

NEWSLETTER June 2019



PFA
INVESTMENT FUND

Performance & NAV	AA	A	B
Monthly return	2.29%	2.03%	1.91%
Return year-to-date	10.47%	9.60%	9.31%
NAV per share	338.50	164.90	149.96

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

MARKET UPDATE June 2019

PFA Investment Fund - Midgard Fixed Income Fund returned 2.29% in June, bringing total YTD return to 10.47%.

In June the Trade War was once again setting the scene, and anticipations were high for the G20 summit in Japan – although mostly because of the bilateral meeting between President Trump and President Xi. It turned out to be somewhat of a dud, and was mostly smiles, handshakes and a vague agreement to rekindle the trade talks with no substantial concessions by either party.

The notion of an insurance cut by the FED due to Trade War and a deteriorating outlook for the (global) economy was gaining momentum in the rates markets. This was further fueled by a surprisingly dovish Draghi at the annual Sintra ECB conference, and as a result markets started expecting new rounds of ECB easing.

In June the Midgard Fixed Income Fund regained most of the losses from May. Despite the general risk-on mood the fund fared well due to the increased expectations of easing by global central banks.

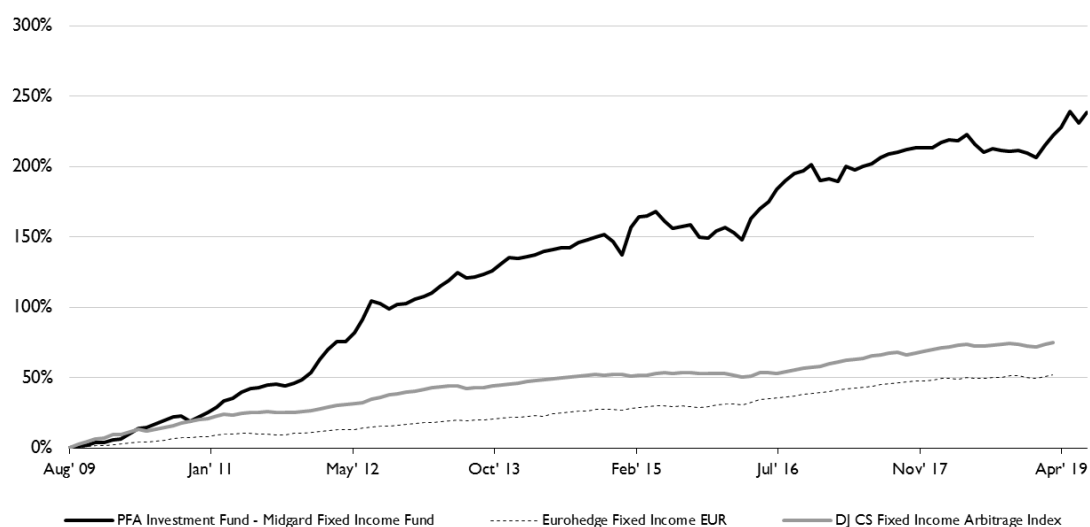
Sweden and Denmark followed European rates lower and with curves flattening, reaching multi-year flat curves in short-end Sweden. Despite stretched levels the prospective returns in the core portfolio remains attractive, especially considering the current macro outlook, and the core portfolio composition remains intact.

Jesper Slemming
Chief Investment Officer, PFA Investment Fund



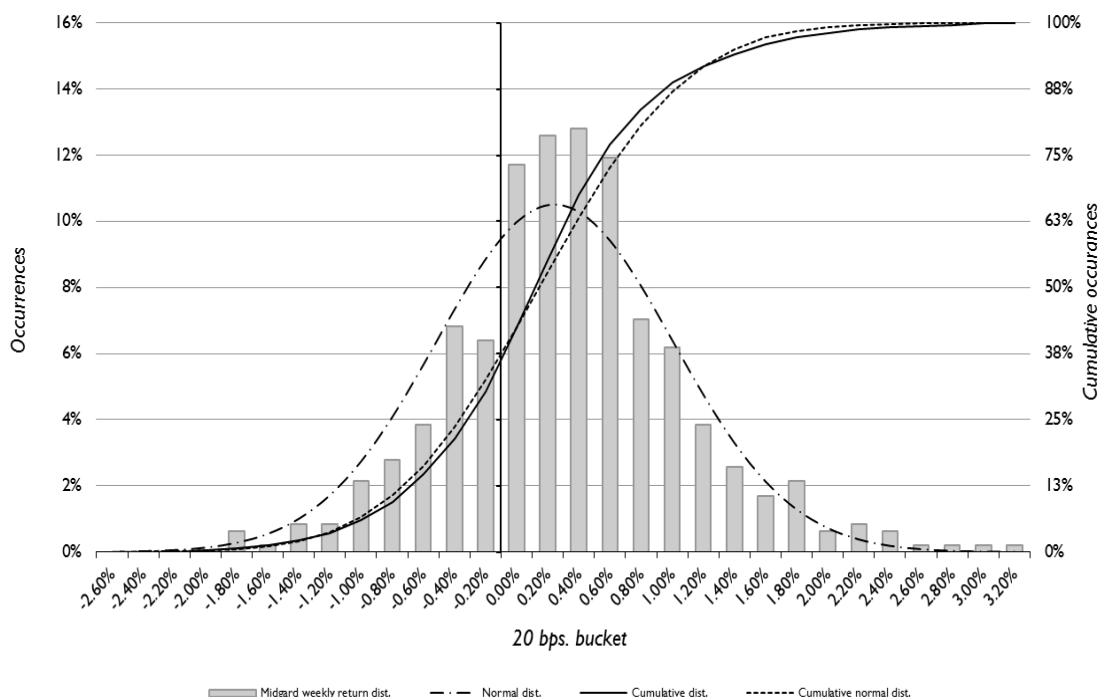
HISTORICAL PERFORMANCE

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%	0.87%	0.33%	0.57%	0.42%	0.08%	-0.07%	7.46%
2018	1.23%	0.68%	-0.20%	1.24%	-2.12%	-1.80%	0.77%	-0.26%	-0.25%	0.10%	-0.60%	-0.93%	-2.18%
2019	2.90%	2.08%	1.88%	3.39%	-2.39%	2.29%							10.47%



Return	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Annualized	13.20%	4.51%	6.07%
Last 12 months	9.18%	1.83%	1.67%
Last 3 months	3.23%	1.29%	1.36%
Since inception	238.50%	52.05%	75.03%
Best month	8.18%	1.51%	2.77%
Worst month	-3.82%	-0.76%	-1.19%
Positive months	76.27%	82.46%	81.58%
Negative months	23.73%	17.54%	18.42%
Volatility	7.00%	1.49%	2.31%
Sharpe Ratio	1.87	2.94	2.58

RETURN DISTRIBUTION

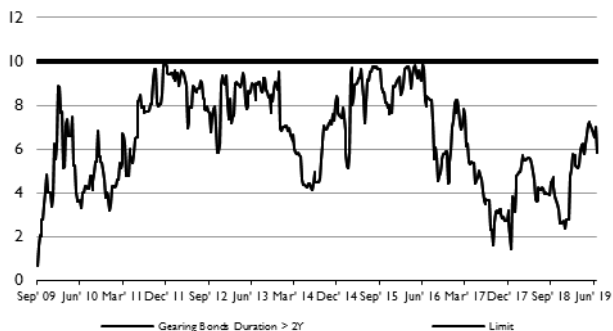


Moments	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Return	13.20%	4.51%	6.07%
Standard deviation	7.00%	1.49%	2.31%
Kurtosis	1.59	0.29	1.09
Skewness	0.39	-0.25	0.08

Correlation analysis	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Correlation coefficient	-	52.30%	31.50%
Beta	-	244.15%	95.24%
Alpha	-	1.60%	6.95%
R2	-	27.36%	9.93%
Autocorrelation	19.27%	8.98%	34.33%

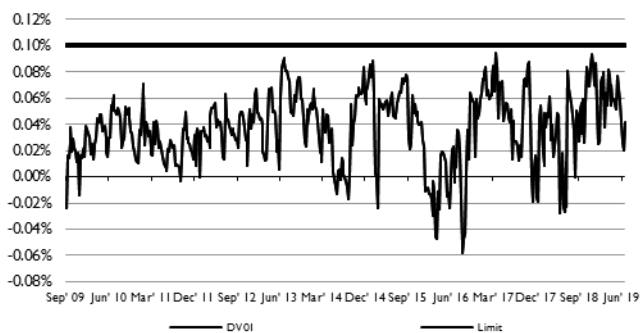
RISK & LINE LIMITS

GEARING BONDS DURATION > 2Y

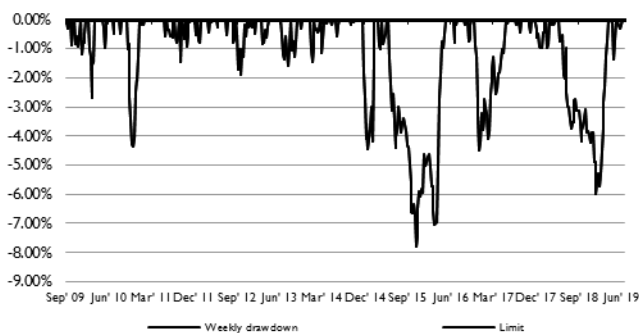


Risk	Midgard	Lime/limit
DV01	0.06%	± 0.10%
Leverage	5.88	Max. 10
VaR	0.75%	Max. 2 %
FX exposure	13.87%	Max. 100 %

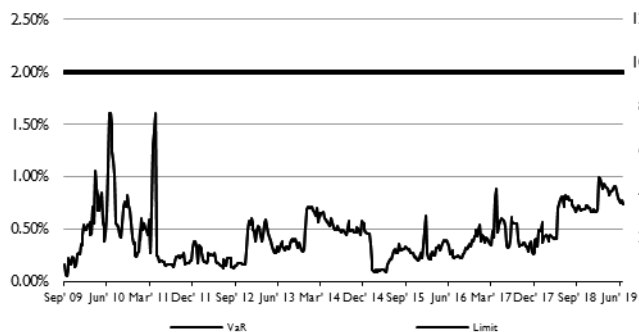
DV01



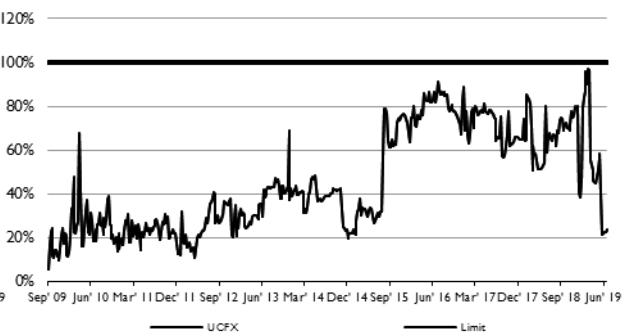
WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



RISK FIGURES

Risk Figure	Weekly data		Note
	Since inception	1Y	
<i>Period</i>			
Portfolio return (r_p)	13.20%	9.18%	
Excess return ($r_p - r_f$)	13.14%	9.57%	
<i>36 month</i>			
Portfolio return (r_p)	6.08%	-	
Excess return ($r_p - r_f$)	6.46%	-	
Maximum drawdown since inception	7.78%	4.08%	
Maximum drawdown 36m	4.48%	-	*
Largest individual drawdown			
First	1.86%	0.85%	
Second	1.85%	0.69%	
Third	1.57%	0.63%	
Average	1.76%	0.72%	
Calmar Ratio	1.44	-	*
MAR Ratio	1.69	2.34	
Sterling ratio	7.47	12.75	
Downside risk	0.66%	0.85%	
Upside risk	1.11%	1.33%	
Loss standard deviation	6.07%	3.62%	
Gain standard deviation	5.02%	2.56%	
Mean absolute moment, downside	-24.33%	-16.21%	
Mean absolute moment, upside	34.89%	19.27%	
Omega ratio	1.69	1.57	
Volatility skewness	0.68	0.50	

* Not applicable for 1-year returns

PFA

INVESTMENT FUND

Strategy AUM	EUR 327.6 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
Administrator	GlobeOp Financial Services +1 345 945 5664
Prime Broker	Skandinaviska Enskilda Banken AB +45 33 36 85 07
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