

ASGARD CREDIT FUND

NEWSLETTER FEBRUARY 2020

February fund performance and market comments

A tail event has hit the market. A new type of flu spreading rapidly around the globe and more importantly – it is affecting risk appetite across assets. We have reduced risk in the portfolio and also increased our cash buffer. We are going to survive this. And we are going to make a strong comeback.

In February the fund had a return of about -5.3% with a YTD return of -5.6%. In March, as of Friday last week, the fund had a return of approximately -23% YTD. As of Friday the excess return of the Global High Yield market is -12.0% and the Global Investment Grade market is -7.6%.

In this kind of market, liquidity management is most important. But it is also important to keep a calm focus on actual data. This new type of flu is not the end of the world. For the individual person this virus is not more dangerous than a rough flu, unless you are very old or already have a weak immune system. But it is a new type of flu and it means there is a rapidly increasing pressure on the health care systems across Europe. To reduce this pressure and also to make sure that mortality rates stay close to a normal rough flu season, Europe has basically shut down at least until April. It means currently that most social events and many borders have been cancelled/closed, to stop this flu from spreading further. In early April we will most likely see a rapid reduction of pressure towards the health care systems. We are already seeing this in China and also in parts of Italy. Italy and Europe in general, were the slowest to react to this virus, meaning they were among the last areas to shut down the airline routes to Wuhan, China. For example US/Canada reacted very fast (US/Wuhan airline routes closed on January 23rd. Europe reacted less fast, in particular Italy. Airline routes between Wuhan and Italy did not close down until January 30th. The virus therefore has spread very quickly into Europe. From China to Italy, from Italian skiing resorts to the rest of Europe.

But already now there have already been taken decisive steps towards massive fiscal packages in US and also in parts of Europe. For example, the lending capacity of the US Small business association has been boosted by \$50bln in more low-interest loans (below 4%). And the US is most likely about to implement a \$800bln payroll tax cut plan. Italy's government is meeting today to pass a new package of measures which most likely includes pledges to spend €25bln on stimulus measures. Germany pledged to spend whatever necessary to protect the economy. According to the German Economy Minister Peter Altmaier the German state bank, KfW can lend as much as €550bln. There is no doubt that there is a massive fiscal stimulus on its way both in US and in Europe. There will be an economic slowdown in the first 2-3 quarters of 2020 but also a sharp rebound. We could see a short term recession in Q2/Q3 2020. We have experienced several market storms already (the financial crisis 08/09, the European crisis (11/12), the energy crisis (15/16). We will act conservatively to protect the portfolio.

Performance and NAV

PERFORMANCE

Month-to-date	-5.26%
Year-to-date	-5.55%

NET ASSET VALUE

NAV/share	EUR 1205.39
NAV	EUR 132,191,577

Exposure and risk figures (as % of NAV)

FIGURE

Spread-DV01	0.21%
IR-DV01	0.03%
FX-exposure	4.38%

LEVERAGE (AIFMD)

Gross methodology	649%
Commitment methodology	573%

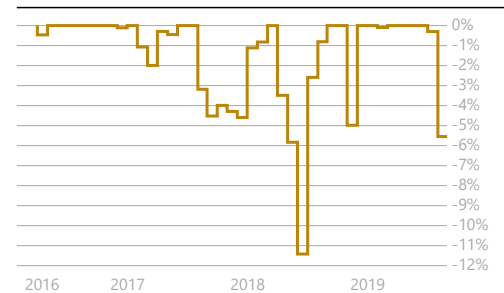
NET CREDIT EXPOSURE

Investment grade	231.9%
High yield	131.8%
Total	363.7%

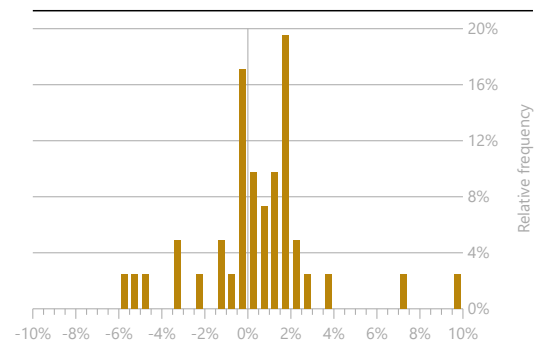
Risk adjusted return

PERIOD	NET RETURN	VOL	SHARPE
1 month	-5.26%	-	-
3 months	-3.75%	-	-
6 months	1.54%	-	-
1 year	8.48% p.a.	11.65% p.a.	0.76
3 years	5.15% p.a.	10.54% p.a.	0.53
5 years	-	-	-
Since inception	5.62% p.a.	9.91% p.a.	0.61

Drawdown



Return distribution

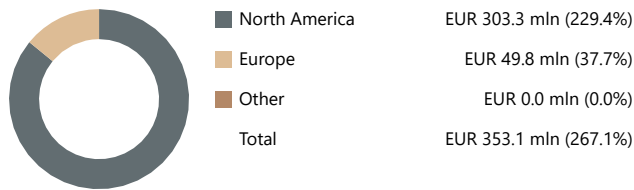


February fund performance and market comments (continued)

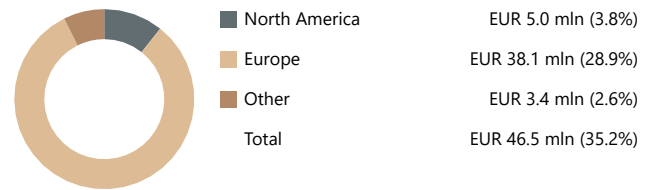
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Credit exposure by credit grade and geographical region (amount and % of NAV)

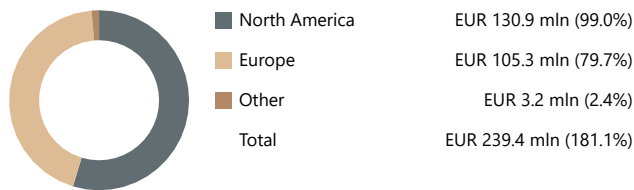
Investment grade - long credit exposure



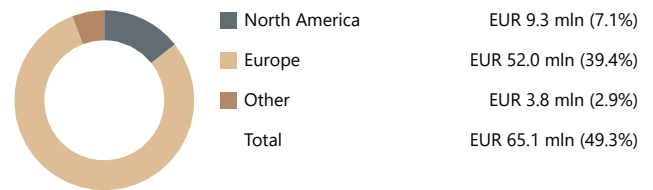
Investment grade - short credit exposure



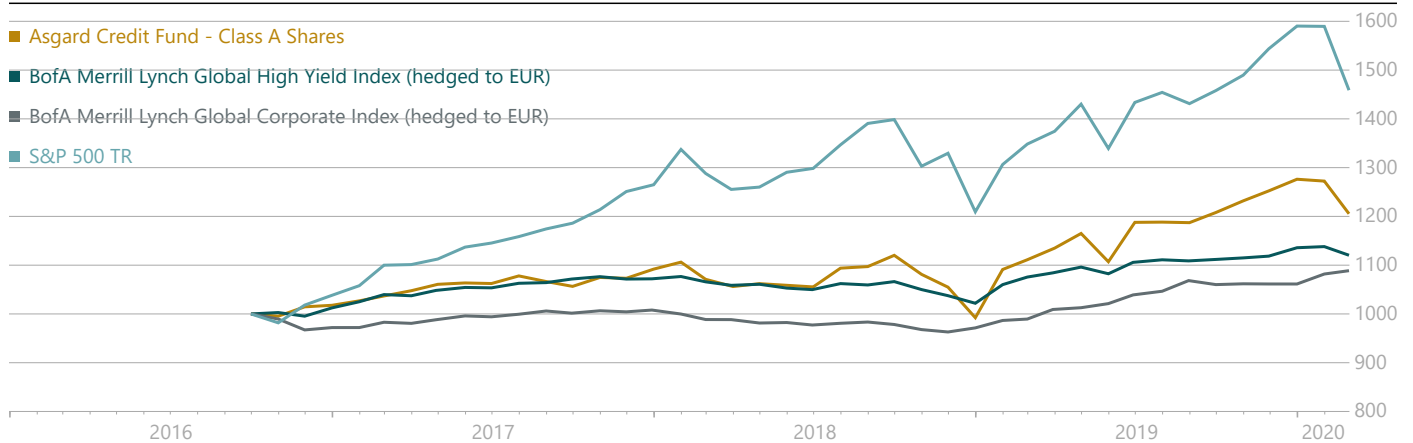
High Yield - long credit exposure



High Yield - short credit exposure



Historical performance



INDEX	YTD	1-YEAR	3-YEAR	5-YEAR	SINCE INCEP.	CORRELATION
Asgard Credit Fund - Class A Shares	-5.55%	8.48%	16.25%	-	20.54%	-
BofA Merrill Lynch Global High Yield Index (hedged to EUR)	-1.36%	4.16%	7.76%	-	12.03%	-
BofA Merrill Lynch Global Corporate Index (hedged to EUR)	2.57%	10.03%	10.76%	-	8.87%	-
S&P 500 TR	-8.27%	8.19%	32.62%	-	45.88%	-

Monthly returns

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2020	-0.30	-5.26											-5.55
2019	9.97	1.83	2.14	2.65	-4.98	7.30	0.04	-0.09	1.76	1.98	1.66	1.91	28.62
2018	1.31	-3.18	-1.38	0.56	-0.31	-0.32	3.65	0.30	2.10	-3.49	-2.43	-5.93	-9.13
2017	0.90	0.98	1.04	1.25	0.27	-0.11	1.47	-1.07	-0.93	1.73	-0.16	1.75	7.29
2016										-0.46	1.93	0.31	1.77

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Fund profile

STRATEGY

The overall strategy of the fund is to utilize mispricings of credit risk premia using the universe of the global liquid credit markets. The fund will typically be long credit risk, i.e. long risk premia and have a broad exposure to the liquid global credit market to take advantage of mispricings of default-, liquidity- and systemic risk premia. The primary focus will be North America and Europe. Strong focus on the lower end of Investment Grade and the higher end of High Yield.

LEVERAGE

The fund will target a net leverage of 4x primarily via credit default swaps.

INTEREST RATE RISK

The fund will target low interest rate risk.

OBJECTIVE

The goal is to maximize returns over the cycle by focusing on the liquid global credit markets using a risk profile with a similar volatility and downside risk as the equity market. The goal is to have the same or higher expected return than the equity market, but with a risk profile with a much smaller downside risk on a +1Y horizon and with a similar or smaller downside risk on a less than 1Y horizon.

INVESTMENT UNIVERSE

The investment universe is the global credit markets. The Asgard Credit Fund will take on global credit exposure using a universe similar to "Barclays Global Agg Credit", "Barclays Global High Yield", "The BofA Merrill Lynch Global Credit index" or "The BofA Merrill Lynch Global Corporate & High Yield index."

INSTRUMENTS

The Asgard Credit Fund will use various instruments, including for example Bonds, ABS, single-name and index credit default swaps, interest rate swaps, Futures, Repos and FX forwards.

Fund information

Fund

Inception	October 2016
Domiciled	Ireland

Class A Shares

ISIN	IE00BD302D45
Minimum subscription	EUR 100,000
Liquidity	Monthly
Management fee	0.5% p.a.
Performance fee	10%

Manager and service providers

Investment manager	Moma Advisors A/S
	Website: www.momas.dk
	E-mail: info@momas.dk
CIO	Daniel Vesterbæk Pedersen
Administrator	SS&C GlobeOp
Depository	SMT-Trustee
Custodian	Skandinaviska Enskilda Banken
Legal advisor	Maples Group
Accountant	KPMG