

Quadrigo Igneo UCITS

30 Nov 2019

Quadrigo 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. Quadrigo 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.



Quadrigo Igneo UCITS Update

In this monthly update, in addition to our usual sections “looking back”, “looking forward” and “portfolio construction and positioning”, we would like to share some thoughts on one of the key challenges faced by investors: “timing the markets”, and the external, internal and philosophical problems it creates, such as “emotional decision making” (including FOMO, “Fear Of Missing Out”), or “fighting irrational markets” (including “This Time is Different”), or “consensus herd behavior” (including TINA, “There Is No Alternative”). We believe that perfect timing is impossible and propose a simple 3 step process designed to mitigate the impact of timing, remove emotional stress, and achieve superior long-term results. As discussed in previous newsletters, the combination of 1) “The Central Bank Put”, and 2) “The Complacent Desperate Search for Yield”, has created extraordinary risks, such as false diversification (confusing a portfolio with many holdings with a diversified portfolio).

Diego Parrilla

Chief Investment Officer
diego.parrilla@quadrigafunds.es

Alfonso Torres

Senior Portfolio Manager
alfonso.torres@quadrigafunds.es

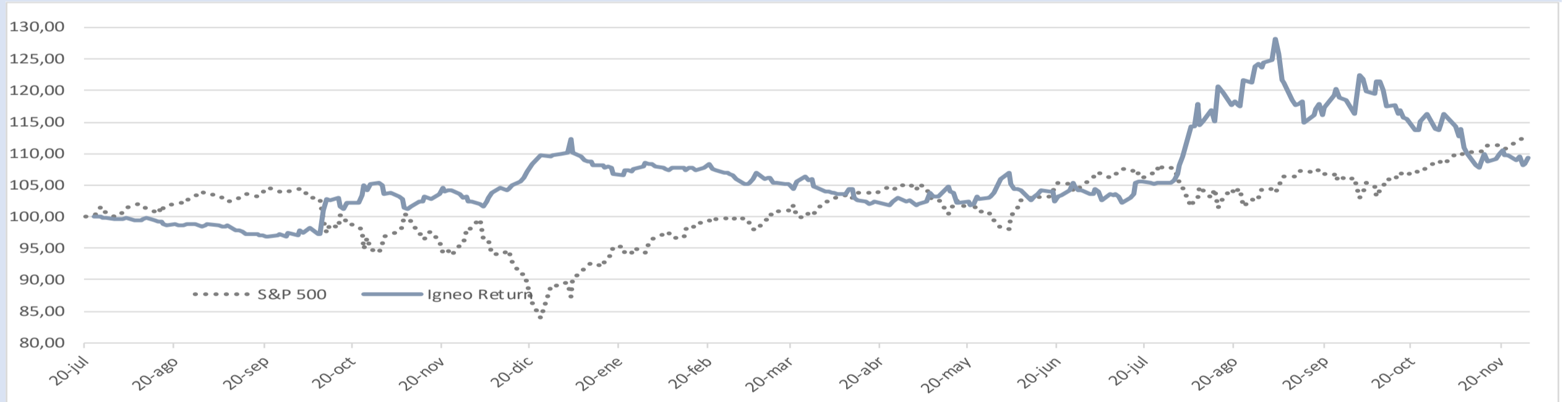
Quadrigo Igneo

Precious Metals	Notional	g-Beta	g-Delta
Gold	27.4%	100%	27%
Silver	10.3%	150%	15%
Platinum	6.0%	70%	4%
Palladium	-	60%	-
Gold Miners	0.1%	150%	0.1%
Put Options	-	-	-
Total Precious			

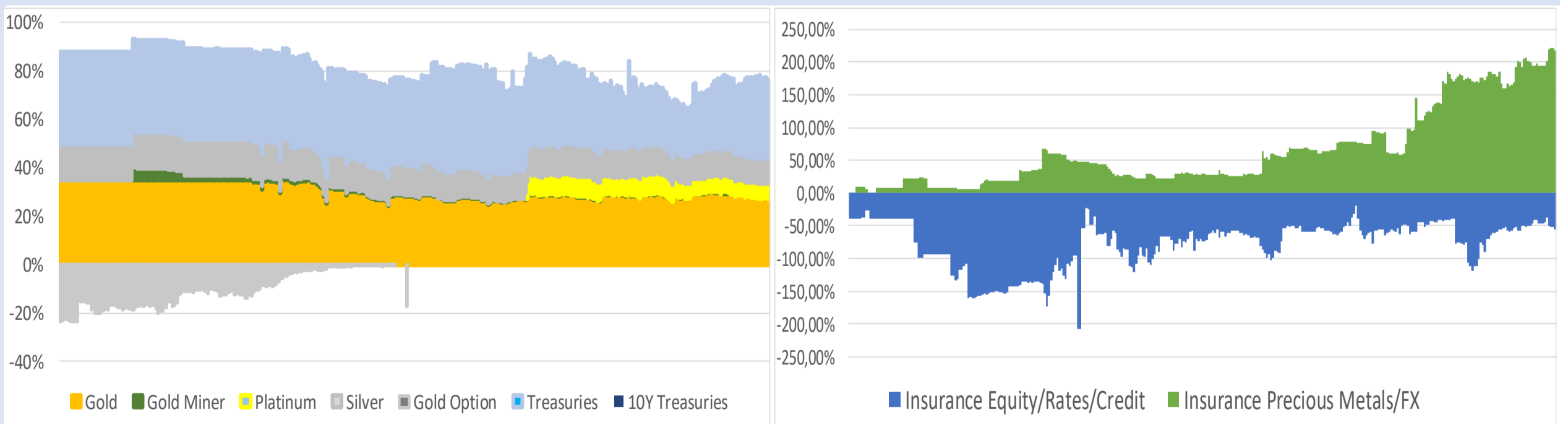
US Treasurie	Notional	Duration
US T-Bills	-	1.0
UST 5 year	-	4.8
UST 10 year	-	8.7
UST 20 year	14.3%	15.7
UST 30 year	18.4%	19.0
Put Options	-	-
Total UST		

Long Insurance	Premium	Year	Premium
Call Precious Metals	(8.0%)	2019	(1.30%)
Call Treasuries & Rates	(2.5%)	2020	(7.3%)
Call USD vs DM FX	(3.7%)	2021	(6.65%)
Call USD vs EM FX	(0.4%)	2022+	(3.70%)
Put Credit & High Yield	(0.1%)		
Put Public Equities	(4.3%)		
Total	(18.9%)	Total	(18.9%)

Absolute Allocations (% Live Delta)



Absolute Performance (%)



2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY 2018
Quadrigo 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
Quadrigo Igneo UCITS	-1.3%	-1.7%	-1.9%	-1.9%	3.3%	-1.7%	2.5%	16.5%	-6.5%	0.1%	-5.9%		-0.4%

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.