

SIL



NAV 29/03/2018: 29,8510

INVESTMENT TEAM

Rodrigo Hernando, CEO

José Mosquera, CIO

Christoph Fischer Antze, PM

Imanol Urquizu, PM

José Martín-Vivas, Sr. Analyst

Apostolos Saflekos, PM

Francesc Margarit, PM

Fund Facts

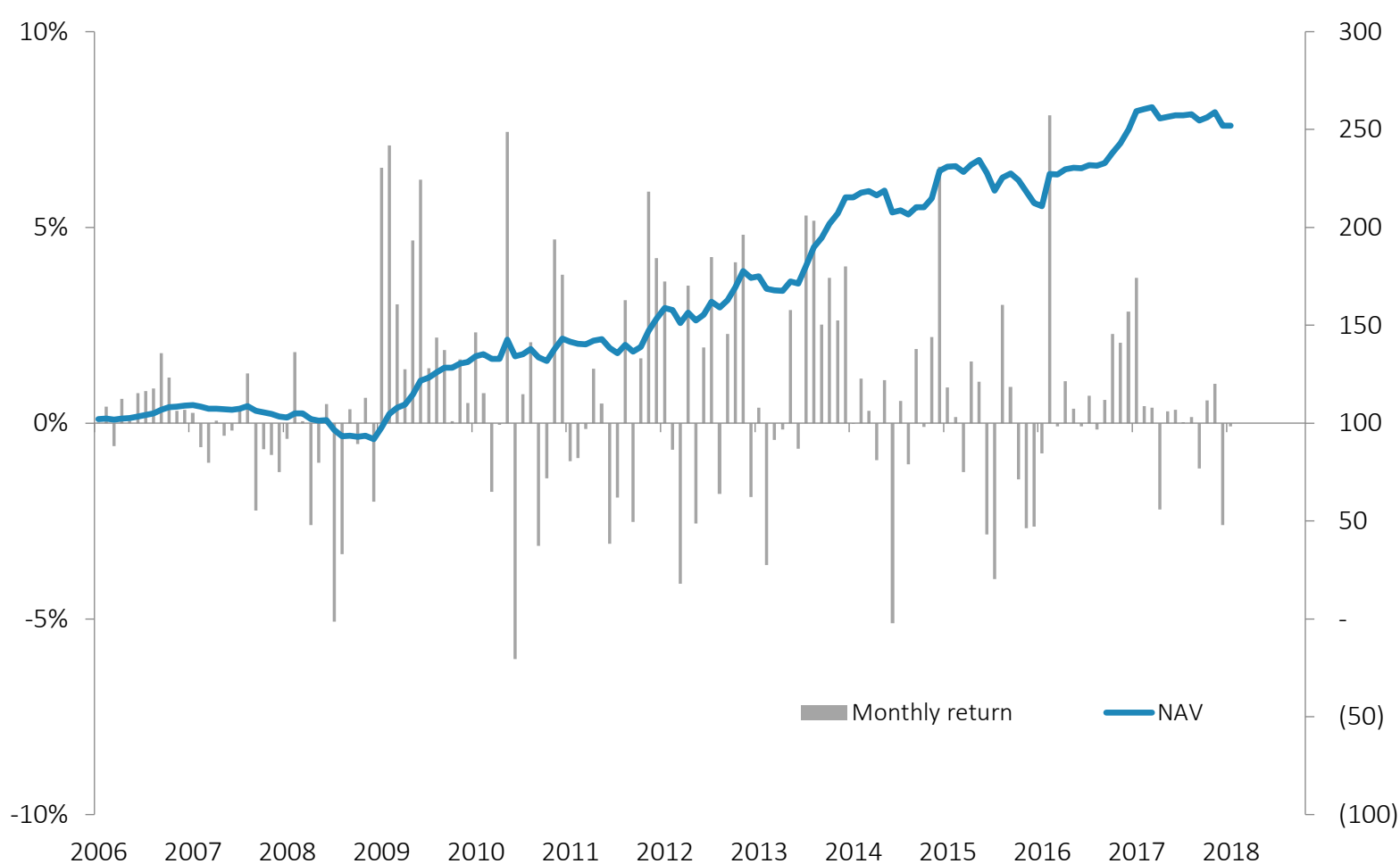
Structure	SIL
Domicile	Luxembourg
Mgmt. Fee	0,5%
Perf. Fee	0,0%
Min. Investment (Professional inv.):	50,000€
Min. Investment (Well-informed inv.):	100,000€
NAV Currency	EUR
Liquidity	Weekly
ISIN	ES0155144035
Bloomberg Code	S1412 SM
Custodian	Banco Santander

QUADRIGA RHO INVESTMENTS

The fund's objective is to return net positive returns every year, regardless the behavior of traditional assets. To achieve it, the fund allocates to six different strategies: Active, Relative Value, Macro Selection, Micro Selection, Special Situations and Deep Value. The strategies are focused on finding cheap assets with asymmetric profiles.

March 2018 Update

March constituted another strong test of the robustness of the strategy. Whilst the flattish (-0.08%) absolute returns on the month might appear relatively uninspiring, the very difficult and weak market environment once again has put the high quality of our returns in perspective. The fund comfortably outperformed market benchmarks, returning 2.73% over the Ibex 35, 2.95% more than the Eurostoxx 50 and also beat average hedge fund returns for the month of March between 10bps and 60bps. As anticipated in our previous newsletters the fund remains reasonably concerned about overstretched asset valuations, and about the potential impact of global monetary accommodation removal in terms of technical support for most asset classes (European rates and global credit in particular). Consequently the fund continues to increase...cont

Historical Evolution (% Net) (*)**Monthly Returns (% Net) (*)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2006	1,2%	0,7%	0,0%	0,4%	-0,6%	0,6%	0,1%	0,8%	0,8%	0,9%	1,8%	1,2%	8,2%
2007	0,3%	0,3%	0,3%	-0,6%	-1,0%	0,1%	-0,3%	-0,2%	0,4%	1,3%	-2,2%	-0,7%	-2,4%
2008	-0,8%	-1,3%	-0,4%	1,8%	0,1%	-2,6%	-1,0%	0,5%	-5,1%	-3,3%	0,4%	-0,5%	-11,8%
2009	0,7%	-2,0%	6,5%	7,1%	3,0%	1,4%	4,7%	6,2%	1,4%	2,2%	1,9%	0,0%	38,0%
2010	1,6%	0,5%	2,3%	0,8%	-1,8%	0,0%	7,4%	-6,0%	0,7%	2,1%	-3,1%	-1,4%	2,5%
2011	4,7%	3,8%	-1,0%	-0,9%	-0,2%	1,4%	0,5%	-3,1%	-1,9%	3,1%	-2,5%	1,7%	5,4%
2012	5,9%	4,2%	3,6%	-0,7%	-4,1%	3,5%	-2,6%	1,9%	4,2%	-1,8%	2,3%	4,1%	22,1%
2013	4,8%	-1,9%	0,4%	-3,6%	-0,4%	-0,2%	2,9%	-0,7%	5,3%	5,2%	2,5%	3,7%	19,0%
2014	2,6%	4,0%	0,0%	1,1%	0,3%	-0,9%	1,1%	-5,1%	0,6%	-1,1%	1,9%	-0,1%	4,2%
2015	2,2%	6,5%	0,9%	0,2%	-1,3%	1,6%	1,1%	-2,8%	-4,0%	3,0%	0,9%	-1,4%	6,7%
2016	-2,7%	-2,6%	-0,8%	7,9%	-0,1%	1,1%	0,4%	-0,1%	0,6%	-0,2%	0,6%	2,3%	6,2%
2017	2,1%	2,9%	3,7%	0,4%	0,4%	-2,3%	0,3%	0,3%	0,0%	0,6%	-1,2%	1,1%	5,3%
2018	1,0%	-2,6%	-0,1%										-1,7%

(*) Since inception

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Comparative Risk / Return

	RETURNS (CAGR)			VOLATILITY		
	5 years	3 years	Since inception	5 years	3 years	Since inception
Rho Investments	8,45%	3,02%	7,87%	8,39%	7,53%	8,71%
Stoxx 600	4,56%	-2,14%	1,47%	11,59%	12,07%	14,39%
Iboxx Eur Corporate	2,53%	1,15%	3,70%	2,90%	3,16%	3,95%

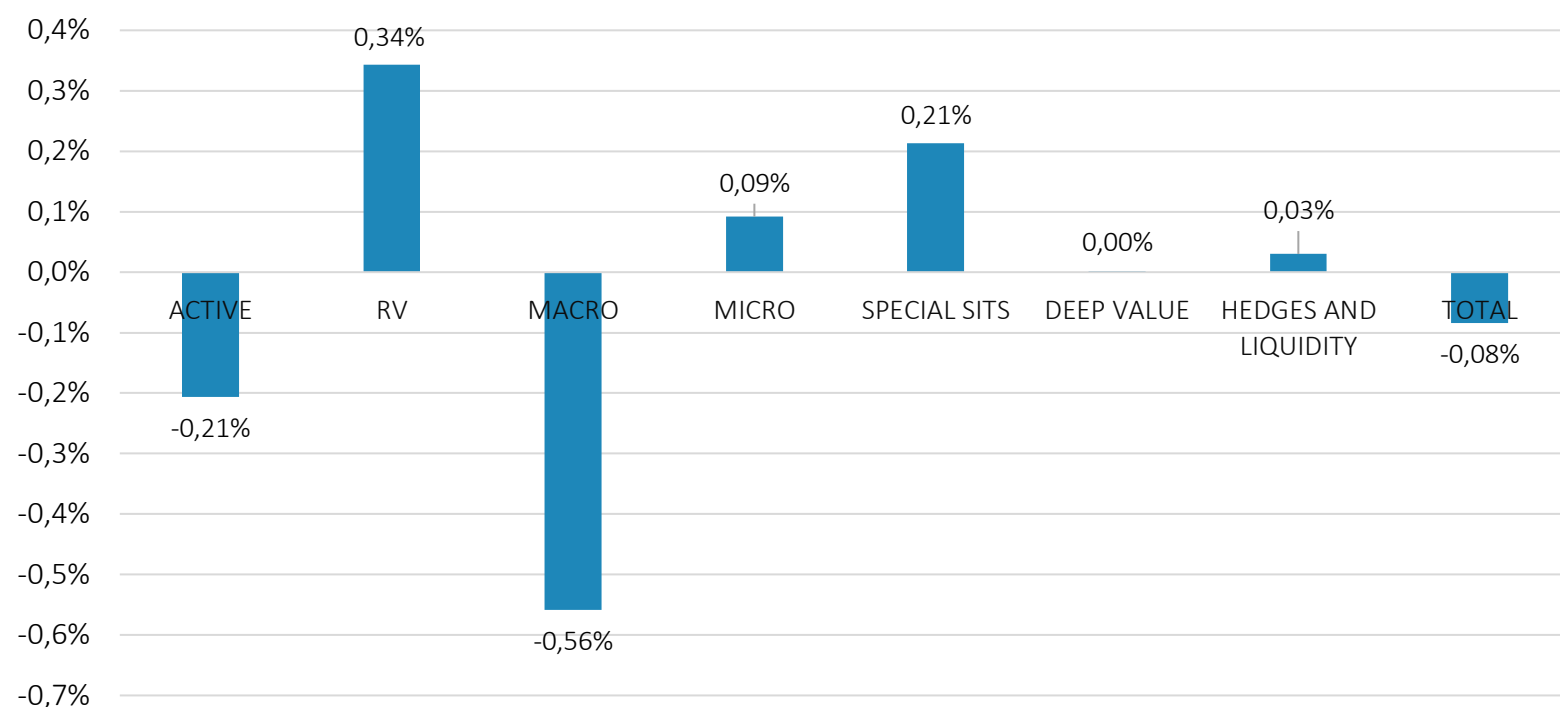
Returns (% Net)

2018	-1,68%
CAGR*	7,87%
March 2018	-0,08%

Risk / Return

Volatility*	8,71%
Sharpe Ratio*	0,90
Sortino Ratio	1,25
VaR 99% Daily	2,61%

Performance attribution across strategies (% Net)



Top Five Positions

Germany 10Y,5Y Bond Futures	-89,75%
Italian Gvt. Bonds	-16,97%
IBEX Index Futures	13,74%
BFCM CMS perp	7,79%
TELEFONICA SM	6,67%

% Exposure

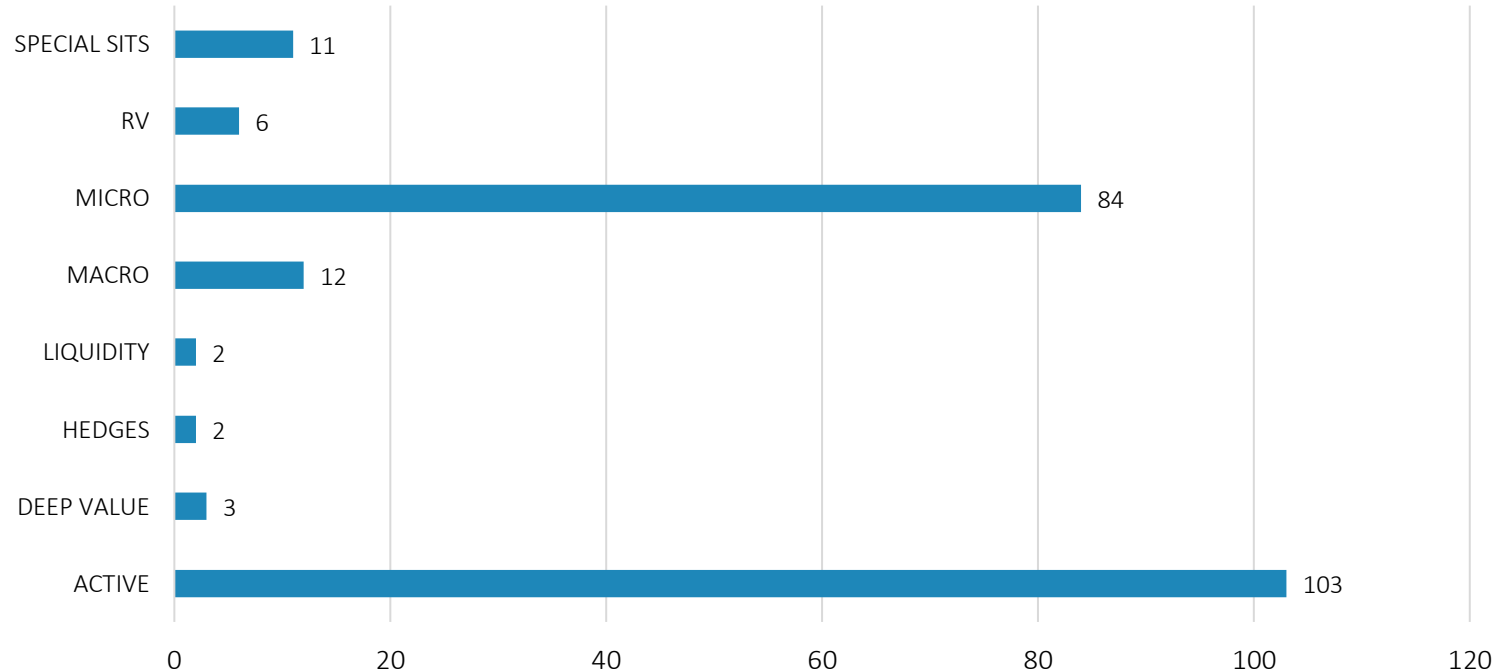
Gross	302,04%
Net	27,86%

% of Gross Exposure per Strategy

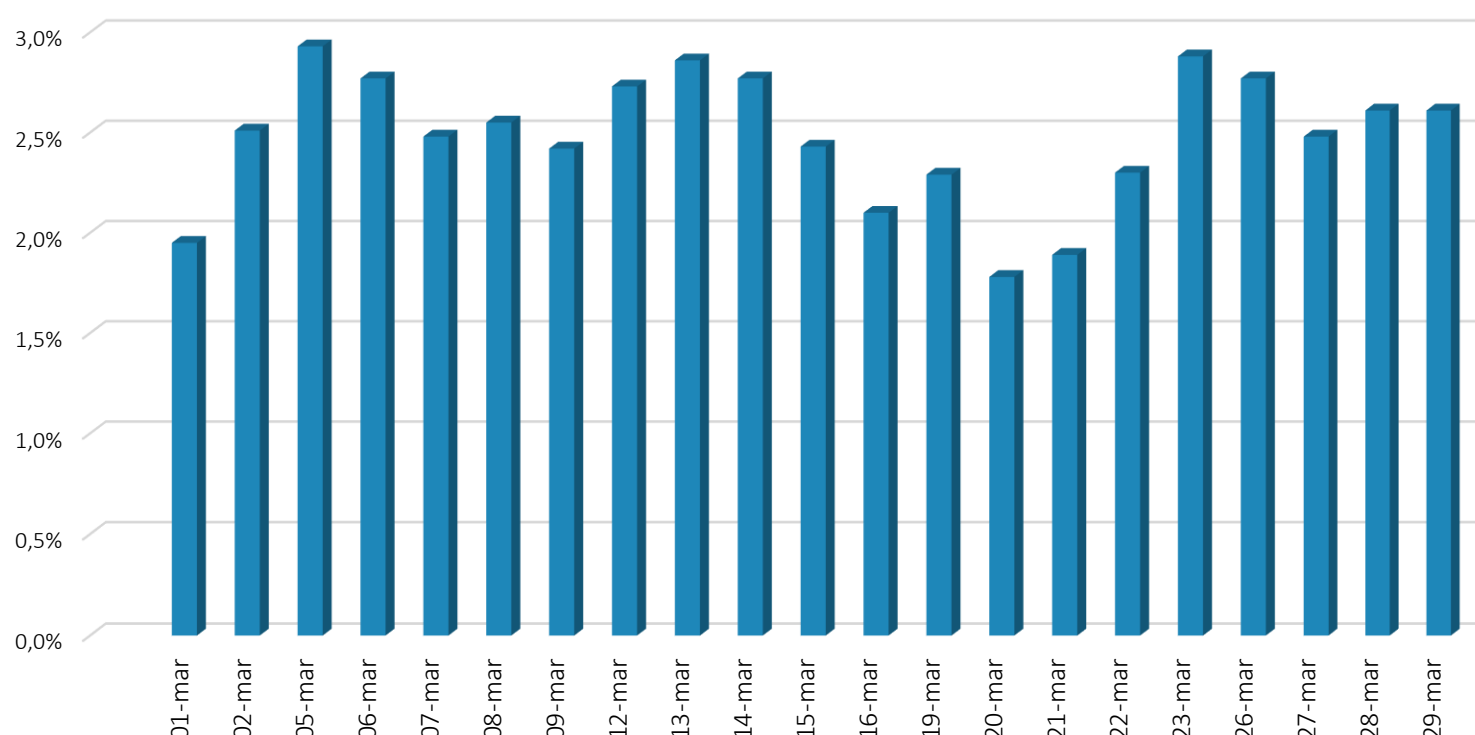
Active	54,26%
Relative value	8,73%
Macro	6,15%
Micro	7,77%
Special Situations	5,17%
Deep Value	1,02%
Hedges	4,69%
Liquidity	12,21%

Risk Concentration and Distribution Metrics

Number of positions per strategy



Var % Contrib Hist 3Y

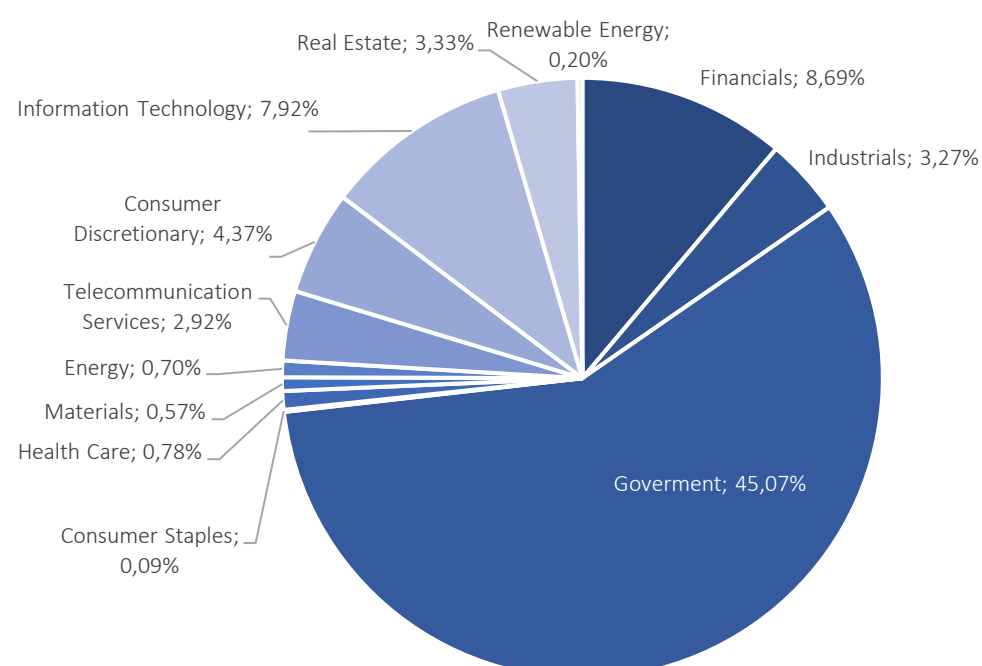


(*) Since inception

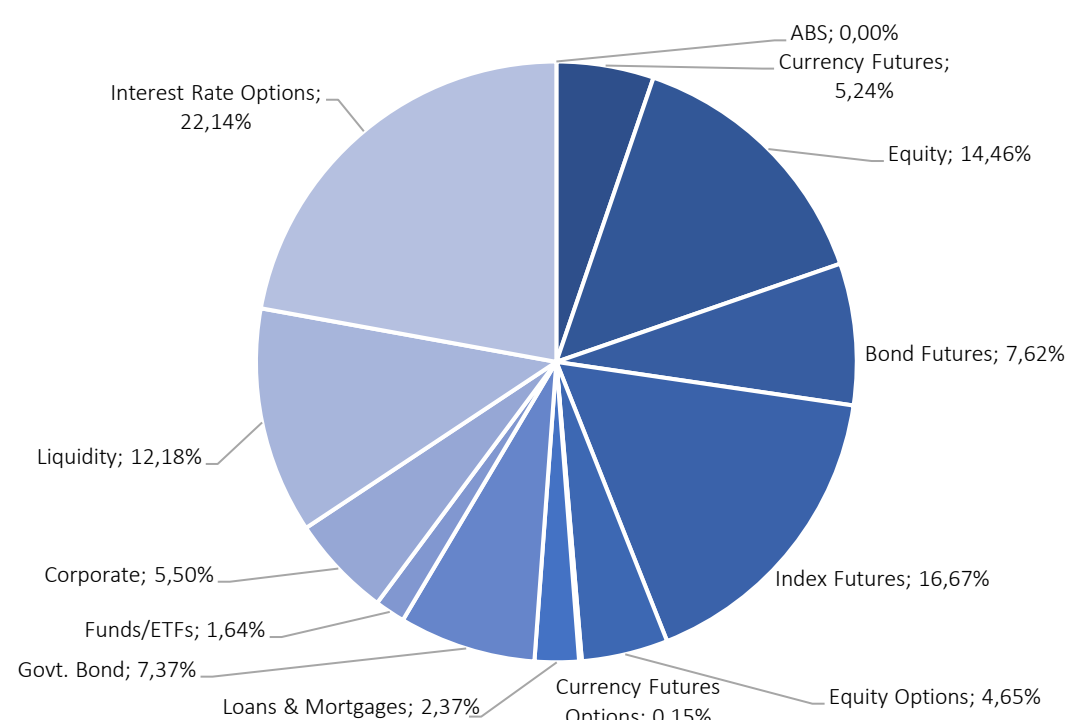
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Risk Concentration and Distribution Metrics (2)

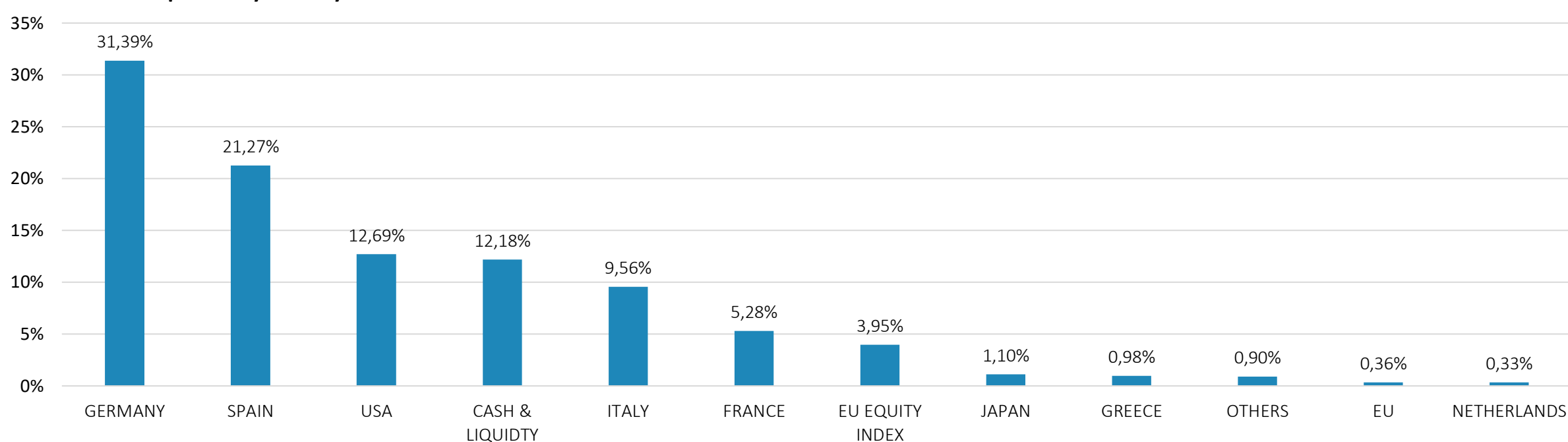
Gross Notional Exposure by Sector



Gross Notional Exposure by Asset Class



Net Notional Exposure by Country



March 2018 Update (cont...)

...the allocation to either very short-term statistically or technically-driven liquid strategies, as well as mainly relying on relative-value portfolio construction for those optionality trades with medium or longer-term catalysts.

In terms of risk metrics our use of leverage remains anchored at prudential levels established in Q4 2018, and continues to be characterised by a focus on maintaining net market exposure well below 75% and gross leverage below 3.5 times despite a heavier reliance on relative value investing. Gross leverage increased from 2.6 times at the end of February to 3 times at the end of March, however this was more than offset by an aggressive reduction in net market exposure from 68% to 28%. In terms of statistical loss exposures the fund increased its 1-day 99% VaR usage from 1.61% to 2.61% month on month, although 80% of this increase is accounted for by very short-term trading liquid exposures within the "Active" sub-strategy bucket.

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