



NEWSLETTER MARCH 2018

PFA
INVESTMENT FUND

Performance & NAV	AA	A	B
Monthly return	-0.20%	-0.20%	-0.31%
Return year-to-date	1.71%	1.71%	1.32%
NAV per share	318.62	157.03	143.18

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

MARKET UPDATE MARCH 2018

PFA Investment Fund - Midgard Fixed Income Fund returned -0,20 % in March, bringing total YTD return to 1,71 %.

Following Februarys dis-performance, Danish covered bonds showed great resilience in March. Appetite for AAA-rated assets re-emerged from international accounts which, combined with low issuance and a downward pressure on market yields in general, sent spreads toward the lower bound once again. It becomes ever more evident that the spread movements are becoming much more a directional game.

Geopolitical risks sent a general nervous tone through the financial markets with broad equity markets down alongside the US Dollar whereas commodities, with a tendency to focus on oil and Middle east, ended on a positive note.

Although the housing market showed stability the Swedish Kronor continued, throughout March, to weaken versus peers, which to a large extent was due to the influence from the short end of US Dollar. STIBOR fixings widened significantly by around 10bp and as funding of covered bonds stayed stable this led to further interest into the market as comparable markets was deemed of lesser interest due to lack of carry. Spread to interest rate swap performed around 3bp.

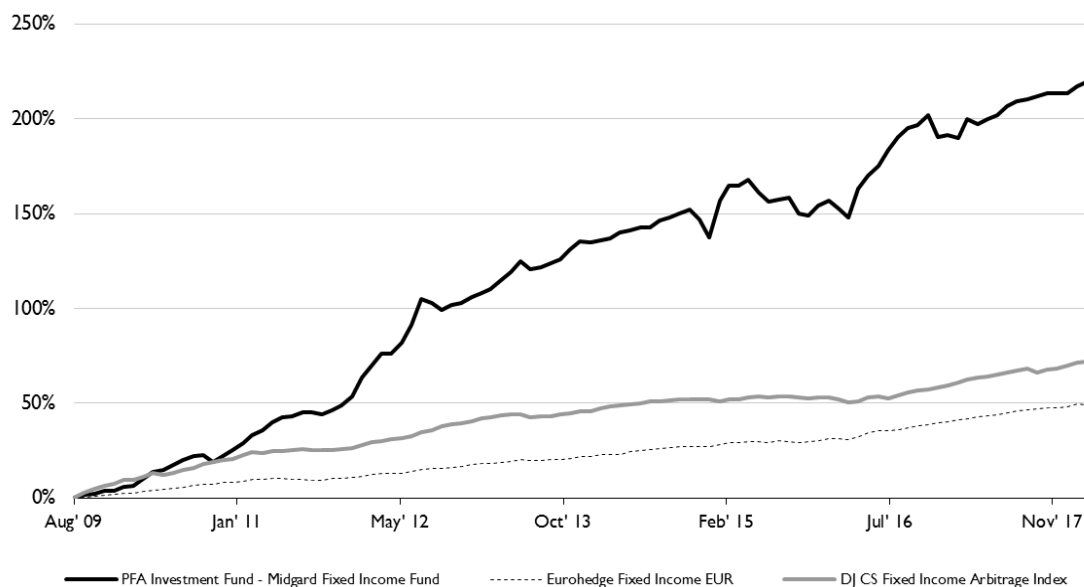
So even though the sentiment is for an end to 'easy carry' the bigger question is when? Central Banks around the Globe seem ready to unwind easing biases and measures and therefore the short end of interest rate curves will be the epicenter of the effects hereof.



Jesper Slemming
Chief Investment Officer, PFA Investment Fund

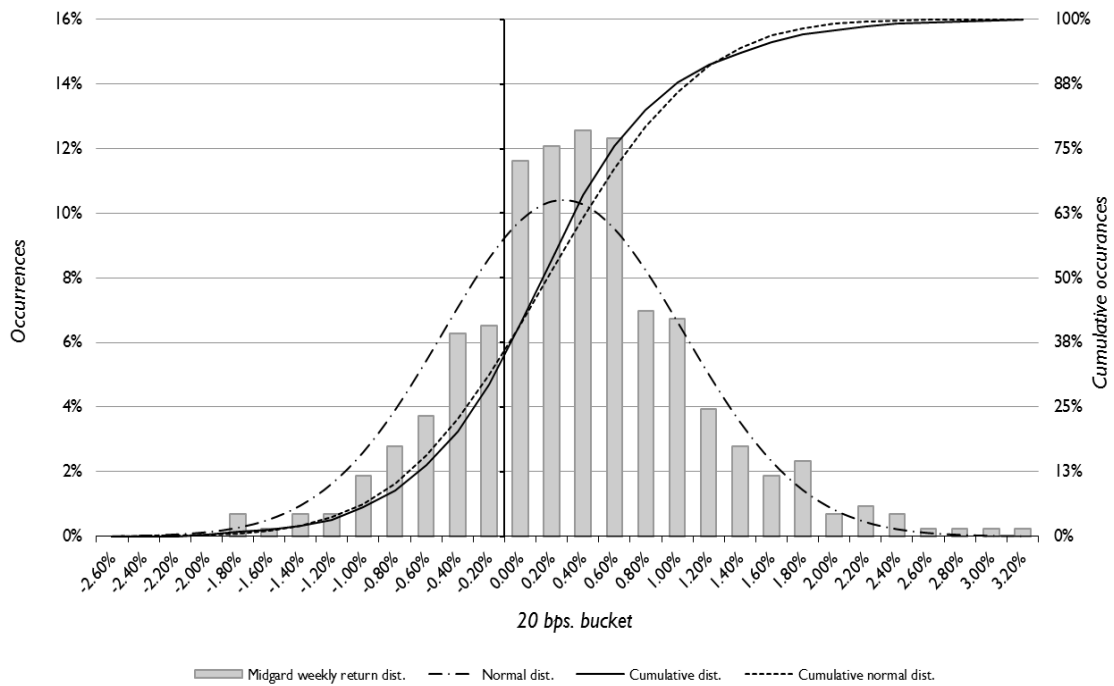
HISTORICAL PERFORMANCE

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%										1.71%



Return	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Annualized	14.64%	4.83%	6.60%
Last 12 months	6.45%	5.26%	6.08%
Last 3 months	1.84%	1.09%	2.19%
Since inception	219.26%	49.32%	72.15%
Best month	8.18%	1.51%	2.77%
Worst month	-3.82%	-0.58%	-1.19%
Positive months	80.39%	86.27%	83.33%
Negative months	19.61%	13.73%	16.67%
Volatility	7.07%	1.40%	2.31%
Sharpe Ratio	2.04	3.31	2.77

RETURN DISTRIBUTION

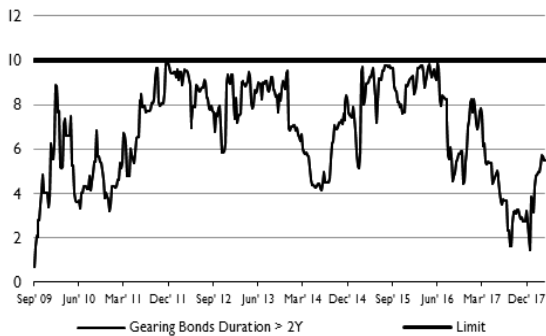


Moments	PFA Investment Fund -	EuroHedge Fixed Income	DJ CS Fixed Income
	Midgard Fixed Income Fund	Arbitrage Index	Arbitrage Index
Return	14.64%	4.83%	6.60%
Standard deviation	7.07%	1.40%	2.31%
Kurtosis	1.79	0.59	1.24
Skewness	0.39	-0.14	0.05

Correlation analysis	PFA Investment Fund -	EuroHedge Fixed Income	DJ CS Fixed Income
	Midgard Fixed Income Fund	Arbitrage Index	Arbitrage Index
Correlation coefficient	-	49.33%	26.01%
Beta	-	248.84%	79.63%
Alpha	-	1.98%	8.86%
R2	-	24.34%	6.77%
Autocorrelation	20.00%	2.56%	32.76%

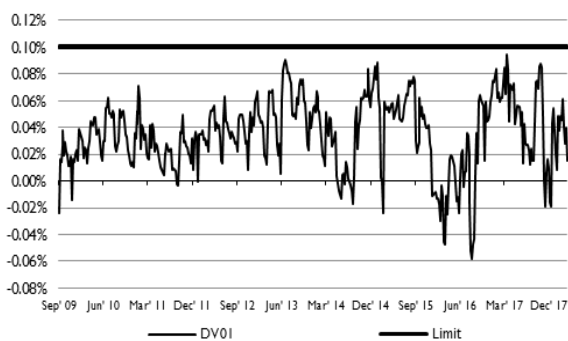
RISK & LINE LIMITS

GEARING BONDS DURATION > 2Y

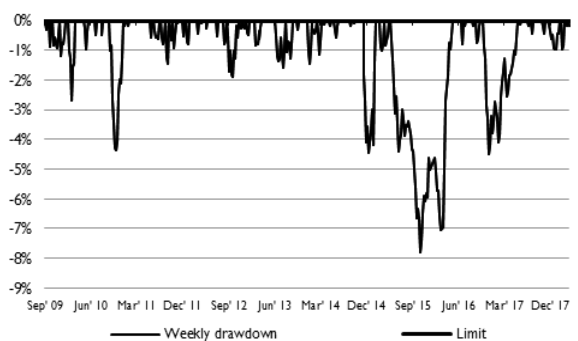


Risk	Midgard	Lime/limit
DV01	0.02%	± 0.10%
Leverage	5.64	Max. 10
VaR	0.41%	Max. 2 %
FX exposure	52.83%	Max. 100 %

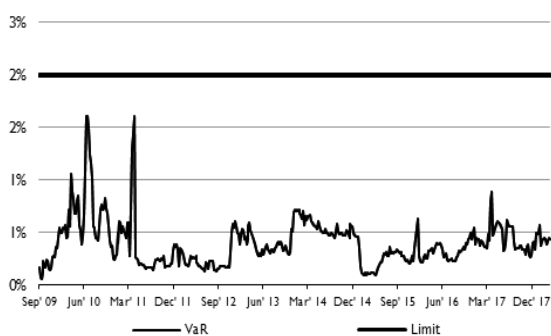
DV01



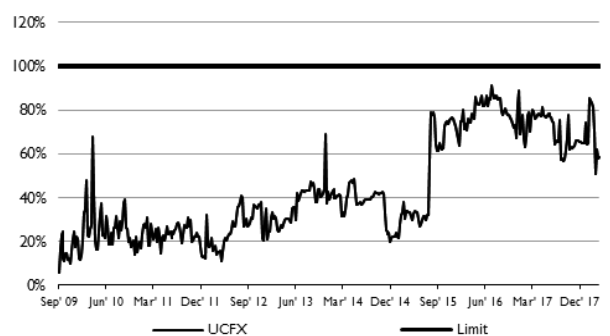
WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



RISK FIGURES

Risk Figure	Weekly data		Note
	Since inception	1Y	
<i>Period</i>			
Portfolio return (r_p)	14.45%	7.13%	
Excess return ($r_p - r_f$)	14.31%	7.50%	
<i>36 month</i>			
Portfolio return (r_p)	6.37%	-	
Excess return ($r_p - r_f$)	6.69%	-	
Maximum drawdown since inception	7.78%	4.08%	
Maximum drawdown 36m	7.78%	-	*
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	0.86	-	*
MAR Ratio	1.84	1.84	
Sterling ratio	8.14	9.90	
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 516.3 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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