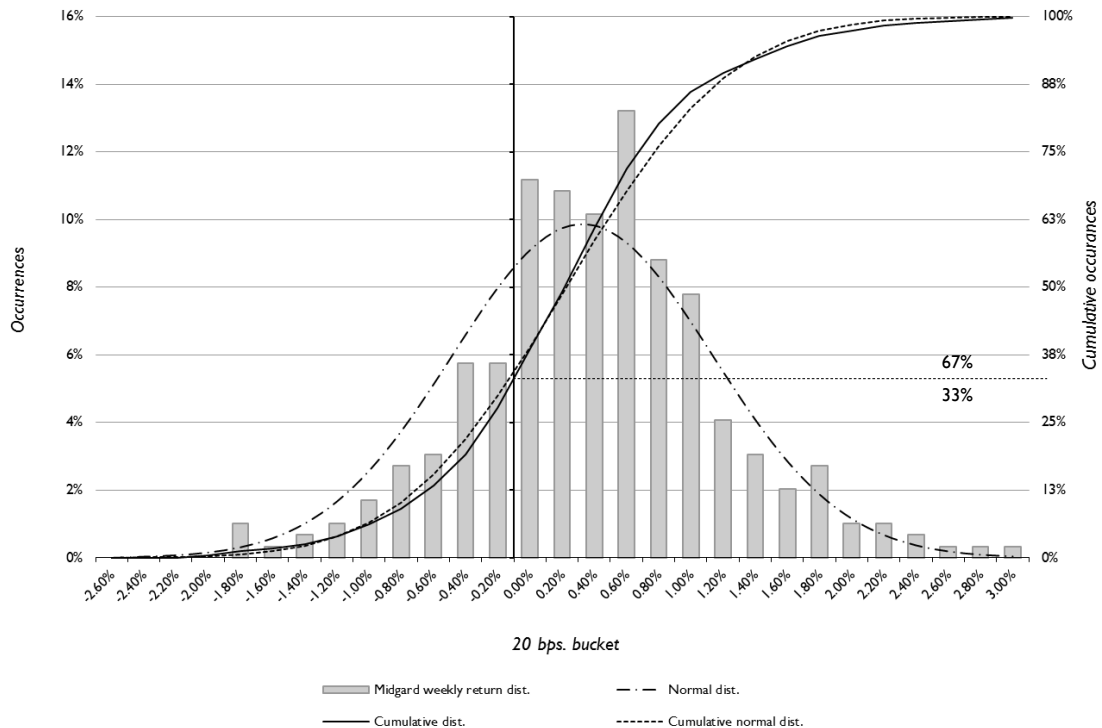
Return	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJIA Fixed Income Arbitrage Index
Annualized	17.51%	4.65%	7.75%
Last 12 months	5.72%	3.86%	2.32%
Last 3 months	-3.18%	0.69%	1.03%
Since inception	156.31%	29.85%	53.59%
Best month	8.18%	1.51%	2.77%
Worst month	-3.82%	-0.50%	-1.14%
Positive months	82.86%	86.96%	86.96%
Negative months	17.14%	13.04%	13.04%
Volatility	7.25%	1.30%	2.34%
Sharpe Ratio	2.35	3.24	3.12

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RETURN DISTRIBUTION



Moments	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJIA Fixed Income Arbitrage Index
Return	17.51%	4.65%	7.75%
Standard deviation	7.25%	1.30%	2.34%
Kurtosis	1.79	0.60	1.21
Skewness	0.46	-0.07	0.32

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	22.07%	-6.19%	33.62%

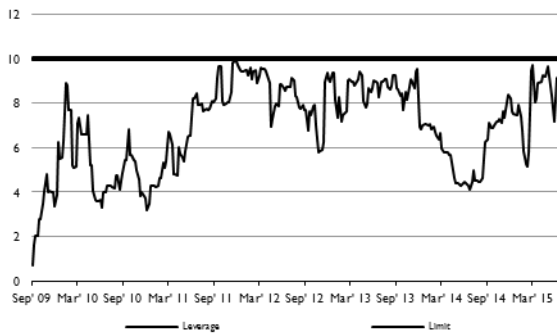
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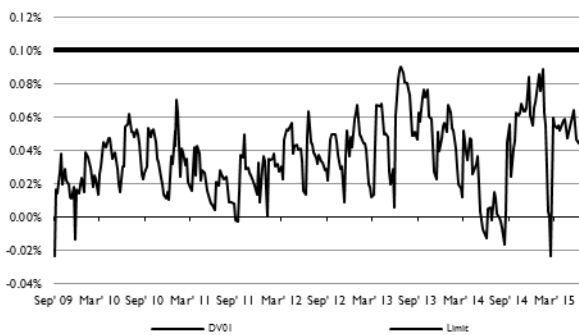
RISK & LINE LIMITS

LEVERAGE

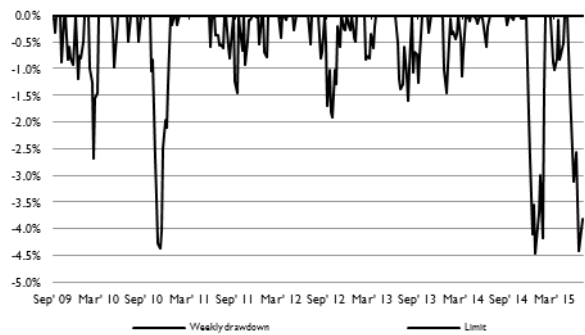


Risk	Midgard	Limit/limit
DV01	0.05%	± 0.10%
Leverage	7.19	Max. 10
VaR	0.21%	Max. 2 %
FX exposure	27.79%	Max. 100 %

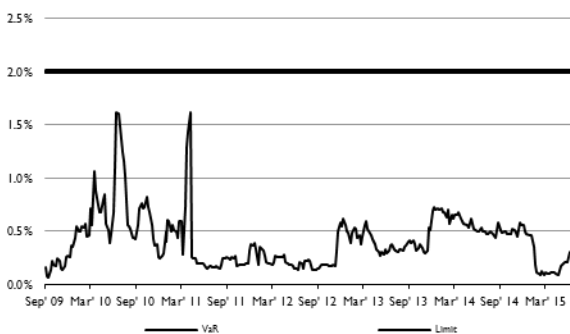
DV01



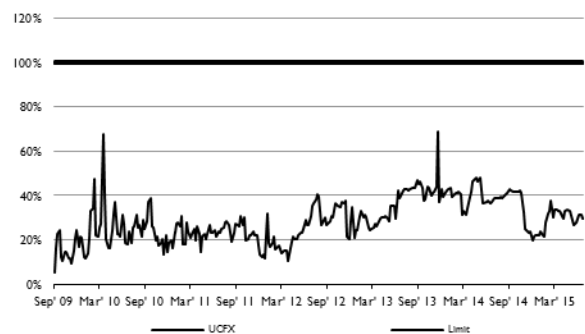
WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



RISK FIGURES

Risk Figure	Weekly data		Note
	Since inception	1Y	
<i>Period</i>			
Portfolio return (r_p)	17.51%	5.72%	
Excess return ($r_p - r_f$)	17.13%	5.75%	
<i>36 month</i>			
Portfolio return (r_p)	10.21%	-	
Excess return ($r_p - r_f$)	10.14%	-	
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	2.27	-	*
MAR Ratio	3.84	1.29	
Sterling ratio	9.93	1.31	
Downside risk	0.78%	1.86%	
Upside risk	1.32%	3.15%	
Loss standard deviation	6.59%	7.05%	
Gain standard deviation	5.13%	6.19%	
Mean absolute moment, downside	-24.86%	-32.39%	
Mean absolute moment, upside	38.00%	32.66%	
Omega ratio	1.69	1.69	
Volatility skewness	0.61	0.77	

* Not applicable for 1-year returns

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Strategy AUM	EUR 361.314 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