

SIL



NAV 31/01/2020: 26,9191

INVESTMENT TEAM

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QUADRIGA RHO INVESTMENTS

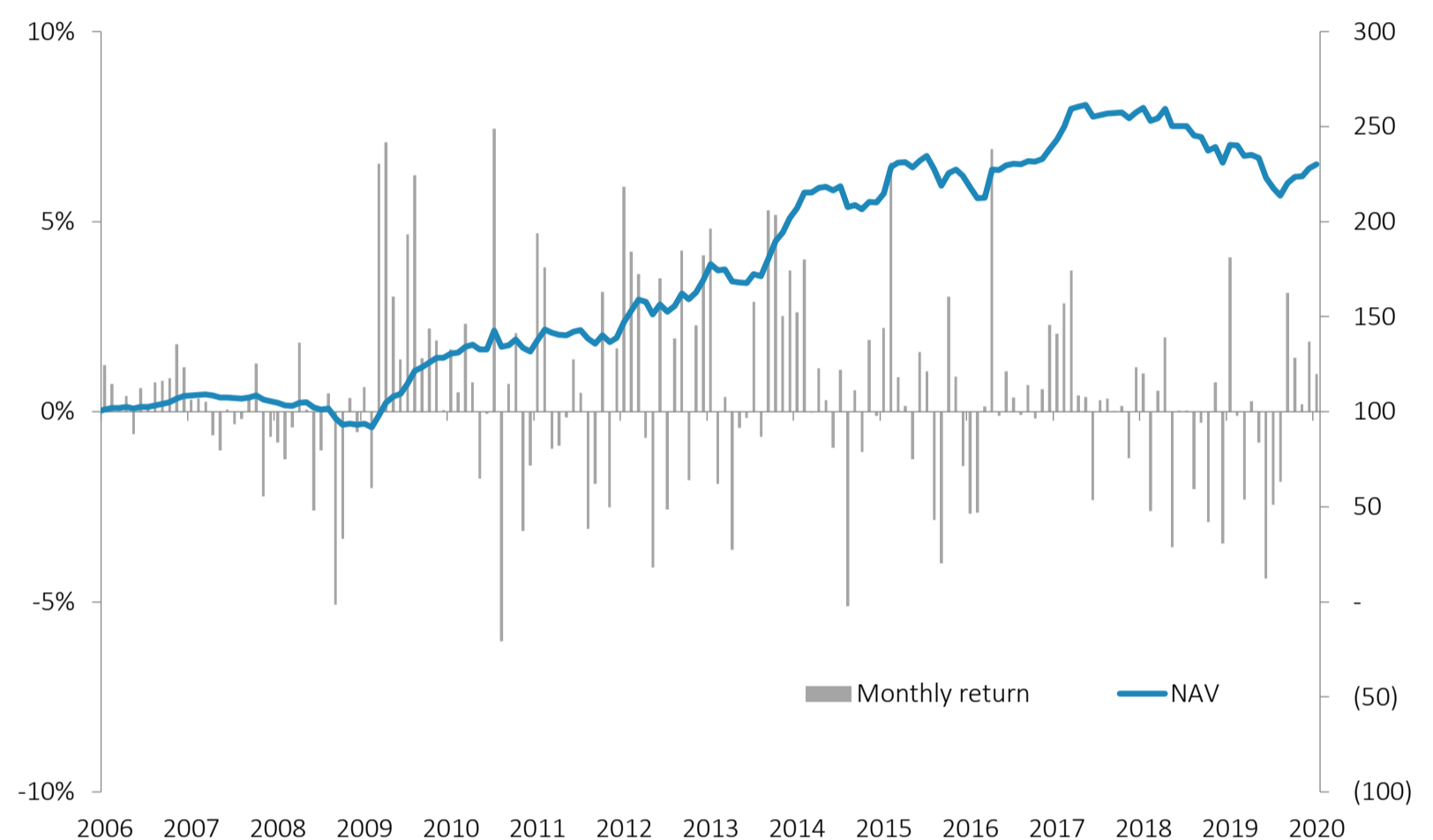
The fund's objective is to return net positive returns every year, regardless the behavior of traditional assets. To achieve it, the fund allocates to six different strategies: Active, Relative Value, Macro Selection, Micro Selection, Special Situations and Deep Value. The strategies are focused on finding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

January 2020 Update

Rho Investments generated for its investors a +0.99% net return in the month of January. Even though not eye-catching in absolute terms against the recent backdrop of stellar risky asset returns throughout most of 2019, this performance is particularly strong in context of the very cautious risk stance adopted by the fund. Substantial time and care has been devoted to limiting overall directional exposure and buying downside protection with limited time decay/negative carry in a market where we still see most assets in bubble territory, and where many of the few cheap assets/ "value investments" are proverbial value traps arising from structural (rather than cyclical) economic shifts (e.g. technological disruption) and paradigm shifts in investment flows (e.g. ESG compliance). In relative terms the fund's performance compares well with European risky assets, beating the total return of the Ibx 35 by +4.1%, the Eurostoxx 50 by 4.6%, or high beta credit (proxied by the total return of the Itraxx 5-year Crossover Index by 2.1%. As has been the norm in this extended ... **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%	-2.4%	-1.8%	3.1%	1.4%	0.2%	1.8%	-1.3%
2020	1.0%												1.0%

(*) Since inception

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Comparative Risk / Return

	RETURNS (CAGR)			VOLATILITY		
	5 years	3 years	Since inception	5 years	3 years	Since inception
Rho Investments	-0.48%	-3.67%	5.87%	8.21%	7.33%	8.72%
Stoxx 600	1.47%	4.45%	2.21%	12.05%	10.34%	14.04%
Iboxx Eur Corporate	1.89%	2.15%	3.69%	2.73%	2.40%	3.75%

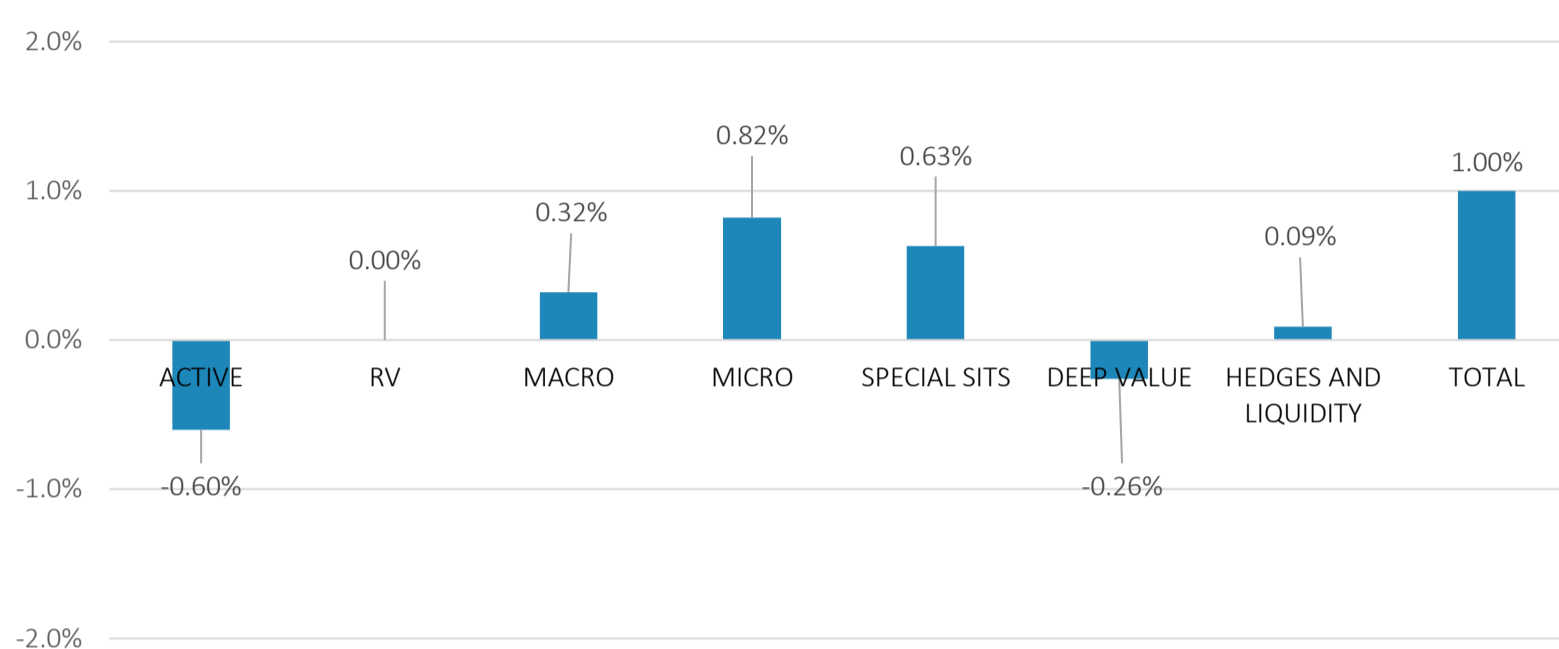
Returns (% Net)

2020	1.00%
CAGR*	5.87%
January 2020	1.00%

Risk / Return

Volatility*	8.72%
Sharpe Ratio*	0.67
Sortino Ratio	1.01
Parametric VaR 1-d	0.57%

Performance attribution across strategies (% Net)*



Top Five Positions

10yr SPGB/DBR spread widener	31.69%
BNP Disco \$ FRN	10.62%
BFCM Legacy T1 CMS	7.89%
Queka PE	6.83%
NATLA Secured Loan	5.54%

% Exposure

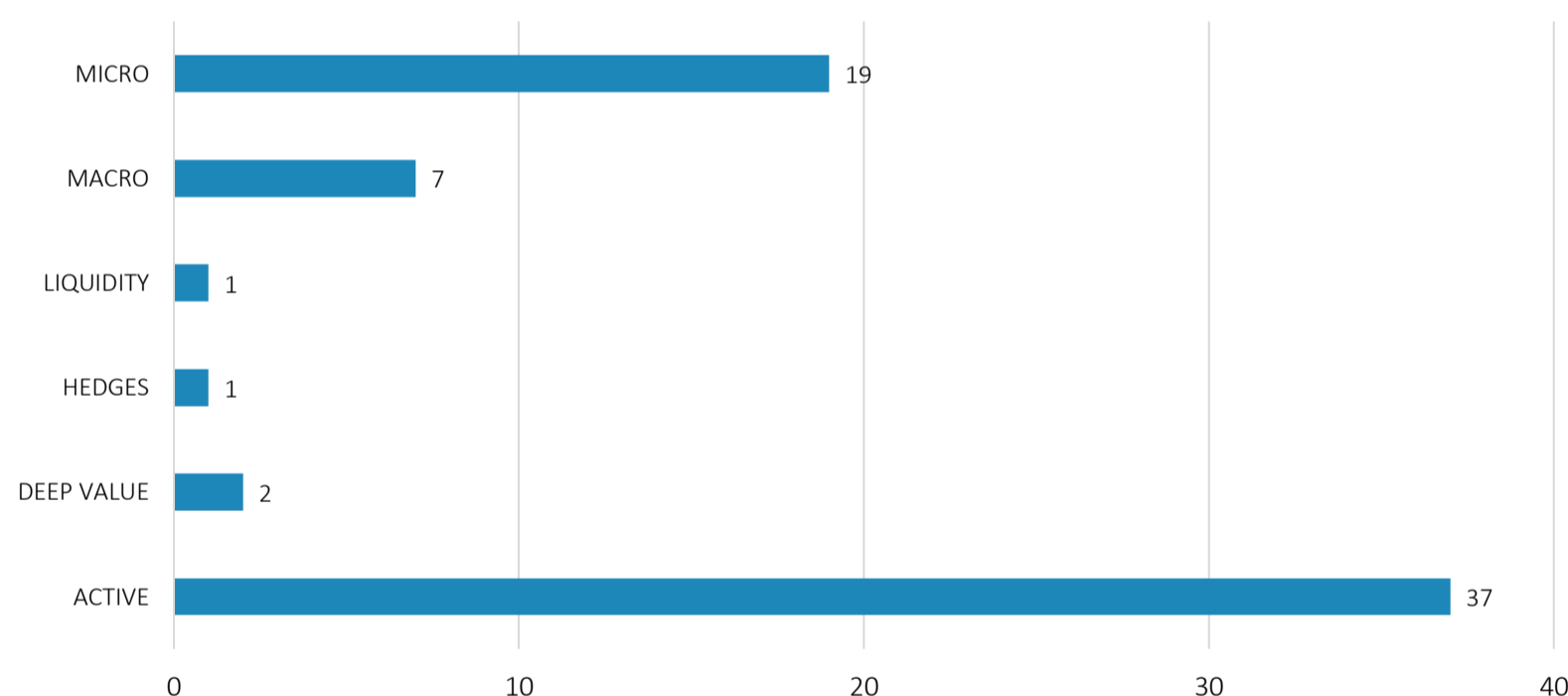
Gross	194.80%
Net	103.99%

% of Gross Exposure per Strategy

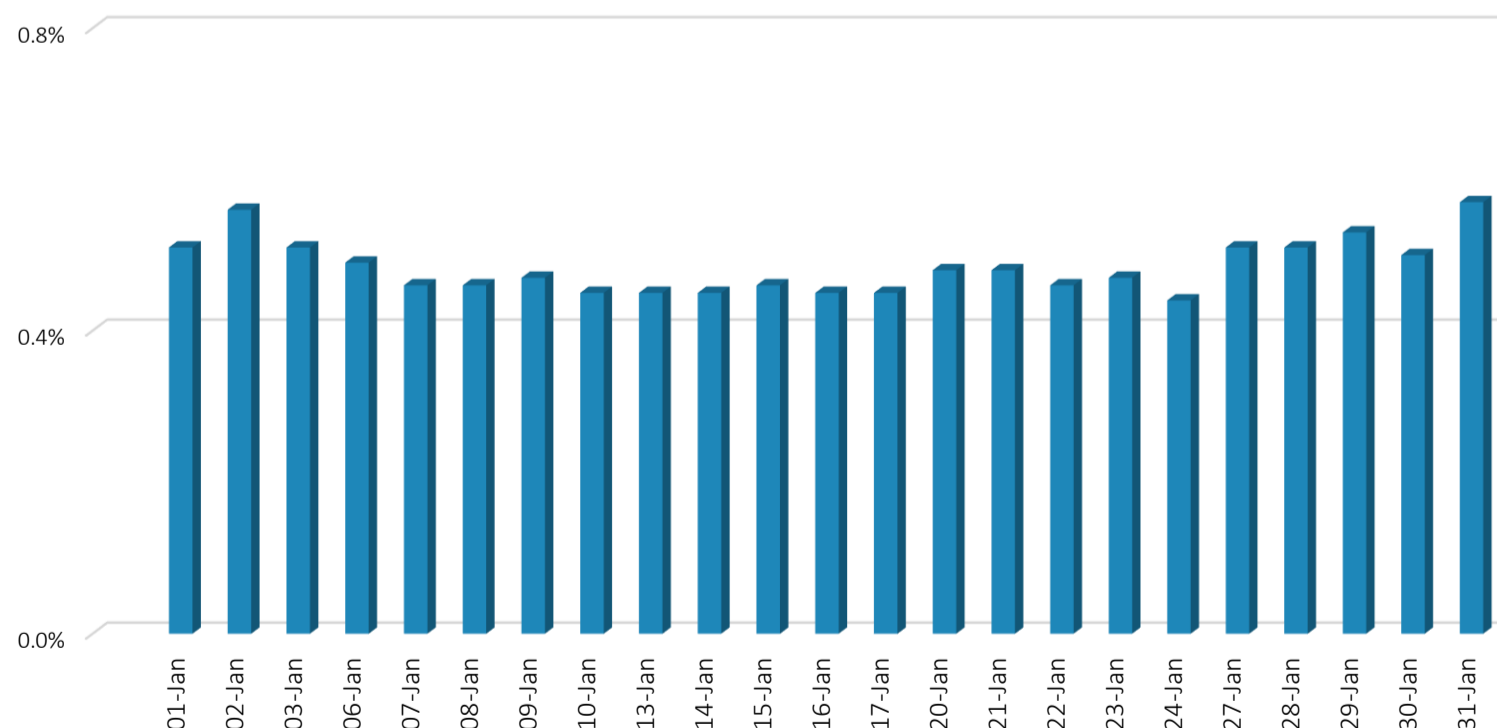
Active	11.39%
Relative value	0.00%
Macro	39.69%
Micro	8.53%
Special Situations	20.18%
Deep Value	3.30%
Hedges	4.77%
Liquidity	12.15%

Risk Concentration and Distribution Metrics

Number of positions per strategy



Var % Contrib Hist 3Y

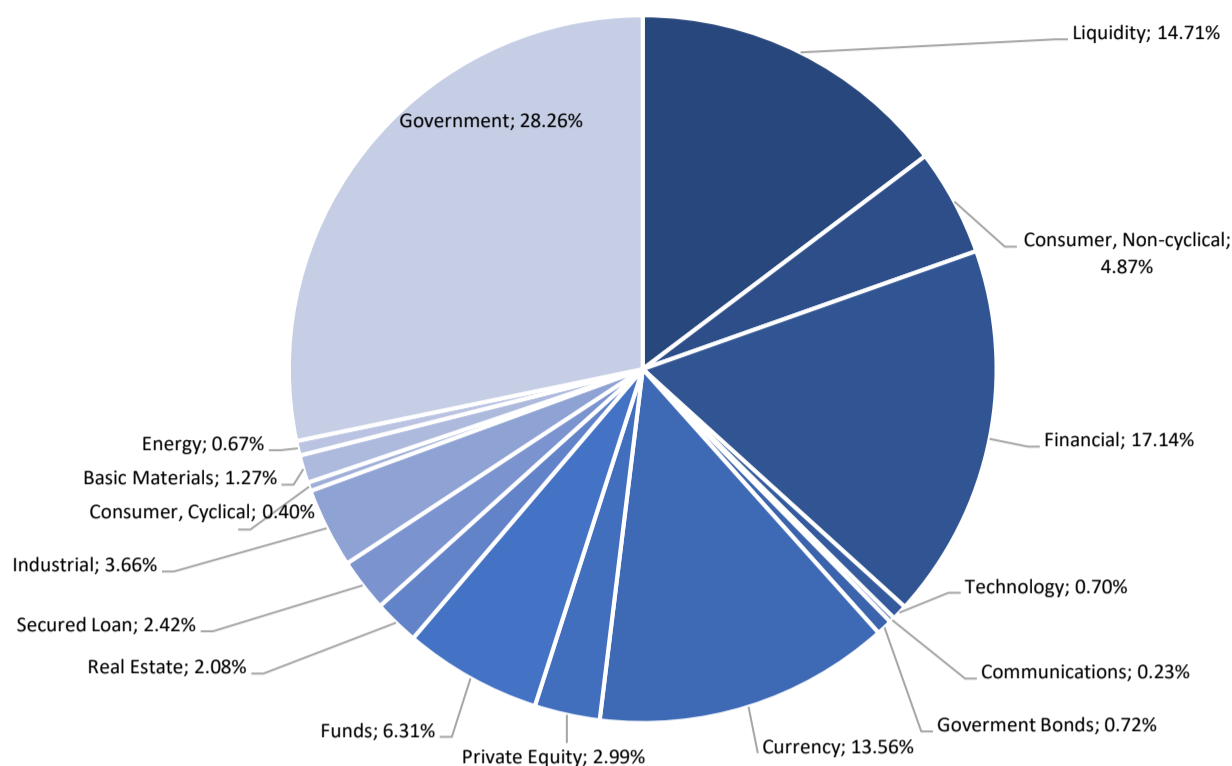


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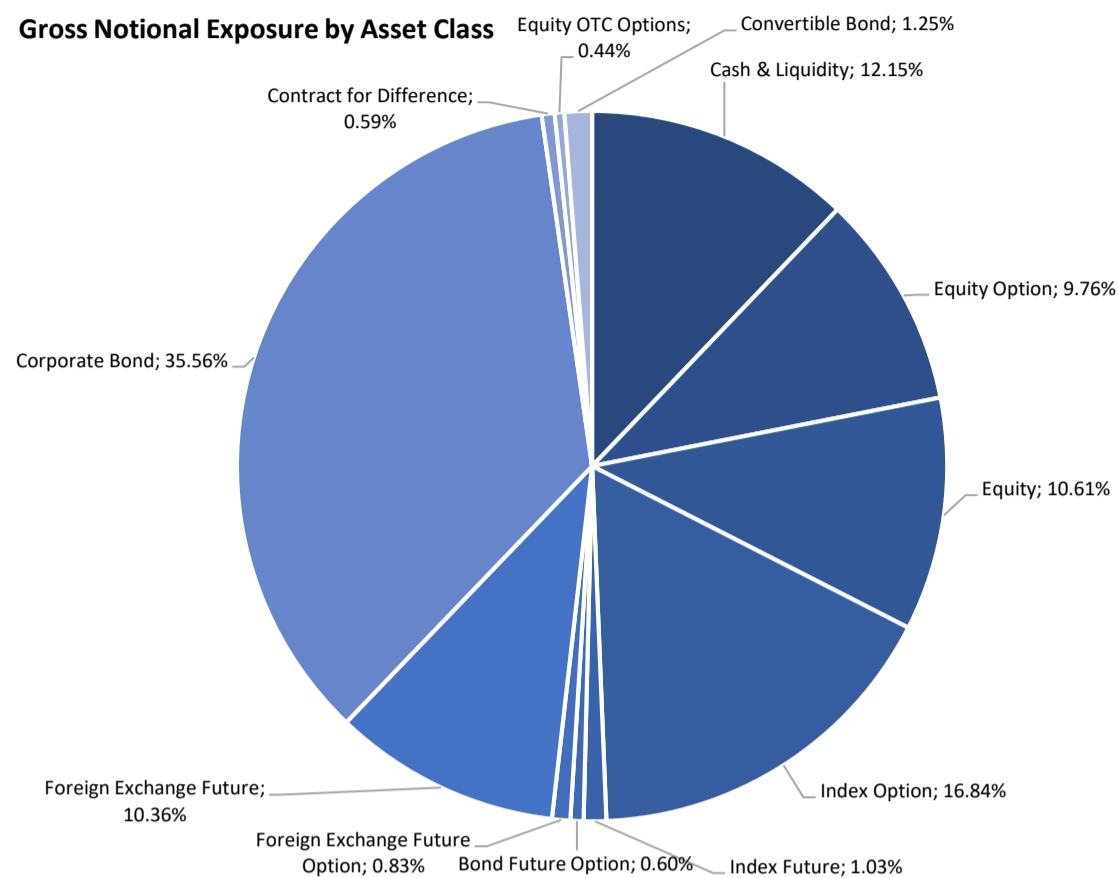
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Risk Concentration and Distribution Metrics (2)

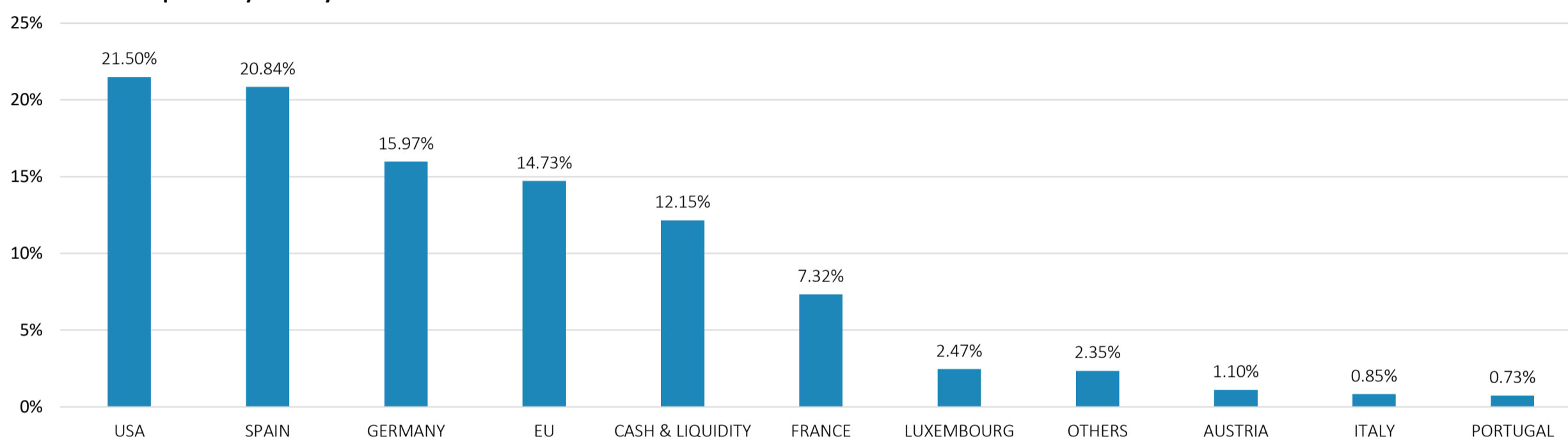
Gross Notional Exposure by Sector



Gross Notional Exposure by Asset Class



Net Notional Exposure by Country



January 2020 Update (cont...)

Cont... cycle, US risk had a stronger performance, yet Rho Investment managed to outperform the S&P 500 return (in USD terms) by +1.3%, albeit lagging the +2.571% return of the Nasdaq 100. In terms of positioning and allocation to our different strategies our stance remains unchanged from Q4 2019. We 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 and ESG themes), whilst devoting considerable time and effort to construct our macro plays around the notions of underpriced geopolitical risk and the limits of monetary policy, whilst minimising the least amount of carry/time decay bleed. Over the last few weeks and on the back of what we saw as unwarranted strong market performance, we have carefully started adding some equity and credit shorts around shipping, shopping malls and leveraged cyclicals into our Micro and Special Sits buckets which more recently had exhibited a long directional bias. In terms of market exposure the fund has increased both gross and net leverage month on month from 163% and 90% to 195% and 104% respectively. Gross exposure has increased as a result of sizable positioning in notional terms (but relatively low risk in terms of p&l volatility) European government spread wideners (which we have already exited), whilst the increase in net long exposure is accounted for by a short-term tactical increase in lower beta credit positions (primarily due to attractive new issue premia) which we have also subsequently liquidated or largely offset with higher beta thematic credit shorts. Looking at statistical risk utilization, measured as 1-day 99.5% confidence parametric VaR, illustrates the above point, and portrays a portfolio risk more consistent with the fund's current prudent stance. VaR utilization actually decreased from 0.7% at the end of December to 0.6% at the end of January. Likewise the average daily VaR utilization throughout the month also decreased from 0.6% in December to 0.5% in January.

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