



MIDGARD FIXED INCOME FUND I LTD

NEWSLETTER FEBRUARY 2011

NAV EUR: 133.31

The performance in February for the Euro-class was 3.40%

Danish government bonds underperformed German peers. Swedish Government bonds and short term mortgage bonds performed vs. swaps. Danish and Swedish long mortgage bonds underperformed swaps. Breakeven inflation rose.

We were fortunate to be on the right side of most of our trades. Consequently performance was widely distributed during February.



Risk as per February 28, 2011	Portfolio	Limit
VaR	0.52	2
DV01	0.02	+/-0.1
Leverage > 2y	5.41	10

Year	Monthly net performance EUR (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2009	Midgard													
2010	Midgard	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	Midgard	2.71	3.40											6.21

Midgard vs. Benchmark	Return last 12 months	Return since inception (as of Sep 1 st , 2009)			Volatility	Sharpe ratio
Midgard (EUR)	25.12%	33.31%			5.36%	3.87
DJCS Fixed Income Arb.*	12.10%	22.79%			5.93	0.33
Eurohedge Fixed Income*	7.61%	9.77%			N/A	N/A

*: Performance until end of January 2011

Fund Objective: European fixed income fund with a Nordic bias
Base Currency: Euro
Inception Date: 1st September 2009

Min. investment: 250,000 EUR/USD

Assets managed under the Midgard strategy: 171 million EUR
Company AUM: 470.4 million EUR

Listing: Irish Stock Exchange
ISIN Code: KYG6125M1015

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