

SIL



NAV 29/11/2019: 26,1695

INVESTMENT TEAM

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QUADRIGA RHO INVESTMENTS

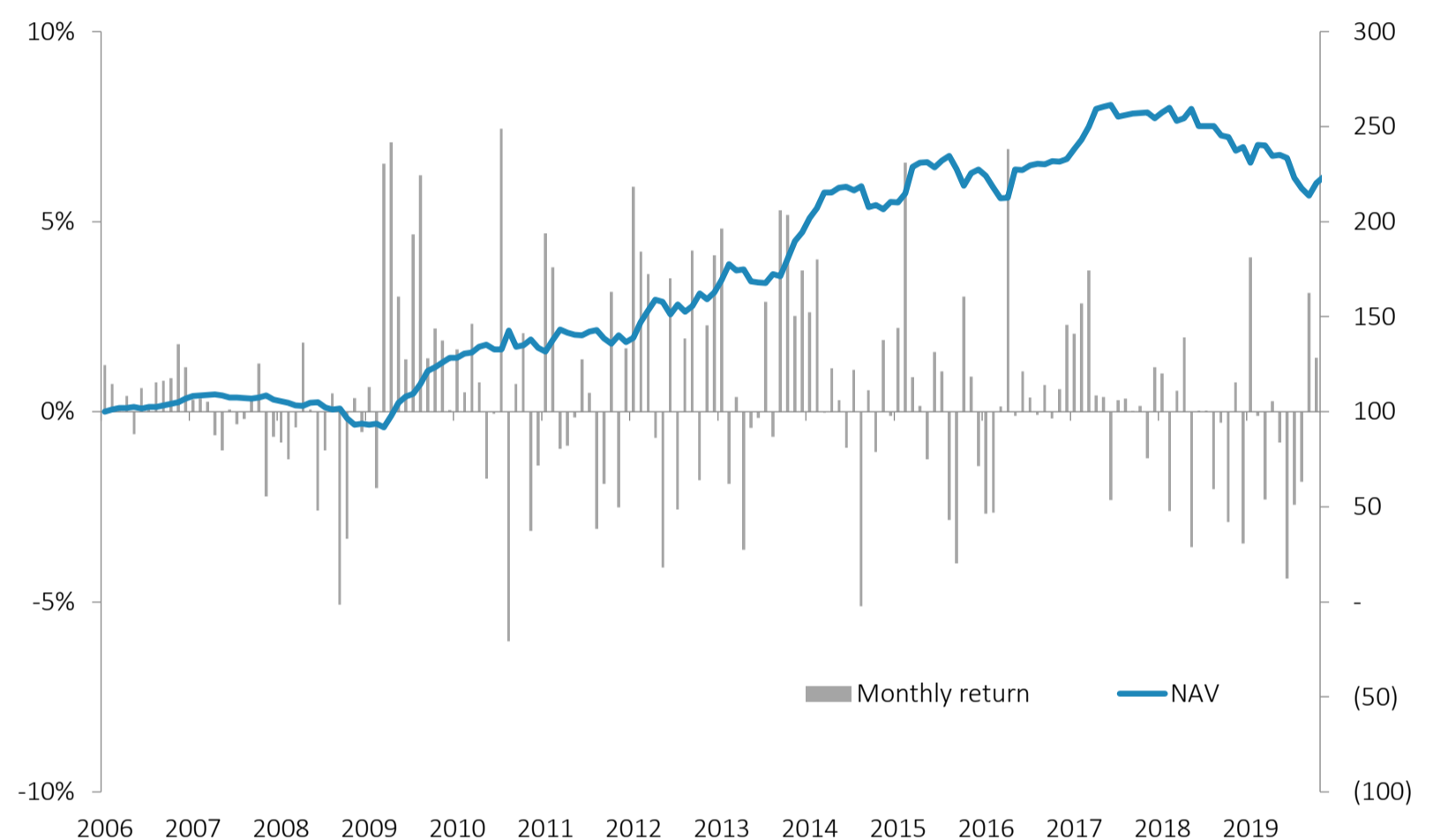
The fund's objective is to return net positive returns every year, regardless the behavior of traditional assets. To achieve it, the fund allocates to six different strategies: Active, Relative Value, Macro Selection, Micro Selection, Special Situations and Deep Value. The strategies are focused on finding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

November 2019 Update

November continued the positive performance trend of the previous months yet at a slower pace than that dictated by the broader market, where hyper-accommodative monetary policy and optimistic comments from US and Chinese negotiators regarding the possibility of a trade deal continued to push valuations further into the land of froth. Rho generated +20bps in a month where the Ibex 35 returned a total (including dividends) +1.2%, the Euro Stoxx 50 +2.8%, the S&P 500 and Nasdaq 100 +3.6% and 4.1% in US\$ terms and the Itraxx Crossover current 5yr index +1.2%. Rho's performance was largely driven by directional Micro (+0.7%) exposures predicated on a few Iberian value propositions (both long and short) to which we have continued to selectively add into a year-end marked by political uncertainty in Spain. Performance was somehow dragged by the mark to market and negative carry of short-term and more structural bearish broader market stance contained respectively in Active (-0.3%) and Macro (-0.4%) **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% | -2.5% | -1.8% | 3.1% | 1.4% | 0.2% | | -3.1% |

(*) 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 | 0.66% | -3.02% | 5.73% | 8.21% | 7.46% | 8.77% |
| Stoxx 600 | 4.09% | 5.02% | 2.18% | 12.42% | 10.69% | 14.11% |
| Iboxx Eur Corporate | 1.98% | 1.97% | 3.65% | 2.71% | 2.38% | 3.76% |

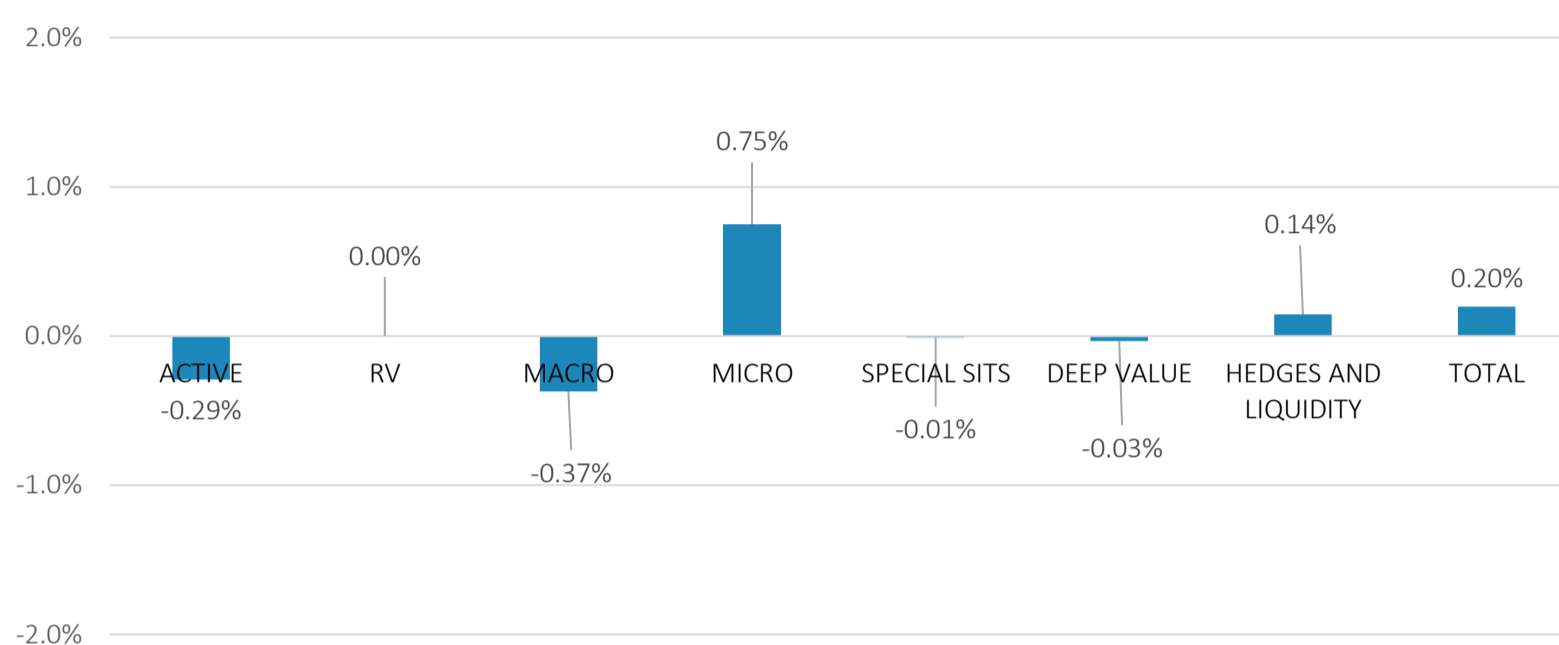
Returns (% Net)

| | |
|---------------|--------|
| 2019 | -3.08% |
| CAGR* | 5.73% |
| November 2019 | 0.20% |

Risk / Return

| | |
|--------------------|-------|
| Volatility* | 8.72% |
| Sharpe Ratio* | 0.66 |
| Sortino Ratio | 0.98 |
| Parametric VaR 1-d | 1.77% |

Performance attribution across strategies (% Net)*



Top Five Positions

| | |
|--------------------------|---------|
| German Govt. Bond Future | -15.29% |
| BNP Corp Bond | 9.07% |
| BFCM CORP PERP | 7.14% |
| Queka PE | 6.66% |
| NATLA Secured Loan | 5.40% |

% Exposure

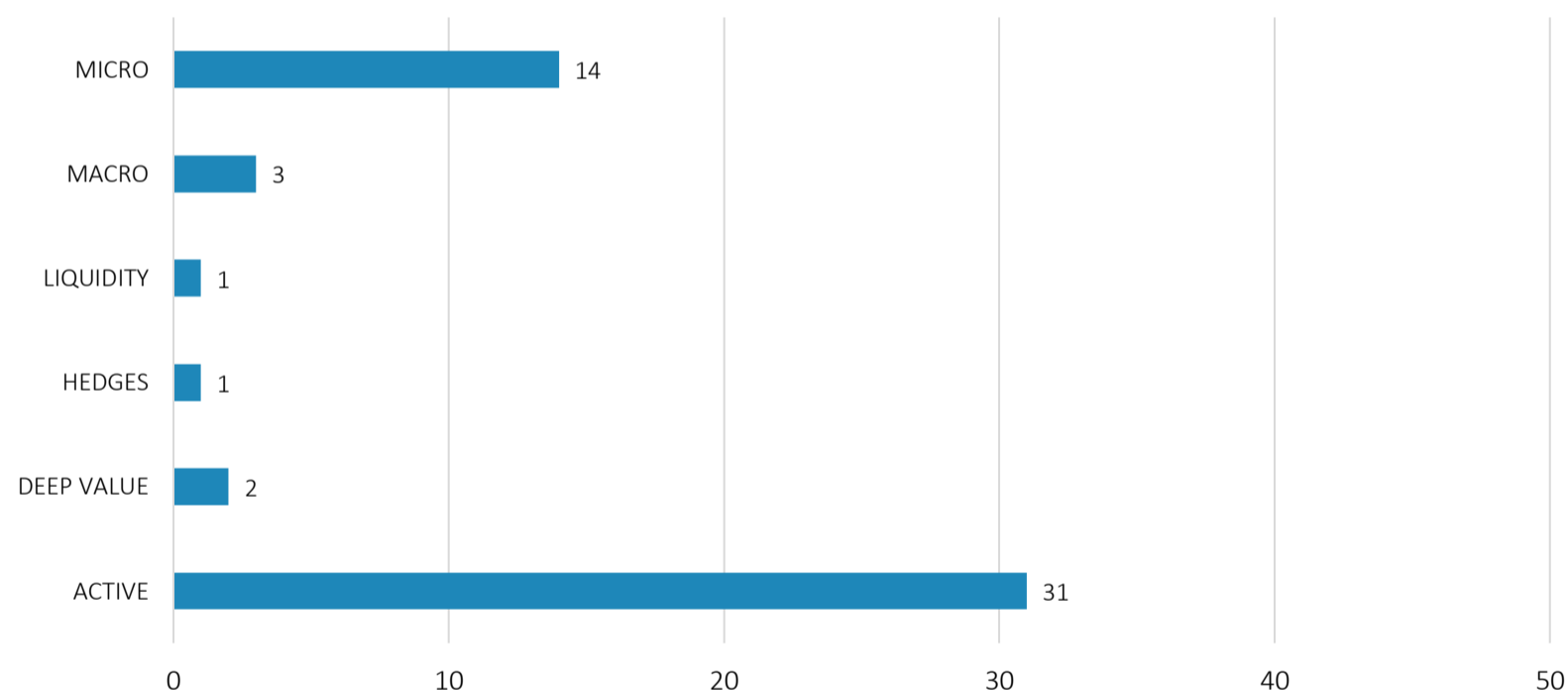
| | |
|-------|---------|
| Gross | 143.61% |
| Net | 56.74% |

% of Gross Exposure per Strategy

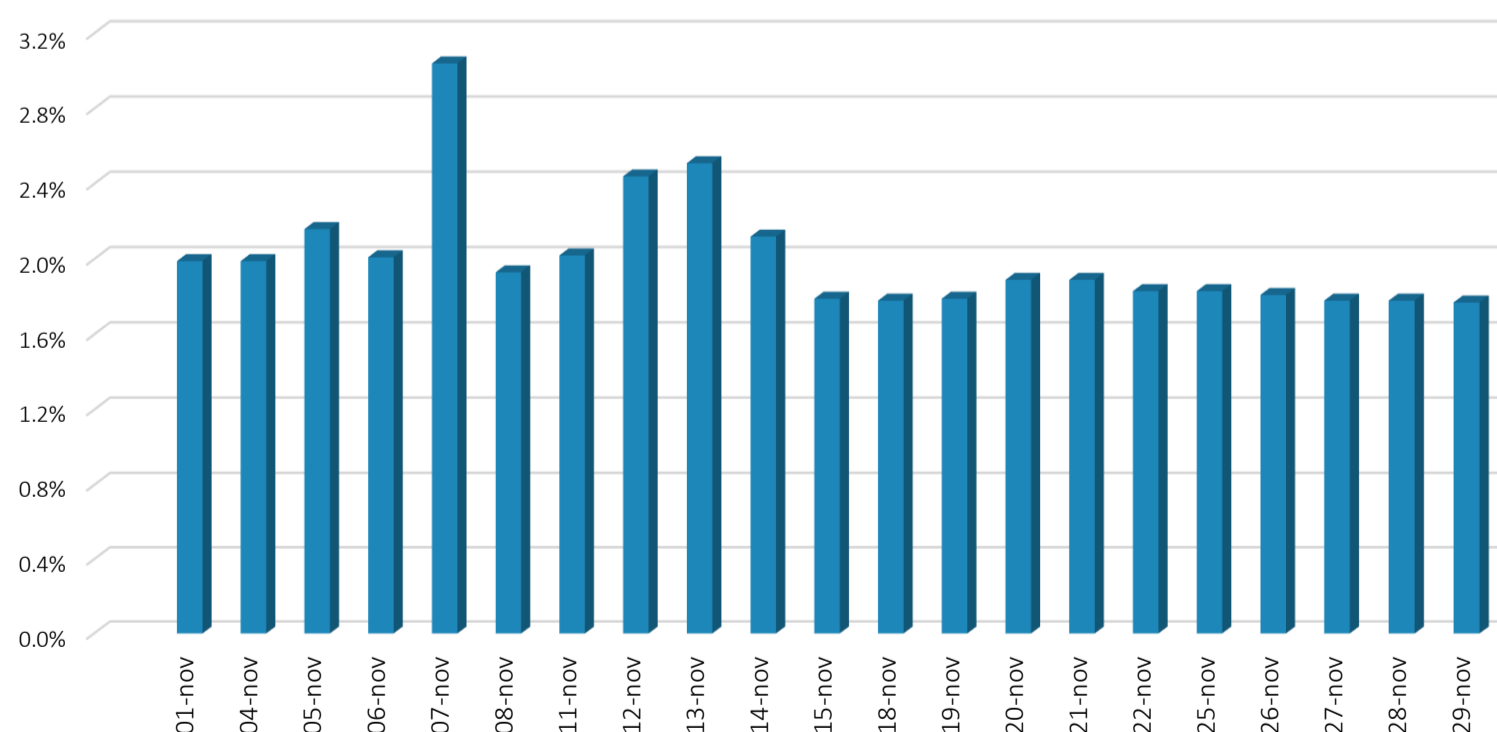
| | |
|--------------------|--------|
| Active | 21.94% |
| Relative value | 0.00% |
| Macro | 4.27% |
| Micro | 10.11% |
| Special Situations | 30.89% |
| Deep Value | 4.88% |
| Hedges | 6.63% |
| Liquidity | 21.27% |

Risk Concentration and Distribution Metrics

Number of positions per strategy



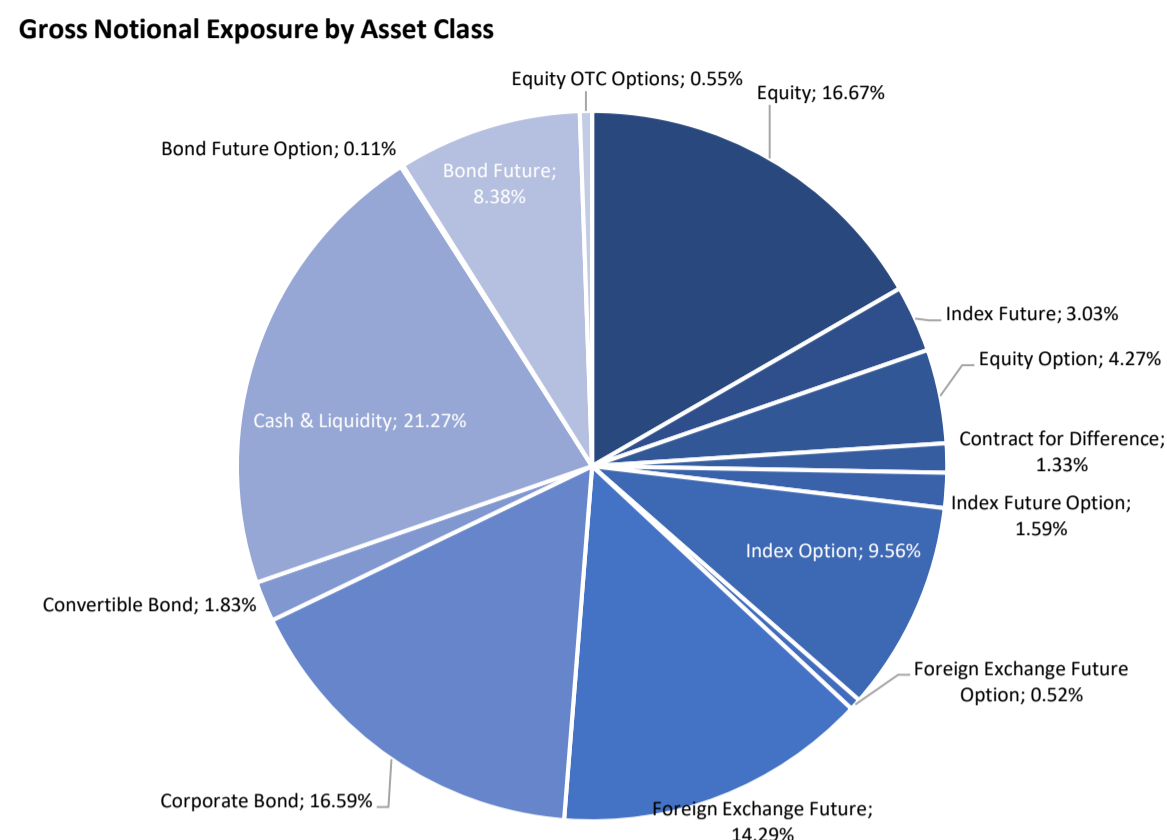
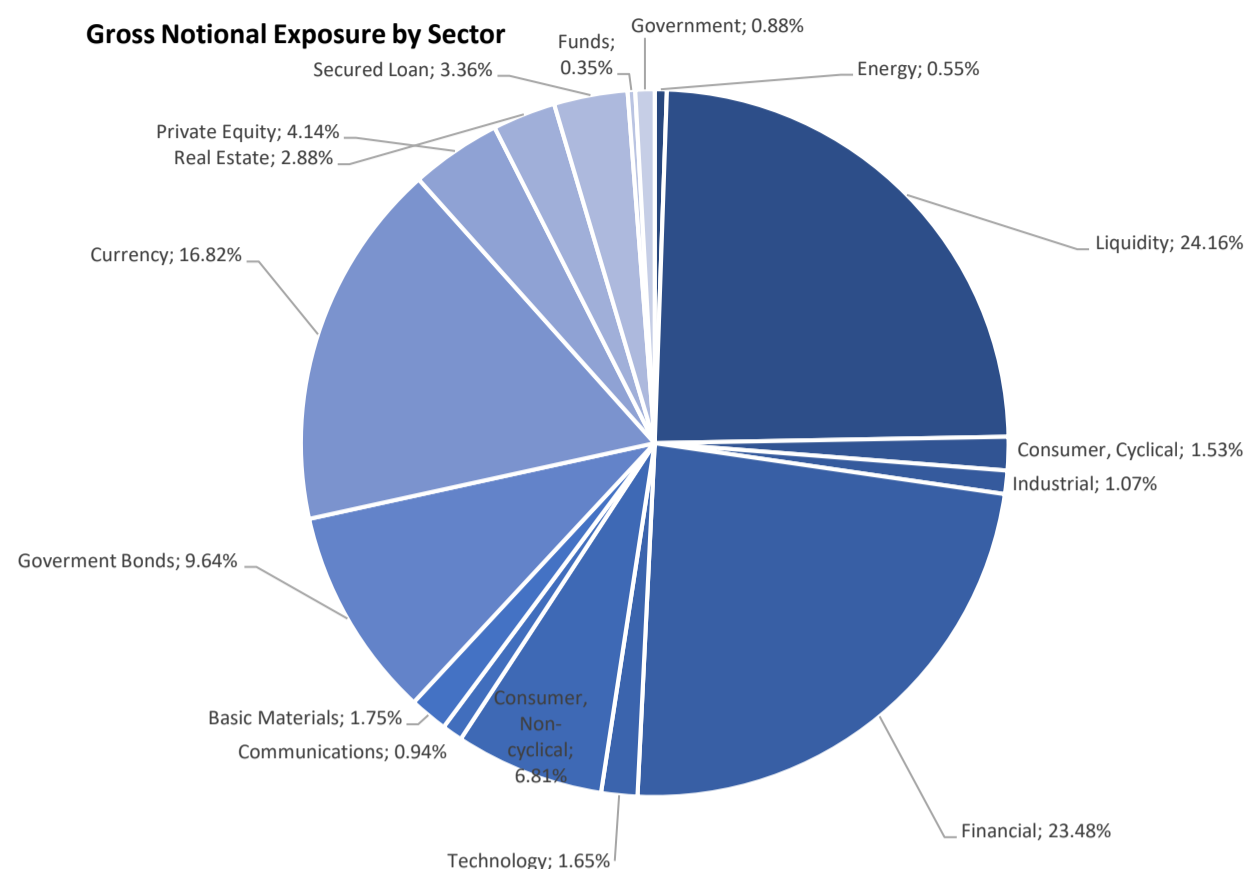
Var % Contrib Hist 3Y



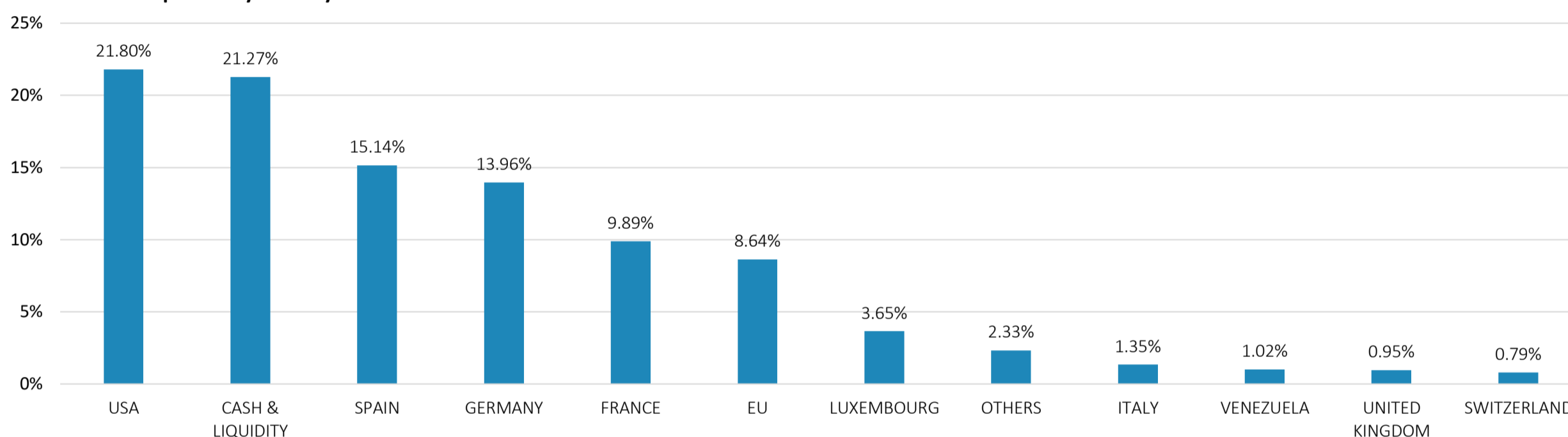
(*) Since inception

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Risk Concentration and Distribution Metrics (2)



Net Notional Exposure by Country



November 2019 Update (cont...)

Cont... but where further downside is substantially limited as most of the exposure is constructed via long option positions. The fund's strategic position remains broadly unchanged from the stance outlined over the last three months. We remain of a firm conviction that having complete faith in the strong momentum dictated by monetary repression is a recipe for financial disaster and want to make the portfolio as insulated from directional market exposure as possible. Calling the explosion of the bubble (particularly around European rates and credit) is a strategy laden with timing issues and negative carry, so we will continue to focus on highly idiosyncratic plays informed by regulatory changes (legacy bank capital bonds), event-driven themes (late cycle corporate M&A and bank consolidation) or structural longer-term drivers (shift into renewable energy) whilst devoting considerable time and effort to construct our macro plays around the notions of the inefficacy of monetary policy with the least amount of carry/time decay bleed. In terms of risk at the end of November the fund yet again continued its focus on collapsing gross and net leverage. Gross exposure decreased month on month from 186% to 144%, and net leverage also came down from 70% to 57%. In terms of statistical risk utilisation, measured as 1-day 99.5% confidence parametric VaR, the fund increased significantly from 0.9% at the end of October to 1.8% at the end of November. This is attributable to a higher reliance on distressed debt within the special situations bucket, where the fund has identified new opportunities with very attractive risk-reward profiles. Likewise the average VaR utilisation throughout the month also increased from 0.8% at the end of October to 2.0% at the end of November.

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