

SIL



NAV 27/07/2018: 29,354

INVESTMENT TEAM

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Fund Facts

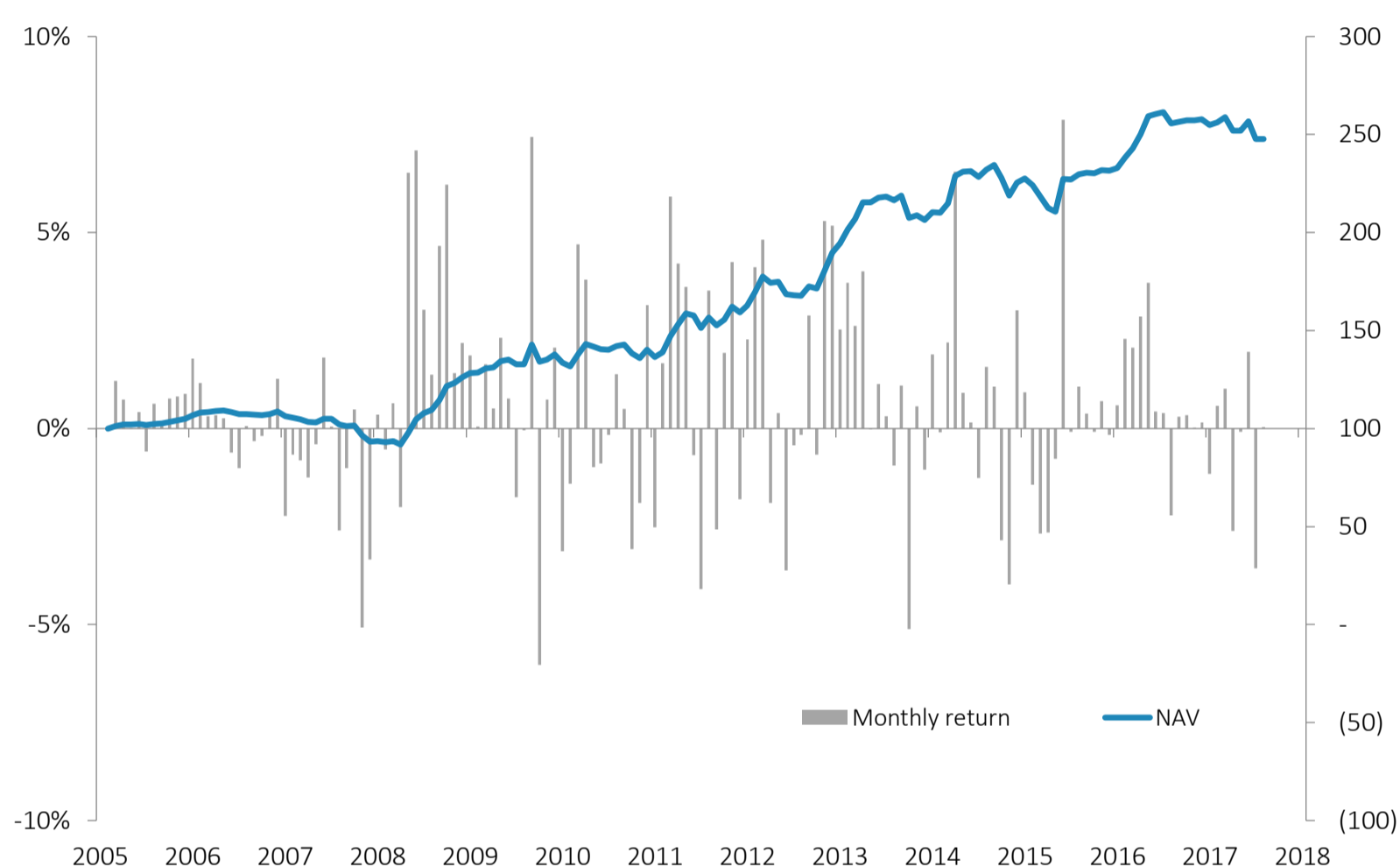
Structure	SIL
Domicile	Luxembourg
Mgmt. Fee	0,0%
Perf. Fee	0,0%
Min. Investment (Professional inv.):	50,000€
Min. Investment (Well-informed inv.):	100,000€
NAV Currency	EUR
Liquidity	Weekly
ISIN	ES0155144035
Bloomberg Code	S1412 SM
Custodian	Banco Santander

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.

July 2018 Update

Rho Investments generated a fairly flat return (+0.03%) for the month of July. Albeit the return falls significantly short of the rally seen in risky assets during the month (Euro Stoxx 50 +2.2%, Ibox 35 +1%), Rho managed to beat once average hedge fund performance (HFRX Global Hedge Fund EUR Index -0.01%, HFRI Macro Multi-Strategy Index -0.4%). We continue to see the current investment environment as more challenging than current risk premia across assets reflect, and investor attitude as over-complacent towards risk given the high levels of valuation across asset classes, limited liquidity, and the unusual nature of this over-extended business cycle. It is true however, that the still ample liquidity sloshing around the system could support very high valuations for much longer. But in this central bank game of quantitative musical chairs, even though is very difficult to predict when the music will stop, one thing we certainly know is that when it does stop, there will be very few seats **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%	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	7.75%	2.98%	7.51%	8.34%	7.82%	8.69%
Stoxx 600	5.67%	2.60%	1.88%	11.29%	11.90%	14.26%
Iboxx Eur Corporate	2.83%	1.90%	3.61%	2.57%	2.58%	3.87%

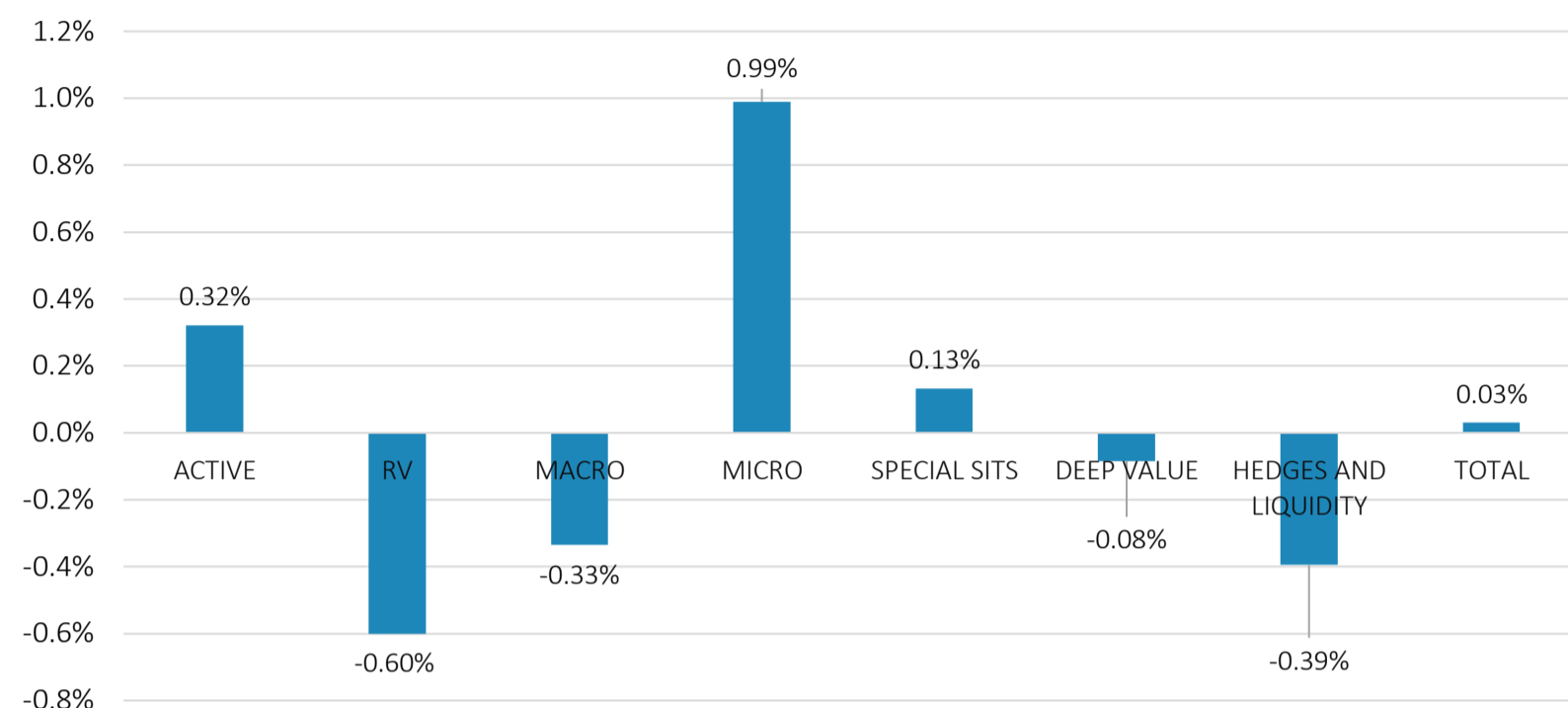
Returns (% Net)

2018	-3.30%
CAGR*	7.51%
July 2018	0.03%

Risk / Return

Volatility*	8.69%
Sharpe Ratio*	0.86
Sortino Ratio	1.19
VaR 99,5% 1-day	1.34%

Performance attribution across strategies (% Net)

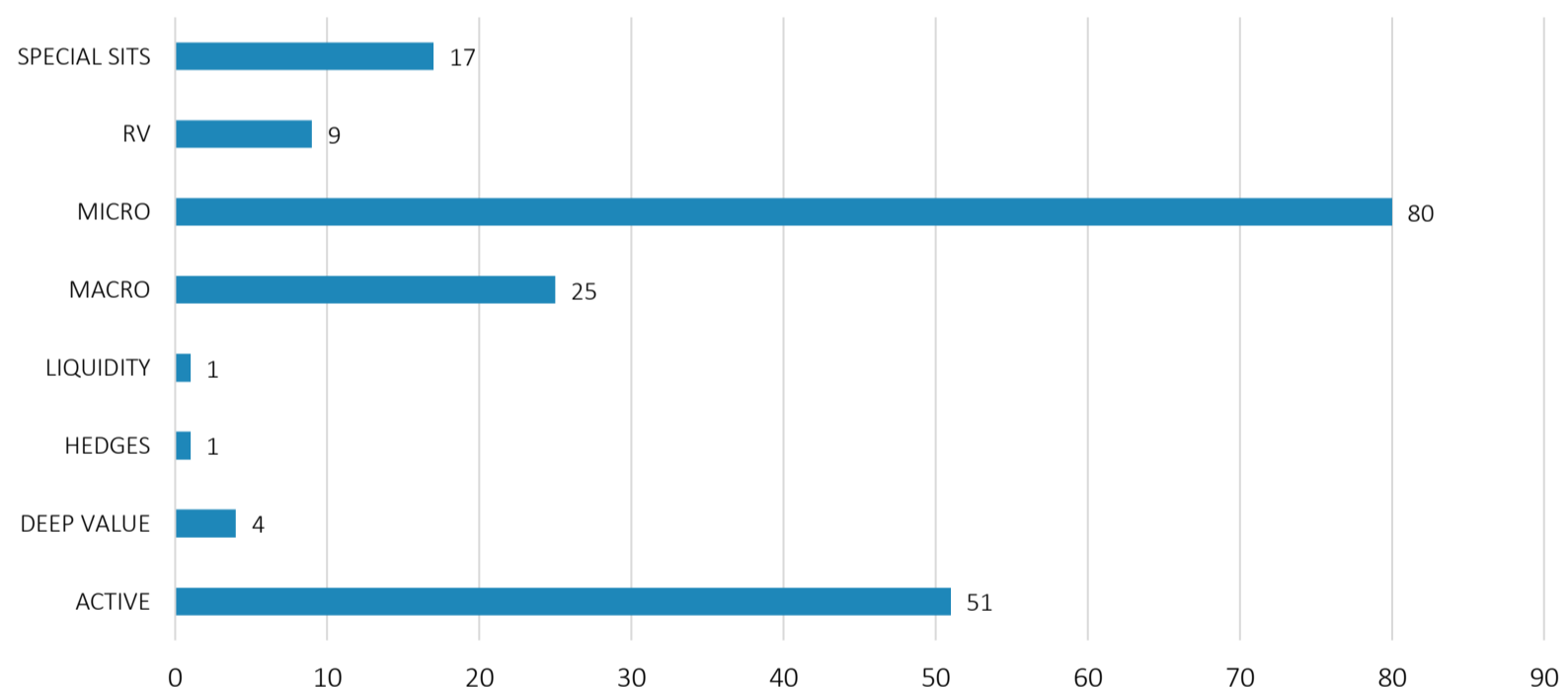


Top Five Positions

German Govt. Bond Futures	-43.27%
Spread L/S Banks - Eurostoxx 50	27.89%
Long S&P - Short Nasdaq	11.64%
Long FB Equity - Short Nasdaq	8.50%
BFCM CMS T1 FRN	6.44%

Risk Concentration and Distribution Metrics

Number of positions per strategy



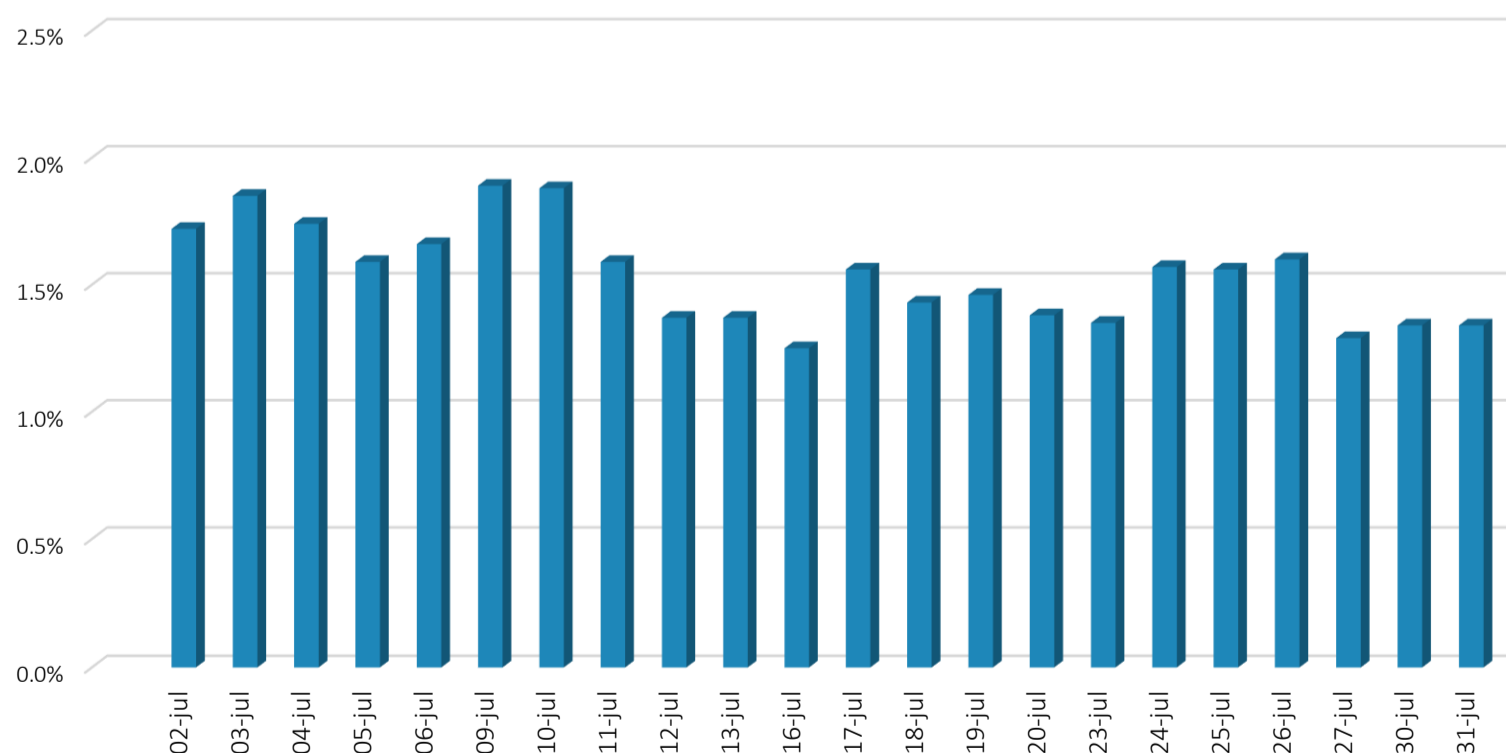
% Exposure

Gross	241.40%
Net	36.70%

% of Gross Exposure per Strategy

Active	28.00%
Relative value	11.27%
Macro	16.98%
Micro	15.99%
Special Situations	13.58%
Deep Value	1.74%
Hedges	5.43%
Liquidity	7.00%

Var % Contrib Hist 3Y

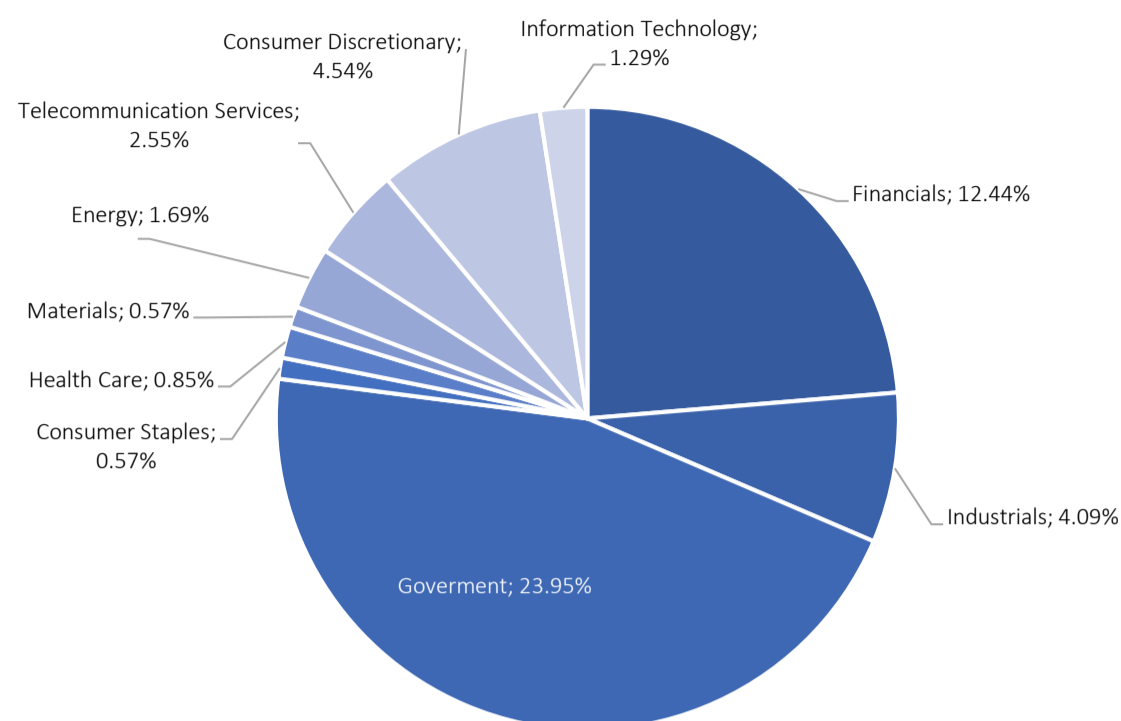


(*) Since inception

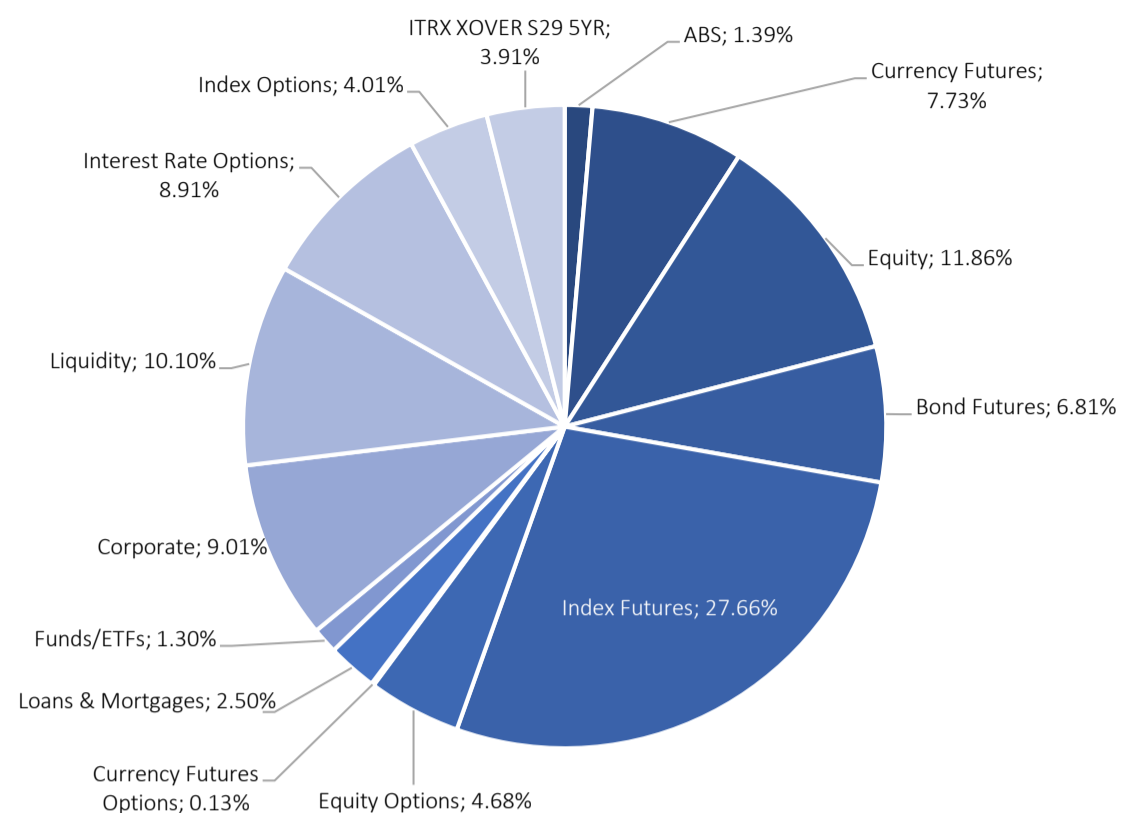
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Risk Concentration and Distribution Metrics (2)

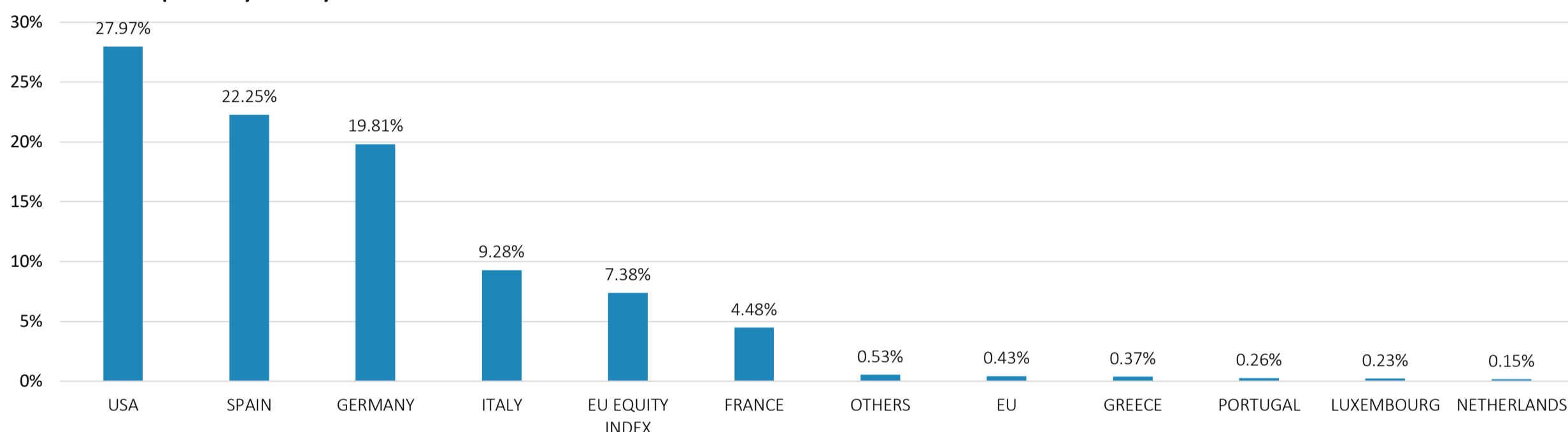
Gross Notional Exposure by Sector



Gross Notional Exposure by Asset Class



Net Notional Exposure by Country



July 2018 Update (cont...)

cont... available and a significant shortage of manners (i.e. will be a messy process). Despite the fund's strategic focus on limiting single name directional exposure, Micro directional strategies (+0.99%) were the biggest contributors to overall performance, driven by gains on long positioning in European banks AT1 bonds, which we have started to reduce ahead of expected September supply pressures. Despite paring down significantly the risk allocated to very short-term trading oriented strategies, our "Active" bucket still managed to generate modest (+32bps) but low-volatility results throughout the month. The worst performing strategies during the month of July were the RV bucket, adversely affected by short positioning in US tech stocks (-0.60%) and Macro strategies (-0.33%), where short exposure to Italian risk (both BTPs and stocks) and bearish plays on the Nasdaq 100 via options were the main drivers of negative performance. 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, even more so ahead of what we anticipate to be a volatile and "politically-loaded" September. Our cautious stance on the market is also mirrored by the fund's risk metrics. At the end of July gross leverage stood at 2.41x (vs 3.05x at the end of June) whilst net market exposure remained broadly unchanged at 37% (vs 34% on the previous month). Overall statistical risk usage, as measured by 1-day 99.5% confidence VaR, saw a significant reduction month-on-month, falling from 2.42% at the end of June to 1.34% at the end of July, whilst average daily VaR employed during the month dropped to 1.54% (the lowest usage on any month since launch).

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