

SIL



NAV 29/06/2018: 29,349

INVESTMENT TEAM

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Fund Facts

Structure	SIL
Domicile	Luxembourg
Mgmt. Fee	0,0%
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

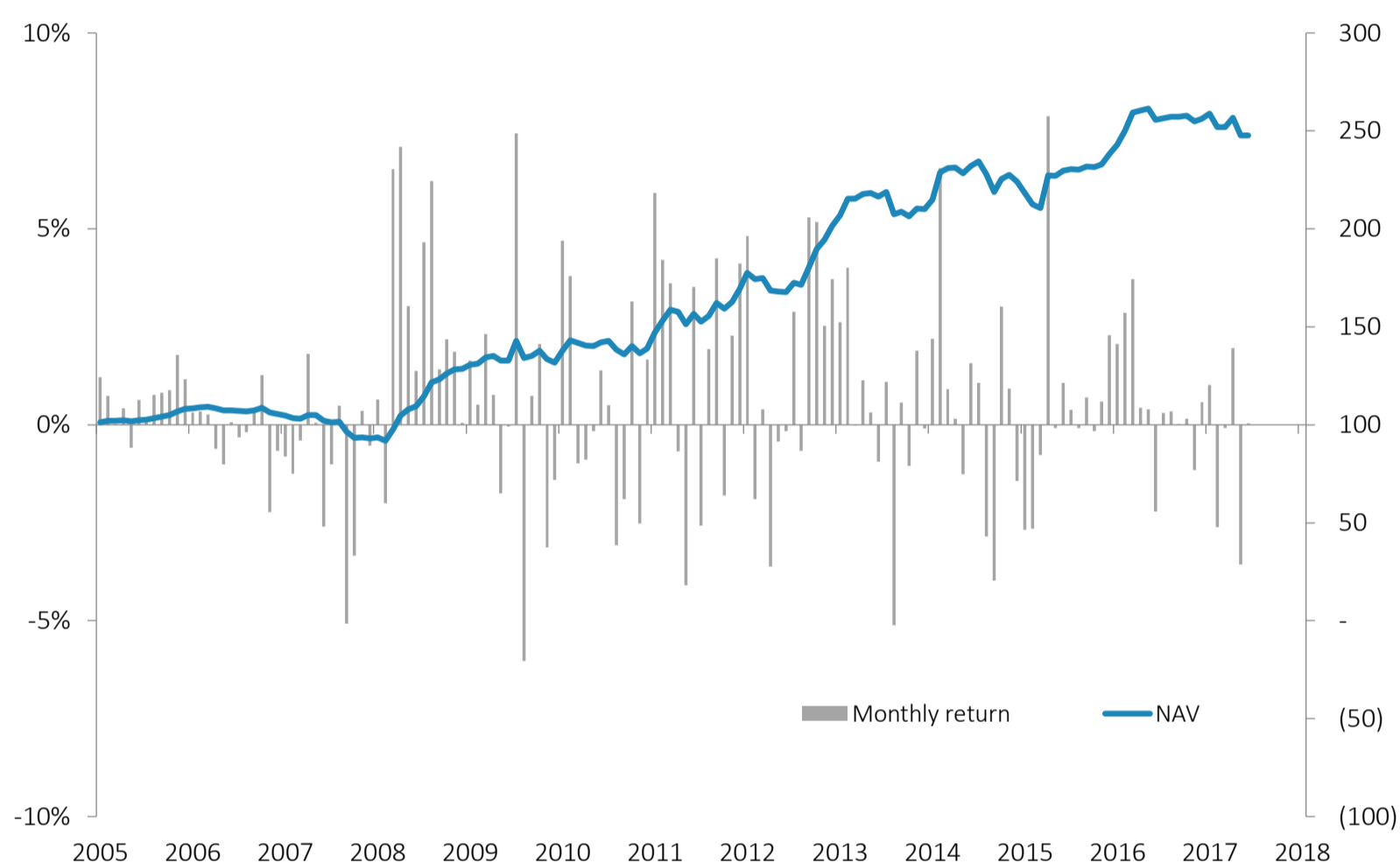
QUADRIGA RHO INVESTMENTS

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.

June 2018 Update

June was yet another challenging month in terms of generating returns across risky assets. All asset classes grappled with the question of "how much risk premia is required to compensate investors for growing political uncertainty?" The possibility of a fully-blown trade war between the US and its main trade partners, as well as the risks to the integrity of the EU derived from the implementation of Brexit and the lingering "Italian problem" (an unsavoury mix of unsustainable debt dynamics and a populist coalition at the helm) remain the biggest challenges to an over-extended business cycle at a time when most developed markets' central banks are in full QE removal mode. The fund had a flat month (+0.03%) against this challenging backdrop, which also saw the Eurostoxx 50 return a negative -1.07% on the month, the S&P 500 -0.76% (in US\$ terms) and the HFR Global Hedge Fund EUR Index lose -0.51%. The main driver of performance stems from the Micro bucket (+1.05%), ...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%	2,0%	-3,6%	0,0%							-3,3%

(*) 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	7,60%	1,99%	7,57%	8,39%	7,83%	8,72%
Stoxx 600	4,87%	-1,40%	1,64%	11,41%	11,98%	14,29%
Iboxx Eur Corporate	2,72%	1,54%	3,61%	2,59%	2,66%	3,88%

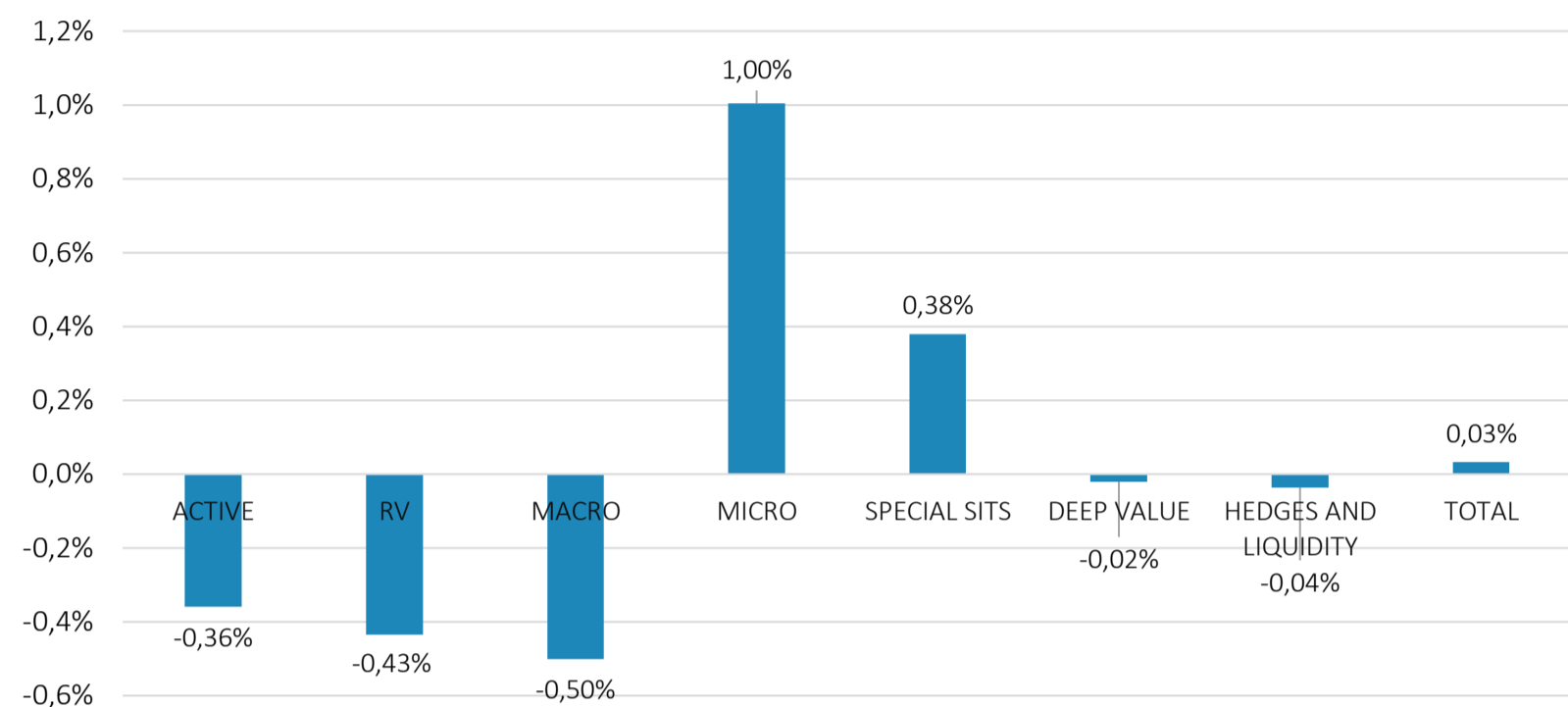
Returns (% Net)

2018	-3,33%
CAGR*	7,57%
May 2018	0,03%

Risk / Return

Volatility*	8,72%
Sharpe Ratio*	0,87
Sortino Ratio	1,19
VaR 99,5% 1-day	2,42%

Performance attribution across strategies (% Net)

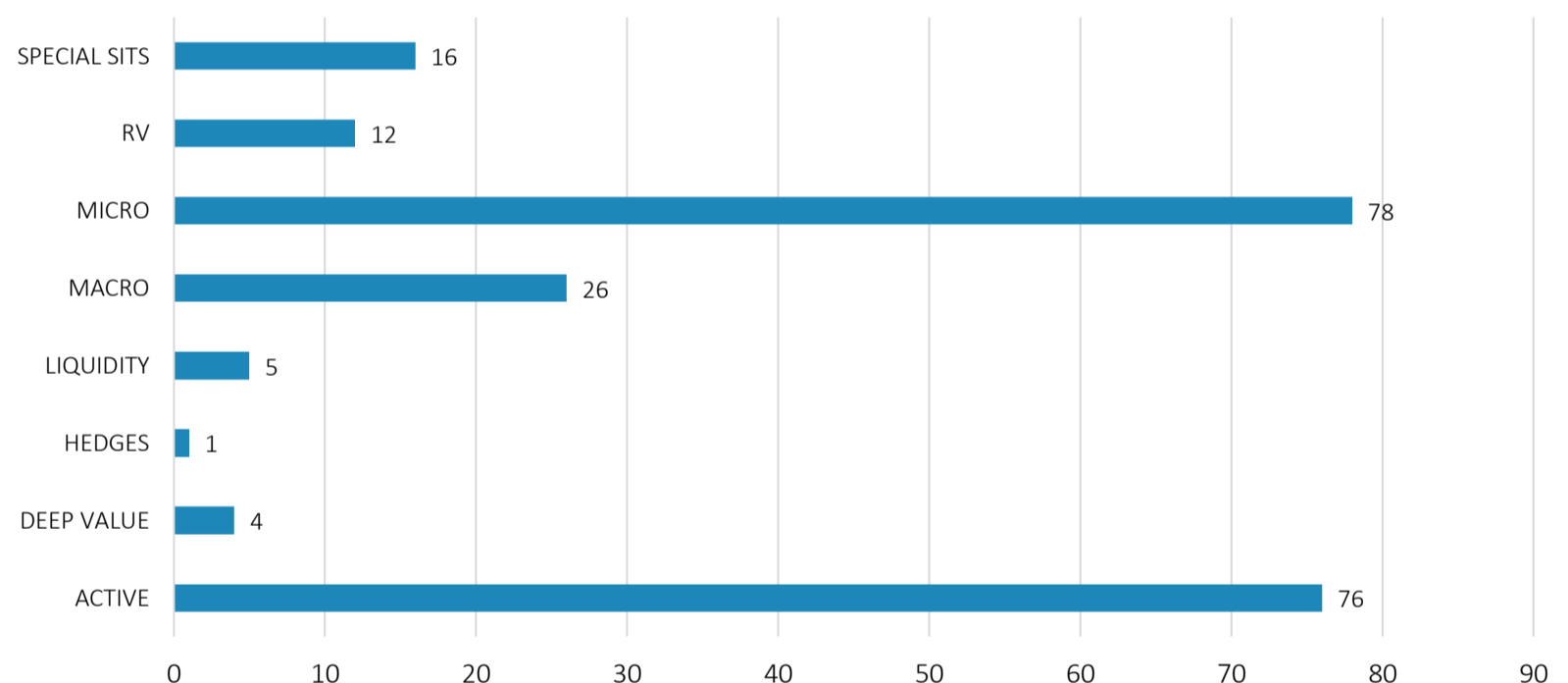


Top Five Positions

German Govt. Bond Futures	-53,00%
Nasdaq 100 E-mini	-29,23%
Spread L/S Banks - Eurostoxx 50	25,47%
Long S&P - Short Nasdaq	11,29%
BFCM CMS T1 FRN	6,51%

Risk Concentration and Distribution Metrics

Number of positions per strategy



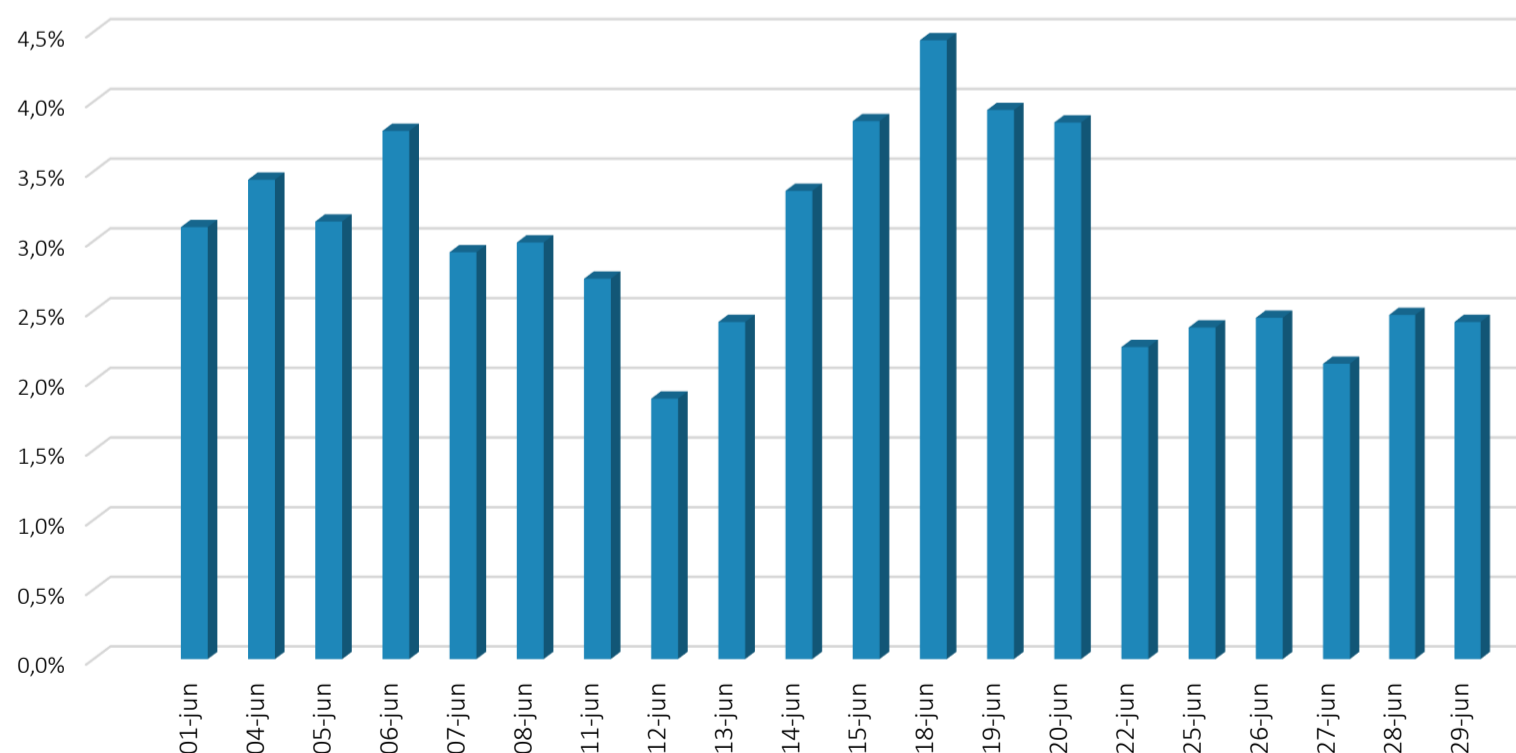
% Exposure

Gross	303,51%
Net	33,53%

% of Gross Exposure per Strategy

Active	37,55%
Relative value	9,58%
Macro	14,71%
Micro	11,32%
Special Situations	9,82%
Deep Value	1,36%
Hedges	4,18%
Liquidity	11,48%

Var % Contrib Hist 3Y

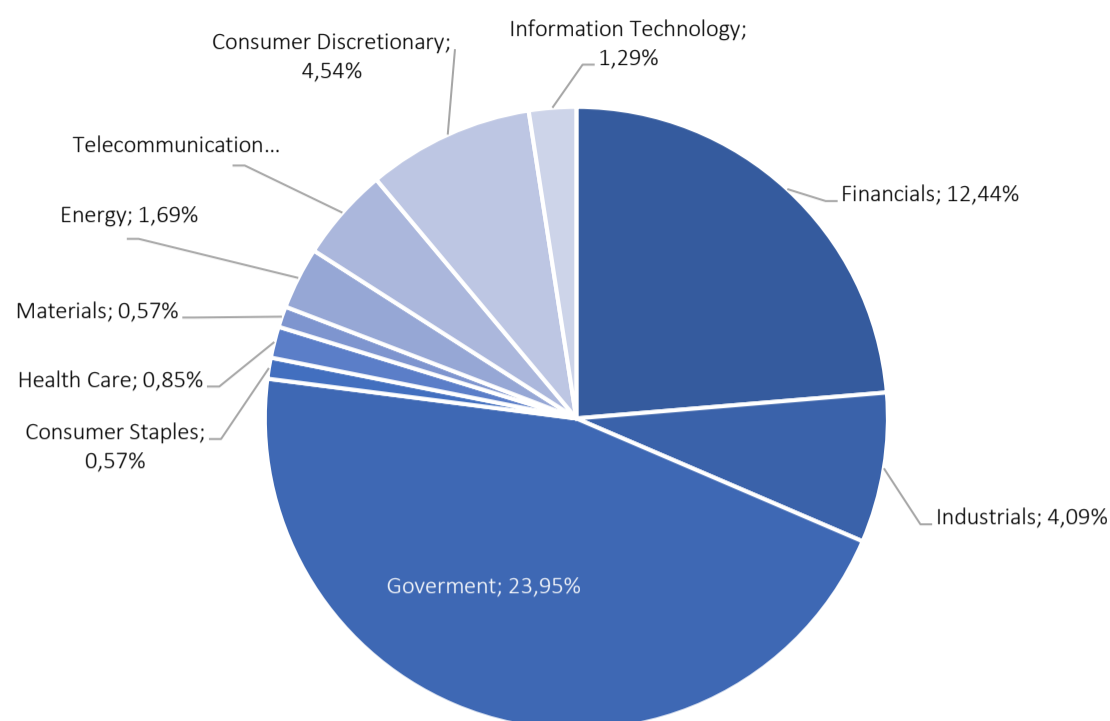


(*) Since inception

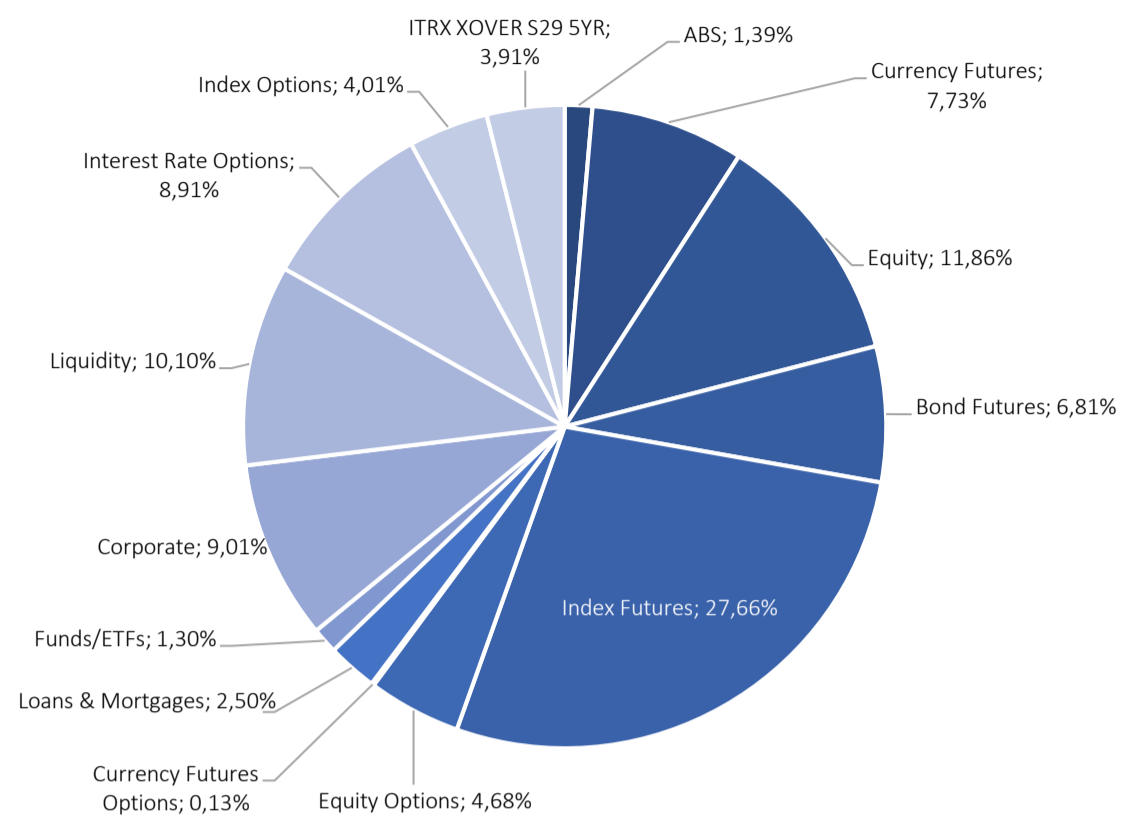
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Risk Concentration and Distribution Metrics (2)

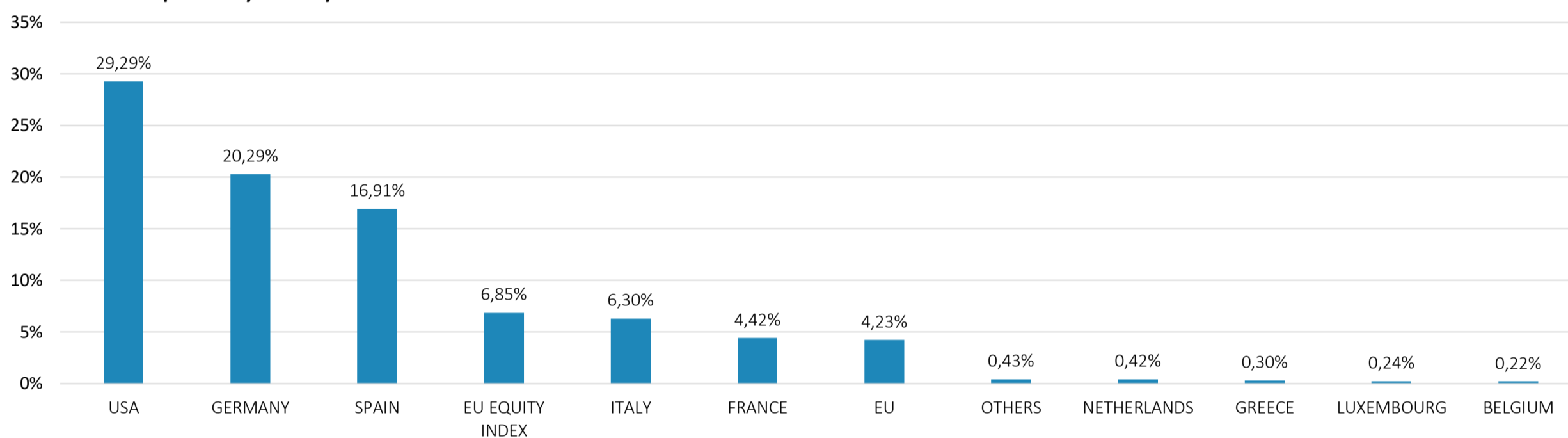
Gross Notional Exposure by Sector



Gross Notional Exposure by Asset Class



Net Notional Exposure by Country



June 2018 Update (cont...)

...cont partly offset by the adverse mark-to-market and negative carry of our short positions across European rates within the Macro bucket (-0.50%) and weak performance of Active trading strategies (-0.35%). The fund continues with its focus on retaining a modest directional exposure to the market, relying increasingly on relative-value trade construction, or on very short-term and nimble positioning whenever directional exposure is called for. Month-end net leverage at 33.5% stood at the upper end of the -10% to +35% range that we envisaged at the beginning of 2018. Gross exposure did however come off meaningfully (from 3.53x at the end of May to 3.03x at the end of June) due to a decrease in VaR allocation to (Active) trading strategies, and profit taking in some of the existing long-short positioning within the Relative Value bucket. Overall statistical risk usage, as measured by 1-day VaR, stood at 2.42% which does not compare with previous month-end risk figures (2.48%), as in the month of June our risk department has increased the confidence level used in VaR calculation from 99% to 99.5%, which should result in risk measurements roughly 11% higher. Average VaR utilisation over the month increased however from a 2.05% average daily usage throughout May vs 3% throughout June (an increase of roughly 72bps after adjusting for the new VaR methodology). In terms of new positioning the fund has recently added exposures constructed to capitalise on an escalation of US protectionism, consolidation within the Spanish banking industry and heightened Italian sovereign risk premia around September budget-approval time.

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