

Quadriga Igneo UCITS

31 MAY 2019

Quadriga 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. Quadriga 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.



Quadriga Igneo UCITS Update

Risk off sentiment across the board for the month of May. Equity indexes falling sharply, led by Emerging markets (-7,23%), China (-6,88%) and S&P 500 (-6,35%). Epicentre of the sell off being excused by the breakup off trade talks between US and China and the tariffs imposition from USA, retaliation measures by China, and in general a deteriorated relation that is leading to mayor coppncerns about global growth going forward. With basically all regions suffering a significant slowdown, shown quite dramatically in lower PMIs across countries, especially in Europe and China, but with USA joining the slowdown (PMI 50,5 from 52,6). The great rally seen during 2019 after the Q4 fall, seemed to reflect some confort on renewed growth expectations that could drive earnings higher, with the actual global slowdown, it seems difficult to match the expected growth in earnings and so equities look expensive again. Credit is holding well so far, with HY falling -1,90% supported by lower ustreasury yields (+3,02% in the month), renewed rate cut expectations by the FED, and new TLTROs to be launched in Europe. Gold performed +1,27% while silver fell -2,29%. JPY and CHF leaded gains in the currency space for theri safe haven status, while Yuan underperformed and GBP collapsed on Brexit fears after Theresa May resignation.

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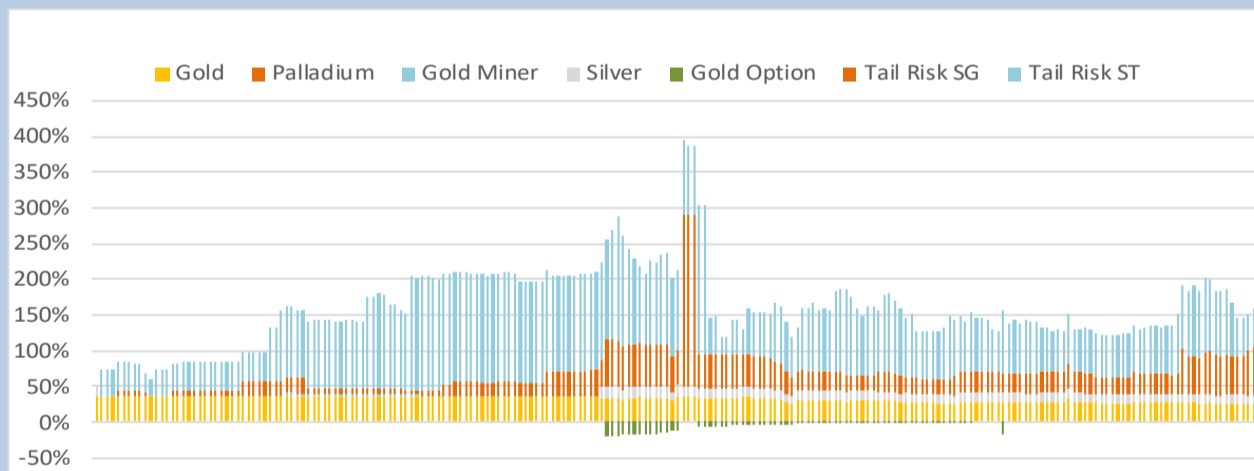
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Volatility increases was the norm, especially in equities, posting the highest implieds in 3 months. Although volatilioty increased significantly in OIL, Metals didn't join, and volatility in gold and silver still looks very cheap in historical terms. Same happens in currencies, where some crosses see the cheap implied vols, like EUR, GBP or CAD. Should volatility persist in risk assets and we should see this vols also going higher, benefiting our tail risk gold strategies. During the month of May we increased our short CNH via digital options and HKD equivalent, we have maintained our equity tail risk exposure adjusting for inflows, and have substituted the medium term treasury call for long term USDJPY optionality, giving us exposure to the 30y yields in US and long volatility trade. The fund performed 3,4% during the month, with equity-credit-treasuries tail performing 3,85% while gold tail underperforming -0,51%. We still see mayor risks building across markets and expect volatility to increase going forward.

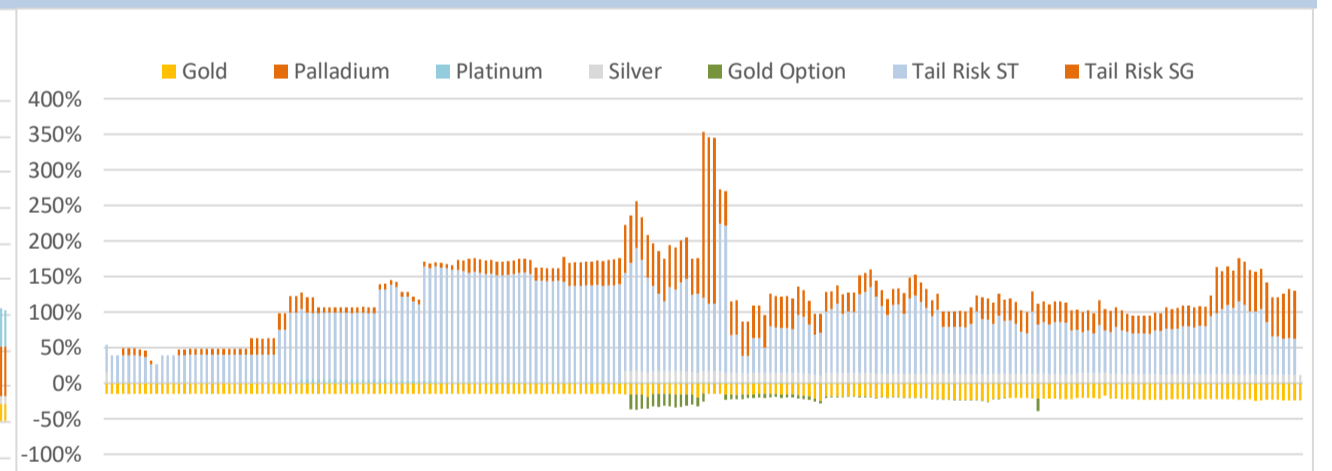
Reference	Gold ETF
Total	100%
Gold	50%
Silver	-
Platinum	-
Palladium	-
Gold Miners	-
Options ST	-
Options LT	-
Tail Risk SG	-
Tail Risk ST	-
US Treasuries	-

IGNEO	Funded	Notional	Beta	Delta
Total	100%	165%		
Gold ETC	26%	1.00	26%	
Silver ETC	12%	1.50	18%	
Platinum	-	0.70	-	
Palladium	-	0.60	-	
Gold Miners ETF	0.3%	1.50	0%	
Options ST	-	-	-	
Options LT	-	0.00	-	
Tail Risk SG	506%	0.14	68%	
Tail Risk ST	324%	0.16	50%	
US T-Bills	38%	0.05	2%	

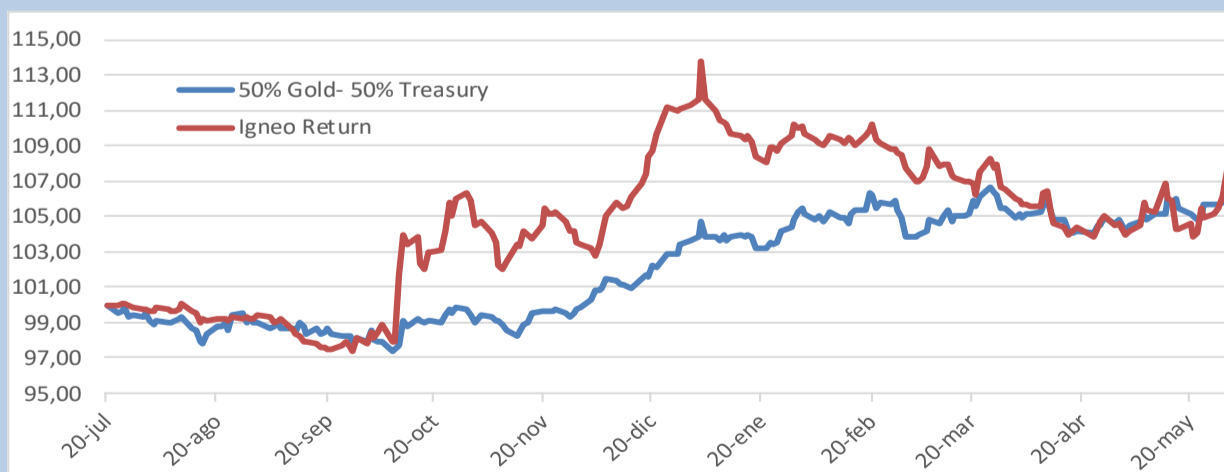
Absolute Allocations (% Live Delta)



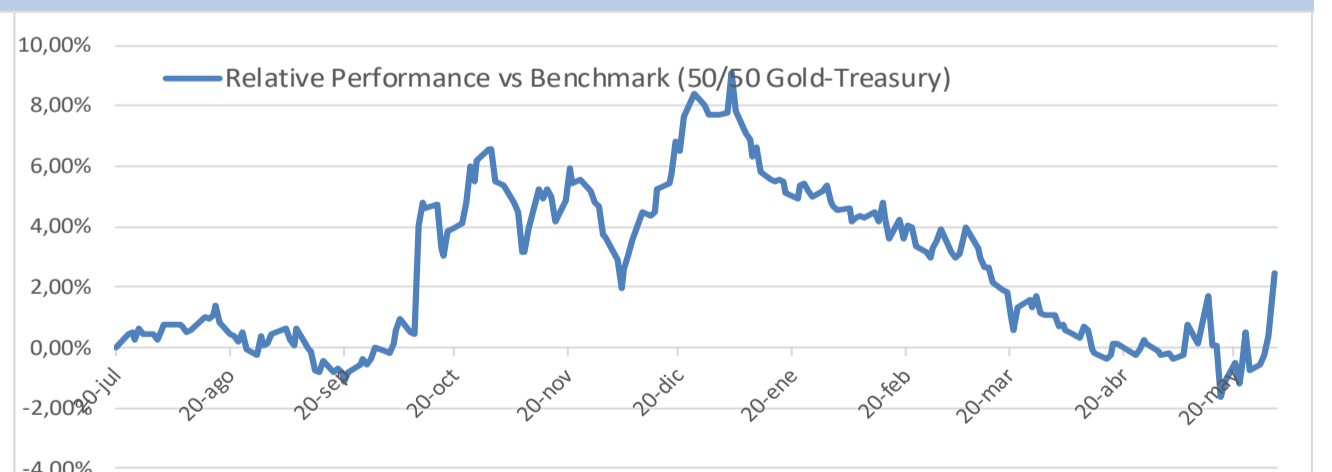
Relative Allocations (% Live Delta)



Absolute Performance (%)



Relative Performance (%)



2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY 2018
Quadriga 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
Quadriga Igneo UCITS	-1.3%	-1.7%	-1.9%	-1.9%	3.3%								-3.6%

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.