NEWSLETTER September 2020

PFA
INVESTMENT FUND

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Performance & NAV	AA	A	B
Monthly return	**-0.68%**	**-0.72%**	**-0.72%**
Return year-to-date	**-0.69%**	**-1.06%**	**-1.06%**
NAV per share	**341.53**	**165.12**	**150.06**

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

MARKET UPDATE September 2020

PFA Investment Fund – Midgard Fixed Income Fund returned -0.68% in September.

September started out as quite the roller coaster with first Equities setting new highs in the US primarily driven by performance in the biggest tech companies, only to see experience a sharp drop within the first few days of September. The (much needed?) reality check for equity markets was caused mostly by the resurgence of the COVID-19 pandemic in especially Europe, and an understandable concern of renewed lockdown measures and economic instability came with it.

In Europe this caused rates to drop and curves to flatten, and Scandinavian rates generally followed the same course. Asset swap spreads in Scandi markets were mostly unchanged in September and hence not the main driver behind the disperformance of the Midgard fund in September. This was instead driven by a series of factors, one being the underperformance of short-end Scandi rates versus Euro equivalent. Also, the continued massive amounts of excess liquidity in the Euro system once again took its toll on short end basis spreads, and lastly the depreciation of Scandi currencies versus the Euro was another negative contributor.

The core portfolio composition continues to be on the cautious side, and the continued spread performance in especially Sweden driven by quantitative easing in both Government and Covered Bonds, has prompted the team to reduce the exposure in favor for other markets.

Jesper Slemming
Senior Director, PFA Investment Fund

J. Slemming

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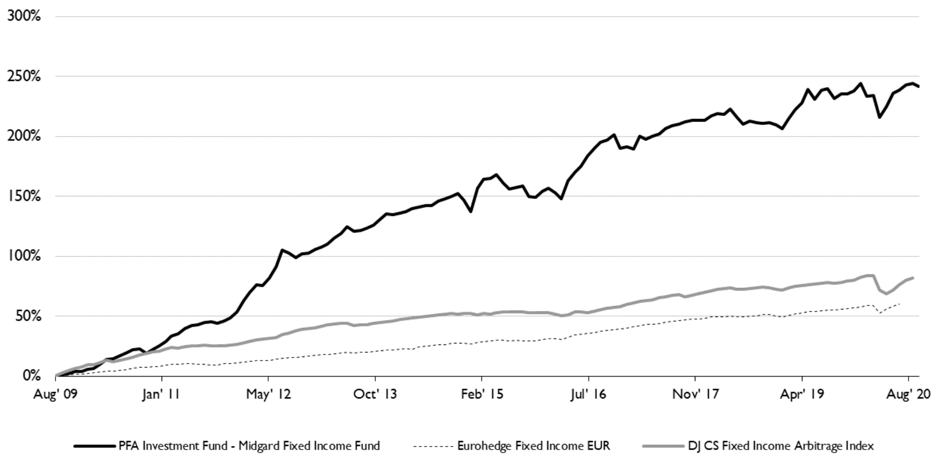
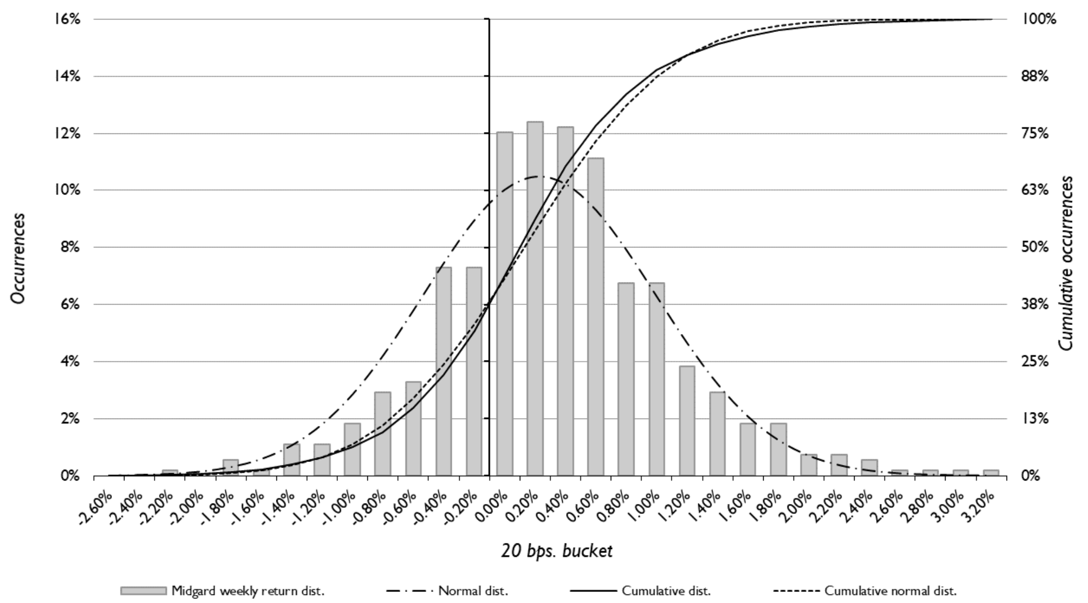
HISTORICAL PERFORMANCE

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%	-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%	1.78%	12.23%
2020	-2.96%	0.18%	-5.44%	2.71%	3.54%	0.66%	1.35%	0.27%	-0.68%				-0.69%



Return	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Annualized	11.72%	4.44%	5.59%
Last 12 months	1.83%	3.38%	2.57%
Last 3 months	0.94%	5.01%	5.76%
Since inception	241.53%	60.04%	81.83%
Best month	8.18%	2.24%	2.77%
Worst month	-5.44%	-4.09%	-6.51%
Positive months	75.19%	83.08%	81.82%
Negative months	24.81%	16.92%	18.18%
Volatility	7.15%	2.10%	3.25%
Sharpe Ratio	1.63	2.09	1.70

RETURN DISTRIBUTION



Moments	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Return	11.72%	4.44%	5.59%
Standard deviation	7.15%	2.10%	3.25%
Kurtosis	1.71	22.41	22.71
Skewness	0.16	-2.90	-3.05

Correlation analysis	PFA Investment Fund - Midgard Fixed Income Fund	EuroHedge Fixed Income Arbitrage Index	DJ CS Fixed Income Arbitrage Index
Correlation coefficient	-	54.35%	37.64%
Beta	-	186.74%	82.83%
Alpha	-	3.27%	6.98%
R2	-	29.54%	14.17%
Autocorrelation	16.27%	-2.65%	34.37%

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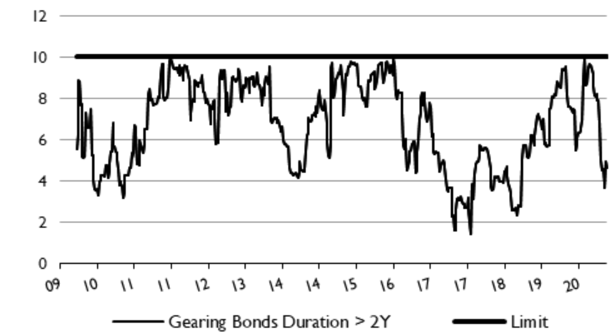
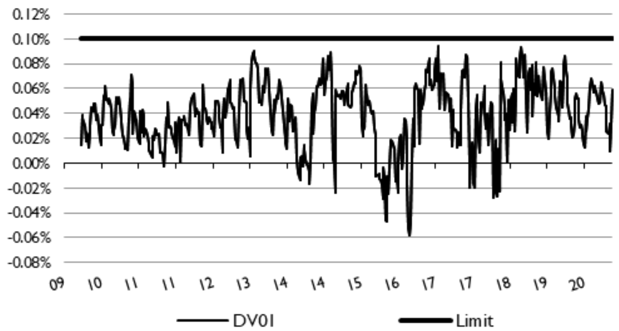
RISK & LINE LIMITS

GEARING BONDS DURATION > 2Y

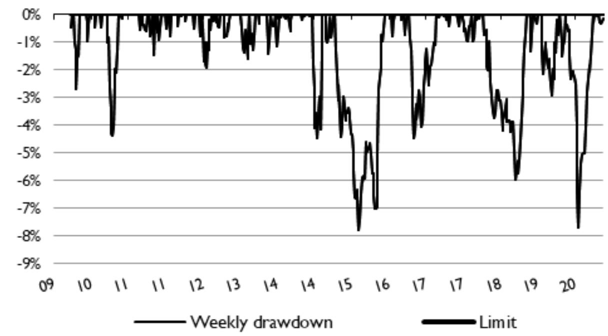


Risk	Midgard	Lime/limit
DV01	0.06%	± 0.10%
Leverage	4.63	Max. 10
VaR	0.32%	Max. 2 %
FX exposure	11.49%	Max. 100 %

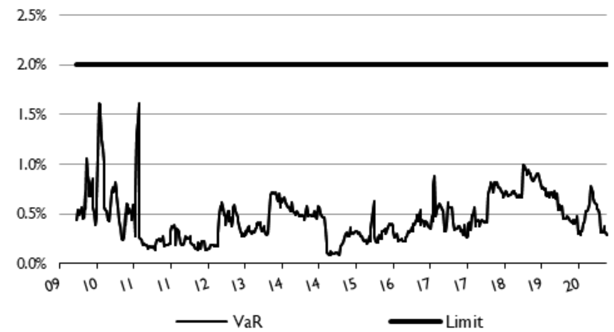
DV01



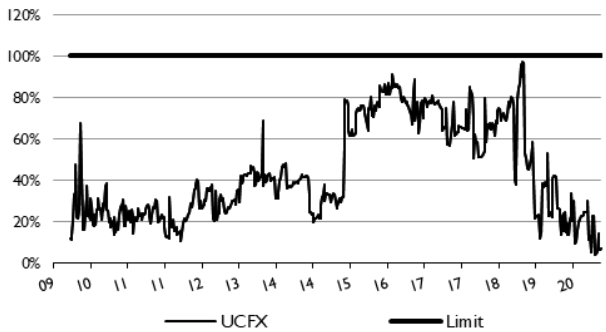
WEEKLY DRAWDOWN



VaR



NON-COVERED FX EXPOSURE



RISK FIGURES

Risk Figure	Weekly data: Since inception	Weekly data: 1Y	Note
Period			
Portfolio return (r_p)	11.72%	1.83%	
Excess return (r_p - r_f)	11.72%	2.30%	
36 month			
Portfolio return (r_p)	3.07%	-	
Excess return (r_p - r_f)	3.48%	-	
Maximum drawdown since inception	7.78%	7.72%	
Maximum drawdown 36m	7.72%	-	*
Largest individual drawdown			
First	2.34%	2.34%	
Second	1.86%	1.57%	
Third	1.85%	1.50%	
Average	2.02%	1.80%	
Calmar Ratio	0.45	-	*
MAR Ratio	1.51	0.30	
Sterling ratio	5.81	1.01	
Downside risk	0.72%	2.34%	
Upside risk	0.97%	1.51%	
Loss standard deviation	5.83%	5.31%	
Gain standard deviation	4.93%	5.18%	
Mean absolute moment, downside	-24.40%	-25.26%	
Mean absolute moment, upside	33.10%	29.23%	
Omega ratio	1.35	0.64	
Volatility skewness	0.72	0.95	

* Not applicable for 1-year returns

Strategy AUM	EUR 535.2 million
Listing	Irish Stock Exchange
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