

NEWSLETTER November 2019



PFA
INVESTMENT FUND

Performance & NAV	AA	A	B
Monthly return	0.83%	0.79%	0.79%
Return year-to-date	10.26%	9.17%	8.88%
NAV per share	337.88	164.25	149.37

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

MARKET UPDATE November 2019

November was a continuation of the risk on sentiment in the financial markets driven by continued reasonable key figures and to a large extent by a largely positive tone struck in the ongoing trade war between the US and China. Months of retaliatory tariffs seemed to come to a halt with a phase one deal in the making spiced with a cancellation of expected additional punitive tariffs.

Interest rates reacted and went higher on steepening curves (eg. US 10 year up 10bp and 2 year up 6bp), USD showed strength as the FED seemed content at the current level and hence the interest rate differential looks to stay put and equity indices globally was on the move higher.

The PFA Investment Fund – Midgard Fixed Income Fund returned positive in November even though the Swedish Riksbank continued to stay determined to hike interest rates to zero before Year-end. This, combined with slightly wider spread between bonds and interest rate swaps across the Scandinavian investment space, had a negative effect on the return. This was more than off-set by a positive development in Norwegian versus European interest rates.

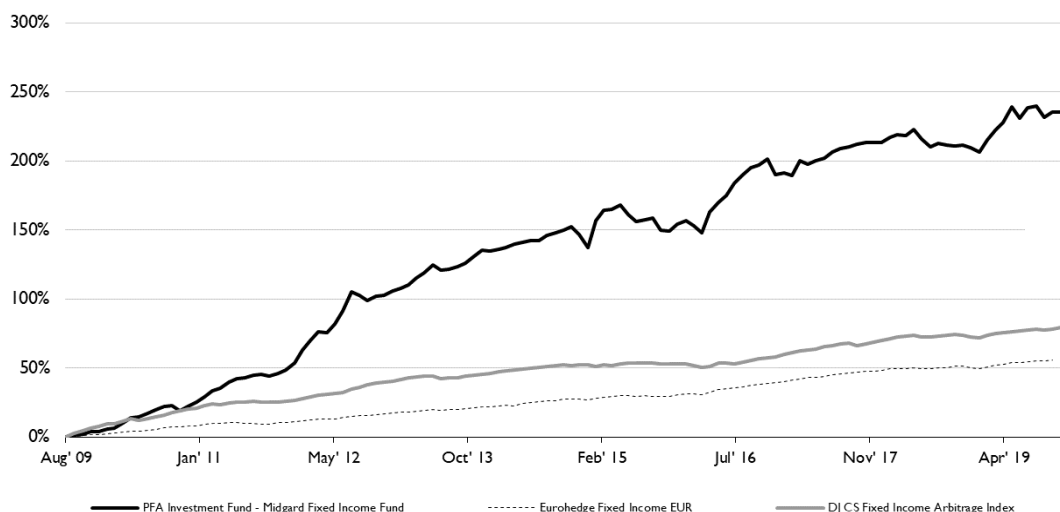
The investment team continue to prefer a low level of leverage and await a spread widening before adding to the core strategy.

Jesper Slemming
Chief Investment Officer, PFA Investment Fund



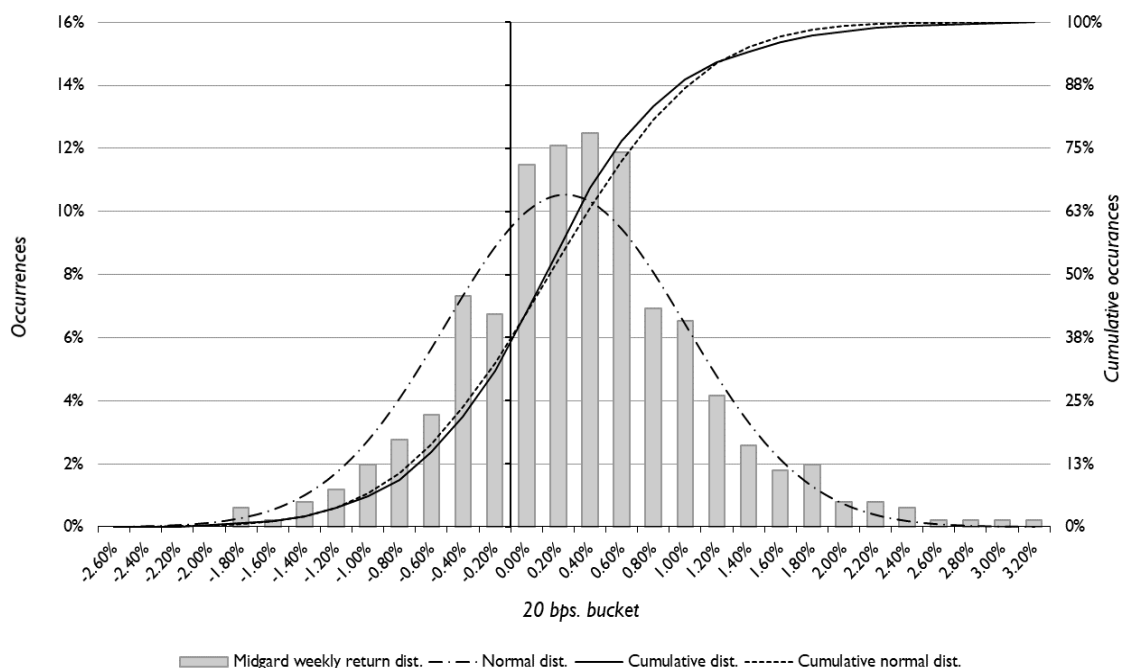
HISTORICAL PERFORMANCE

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%	1.24%	-2.12%	-1.80%	0.77%	-0.26%	-0.25%	0.10%	-0.60%	-0.93%	-2.18%
2019	2.90%	2.08%	1.88%	3.39%	-2.39%	2.29%	0.41%	-2.43%	1.14%	-0.09%	0.83%		10.26%



Return	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Annualized	12.61%	4.51%	0.00%
Last 12 months	9.24%	2.90%	-42.09%
Last 3 months	1.89%	0.73%	-43.59%
Since inception	237.88%	55.94%	0.00%
Best month	8.18%	1.51%	2.77%
Worst month	-3.82%	-0.76%	-1.19%
Positive months	75.61%	83.47%	81.97%
Negative months	24.39%	16.53%	18.03%
Volatility	6.95%	1.46%	2.25%
Sharpe Ratio	1.80	3.01	-0.04

RETURN DISTRIBUTION

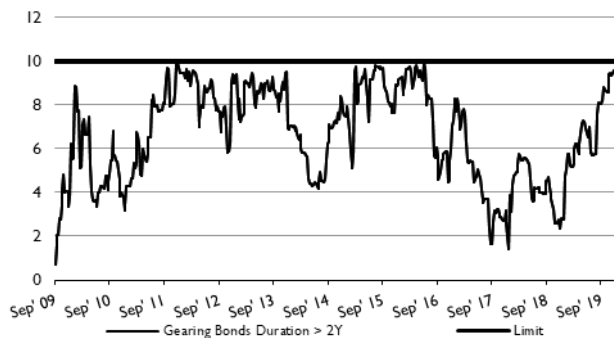


Moments	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Return	12.61%	4.51%	0.00%
Standard deviation	6.95%	1.46%	2.25%
Kurtosis	1.63	0.36	1.22
Skewness	0.40	-0.25	0.11

Correlation analysis	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Correlation coefficient	-	53.58%	32.57%
Beta	-	256.01%	100.87%
Alpha	-	0.79%	6.35%
R2	-	28.70%	10.61%
Autocorrelation	18.93%	8.12%	33.85%

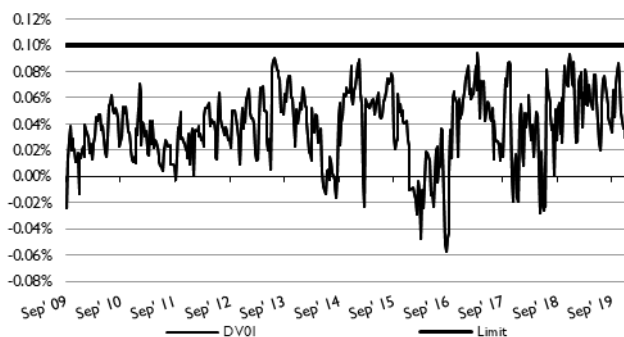
RISK & LINE LIMITS

GEARING BONDS DURATION > 2Y

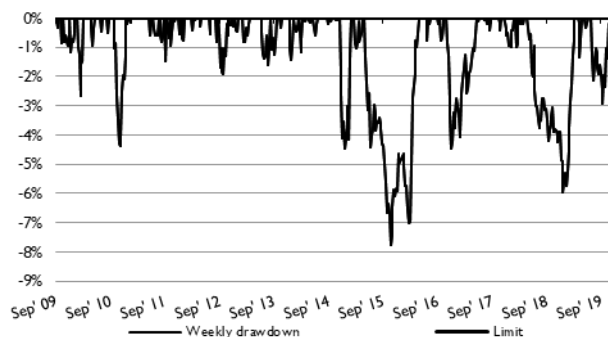


Risk	Midgard	Lime/limit
DV01	0.05%	± 0.10%
Leverage	9.40	Max. 10
VaR	0.56%	Max. 2 %
FX exposure	40.73%	Max. 100 %

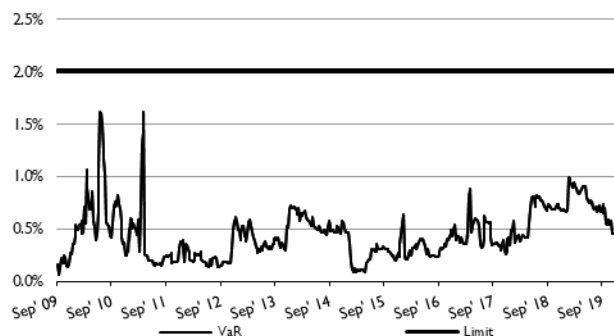
DV01



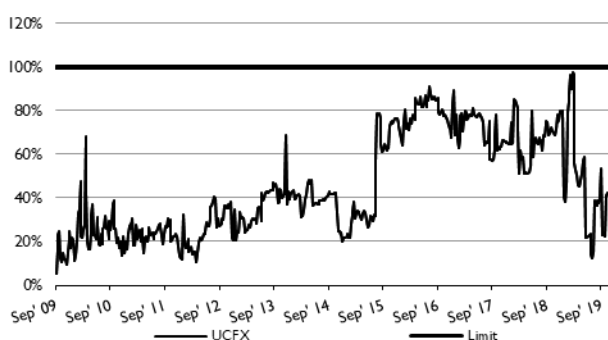
WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



RISK FIGURES

Risk Figure	Weekly data		Note
	Since inception	1Y	
<i>Period</i>			
Portfolio return (r_p)	12.63%	7.69%	
Excess return ($r_p - r_f$)	12.58%	8.11%	
<i>36 month</i>			
Portfolio return (r_p)	3.57%	-	
Excess return ($r_p - r_f$)	3.95%	-	
Maximum drawdown since inception	7.78%	5.97%	
Maximum drawdown 36m	5.97%	-	*
Largest individual drawdown			
First	1.86%	1.30%	
Second	1.85%	1.21%	
Third	1.57%	1.13%	
Average	1.76%	1.22%	
Calmar Ratio	0.66	-	*
MAR Ratio	1.62	1.36	
Sterling ratio	7.15	6.32	
Downside risk	0.60%	1.30%	
Upside risk	1.01%	1.37%	
Loss standard deviation	5.85%	5.06%	
Gain standard deviation	4.93%	4.18%	
Mean absolute moment, downside	-24.26%	-24.04%	
Mean absolute moment, upside	33.68%	31.68%	
Omega ratio	1.69	1.05	
Volatility skewness	0.71	0.68	

* Not applicable for 1-year returns

PFA

INVESTMENT FUND

Strategy AUM	EUR 326.9 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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