



NEWSLETTER MARCH 2015

MIDGARD
FIXED INCOME FUND LIMITED

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Performance & NAV	AA	A	B
Monthly return	0.07%	0.07%	0.00%
Return year-to-date	11.51%	11.51%	10.65%
NAV per share	264.71	130.46	124.36

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

MARKET UPDATE MARCH 2015

Midgard Fixed Income Fund Ltd. returned 0.07 per cent in March bringing the year to date return to 11.51 per cent.

March offered a more calm market environment than January and February. The Danish Kroner reached out for unprecedented levels and led the Danish Central Bank to expand banks' access to the central bank deposit facility. Day-to-day rates are a weighted average residual in between the daily deposit facility at zero per cent and the rate on certificates of deposit currently minus 75 basis points. As banks got access to lend more at the deposit facility, day-to-day rates were pushed upwards equivalent of what would have been the consequence of a rate hike. With the ECB quantitative easing being set in stone and potentially a medium to long term programme, the question is, what is a fair spread for Danish rates? Full 'normality' is probably overshooting reality. Hence, the steepness of forward Danish European interest rate differentials constitutes, as in February, a very interesting business case for Midgard.

In Sweden, the Riksbank offered both a rate cut and extension of its quantitative easing programme throughout March. Riksbank governor Mr. Ingves illustrated very clearly how the spot rate Euro vs Swedish Kronor has become an explicitly integrated part of the Riksbank's reaction function. The inflationary outlook is highly exposed to down-side risks, why the March policy response was an inevitable step. Going forward, further policy response will be highly contingent on to what extent the Swedish nominated market will be able to offset the impact of the European asset and currency reprising caused by the ECB quantitative easing programme.



Christian Lindstrøm Lage
Chief Investment Officer, Midgard

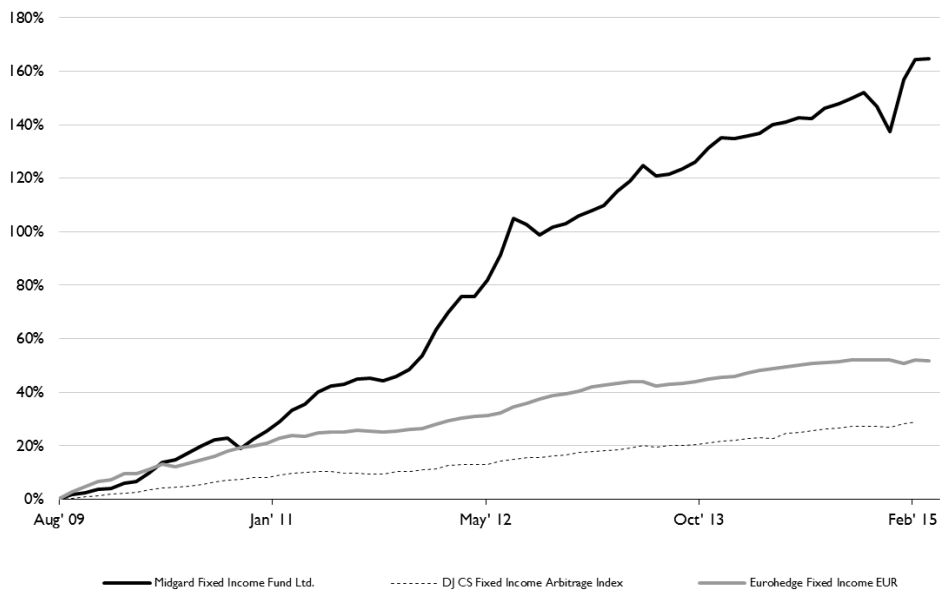
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HISTORICAL PERFORMANCE

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%										11.51%



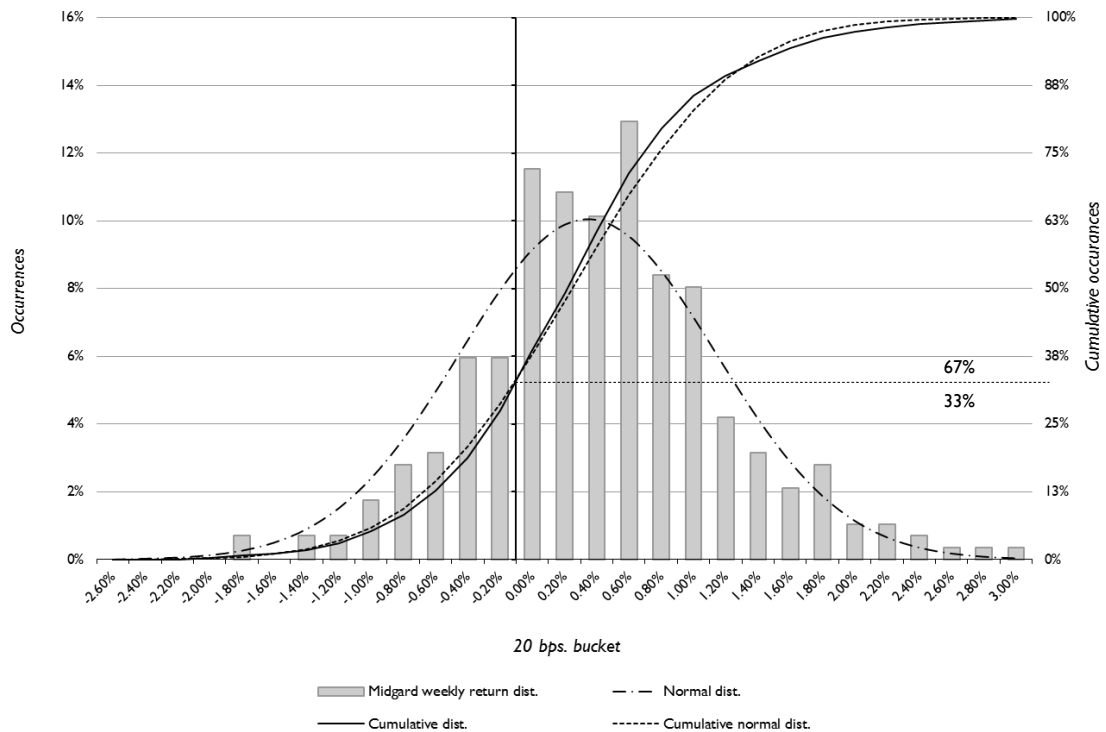
Return	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJIA Fixed Income Arbitrage Index
Annualized	19.05%	4.74%	7.78%
Last 12 months	10.29%	4.73%	2.10%
Last 3 months	11.51%	1.31%	-0.15%
Since inception	164.71%	28.97%	51.90%
Best month	8.18%	1.51%	2.77%
Worst month	-3.82%	-0.50%	-1.14%
Positive months	85.07%	87.88%	86.57%
Negative months	14.93%	12.12%	13.43%
Volatility	7.07%	1.31%	2.37%
Sharpe Ratio	2.63	3.28	3.09

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RETURN DISTRIBUTION



Moments	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJIA Fixed Income Arbitrage Index
Return	19.05%	4.74%	7.92%
Standard deviation	7.07%	1.31%	2.37%
Kurtosis	2.08	0.60	1.09
Skewness	0.53	-0.11	0.31

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	18.75%	-5.26%	34.55%

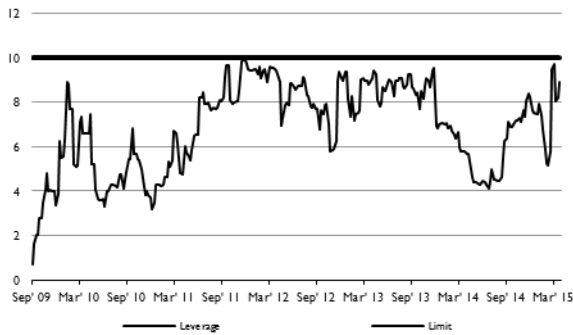
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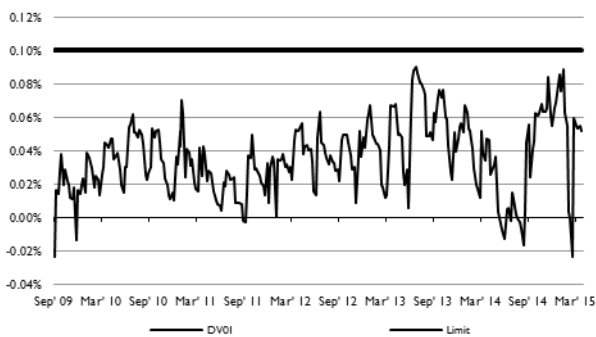
RISK & LINE LIMITS

LEVERAGE

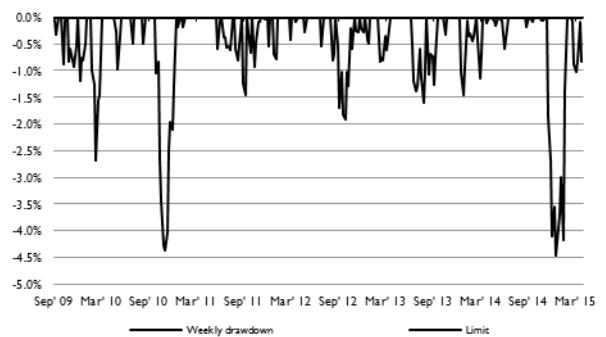


Risk	Midgard	Limit/limit
DV01	0.05%	± 0.10%
Leverage	8.93	Max. 10
VaR	0.11%	Max. 2 %
FX exposure	32.93%	Max. 100 %

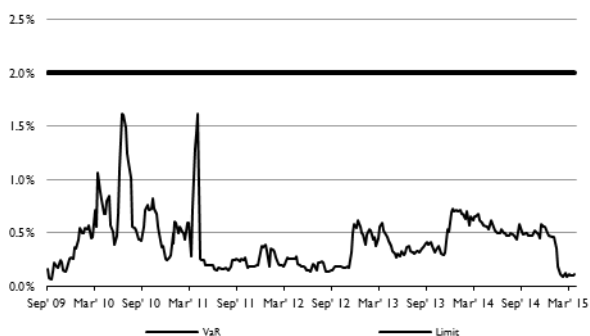
DV01



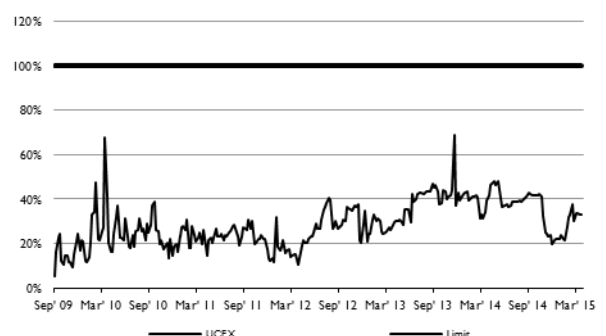
WEEKLY DRAWDOWN



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)	19.05%	10.29%	
Excess return ($r_p - r_f$)	18.64%	10.26%	
<i>36 month</i>			
Portfolio return (r_p)	14.59%	-	
Excess return ($r_p - r_f$)	14.48%	-	
Maximum drawdown since inception	4.46%	4.46%	
Maximum drawdown 36m	4.46%	-	*
Largest individual drawdown			
First	1.86%	4.46%	
Second	1.85%	4.18%	
Third	1.46%	4.11%	
Average	1.72%	4.25%	
Calmar Ratio	3.24	-	*
MAR Ratio	4.17	2.30	
Sterling ratio	10.81	2.42	
Downside risk	0.79%	1.86%	
Upside risk	1.34%	3.15%	
Loss standard deviation	6.56%	6.38%	
Gain standard deviation	5.16%	6.22%	
Mean absolute moment, downside	-24.26%	-24.55%	
Mean absolute moment, upside	38.27%	32.13%	
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 529.92 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