



NEWSLETTER MARCH 2016

MIDGARD
FIXED INCOME FUND LIMITED

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Performance & NAV	AA	A	B
Monthly return	5.99%	5.99%	5.90%
Return year-to-date	2.28%	2.28%	2.03%
NAV per share	262.89	129.56	122.27

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

MARKET UPDATE MARCH 2016

The Midgard Fixed Income Fund Ltd. Returned 5.99 % in March, bringing total year-to-date performance to 2.28%.

March marked a significant shift in general sentiment surrounding Midgard's core markets. The ECB cut both its main refinancing and repo rates in March, however comments from Mr. Draghi persuaded investors to generally interpret the statement as at least somewhat hawkish. Bonds against swaps in Denmark narrowed 5-7 bps., while same spreads in Sweden narrowed to the tune of 12-14 bps. over the duration of the month. As far as Sweden goes, interbank lending rates rose quite significantly thus also lending a helping hand to narrowing of the spreads.

In Denmark, the Danish Krone appreciated to 7.4500 by the end of the month, the strongest it has been in more than a year. This begs the question of how and when the central bank will intervene to defend the peg, especially as the continued drain in sector liquidity keeps the short end of the curve anchored at relatively high levels compared to their equivalent Euro-based rates. Meanwhile, longer-dated Krone swap spreads, also compared to their Euro equivalents, narrowed in March, signifying that while liquidity remains an issue on the short-term, markets have confidence in the central bank's ability to reign in said diminishing liquidity. As for the short-term results, the drain in liquidity has definitively helped steer returns.



Stefan Helgason
Senior Portfolio Manager, Midgard

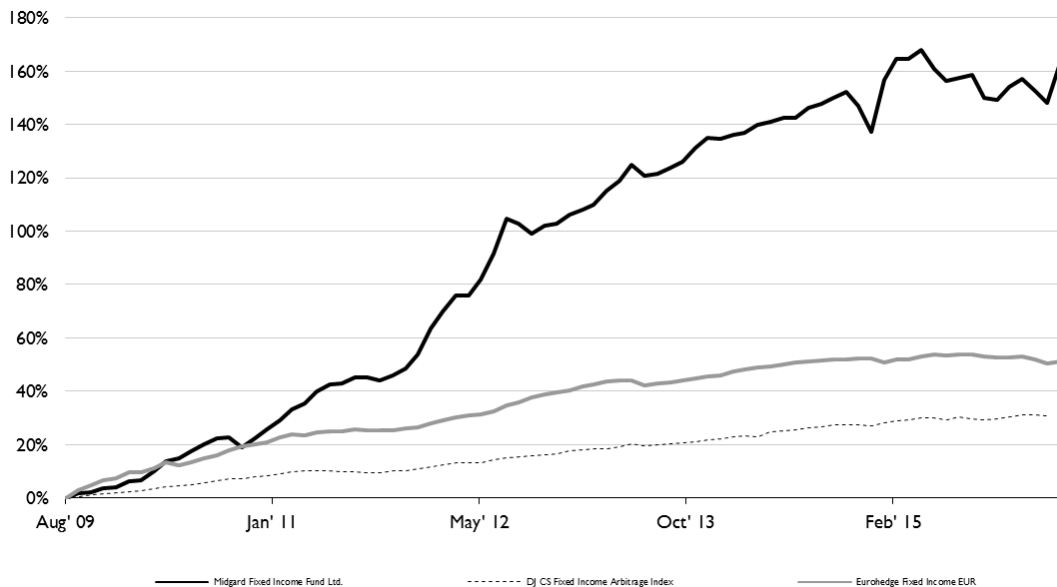
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NEWSLETTER MARCH 2016

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%										2.28%



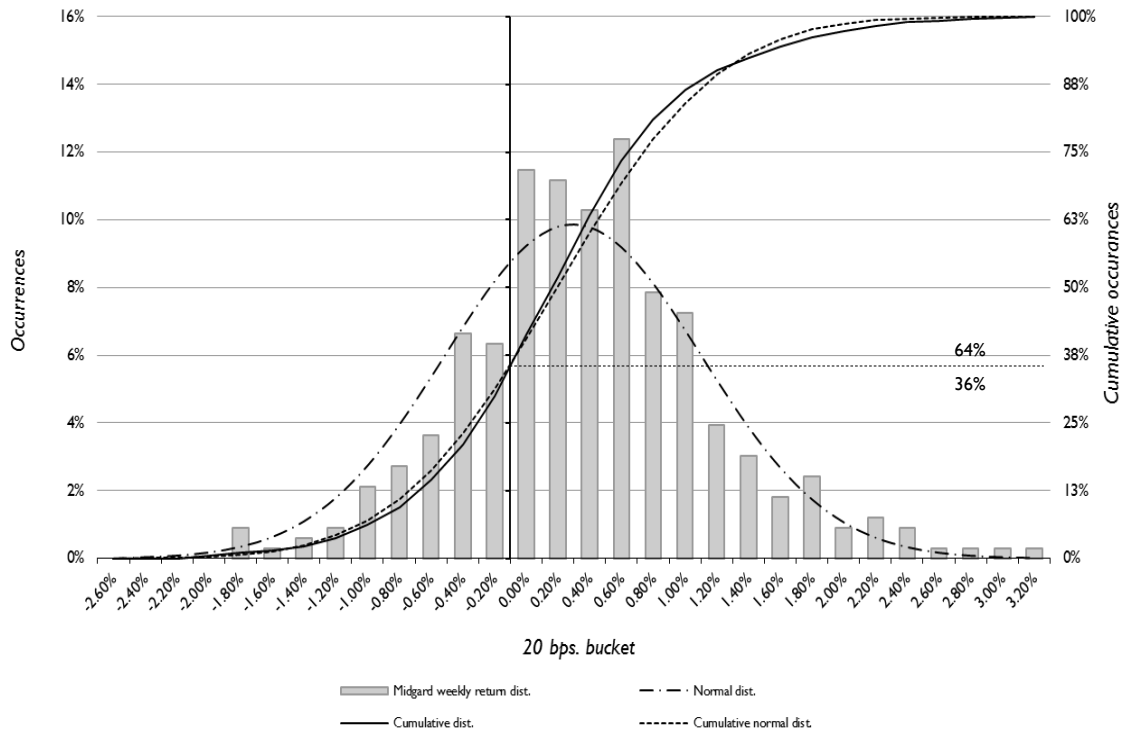
Return	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJIA Fixed Income Arbitrage Index
Annualized	15.81%	4.19%	6.47%
Last 12 months	-0.69%	1.26%	-1.15%
Last 3 months	2.28%	0.15%	-1.65%
Since inception	162.89%	30.59%	50.27%
Best month	8.18%	1.51%	2.77%
Worst month	-3.82%	-0.58%	-1.14%
Positive months	79.75%	83.33%	81.01%
Negative months	20.25%	16.67%	18.99%
Volatility	7.54%	1.42%	2.43%
Sharpe Ratio	2.05	2.72	2.52

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NEWSLETTER MARCH 2016

RETURN DISTRIBUTION



Moments	Midgard Fixed Income	EuroHedge Fixed	DJIA Fixed Income
	Fund Ltd.	Income Arbitrage Index	Arbitrage Index
Return	15.81%	4.19%	6.47%
Standard deviation	7.54%	1.42%	2.43%
Kurtosis	1.37	0.23	0.92
Skewness	0.43	-0.26	0.30

Correlation analysis	Midgard Fixed Income	EuroHedge Fixed	DJIA Fixed Income
	Fund Ltd.	Income Arbitrage Index	Arbitrage Index
Correlation coefficient	-	45.89%	18.81%
Beta	-	254.03%	51.83%
Alpha	-	9.40%	16.31%
R2	-	21.06%	3.54%
Autocorrelation	20.71%	-1.70%	42.37%

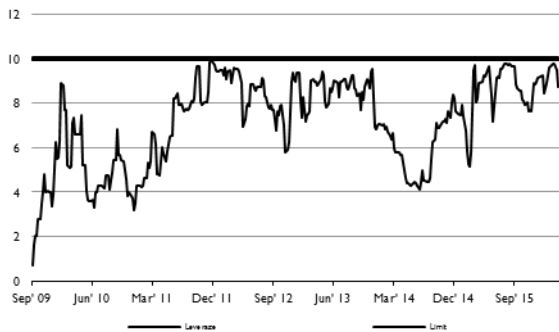
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FIXED INCOME FUND LIMITED

NEWSLETTER MARCH 2016

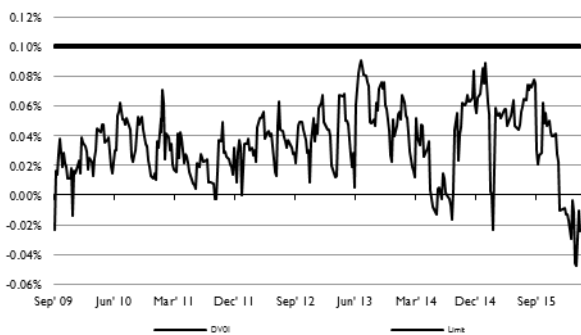
RISK & LINE LIMITS

LEVERAGE

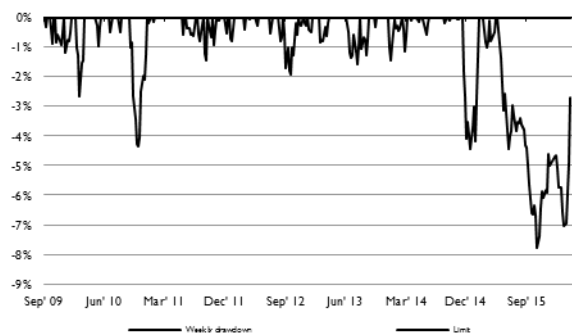


Risk	Midgard	Limit/limit
DV01	0.00%	± 0.10%
Leverage	9.35	Max. 10
VaR	0.36%	Max. 2 %
FX exposure	81.40%	Max. 100 %

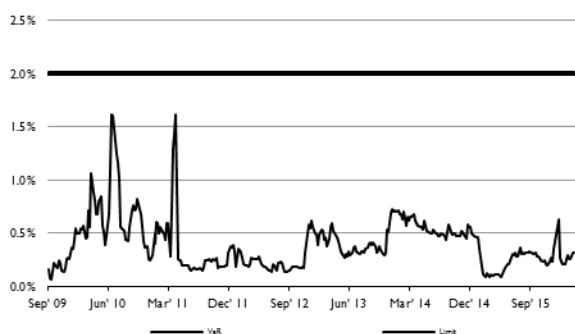
DV01



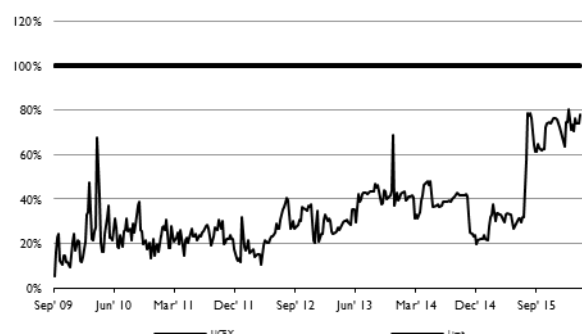
WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



RISK FIGURES

Risk Figure	Weekly data		Note
	Since inception	1Y	
<i>Period</i>			
Portfolio return (r_p)	15.81%	-0.69%	
Excess return ($r_p - r_f$)	15.51%	-0.51%	
<i>36 month</i>			
Portfolio return (r_p)	6.92%	-	
Excess return ($r_p - r_f$)	6.94%	-	
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	0.89	-	*
MAR Ratio	1.99	-0.07	
Sterling ratio	8.99	-0.66	
Downside risk	0.74%	1.15%	
Upside risk	1.25%	2.35%	
Loss standard deviation	6.29%	4.55%	
Gain standard deviation	5.31%	6.36%	
Mean absolute moment, downside	-24.68%	-25.88%	
Mean absolute moment, upside	37.61%	32.97%	
Omega ratio	1.69	2.04	
Volatility skewness	0.71	1.96	

* Not applicable for 1-year returns

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Strategy AUM	EUR 408.083 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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