



NEWSLETTER NOVEMBER 2014

MIDGARD
FIXED INCOME FUND LIMITED

Performance & NAV	AA	A	B
Monthly return	-2.06%	-2.06%	-2.07%
Return year-to-date	5.13%	5.13%	3.62%
NAV per share	246.82	121.64	116.96

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

MARKET UPDATE NOVEMBER 2014

Midgard Fixed Income Fund Ltd lost 2.06 per cent in November bringing the total performance year to date to 5.13 per cent.

The annual Danish Q4 refinancing auction took center stage throughout November as a substantial reprising of Danish non-callables led to significant spill-over effects to both Danish callables and Swedish covered bonds. Domestic Danish banks' limited ability to provide sufficient funding for funded investors translated into a smaller bid in general than what historically has characterized the refinancing auctions. As bid-to-covers fell, credit and liquidity premiums rose and took its toll on value of the existing stock. Investors initially had a great appetite for Danish non-callables into the auctions, but facing the new limitations didn't have the chance to support the market. Danish non-callables now trade at historical lows to the European ditto basis swapped. It is interesting to what extent the ECB bid will force euro denominated investors to allocate towards Denmark. An obstacle here might be the ability to hold bonds under the new legislation with the embedded refinancing mechanism.

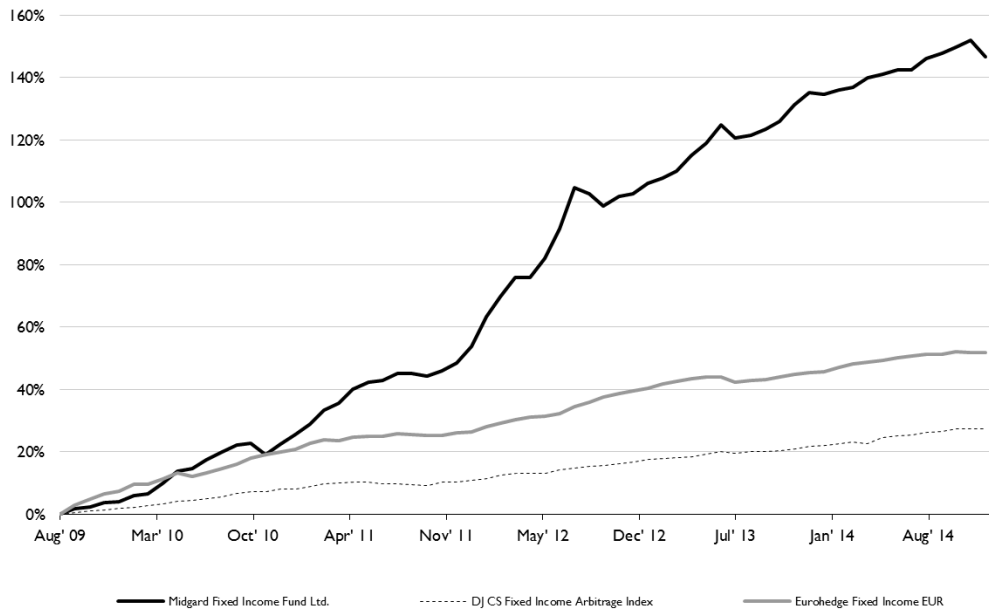
In Sweden, bonds reprised especially in the very short end of the curve as a knee-jerk reaction to the result of the bid-to-cover at the Danish auctions. Sweden still constitutes a very interesting business case as house prices stagnate, with some tendency to fall slightly after new requirements on households to amortize and pose larger downpayments for new house financing. All-in-all, mechanisms that caps new issuance and strengthens household credibility and cover pools.



Christian Lindstrøm Lage
Chief Investment Officer, Midgard

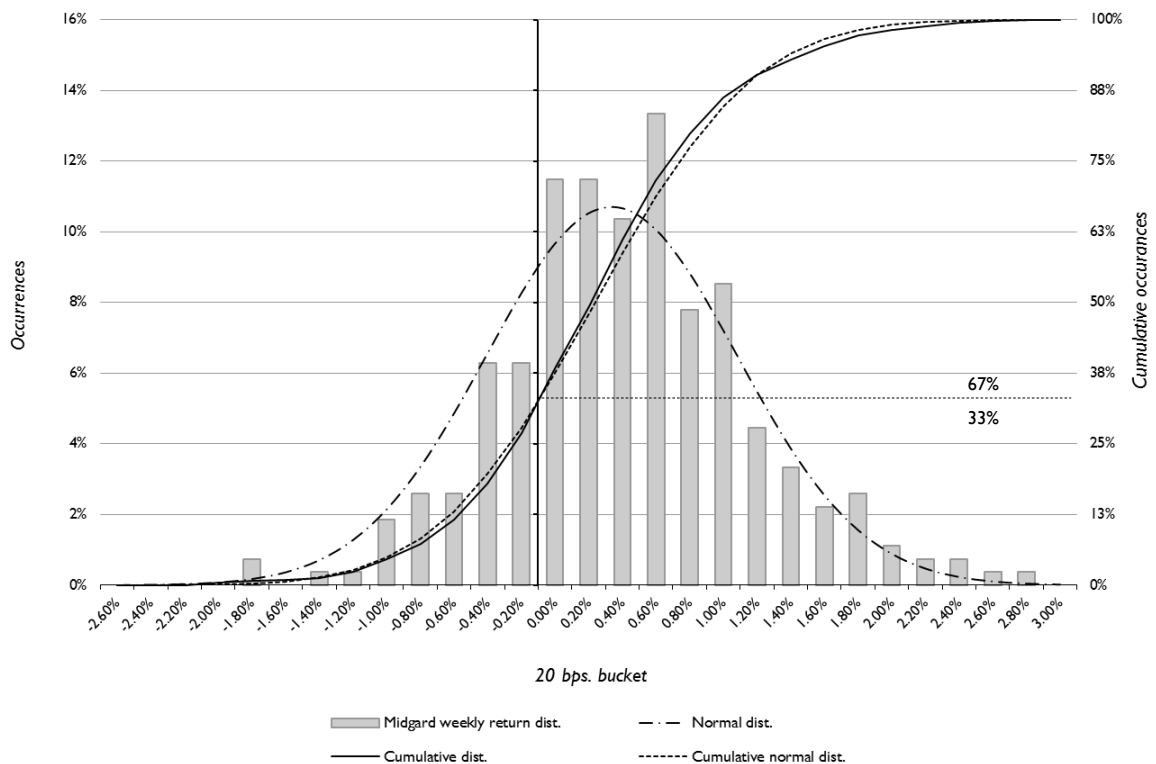
HISTORICAL PERFORMANCE

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%		5.13%



Return	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJIA Fixed Income Arbitrage Index
Annualized	18.78%	4.71%	8.29%
Last 12 months	4.97%	4.59%	4.41%
Last 3 months	-0.38%	0.69%	0.32%
Since inception	146.82%	27.36%	51.91%
Best month	6.97%	1.51%	2.77%
Worst month	-2.98%	-0.50%	-1.14%
Positive months	85.71%	90.48%	90.48%
Negative months	14.29%	9.52%	9.52%
Volatility	6.19%	1.28%	2.33%
Sharpe Ratio	2.96	3.31	3.36

RETURN DISTRIBUTION



Moments	Midgard Fixed Income	EuroHedge Fixed	DJIA Fixed Income
	Fund Ltd.	Income Arbitrage Index	Arbitrage Index
Return	18.78%	4.71%	8.29%
Standard deviation	6.19%	1.28%	2.33%
Kurtosis	1.50	0.86	1.22
Skewness	0.44	-0.08	0.36

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	31.43%	-6.02%	34.09%

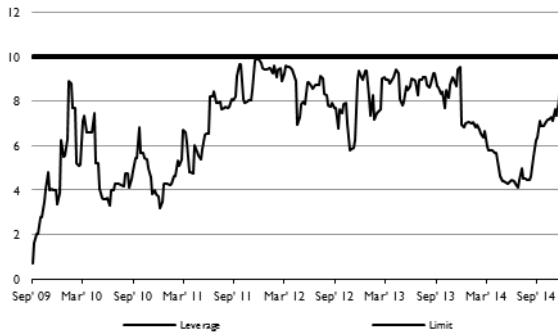
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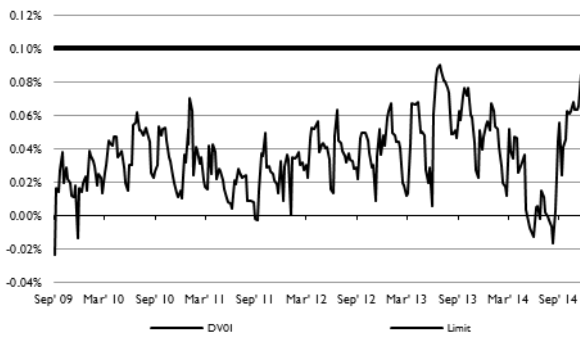
RISK & LINE LIMITS

LEVERAGE

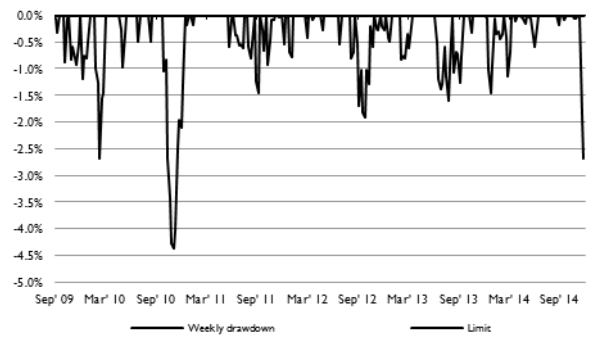


Risk	Midgard	Limit/limit
DV01	0.06%	± 0.10%
Leverage	8.40	Max. 10
VaR	0.56%	Max. 2 %
FX exposure	23.81%	Max. 100 %

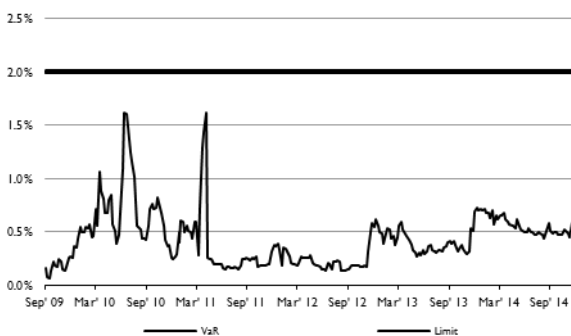
DV01



WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



RISK FIGURES

Risk Figure	Weekly data		Note
	Since inception	1Y	
<i>Period</i>			
Portfolio return (r_p)	18.78%	4.97%	
Excess return ($r_p - r_f$)	18.34%	4.88%	
<i>36 month</i>			
Portfolio return (r_p)	18.42%	-	
Excess return ($r_p - r_f$)	18.25%	-	
Maximum drawdown since inception	4.38%	2.68%	
Maximum drawdown 36m	2.68%	-	*
Largest individual drawdown			
First	1.86%	2.68%	
Second	1.85%	1.86%	
Third	1.42%	1.45%	
Average	1.71%	2.00%	
Calmar Ratio	6.81	-	*
MAR Ratio	4.19	1.82	
Sterling ratio	10.72	2.49	
Downside risk	0.82%	1.86%	
Upside risk	1.22%	1.02%	
Loss standard deviation	6.33%	4.67%	
Gain standard deviation	4.76%	2.83%	
Mean absolute moment, downside	-23.00%	-18.19%	
Mean absolute moment, upside	36.76%	19.66%	
Omega ratio	1.49	0.55	
Volatility skewness	0.57	0.37	

* Not applicable for 1-year returns

MIDGARD

FIXED INCOME FUND LIMITED

Strategy AUM	EUR 512.77 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