



MIDGARD FIXED INCOME FUND I LTD

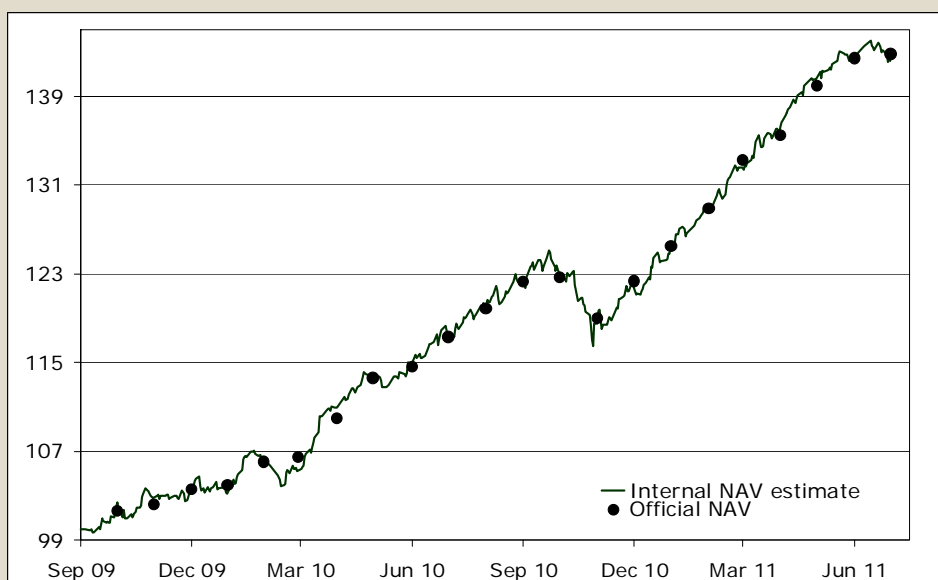
NEWSLETTER JUNE 2011

NAV EUR: 142.87

The performance in June for the Euro-class was 0.30%

June continued to offer high uncertainty and market sentiment remained anchored to the political process surrounding the Greek insolvency problem. The uncertainty caused severe spill over effects to the rest of European periphery, namely Portugal but also to a lesser extend Spain and even Italy.

Though Swedish sentiment has been extremely resilient to the debt crisis, various June macro releases failed to fulfil expectations. The unemployment rate remained flat versus an anticipated improvement of 0.2 percentage points and retails sales came in at -2.3 percent, 2.6 percent below expectations. We still judge Sweden to offer a very interesting investment opportunity though the spread in between mortgages and government bonds has widened out due to the general increase in risk aversion. The spread increase is the reason why, the June result came out at 0.30 percent.



Risk as per June 30, 2011	Portfolio	Limit
VaR	0.16	2
DV01	0.02	+/-0.1
Leverage > 2y	7.91	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	1.66	0.59	1.32	0.39	4.01
2011	Midgard	2.71	3.40	1.65	3.32	1.74	0.30			0.31	-2.98	2.80	2.56	20.67
														13.83

Midgard vs. Benchmark	Return last 12 months	Return since inception (as of Sep 1 st , 2009)	Volatility	Sharpe ratio	
Midgard (EUR)	21.75%	42.87%	21.48% p.a.	5.09%	4.11
DJCS Fixed Income Arb.*	11.35%	24.95%	13.57%	5.87	0.35
Eurohedge Fixed Income*	6.08%	11.31%	6.31%	N/A	N/A

*: Performance until end of May 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: 183.2 million EUR
Company AUM: 494.4 million EUR

Listing: Irish Stock Exchange
ISIN Code: KYG6125M1015

Administrator:

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Prime Brokers:

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