



MIDGARD FIXED INCOME FUND I LTD

NEWSLETTER MAY 2011

NAV EUR: 142.44

The performance in May for the Euro-class was 1.74%

In May most risky assets turned south again due to bad economic key figures and once again growing concern of the debt crises in Europe, Japan and US. The budget situation in Sweden is a complete other story. There is clearly a lack of bond issuance which is supportive for especially government bonds.

In Denmark the market has for long expected a unilateral rate hike as the effective rate differential is now negative in the short end. So far this has not happened, mainly due to a hefty trade surplus and financial flows.



Risk as per May 31, 2011	Portfolio	Limit
VaR	0.18	2
DV01	0.01	+/-0.1
Leverage > 2y	6.52	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				0.31	-2.98	2.80	2.56	20.67
														13.49

Midgard vs. Benchmark	Return last 12 months	Return since inception (as of Sep 1 st , 2009)		Volatility	Sharpe ratio	
Midgard (EUR)	24.20%		42.44%	22.40% p.a.	5.11%	4.29
DJCS Fixed Income Arb.*	10.23%		24.69%	14.15%	5.89	0.35
Eurohedge Fixed Income*	6.70%		11.19%	6.57%	N/A	N/A

*: Performance until end of April 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: 182.7 million EUR
 Company AUM: 494.7 million EUR

Listing: Irish Stock Exchange
 ISIN Code KYG6125M1015

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