



NEWSLETTER SEPTEMBER 2015

MIDGARD
FIXED INCOME FUND LIMITED

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Performance & NAV	AA	A	B
Monthly return	-3.37%	-3.37%	-3.45%
Return year-to-date	5.28%	5.28%	3.94%
NAV per share	249.91	123.17	116.82

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

MARKET UPDATE SEPTEMBER 2015

The Midgard Fixed Income Fund Ltd. returned -3.37 % in September, and this brings total YTD performance for 2015 to 5.28 %.

In September, spreads in none of Midgard's core markets were able to dodge widenings, and returns for Midgard were accordingly impacted.

In Denmark, for the first time since the Danish National bank began taking moves towards normalizing the Central Bank's foreign exchange reserves, OIS rates declined sharply from their recent highs. Key tenors all locked in around 10 bps. moves to lower rates in September. Interestingly, the rates reversal came amid a trend-wise slower reduction of FX reserves. Throughout the latter part of the month, DKK covered bond yields were not quoted down to the same extent as OIS rates, and as a result spreads widened through the month in the shorter end of the curve.

In Sweden, SEK covered asset swaps widened significantly in September on fears of issuance activity reaching an elevated pace. Headline inflation prints surprised somewhat to the upside towards the end of the month, putting off further expectations for rate cuts from the Riksbank.

The ASW widening and steepening in Sweden and relative curve flattening in the longer end of the DKK curve now means that all-in, longer-dated SEK covereds now trade at yields somewhat on par with DKK covereds, but at curve steepness levels significantly better than their DKK counterparts. The longer-dated SEK covered ASWs are therefore now once again beginning to look as though they are viable alternatives to DKK covered ASWs, the former having previously traded much tighter than the latter.



Stefan Helgason
Portfolio Manager, Midgard

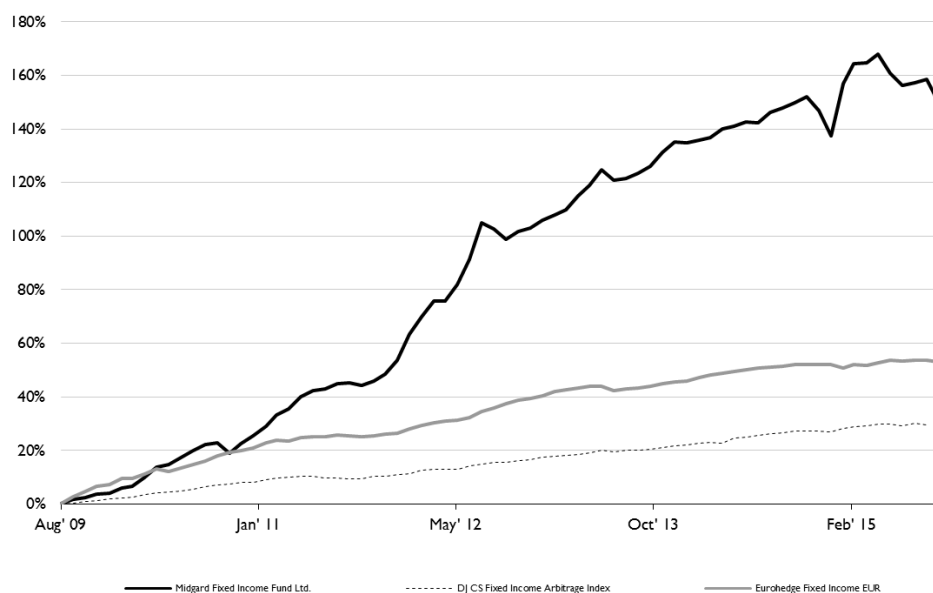
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HISTORICAL PERFORMANCE

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%				5.28%



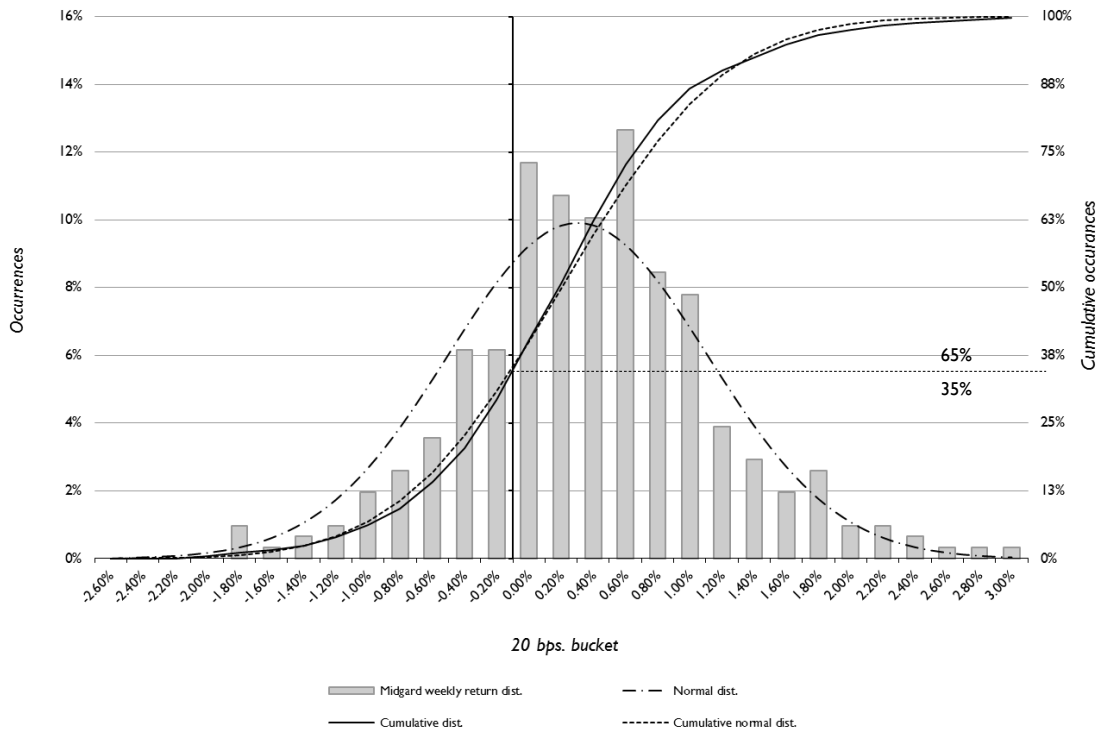
Return	Midgard Fixed Income Fund Ltd.	EuroHedge Fixed Income Arbitrage Index	DJIA Fixed Income Arbitrage Index
Annualized	16.25%	4.41%	7.42%
Last 12 months	0.04%	2.45%	1.48%
Last 3 months	-2.50%	-0.20%	0.05%
Since inception	149.91%	29.59%	53.67%
Best month	8.18%	1.51%	2.77%
Worst month	-3.82%	-0.58%	-1.14%
Positive months	82.19%	84.72%	83.56%
Negative months	17.81%	15.28%	16.44%
Volatility	7.37%	1.39%	2.35%
Sharpe Ratio	2.15	2.89	2.99

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RETURN DISTRIBUTION



Moments	Midgard Fixed Income	EuroHedge Fixed	DJIA Fixed Income
	Fund Ltd.	Income Arbitrage Index	Arbitrage Index
Return	16.25%	4.41%	7.42%
Standard deviation	7.37%	1.39%	2.35%
Kurtosis	1.71	0.41	1.06
Skewness	0.39	-0.25	0.38

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	23.32%	-9.93%	34.36%

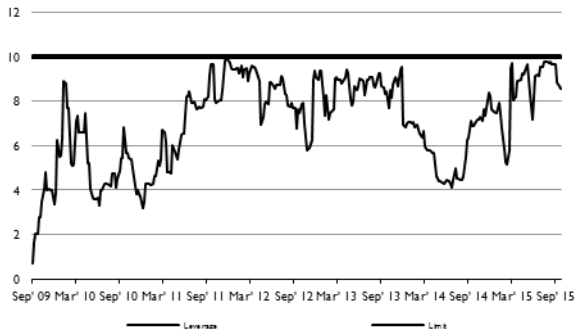
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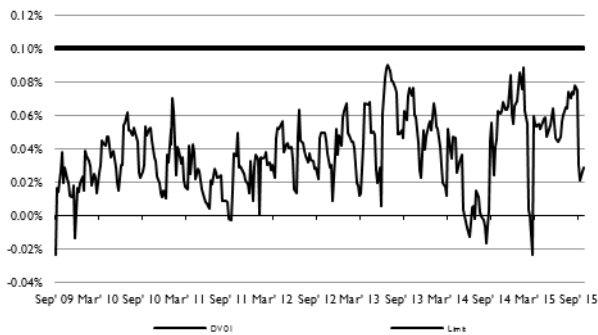
RISK & LINE LIMITS

LEVERAGE

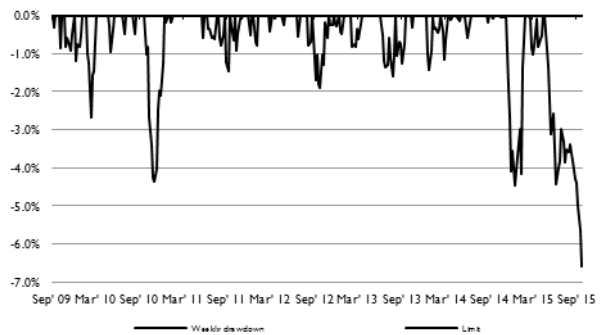


Risk	Midgard	Line/limit
DV01	0.03%	± 0.10%
Leverage	8.59	Max. 10
VaR	0.29%	Max. 2 %
FX exposure	62.02%	Max. 100 %

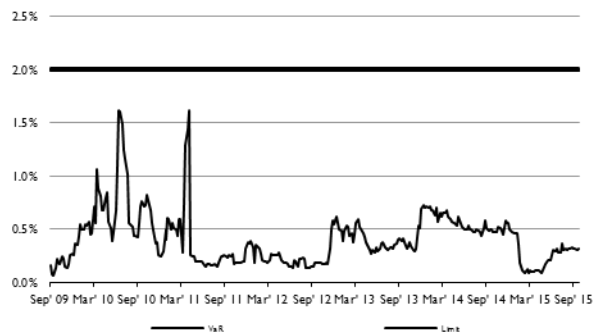
DV01



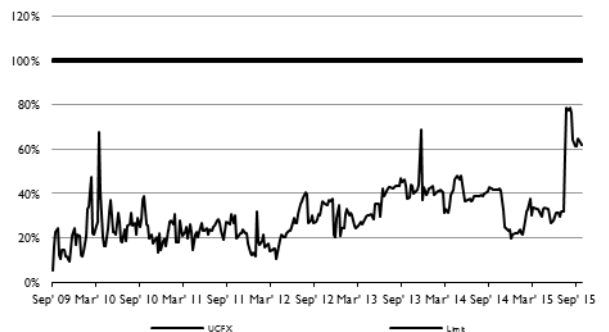
WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



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RISK FIGURES

Risk Figure	Weekly data		Note
	Since inception	1Y	
<i>Period</i>			
Portfolio return (r_p)	16.25%	0.04%	
Excess return ($r_p - r_f$)	15.89%	0.11%	
<i>36 month</i>			
Portfolio return (r_p)	7.89%	-	
Excess return ($r_p - r_f$)	7.85%	-	
Maximum drawdown since inception	6.59%	6.59%	
Maximum drawdown 36m	6.59%	-	*
Largest individual drawdown			
First	1.86%	1.86%	
Second	1.85%	1.46%	
Third	1.46%	1.22%	
Average	1.72%	1.51%	
Calmar Ratio	1.19	-	*
MAR Ratio	2.41	0.02	
Sterling ratio	9.22	0.02	
Downside risk	0.77%	1.86%	
Upside risk	1.30%	3.15%	
Loss standard deviation	6.36%	5.77%	
Gain standard deviation	5.20%	7.70%	
Mean absolute moment, downside	-24.63%	-29.36%	
Mean absolute moment, upside	37.76%	40.11%	
Omega ratio	1.69	1.69	
Volatility skewness	0.67	1.78	

* Not applicable for 1-year returns

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Strategy AUM	EUR 417.622 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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