



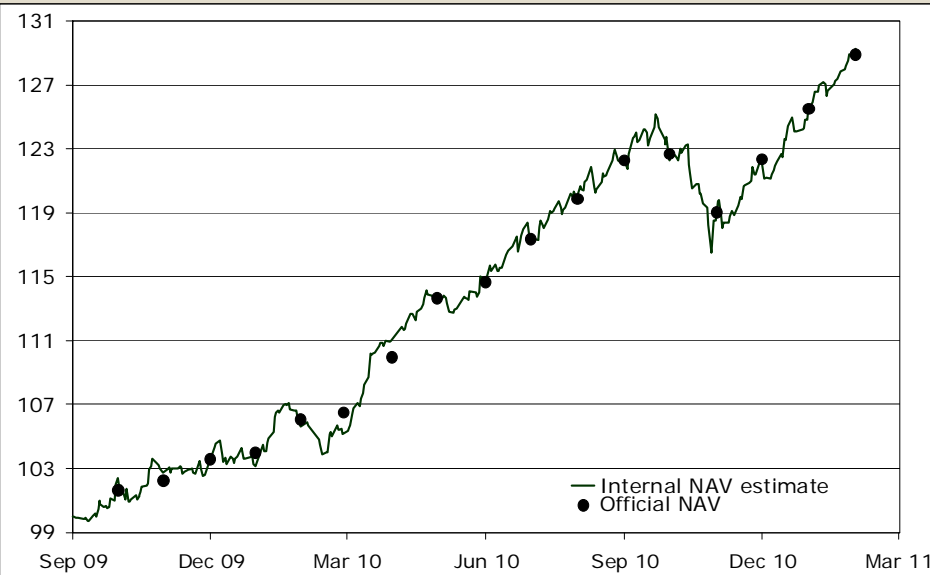
MIDGARD FIXED INCOME FUND I LTD NEWSLETTER JANUARY 2011

NAV EUR: 128.92

The performance in January for the Euro-class was 2.71%

Yields have gone up quite significantly in January as inflation expectations seems to be the theme. However, in the weaker Euro peripherals yields have gone down. Risk appetite has increased as 'new' money has been rolled out in the beginning of the new year.

However, both in covered bonds and in Government bonds there is still a lot of issuance ahead and the risk of further spread widening of risky assets is apparent.



| Risk as per January 31, 2011 | Portfolio | Limit |
|------------------------------|-----------|--------|
| VaR | 0.46 | 2 |
| DV01 | 0.04 | +/-0.1 |
| Leverage > 2y | 4.64 | 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 | | | | | | | | | | | | 2.71 |

| Midgard vs. Benchmark | Return last 12 months | Return since inception (as of Sep 1 st , 2009) | | | Volatility | Sharpe ratio | |
|-------------------------|-----------------------|---|--|--------|-------------|--------------|------|
| Midgard (EUR) | 21.54% | | | 28.92% | 19.64% p.a. | 5.29% | 3.63 |
| DJCS Fixed Income Arb.* | 12.48% | | | 20.76% | 15.20% | 5.93 | 0.32 |
| Eurohedge Fixed Income* | 6.81% | | | 8.50% | 6.31% | N/A | N/A |

*: Performance until end of December 2010

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: 165.3 million EUR
Company AUM: 487.8 million EUR

Listing: Irish Stock Exchange
ISIN Code KYG6125M1015

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