



NEWSLETTER JUNE 2016

MIDGARD
FIXED INCOME FUND LIMITED

Performance & NAV	AA	A	B
Monthly return	3.09%	3.09%	2.68%
Return year-to-date	10.32%	10.32%	9.22%
NAV per share	283.55	139.74	130.89

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

MARKET UPDATE JUNE 2016

The Midgard Fixed Income Fund Ltd. Returned 3.09 % in June, bringing total year-to-date performance to 10.32%.

The UK vote to stay or to leave the EU set the tone for most of June. Most polls were leaning for a leave in the first weeks leaving room for core EURO yields to fall with bund future yields passing through the magic 0% mark only to hit all-time lows upon the Brexit outcome ending the month at -0.183%. Correspondingly swap curves flattened with 10 Year down 0.20% and 2 Year 0.05% and very early on in the risk-off sentiment pushed Scandinavian assets into 'safe haven' status which led to performance versus core EURO and a stable development in both Danish and Swedish bonds versus swap. The very short end performed quite a lot as expectations for FED hikes were pushed longer out the curve and the same effect on Riksbank expectations. The liquidity situation continued to improve in Denmark with Foreign Reserves once again moving upwards as the Central Bank continued to intervene in the market. This was also the case for the Swiss Central Bank which could be a further indication as to the sentiment for safe haven.

Overall the first half of 2016 proved to be beneficial for the Midgard Fixed Income Fund strategy with the entire Swedish covered bond curve performing 10bp versus swap and the Danish comparable flat in the 5 Year segment but performance of 10bp versus swap in the 2 Year segment. The latter being a natural consequence of the issuance pattern in the Danish financial market where debtors are moving out the curve due to, among other, a flatter financing curve and higher contribution rates for short financing.



Jesper Slemming
Chief Investment Officer, Midgard

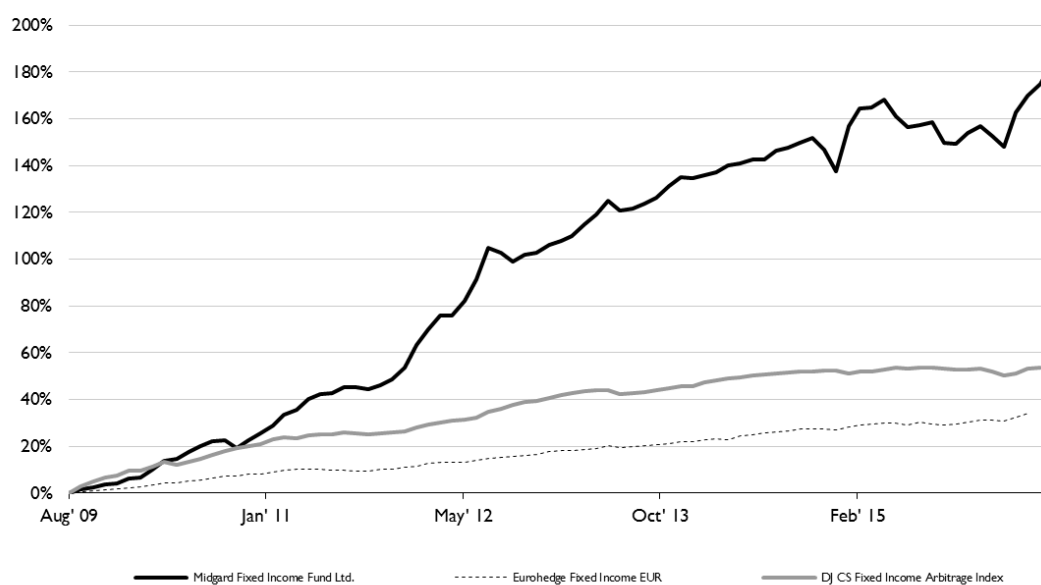
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HISTORICAL PERFORMANCE

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%	-3.37%	-0.28%	1.92%	1.18%	8.27%
2016	-1.67%	-1.86%	5.99%	2.64%	1.94%	3.09%							10.32%



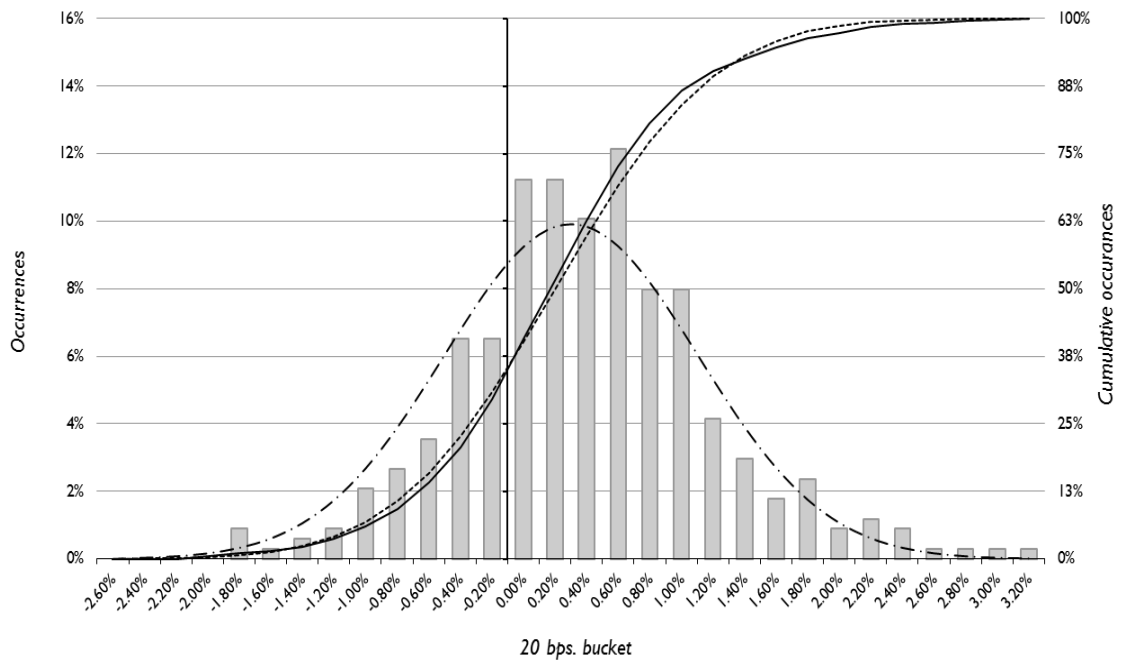
Return	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Annualized	16.48%	4.52%	6.55%
Last 12 months	10.63%	3.34%	-0.08%
Last 3 months	7.86%	2.42%	2.13%
Since inception	183.55%	34.26%	53.48%
Best month	8.18%	1.51%	2.77%
Worst month	-3.82%	-0.58%	-1.14%
Positive months	80.49%	83.75%	81.48%
Negative months	19.51%	16.25%	18.52%
Volatility	7.45%	1.51%	2.43%
Sharpe Ratio	2.17	2.78	2.56

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RETURN DISTRIBUTION



Moments	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Return	16.48%	4.52%	6.55%
Standard deviation	7.45%	1.51%	2.43%
Kurtosis	1.37	0.32	0.84
Skewness	0.38	-0.03	0.29

Correlation analysis	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJ CS 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	22.18%	0.95%	38.78%

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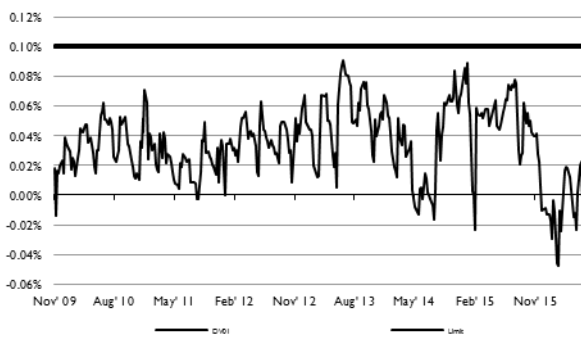
RISK & LINE LIMITS

LEVERAGE

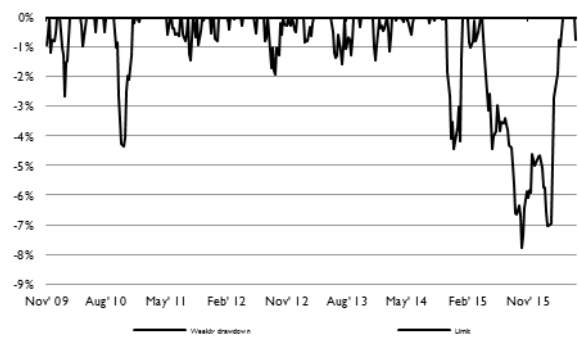


Risk	Midgard	Limit/limit
DV01	0.00%	± 0.10%
Leverage	8.39	Max. 10
VaR	0.24%	Max. 2 %
FX exposure	89.56%	Max. 100 %

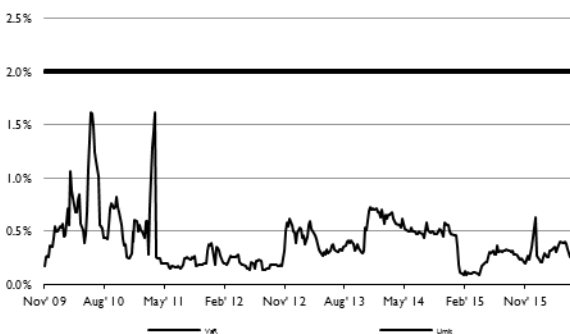
DV01



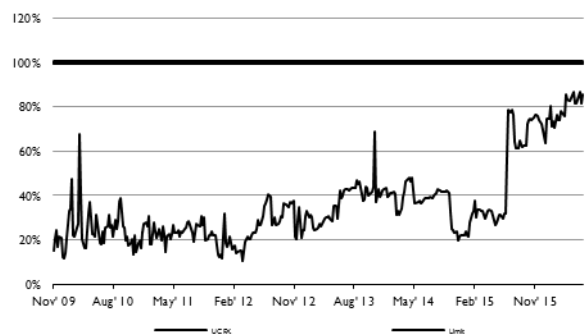
WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



RISK FIGURES

Risk Figure	Weekly data		Note
	Since inception	1Y	
<i>Period</i>			
Portfolio return (r_p)	16.48%	10.63%	
Excess return ($r_p - r_f$)	16.48%	10.66%	
<i>36 month</i>			
Portfolio return (r_p)	8.70%	-	
Excess return ($r_p - r_f$)	8.71%	-	
Maximum drawdown since inception	7.78%	7.78%	
Maximum drawdown 36m	7.78%	-	*
Largest individual drawdown			
First	1.86%	1.15%	
Second	1.85%	1.01%	
Third	1.46%	0.95%	
Average	1.72%	1.04%	
Calmar Ratio	1.12	-	*
MAR Ratio	2.12	1.37	
Sterling ratio	9.56	10.26	
Downside risk	0.73%	1.15%	
Upside risk	1.23%	2.35%	
Loss standard deviation	6.32%	4.95%	
Gain standard deviation	5.26%	5.83%	
Mean absolute moment, downside	-24.70%	-26.01%	
Mean absolute moment, upside	37.53%	32.73%	
Omega ratio	1.69	2.04	
Volatility skewness	0.69	1.39	

* Not applicable for 1-year returns

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Strategy AUM	EUR 439.974 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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