

SIL



NAV 31/08/2018: 28,752

**INVESTMENT TEAM**

Rodrigo Hernando, CEO

José Mosquera, CIO

Imanol Urquizu, PM

José Martín-Vivas, Sr. Analyst

Francesc Margarit, PM

Jaume Margarit, PM

Jorge Peñalba, Analyst

**Fund Facts**

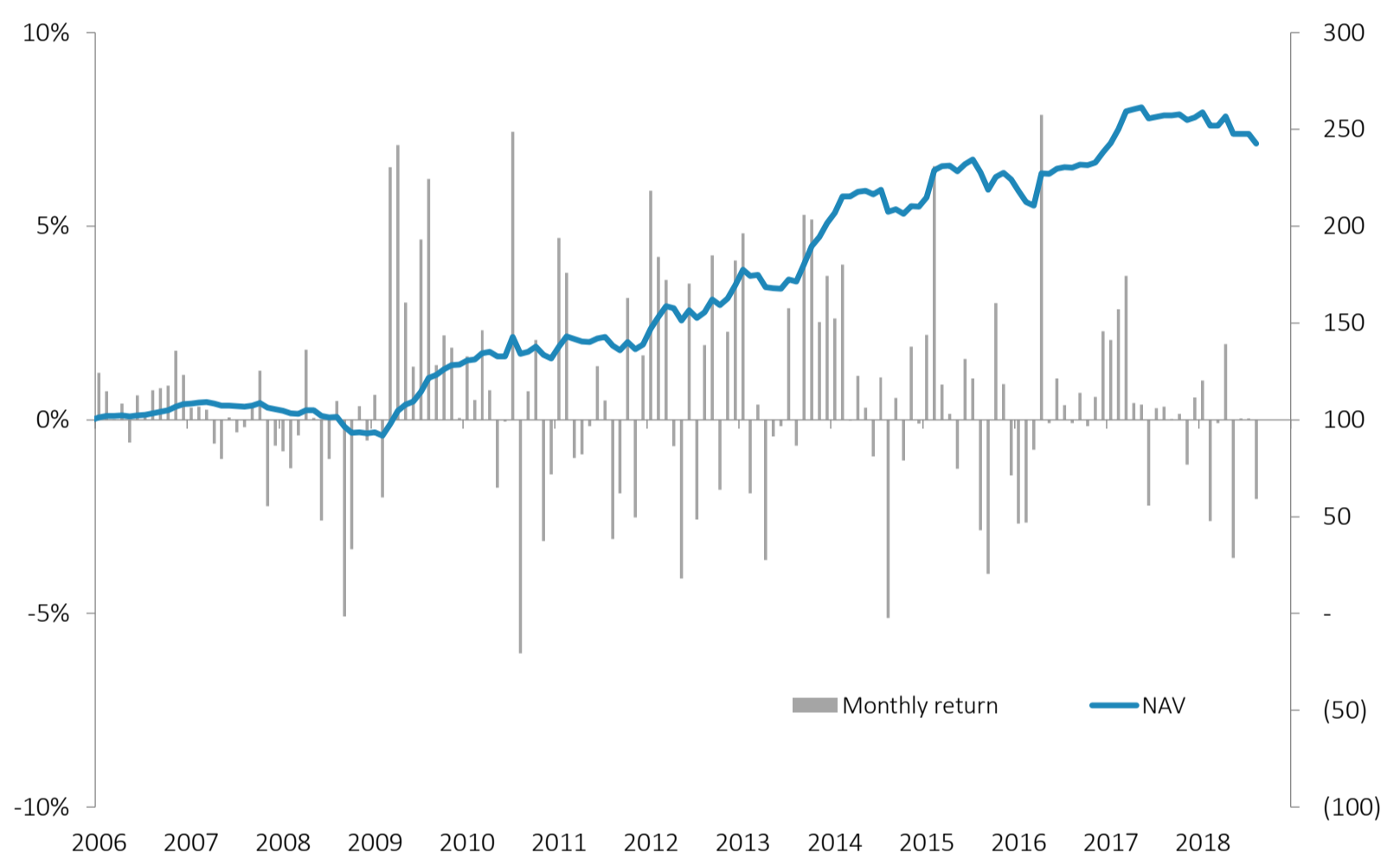
Structure	SIL
Domicile	Luxembourg
Mgmt. Fee	0,0%
Perf. Fee	0,0%
Min. Investment (Professional inv.):	50,000€
Min. Investment (Well-informed inv.):	100,000€
NAV Currency	EUR
Liquidity	Weekly
ISIN	ES0155144035
Bloomberg Code	S1412 SM
Custodian	Banco Santander

**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.

**August 2018 Update**

A disappointing month in terms of performance, with the fund losing 2.05% against a backdrop of weakness in Southern European (banks in particular) and EM risk (FTSE MIB -3.72%, Ibex 35 -1.15%, Eurostoxx Bank Index -4.81%, MSCI EM -1.46%). The weak performance is largely predicated on the fund's long positioning on valuation grounds on European risk (including banks) partly hedged out via short exposure to US technology where we see negative substantial negative convexity arising not only from extremely high multiples, but also from their dependence on Chinese imports as part of their value chain, ahead of impending trade negotiations with (a presumably hardball-playing) Trump administration before November midterm elections. Exposure to banks (on a relative value basis vs broader equity indices) and short core European rates were the largest drivers of poor performance of the active bucket (-1.15%), whilst Micro (-0.48%) and RV (-0.38%) were respectively dragged by exposure to 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%	-2.0%						-5.3%

(\*) 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	6.20%	3.67%	7.29%	8.40%	7.72%	8.70%
Stoxx 600	4.39%	3.44%	1.72%	11.32%	10.84%	14.23%
Iboxx Eur Corporate	2.70%	2.16%	3.59%	2.57%	2.53%	3.85%

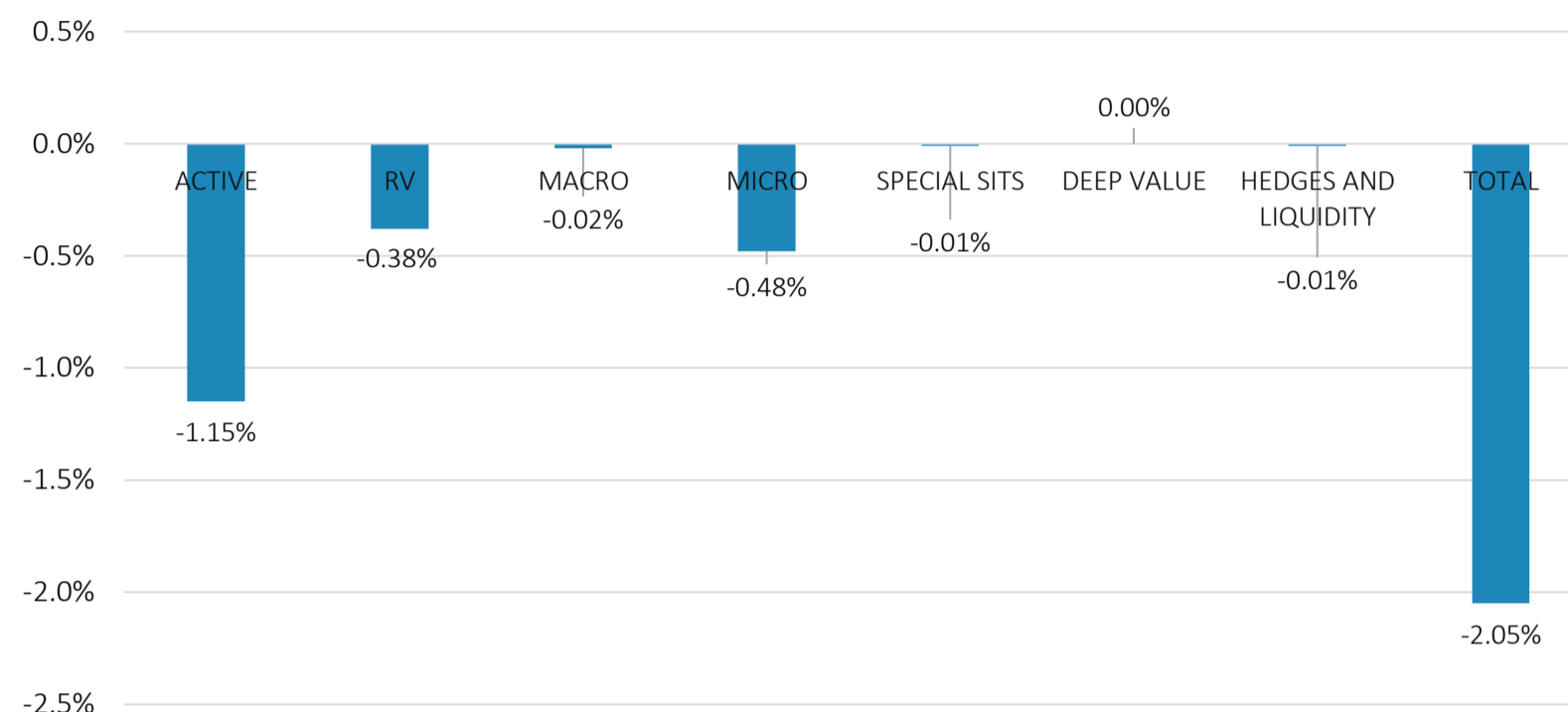
## Returns (% Net)

2018	-5.28%
CAGR*	7.29%
August 2018	-2.04%

## Risk / Return

Volatility*	8.70%
Sharpe Ratio*	0.84
Sortino Ratio	1.19
VaR 99,5% 1-day	0.94%

## Performance attribution across strategies (% Net)



## Top Five Positions

German Govt. Bond Futures	42.29%
Spread L/S Banks - Eurostoxx 50	25.59%
Long S&P - Short Nasdaq	12.48%
BFCM CMS T1 FRN	6.53%
Long FB Equity - Short Nasdaq	6.27%

## % Exposure

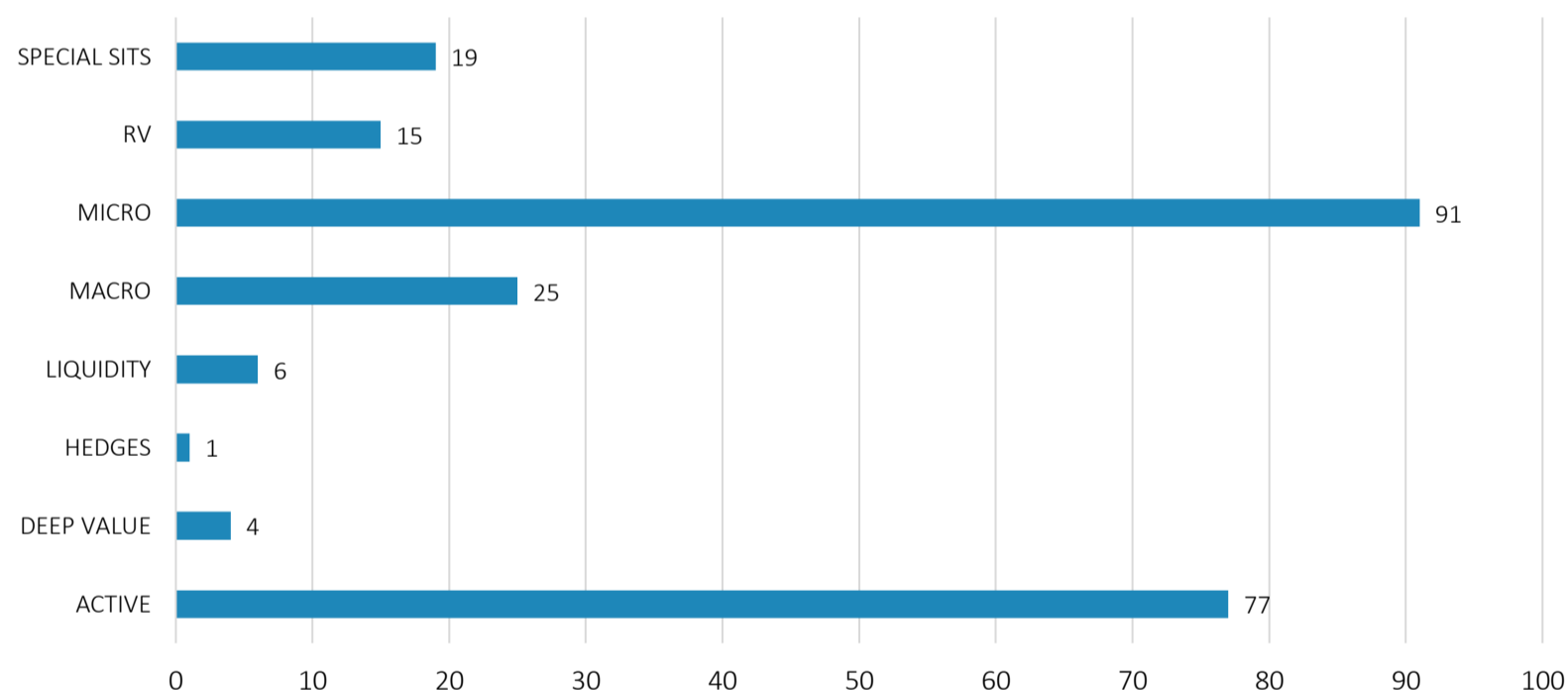
Gross	291.35%
Net	29.93%

## % of Gross Exposure per Strategy

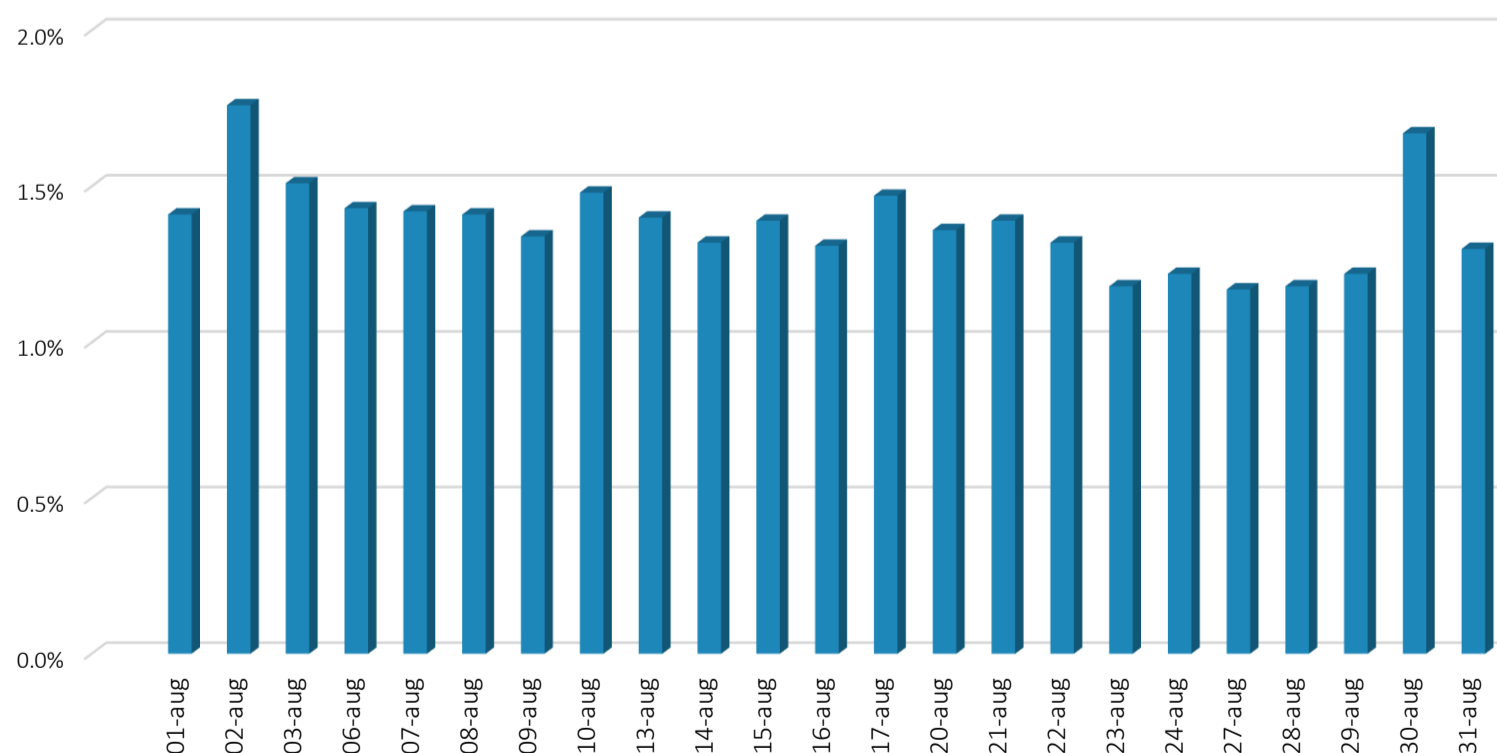
Active	29.07%
Relative value	16.18%
Macro	20.51%
Micro	11.59%
Special Situations	11.73%
Deep Value	1.50%
Hedges	3.00%
Liquidity	6.43%

## Risk Concentration and Distribution Metrics

### Number of positions per strategy



### Var % Contrib Hist 3Y

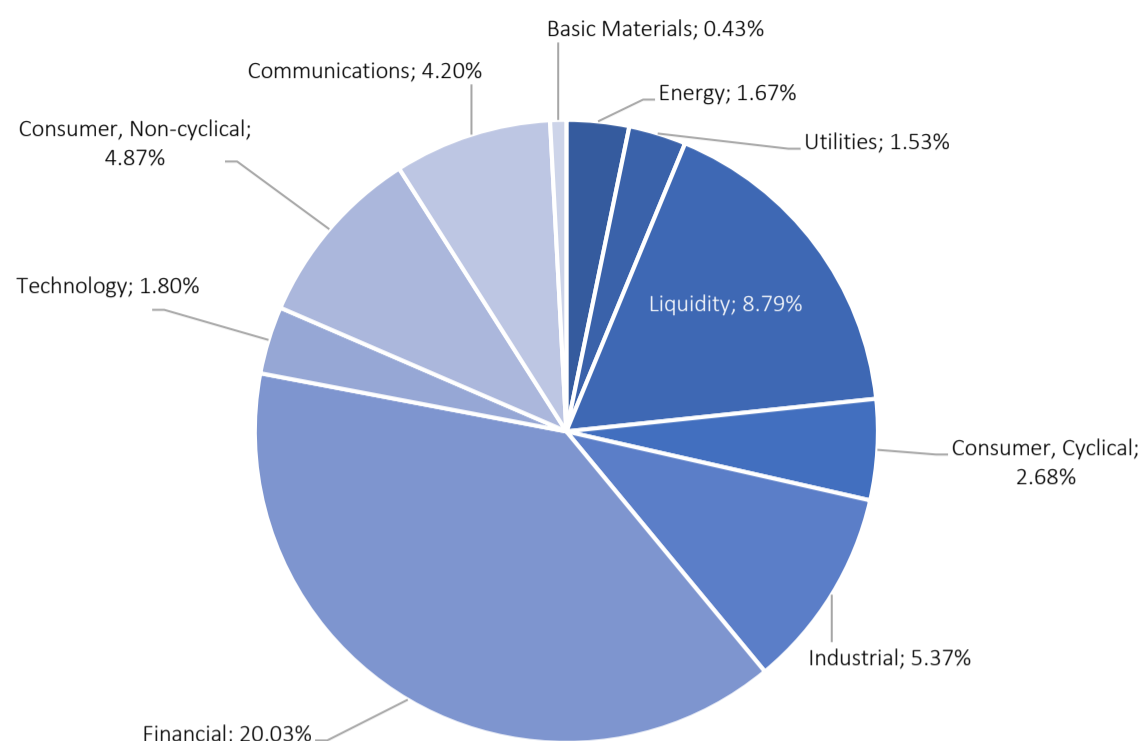


(\*) Since inception

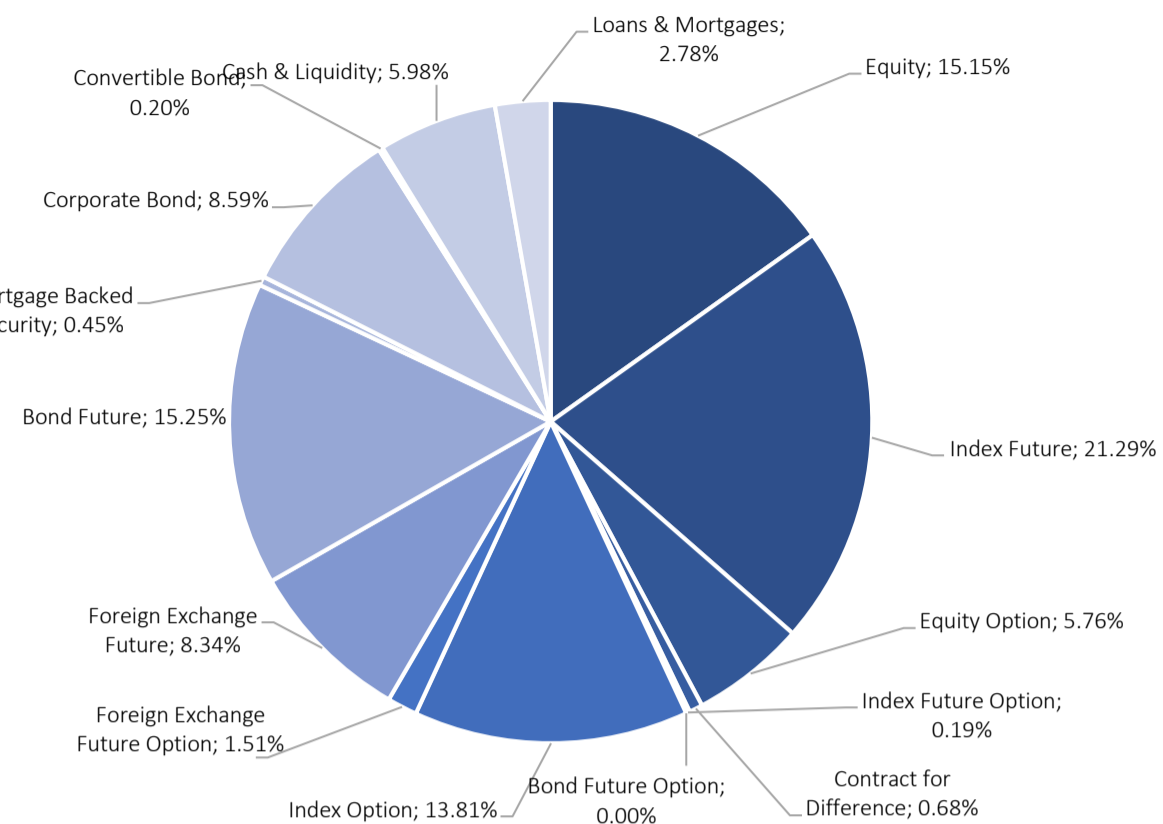
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## Risk Concentration and Distribution Metrics (2)

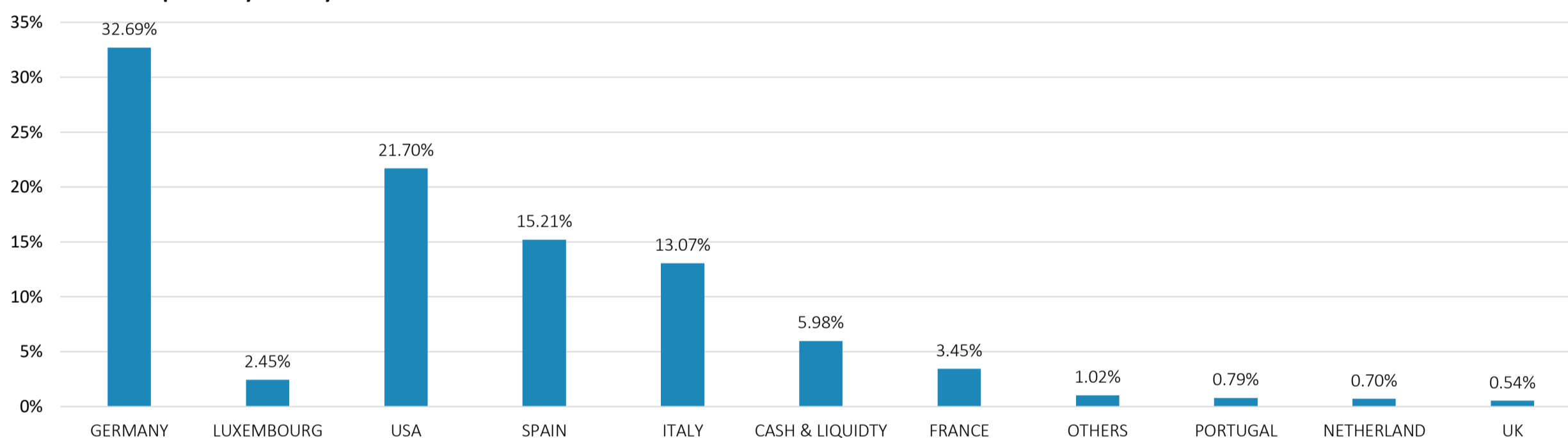
### Gross Notional Exposure by Sector



### Gross Notional Exposure by Asset Class



### Net Notional Exposure by Country



## August 2018 Update (cont...)

cont... select European banks (where we believe that substantial optionality had developed from political turmoil in Italy and Turkey) and by long/short themes predicated on US tech overvaluation. On prudential volatility control and stop-loss triggers some of these trades have been exited, thus reducing risk exposures across Micro and RV sub-strategies. Given our concerns about the dynamics inherent in late bull market cycles (even more so in an unusual one predicated on unorthodox monetary policies), our overall risk positioning continues to be cautious. At the end of August gross leverage stood at 2.91x (vs 2.95x at the end of July), although net market exposure increased marginally to 30% (vs 26% on the previous month). Overall statistical risk usage, as measured by 1-day 99.5% confidence VaR, saw again a further reduction month-on-month, falling from 1.34% at the end of July to 1.30% at the end of August, whilst average daily VaR employed during the month dropped to 1.38% (the lowest usage in the last 18 months).

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