



NEWSLETTER JUNE 2017

PFA
INVESTMENT FUND

Performance & NAV	AA	A	B
Monthly return	1.45%	1.45%	1.23%
Return year-to-date	5.12%	5.12%	4.38%
NAV per share	306.45	151.03	139.14

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

MARKET UPDATE JUNE 2017

PFA Investment Fund - Midgard Fixed Income Fund returned 1.45 % in June, bringing total YTD return to 5.12 %.

A dovish tone set the start for the last month of H1 driven primarily by softer than expected employment data out of US, with fewer new jobs as well as a continued downwards drift in participation rate, leading to 10Y US Government Bond yield dropping from 2.20% to a month low of 2.10% as even the FED mid-month was interpreted less hawkish.

All of this changed towards the last weeks as central banks around the Globe in, what could appear to be a coordinated effort, painted a more rosy picture of growth. Even the ECB was interpreted as hawkish relative to previous stance and all of the sudden yields rose from the lows and core European Government Bonds lost momentum versus interest rate swaps, although it was very evident that the days following ECB President Draghi's comments several members of the council attempted to sooth the financial markets to ensure a more gradual rise in yields.

Equity markets started the month on a sound footing, but especially the US indices had a hard time keeping up and ended the month in negative territory. Focus seemed to turn to European indices as the potential growth was deemed more attractive than US peers. So globally the financial markets ended with yields up and equity down. The big question over the summer will be which asset is preferred going forward – or will both be the looser as markets will have to reprice new and more hawkish Central Bank rhetoric and action?

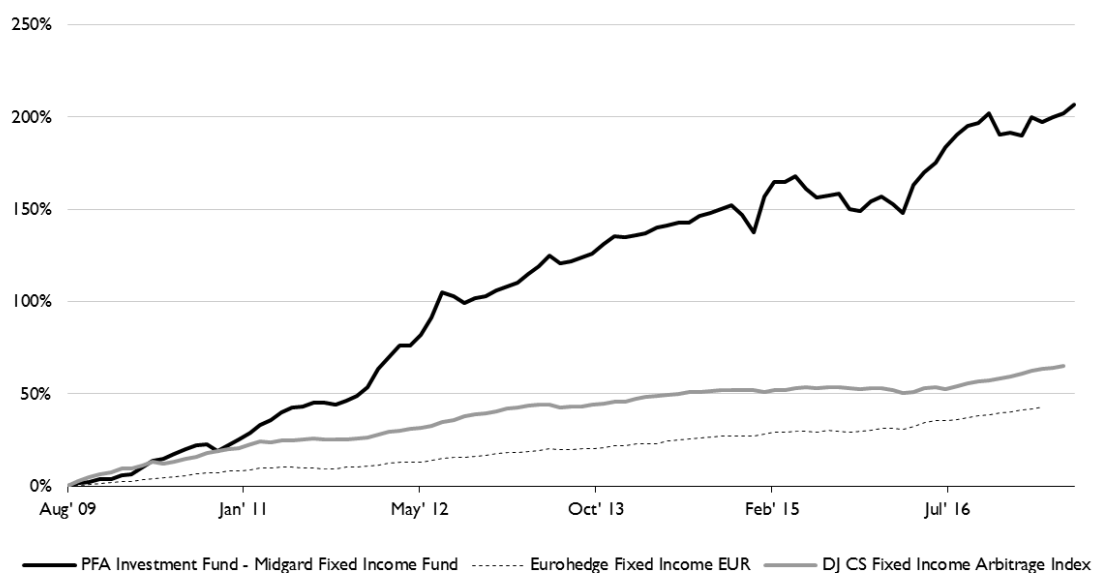
The Scandinavian financial markets showed different directions depending on asset class. On the one hand, Covered bonds continued their massive performance as vast amounts of liquidity continued to be a factor in the global markets. Swedish Covered Bonds performed due to lack of issuance and rebalancing of market indices whereas Norwegian and Danish peers relentlessly performed again driven by international interest in the AAA markets. On the other hand, especially Swedish derivative spreads relative to European widened as more hawkish tones from ECB would eventually lead to an even more hawkish Riksbank.



Stefan Helgason
Senior Portfolio Manager, PFA Investment Fund

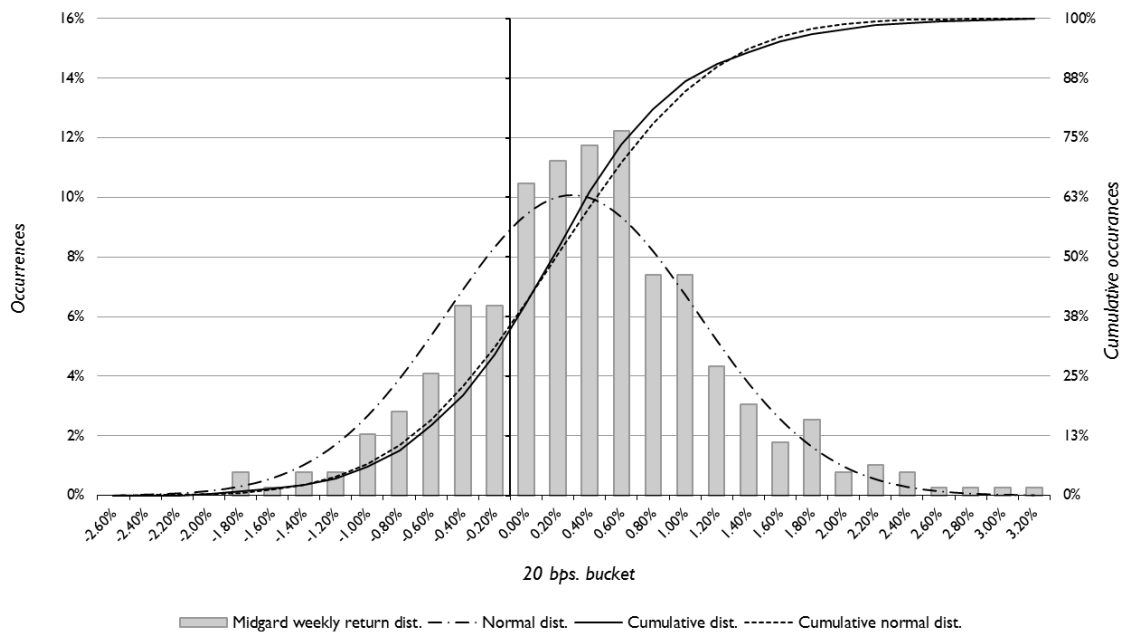
HISTORICAL PERFORMANCE

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%	2.39%	1.63%	0.61%	1.62%	-3.75%	0.41%	13.42%
2017	-0.62%	3.53%	-0.84%	0.82%	0.74%	1.45%							5.12%



Return	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Annualized	15.37%	4.82%	6.70%
Last 12 months	8.08%	8.01%	7.72%
Last 3 months	3.04%	2.02%	1.88%
Since inception	206.45%	42.90%	65.32%
Best month	8.18%	1.51%	2.77%
Worst month	-3.82%	-0.58%	-1.14%
Positive months	79.79%	85.71%	82.80%
Negative months	20.21%	14.29%	17.20%
Volatility	7.33%	1.45%	2.33%
Sharpe Ratio	2.06	3.15	2.78

RETURN DISTRIBUTION

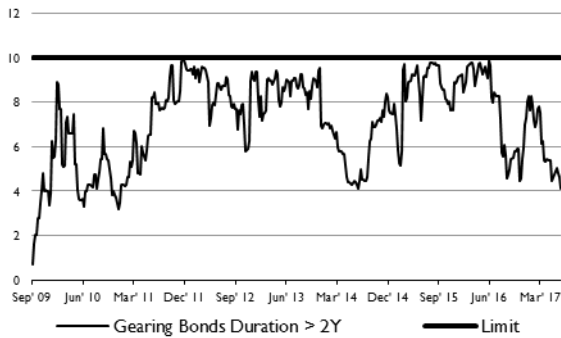


Moments	PFA Investment Fund -	EuroHedge Fixed Income	DJ CS Fixed Income
	Midgard Fixed Income Fund	Arbitrage Index	Arbitrage Index
Return	15.37%	4.82%	6.70%
Standard deviation	7.33%	1.45%	2.33%
Kurtosis	1.49	0.45	1.04
Skewness	0.30	-0.14	0.20

Correlation analysis	PFA Investment Fund -	EuroHedge Fixed Income	DJ CS Fixed Income
	Midgard Fixed Income Fund	Arbitrage Index	Arbitrage Index
Correlation coefficient	-	49.79%	26.95%
Beta	-	254.89%	85.38%
Alpha	-	2.43%	9.04%
R2	-	24.79%	7.26%
Autocorrelation	19.42%	3.92%	37.24%

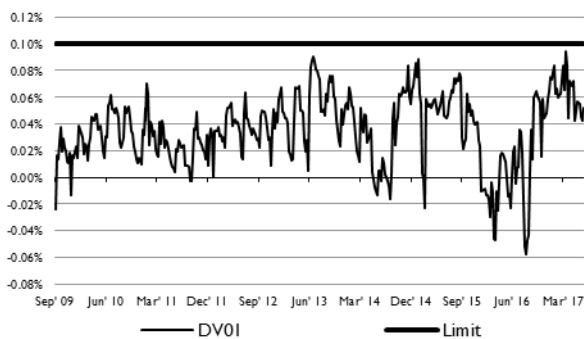
RISK & LINE LIMITS

GEARING BONDS DURATION > 2Y

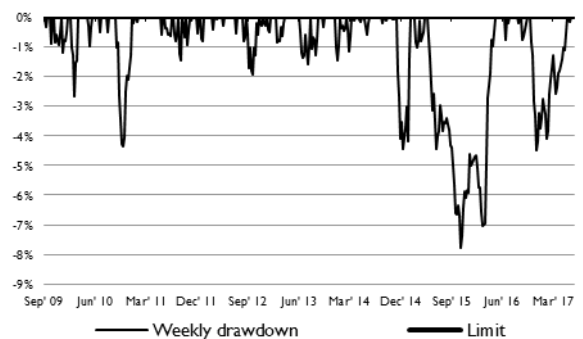


Risk	Midgard	Lime/limit
DV01	0.01%	± 0.10%
Leverage	3.64	Max. 10
VaR	0.41%	Max. 2 %
FX exposure	74.76%	Max. 100 %

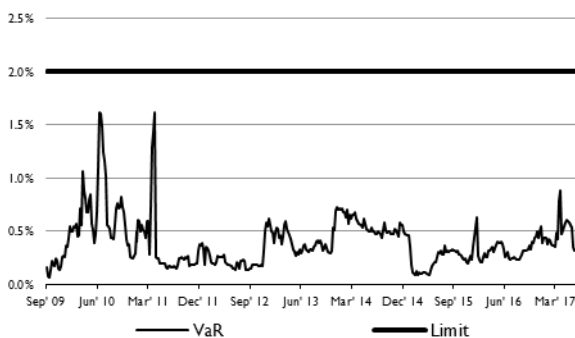
DV01



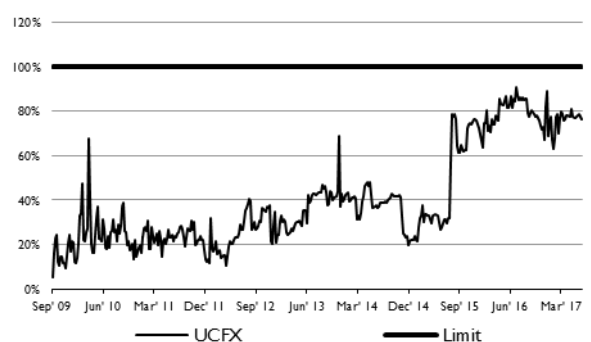
WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



RISK FIGURES

Risk Figure	Weekly data		Note
	Since inception	1Y	
<i>Period</i>			
Portfolio return (r_p)	15.37%	8.08%	
Excess return ($r_p - r_f$)	15.17%	8.45%	
<i>36 month</i>			
Portfolio return (r_p)	8.12%	-	
Excess return ($r_p - r_f$)	8.35%	-	
Maximum drawdown since inception	7.78%	4.48%	
Maximum drawdown 36m	7.78%	-	*
Largest individual drawdown			
First	1.86%	1.57%	
Second	1.85%	1.20%	
Third	1.57%	0.87%	
Average	1.76%	1.21%	
Calmar Ratio	1.07	-	*
MAR Ratio	1.95	1.89	
Sterling ratio	8.63	6.66	
Downside risk	0.68%	1.57%	
Upside risk	1.15%	1.72%	
Loss standard deviation	6.29%	6.01%	
Gain standard deviation	5.11%	3.88%	
Mean absolute moment, downside	-25.29%	-30.29%	
Mean absolute moment, upside	36.16%	26.55%	
Omega ratio	1.69	1.09	
Volatility skewness	0.66	0.42	

* Not applicable for 1-year returns

PFA

INVESTMENT FUND

Strategy AUM	EUR 546.011 million
Listing	Irish Stock Exchange
ISIN	LU1439934933
Bloomberg ID	MIDGFXI LX Equity
Investment Manager	PFA Asset Management Sundkrogsgade 4 2100 Copenhagen Denmark +45 39 17 50 00 www.pfaassetmanagement.dk
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Prime Broker	Skandinaviska Enskilda Banken AB +45 33 36 85 07
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