



NEWSLETTER NOVEMBER 2012

MIDGARD

FIXED INCOME FUND LIMITED

Performance & NAV

Monthly return **0.50%**

Return year-to-date **31.96%**

NAV per share **202.90**

MARKET UPDATE NOVEMBER 2012

The Midgard Fixed Income Fund returned 0.50% in November bringing total performance in 2012 to 31.96%.

On the global front, markets were relatively calm and stable for the better part of November. For the local Nordic markets, November was dominated by the year's largest refinancing auction of non-callable bullet bonds in Denmark. Contrary to previous years, DKK mortgage bonds had performed well leading up to the auctions but the trend continued when auctions started. Especially one year bonds came at tight levels on the back of strong demand from especially foreign investors and bank treasuries, whereas longer dated bonds came at slightly more balanced levels. Noteworthy was also the fact that after months of underperformance, short DKK rates started to gain versus EUR ditto, benefiting the performance of the fund. Midgard participated in the auctions and increased the share of DKK exposure during November.

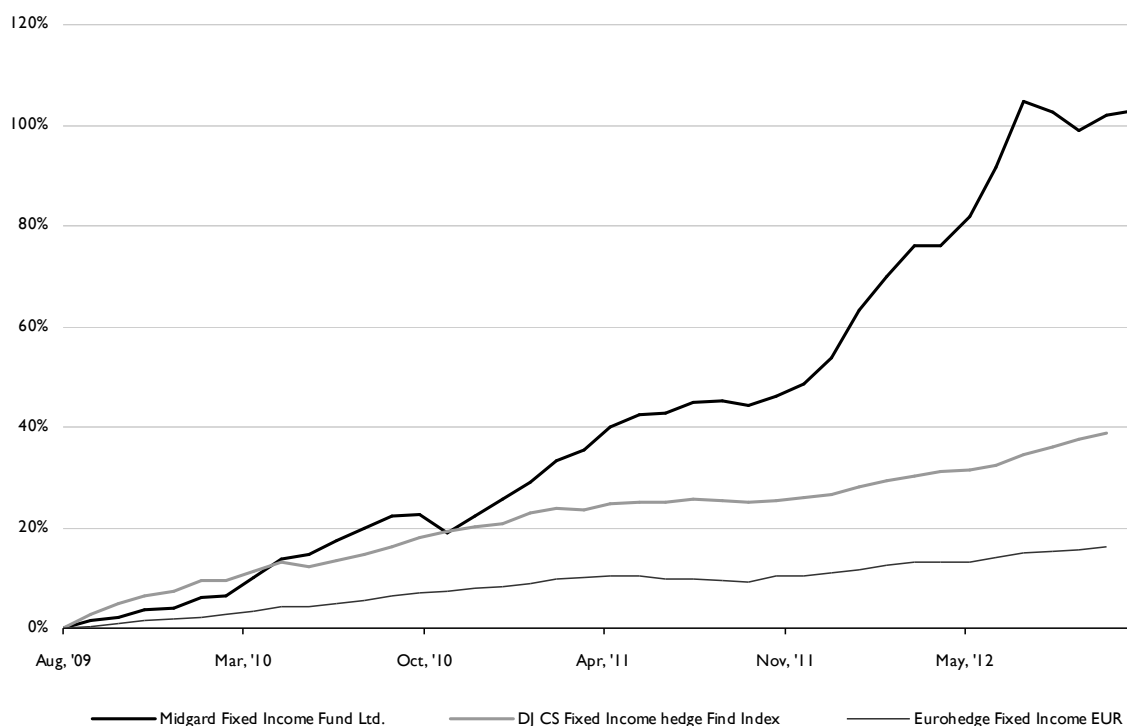
In Sweden, Moody's changed the rating outlook on most Swedish banks to negative from stable. This caused a small correction in the market as some participants took profit from what has been a very strong performing market in 2012. Midgard re-entered the long of the Swedish curve and have already seen good performance as the low supply of bonds keep pressing ASW-levels lower.



Christian Riemann-Andersen
Senior Portfolio Manager, Midgard

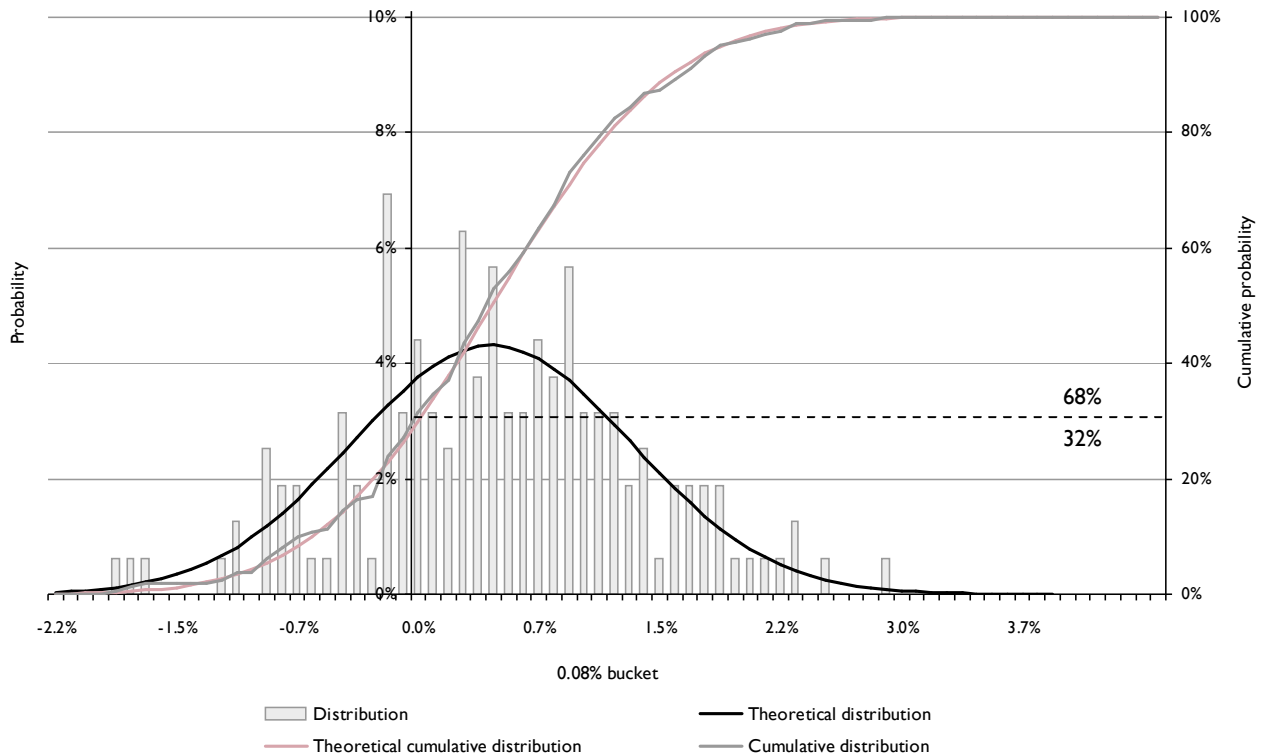
HISTORICAL PERFORMANCE

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%		31.96%



Return	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJIA Fixed Income Arbitrage Index
Annualized	24.32%	2.33%	9.96%
Last 12 months	36.52%	4.92%	10.73%
Last 3 months	0.12%	1.17%	3.18%
Since inception	102.90%	15.27%	35.07%
Best month	6.97%	1.02%	2.02%
Worst month	-2.98%	-0.47%	-0.79%
Positive months	86.84%	83.78%	89.19%
Negative months	13.16%	16.22%	10.81%
Volatility	7.19%	1.29%	2.33%
Sharpe Ratio	3.30	1.34	4.01

RETURN DISTRIBUTION

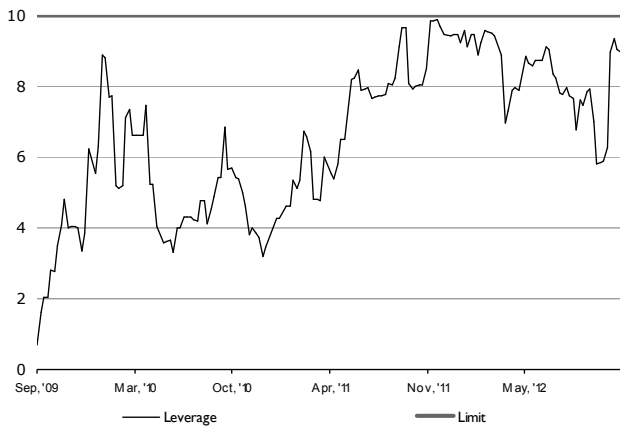


Moments	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJIA Fixed Income Arbitrage Index
Return	24.32%	2.33%	9.96%
Standard deviation	7.19%	1.29%	2.33%
Kurtosis	78.04%	-49.94%	-31.38%
Skewness	16.05%	-26.75%	-27.44%

Correlation analysis	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJIA Fixed Income Arbitrage Index
Correlation coefficient	-	43.82%	22.37%
Beta	-	240.19%	67.97%
Alpha	-	12.42%	17.46%
R2	-	19.20%	5.00%
Information ratio	-	314.54%	206.71%
Tracking error	-	6.99%	6.95%
Autocorrelation	30.36%	16.34%	13.31%

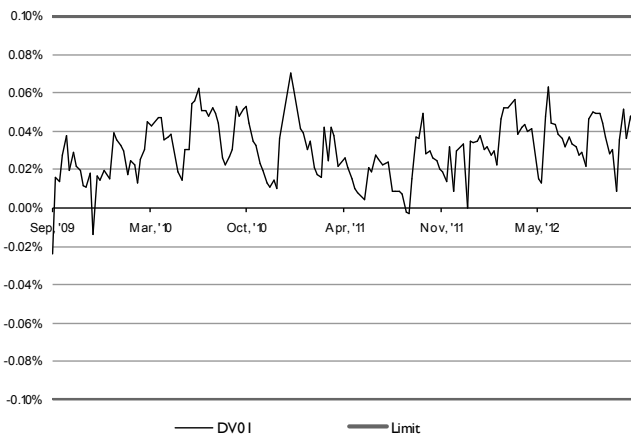
RISK & LINE LIMITS

LEVERAGE

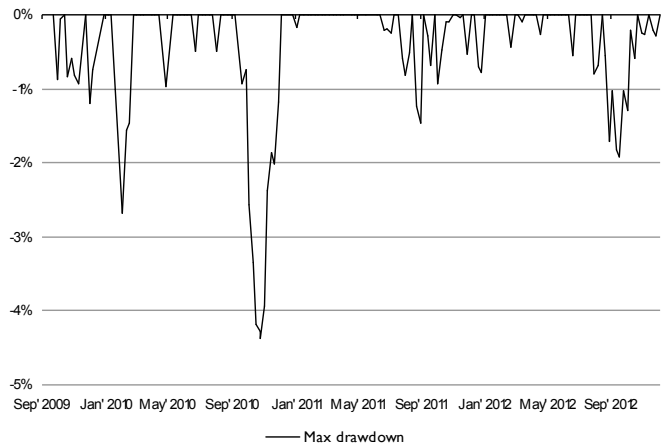


Risk	Midgard	Limit/limit
DV01	0.04%	± 0.10%
Leverage	9.36	Max. 10
VaR	0.58%	Max. 2 %
FX exposure	20.39%	Max. 100 %

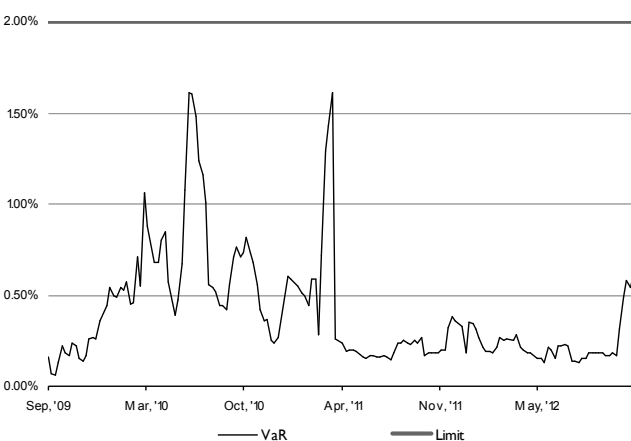
DV01



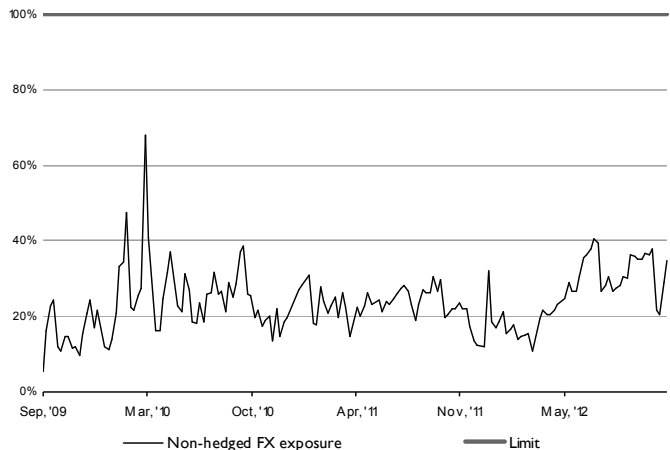
WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



MIDGARD

FIXED INCOME FUND LIMITED

Strategy AUM	EUR 390.32 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