



NEWSLETTER SEPTEMBER 2018

PFA
INVESTMENT FUND

Performance & NAV	AA	A	B
Monthly return	-0.25%	-0.29%	-0.29%
Return year-to-date	-0.76%	-1.01%	-1.40%
NAV per share	310.87	152.83	139.35

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

MARKET UPDATE SEPTEMBER 2018

PFA Investment Fund - Midgard Fixed Income Fund returned -0.25 % in SEPTEMBER, bringing total YTD return to -0.76 %.

Next stop Sleepytown and then Insomiaville.

Could be the upfront experience and statement of any relative value investor in September 2018. Even outright money must have felt flustered. Spreads barely moved. Equity, FX, Rates volatility remained subdued, passive, unreceptive, submissive and any synonym You can add to the list. 10 Year swap rates in Europe was up 10bp and the US peer 18bp. Tech Equity was down (the Eli effect?) and more 'stable' Dow showed only very modest gains. EuroStoxx barely moved. Same with EUR versus USD.....

Even Italian debt performed versus German peers –from wide levels yes, but still.....

But why is that? Plenty Global or Local events to shake and rattle financial markets....aftermaths Turkey, Trade War, Trump vs Powell, Italy to name a few?

Complacency?

Quiet before the storm?

And which storm are we waiting for?

Anyway - quite a non-event month....

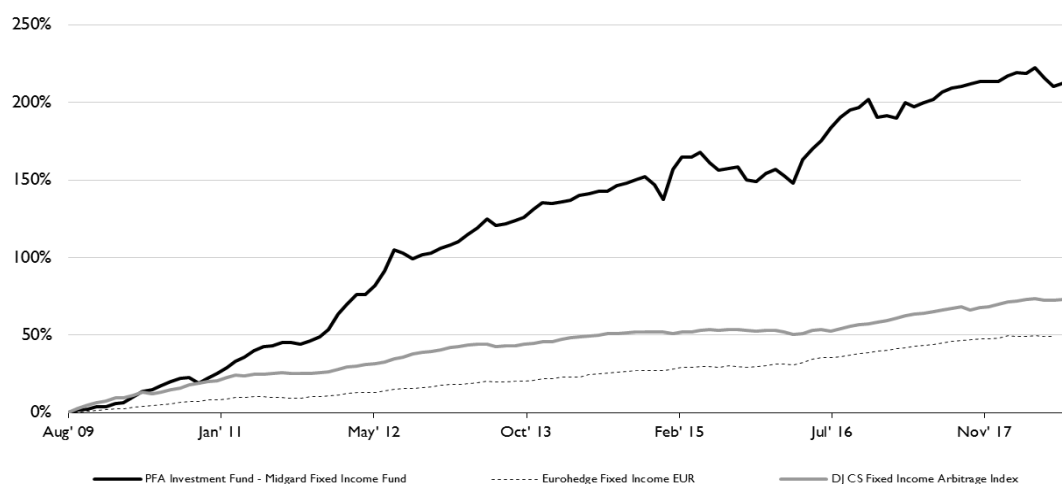
Scandinavian covered bonds barely moved versus interest rate swap, so a continuation of August....unfortunately nothing new under the Sun....

Spreads, issuance, etc stayed levelled....Even though we experienced Swedish election (for the worse?), semi-Hawkish Riksbank and Norges Bank raised rates...absolutely nothing happened to shake the doldrums of Scandinavian fixed income improving the prospect of future return for the Midgard Fixed income FundI continue to stay underweighted spreads, and have a hard time foreseeing Scandinavian covered bond markets staying afloat as they currently are....being a less bad alternative is not a real alternative.



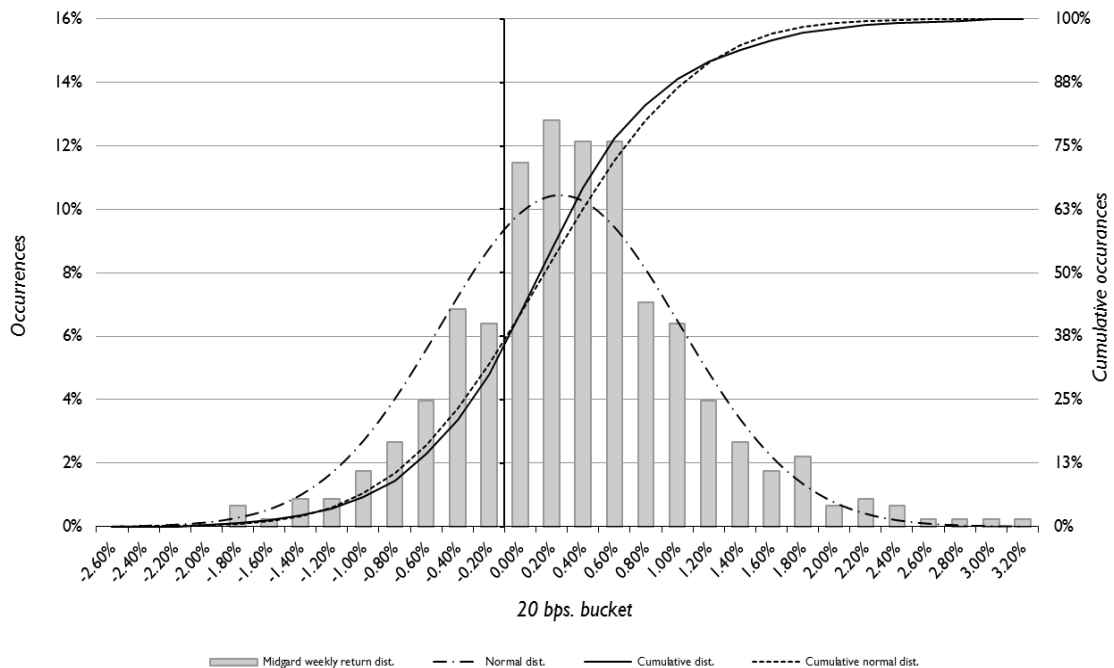
HISTORICAL PERFORMANCE

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%				-0.76%



Return	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Annualized	13.30%	4.63%	6.36%
Last 12 months	-0.34%	2.84%	3.50%
Last 3 months	0.27%	0.02%	-0.21%
Since inception	210.87%	49.21%	73.22%
Best month	8.18%	1.51%	2.77%
Worst month	-3.82%	-0.58%	-1.19%
Positive months	77.06%	83.96%	83.18%
Negative months	22.94%	16.04%	16.82%
Volatility	7.04%	1.42%	2.30%
Sharpe Ratio	1.87	3.16	2.69

RETURN DISTRIBUTION

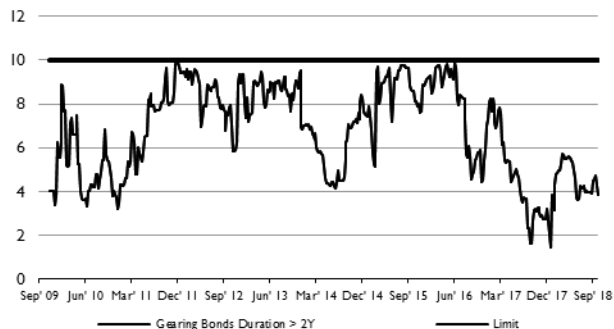


Moments	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Return	13.30%	4.63%	6.36%
Standard deviation	7.04%	1.42%	2.30%
Kurtosis	1.75	0.44	1.25
Skewness	0.44	-0.11	0.06

Correlation analysis	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Correlation coefficient	-	51.81%	28.64%
Beta	-	259.57%	87.98%
Alpha	-	1.10%	7.63%
R2	-	26.84%	8.20%
Autocorrelation	21.81%	5.35%	32.97%

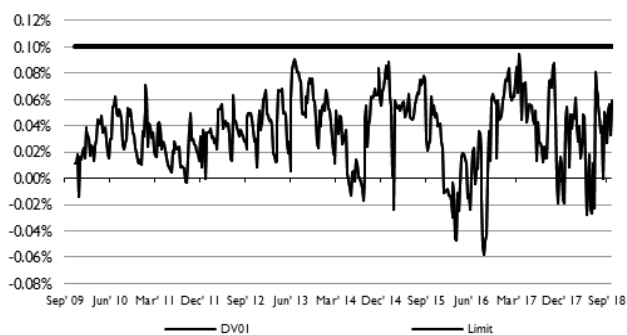
RISK & LINE LIMITS

GEARING BONDS DURATION > 2Y

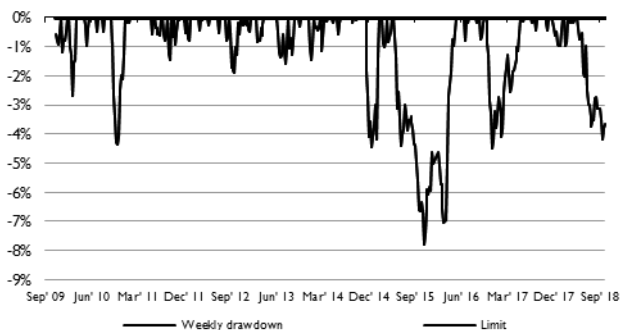


Risk	Midgard	Lime/limit
DV01	0.06%	± 0.10%
Leverage	3.85	Max. 10
VaR	0.68%	Max. 2 %
FX exposure	71.91%	Max. 100 %

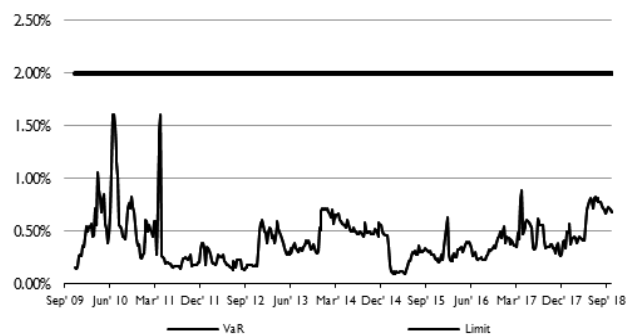
DV01



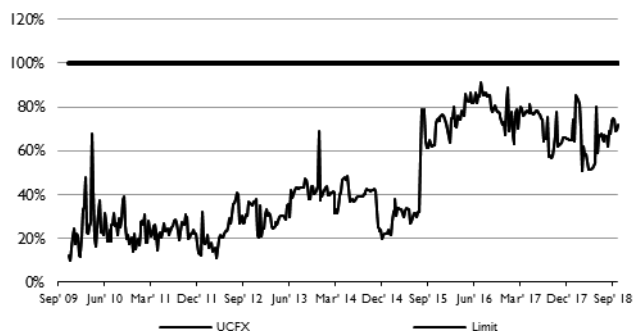
WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



RISK FIGURES

Risk Figure	Weekly data		Note
	Since inception	1Y	
<i>Period</i>			
Portfolio return (r_p)	13.30%	-0.34%	
Excess return ($r_p - r_f$)	13.19%	0.02%	
<i>36 month</i>			
Portfolio return (r_p)	7.55%	-	
Excess return ($r_p - r_f$)	7.91%	-	
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	1.02	-	*
MAR Ratio	1.70	0.00	
Sterling ratio	7.50	-0.47	
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 503.7 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
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