

**Quadrige Igneo UCITS**

31 Jan 2019

Quadrige Igneo UCITS is a liquid absolute return strategy with a long bias to the Precious Metals sector and US treasuries, a long bias to implied volatility, and long-only tail risk insurance. Quadrige Igneo UCITS follows a proprietary multifactor investment process that combines both fundamental and quantitative inputs, including top-down macro, geopolitics, bottom-ups micro, technical analysis, and flow analysis, within a disciplined framework for portfolio construction and risk management.



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**Quadrige Igneo UCITS Update**

After the worst December in decades, January was one of the best starts for a year, with risk on sentiment broad, led by EM equities (+10%), with S&P 500 +7,88% and Eurostoxx 600 +6,52%. Also credit performed, with USD High yield (+5%) leading EUR high yield (+2,9%) and investment grade credit (+2,4%). Overall we see the main reason for this performance on the change in views from the FED, from the confirmation in december of further hikes during 2019, to a patience approach, even questioning the speed of the balance sheet reduction (QT), in what seems to be a resignation to markets, and a return to the paradigm "the worse, the better" as this supposes lose monetary policy, great news for a world flooded in debt. Lower USD, and lower treasuries yields, helped precious metals, while volatility decreased to lowest levels seen last year in gold. We see a marked slowdown in macroeconomic numbers in Europe and China, while USA keeps printing strong figures. While the FED acknowledges this risks, China keeps providing stimulus to the economy and ECB has even talked about new TLTROs, more stimulus, more debt. Meanwhile assets keep being priced on the expensive side, and risks keep building for financial markets.

Monthly Update

**Quadrige Igneo UCITS**

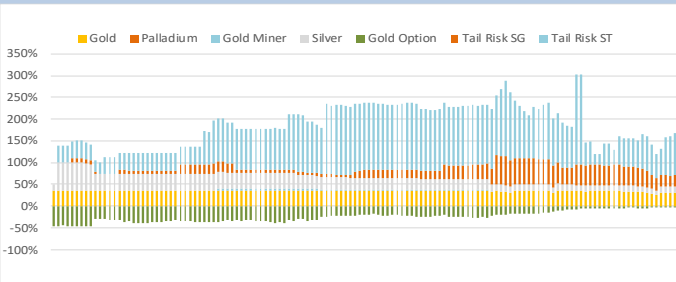
The IGNEO's portfolio is positioned for a pick-up in both realized and implied volatility. During first days on January we took profits in some of the treasuries tail options, and rolled over to new strikes and maturities. After the strong month for risk assets, we are increasing the credit tail options and lengthening the maturity of our options taking advantage of lower volatility. On the equity side, we transformed our tail into a put spread, and again into a put once market rallied. We decided to go longer term optionality and a mixed between vanilla and exotic options. On the precious metals tail we keep having our long term exotic gold calls. During December the portfolio made 7,6% on a distressed market, while in January the loses are only -1,08% on a complete reversal of risk assets, probing the burble approach of the strategy and the capital preservation principle. The portfolio is well positioned to gain on a distressed market situation.

Rebalancing Update

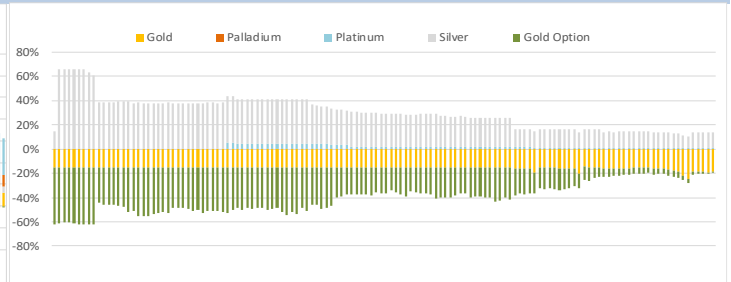
Reference	Gold ETF
Total	100%
Gold	50%
Silver	-
Platinum	-
Palladium	-
Gold Miners	-
Options ST	-
Options LT	-
Tail Risk SG	-
Tail Risk ST	-
US Treasuries	-

	Funded	Notional	Beta	Delta
Total	100%	169%		
Gold ETC	32%	1.00	32%	
Silver ETC	13%	1.50	20%	
Platinum	-	0.70	-	
Palladium	-	0.60	-	
Gold Miners ETF	1.0%	1.50	1%	
Options ST	-	-	-	
Options LT	38%	-0.03	(1%)	
Tail Risk SG	160%	0.17	27%	
Tail Risk ST	377%	0.23	88%	
US T-Bills	35%	0.05	2%	

**Absolute Allocations (% Live Delta)**



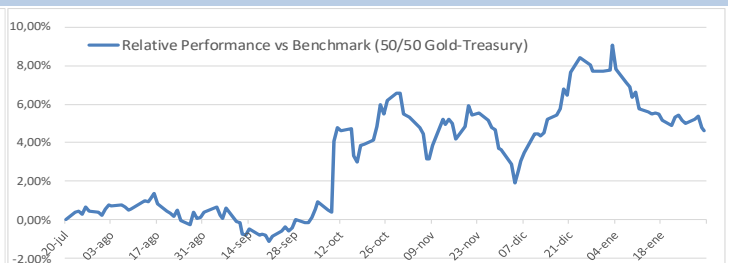
**Relative Allocations (% Live Delta)**



**Absolute Performance (%)**



**Relative Performance (%)**



Monthly Update

	2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY 2018
Quadrige Igneo UCITS								-0.1%	-0.9%	-1.3%	6.3%	-1.2%	7.3%	9.9%
	2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY 2019
Quadrige Igneo UCITS		-1.3%												-1.3%

**DISCLAIMER.** This fact sheet is not a sales prospectus. The materials are intended solely for general information about the Strategy. Past performance is no guarantee of future results. Realized performance may differ from Target Performance, and can be positive or negative. Calculations do not include any fees.