

SIL



NAV 28/06/2019: 26,0799

INVESTMENT TEAM

Rodrigo Hernando, CEO

José Mosquera, CIO

Imanol Urquizu, PM

José Martín-Vivas, Sr. Analyst

Jorge Peñalba, Analyst

QUADRIGA RHO INVESTMENTS

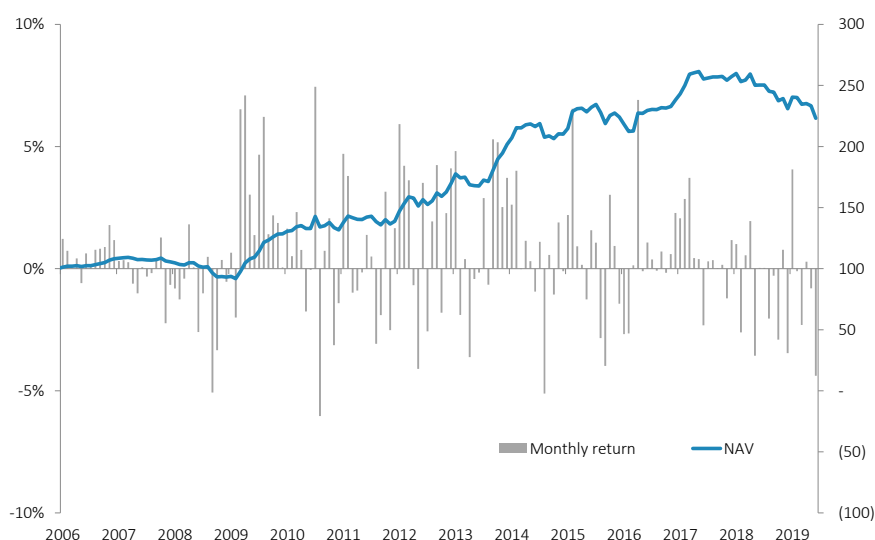
The fund's objective is to return net positive returns every year, regardless the behavior of traditional assets. To achieve it, the fund allocates to six different strategies: Active, Relative Value, Macro Selection, Micro Selection, Special Situations and Deep Value. The strategies are focused on finding cheap assets with asymmetric profiles.

June 2019 Update

Swimming against the tide is always a strenuous and difficult effort. The monetary tide continues to lift all boats, and brought once again this month very solid returns across all asset classes, which were particularly strong in volatility-adjusted terms in the realm of "risk-free" assets (such as German Bunds or USTs). Our stance, an educated and well thought-out one in terms of asymmetry and valuations, remains that fundamental data and statistical evidence does not support current valuations in most of risky assets and certainly not in most rates products (core Europe and peripheral rates alike). Only the powerful side effects of monetary repression and the blind faith in our enlightened central bankers and their untested heterodox QE and NIRP paradigms ability to support the market are preventing the current bubble from bursting. If detached from the madness of the crowds, the frenzy and "obligation" (because of mandate, pressure to obtain returns etc.) to invest, bubbles are easily identified. What is not that easy is determining the timing and catalysts which make **cont...**

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

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%	0.2%	-1.2%	1.2%	8.0%
2018	1.0%	-2.6%	0.5%	1.2%	0.2%	-3.7%	0.0%	-2.1%	-0.3%	-2.9%	0.8%	-1.8%	-9.4%
2019	4.1%	-0.1%	-2.3%	0.3%	-0.8%	-4.4%							-3.4%

(*) Since inception

DISCLAIMER. Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. The investment return and principal value of an investments in the product will fluctuate so that an Investor's shares, when redeemed, may be worth more or less than the original cost. Current performance and expense ratios may be lower or higher than the data quoted. For performance data current to the most recent month-end, visit www.quadrigafunds.com.

Comparative Risk / Return

	RETURNS (CAGR)			VOLATILITY		
	5 years	3 years	Since inception	5 years	3 years	Since inception
Rho Investments	0.07%	-1.61%	6.00%	8.27%	6.83%	8.77%
Stoxx 600	3.31%	4.97%	1.82%	12.40%	10.60%	14.27%
Iboxx Eur Corporate	2.36%	1.31%	3.71%	2.63%	2.52%	3.79%

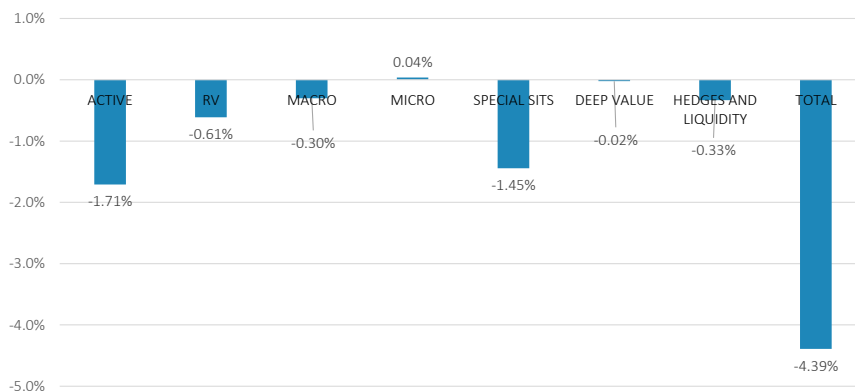
Returns (% Net)

2019	-3.41%
CAGR*	6.00%
June 2019	-4.39%

Risk / Return

Volatility*	8.72%
Sharpe Ratio*	0.69
Sortino Ratio	1.01
Parametric VaR 1-d	1.61%

Performance attribution across strategies (% Net)*



Top Five Positions

German Govt. Bond Future	-109.31%
Spanish Gvt. Bond	-14.74%
NATLA Secured Loan	10.14%
BNP Corp. Bond	7.66%
BFCM CORP PERP	5.88%

% Exposure

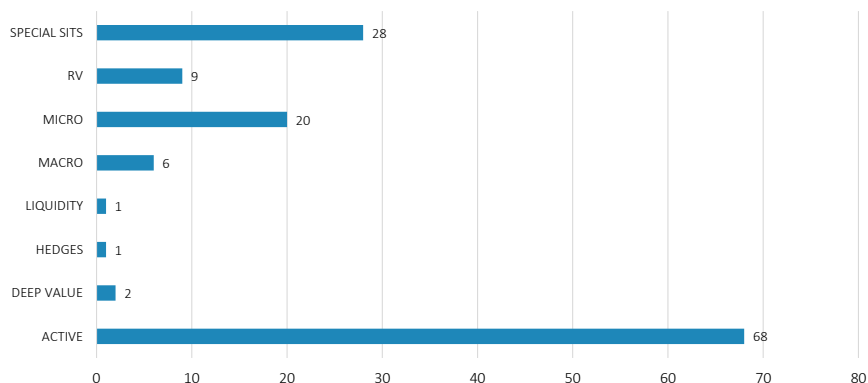
Gross	416.95%
Net	-38.07%

% of Gross Exposure per Strategy

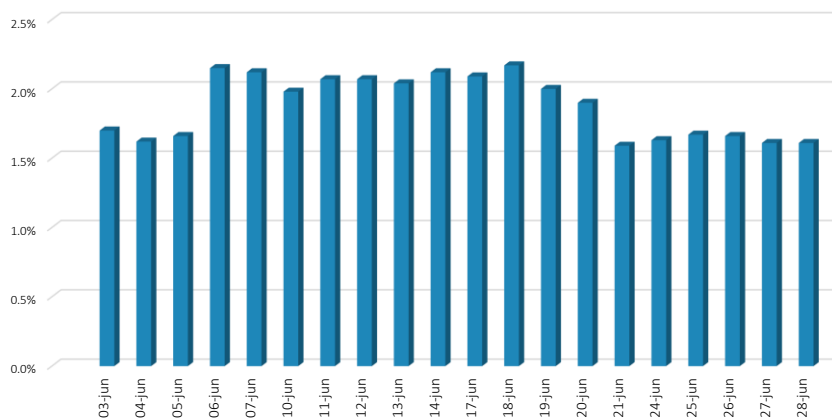
Active	55.91%
Relative value	6.01%
Macro	7.53%
Micro	8.72%
Special Situations	11.23%
Deep Value	1.59%
Hedges	4.12%
Liquidity	4.89%

Risk Concentration and Distribution Metrics

Number of positions per strategy



Var % Contrib Hist 3Y

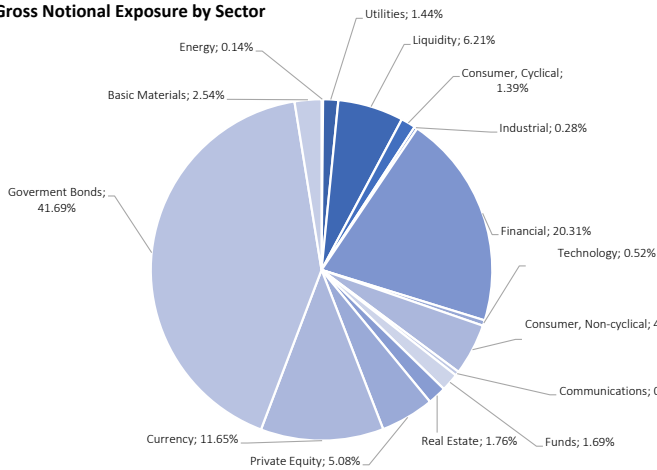


(*) Since inception

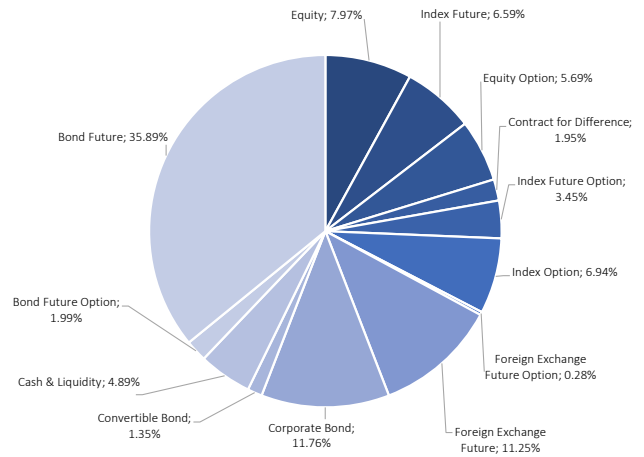
DISCLAIMER. Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. The investment return and principal value of an investments in the product will fluctuate so that an Investor's shares, when redeemed, may be worth more or less than the original cost. Current performance and expense ratios may be lower or higher than the data quoted. For performance data current to the most recent month-end, visit www.quadrigafunds.com.

Risk Concentration and Distribution Metrics (2)

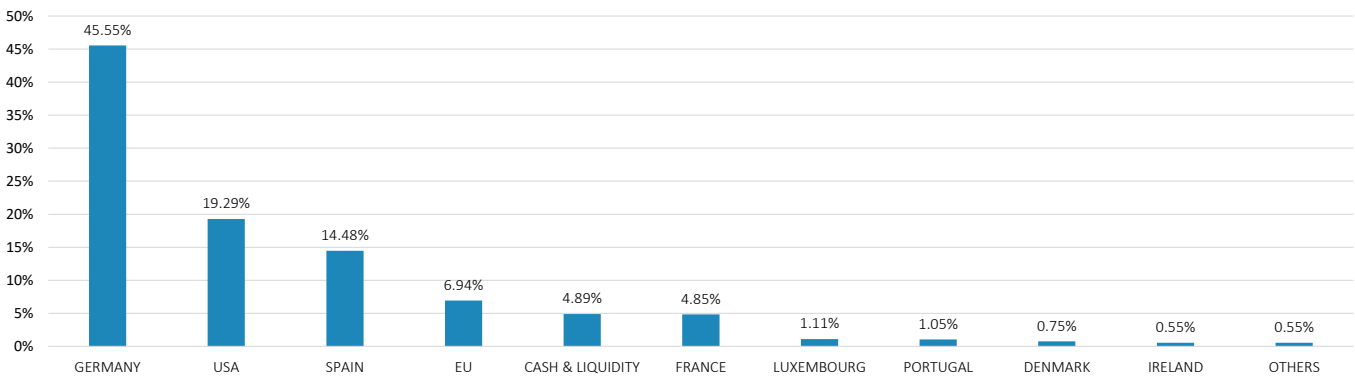
Gross Notional Exposure by Sector



Gross Notional Exposure by Asset Class



Net Notional Exposure by Country



June 2019 Update (cont...)

cont... bubbles burst. We have quoted a few times the apocryphal phrase often attributed to John Maynard Keynes: "the market can remain irrational longer than you can stay solvent". This phrase presides over our high conviction calls that are dragging performance and over our risk management process and stop-loss discipline like a mantra on a broken record. So we continue to fine-tune our navigation against the current and try to limit any damage arising from high conviction contrarian calls in such a strong trend following market. Still the fight against the herd mentality takes its toll and Rho lost 4.4% in the month of June. Needless to say that it constitutes a serious underperformance of a market in which total returns in stocks ranged from +1.39% in the Ibex 35 to 4.6% in the Eurostoxx 50, and where once again the US outperformed Europe as the S&P 500 and Nasdaq 100 returned 4.9% and 5.8% respectively in USD terms. Total returns in "risk free" assets, which were essentially the drivers of the repricing of the risky universe, were also very strong with 10yr USTs generating 2.1% and German Bunds about 1.2%. Rho's performance in the month is largely explained by our bearish stance in Bunds (-1.2%), our investment in legacy capital securities in CMS and FRN format which trade at heavily discounted prices but we see as very cheap optionality plays on investor-friendly corporate actions and on an unforeseen rebound on inflation (-0.67%), M&A optionality investments in smaller Spanish bank stocks where we also see a strong valuation floor like Unicaja and Liberbank (-1.3%), and adverse mark to market in distressed investments where we see strong recovery potential like French retailer Casino and its holdco Rallye (-0.7%). Our strategic approach remains unchanged. Reliance on highly idiosyncratic trades and relative value positioning to generate performance, limiting directional exposure and correlation to the market. In terms of risk, at the end of June gross market exposure saw a significant increase (largely driven by some options-driven risk mitigation positions around our European rates bearish stance) up to 4.2x from 2.9x the month before. However, this increase in gross market exposure has to be seen in the context of very small levels of net leverage: -38% at the end of June vs -18% at the end of May. Overall statistical risk usage measured as 1-day 99.5% confidence VaR increased marginally from 1.55% at the end of May to 1.61% at the end of June. However, daily VaR utilisation increased month-on-month, with an average of 1.87% in June (vs 1.10% average daily statistical risk employed during the month of May).

DISCLAIMER. Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. The investment return and principal value of an investments in the product will fluctuate so that an Investor's shares, when redeemed, may be worth more or less than the original cost. Current performance and expense ratios may be lower or higher than the data quoted. For performance data current to the most recent month-end, visit www.quadrifund.com.