



# MIDGARD FIXED INCOME FUND I LTD

## NEWSLETTER MARCH 2011

NAV EUR: 135.51

The performance in March for the Euro-class was 1.65%

The bond actions in DKK short term mortgage bonds went very well. Our take has been very limited as the current pricing is unattractive. One reason is that Cibor fixings have decreased 20bps relative to euribor, partly due to pressure from the Central Bank. According to the Central Bank Cibor fixings are or have been too high.

In SEK the situation is the opposite as liquidity condition have been tight after the expiry of the Riksbanks long term repo facilities. Consequently 3-month Stibor is 50bps higher than where it normally would be relative to the Riksbanks repo rate.



Risk as per March 31, 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	1.65										7.96

Midgard vs. Benchmark	Return last 12 months	Return since inception (as of Sep 1 <sup>st</sup> , 2009)		Volatility	Sharpe ratio
Midgard (EUR)	23.20%	35.51%	21.16% p.a.	5.21%	3.98
DJCS Fixed Income Arb.*	13.07%	23.93%	15.44%	5.91	0.34
Eurohedge Fixed Income*	7.73%	10.67%	7.02%	N/A	N/A

\*: Performance until end of February 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:** 173.8 million EUR  
**Company AUM:** 475.2 million EUR

**Listing:** Irish Stock Exchange  
**ISIN Code:** KYG6125M1015

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