

SIL



NAV 02/10/2020: 27,0029

INVESTMENT TEAM

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QUADRIGA RHO INVESTMENTS

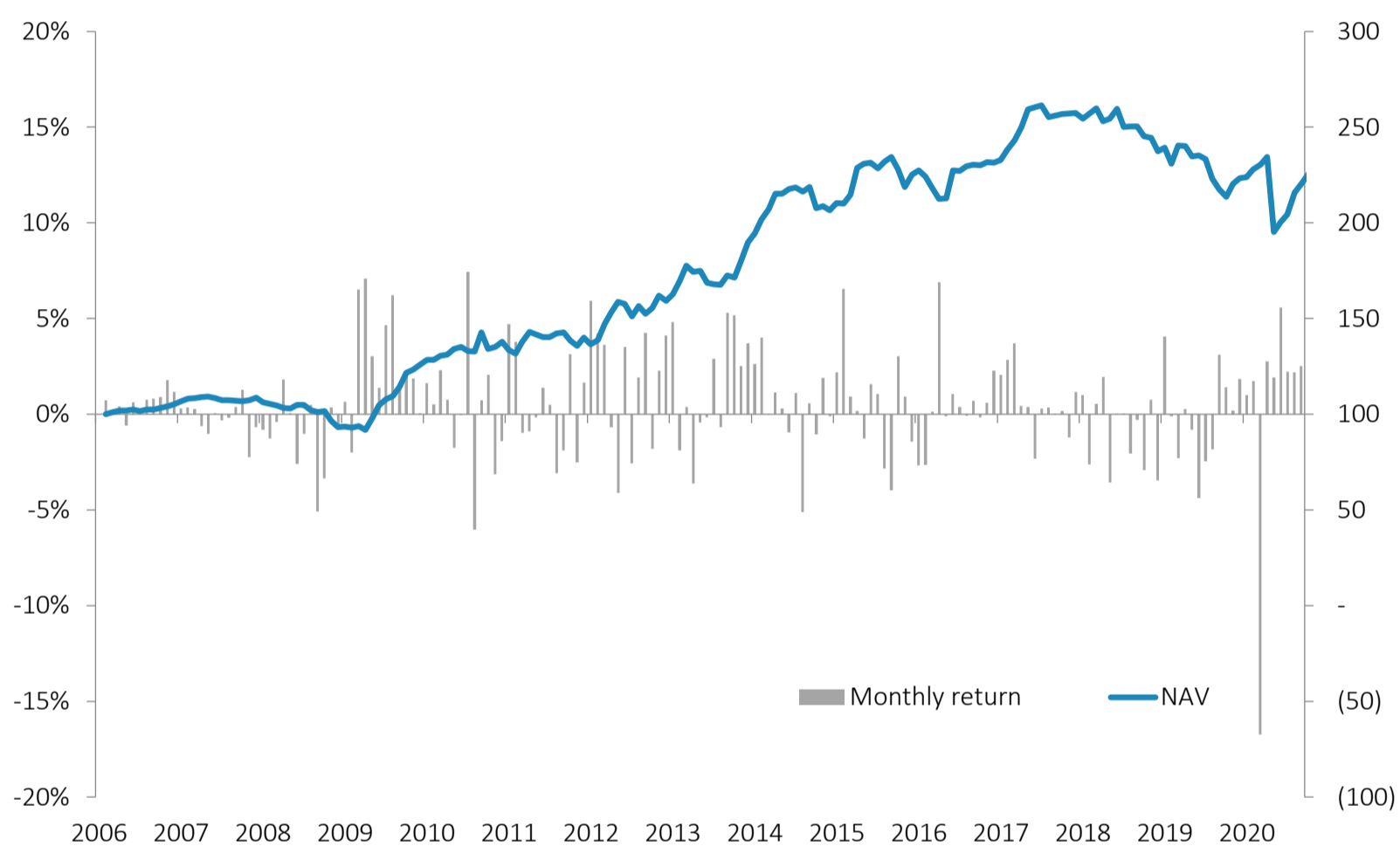
The fund's objective is to return net positive returns every year, regardless the behavior of traditional assets. To achieve it, the fund allocates to six different strategies: Active, Relative Value, Macro Selection, Micro Selection, Special Situations and Deep Value. The strategies are focused on finding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

September 2020 Update

We are delighted to report yet another month of very robust performance. The fund generated a +2.5% net return for its investors in the month of September despite a very challenging market environment. Rho's performance beat the returns of most risky assets, and in particular those of Iberian risk, towards which the fund's investment focus is particularly biased. The performance of the Ibex 35 (-5.3%), the Eurostoxx 50 (-3.6%), the S&P 500 and Nasdaq 100 (-4.4% and -6.1% respectively in USD terms) and the iTraxx 5-year Crossover CDS (-2.8%) all put in perspective the quality of the returns generated. The bulk of the returns for the month came from the Deep Value bucket (+7%) which saw a much-expected catalyst for the fund in the shape of the IPO for Amwell. The IPO of our investment in Amwell has partially unlocked the value proposition that we envisaged in the confluence of long term demographic trends, rising budgetary costs of caring for an aged population and the inexorable digitalization of healthcare to address the afore mentioned issues. We continue to see substantial long-term optionality (even more so given the deficiencies in "physical" primary care raised by the current pandemic) in telehealth **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%	1,7%	-16,7%	2,8%	1,9%	5,6%	2,5%	2,2%	2,5%				1,3%

(*) 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	-0,82%	-5,24%	5,48%	11,14%	12,56%	9,82%
Stoxx 600	0,80%	0,32%	1,35%	13,71%	15,00%	14,68%
Ibex	-6,13%	-13,90%	-3,13%	17,71%	17,59%	19,57%

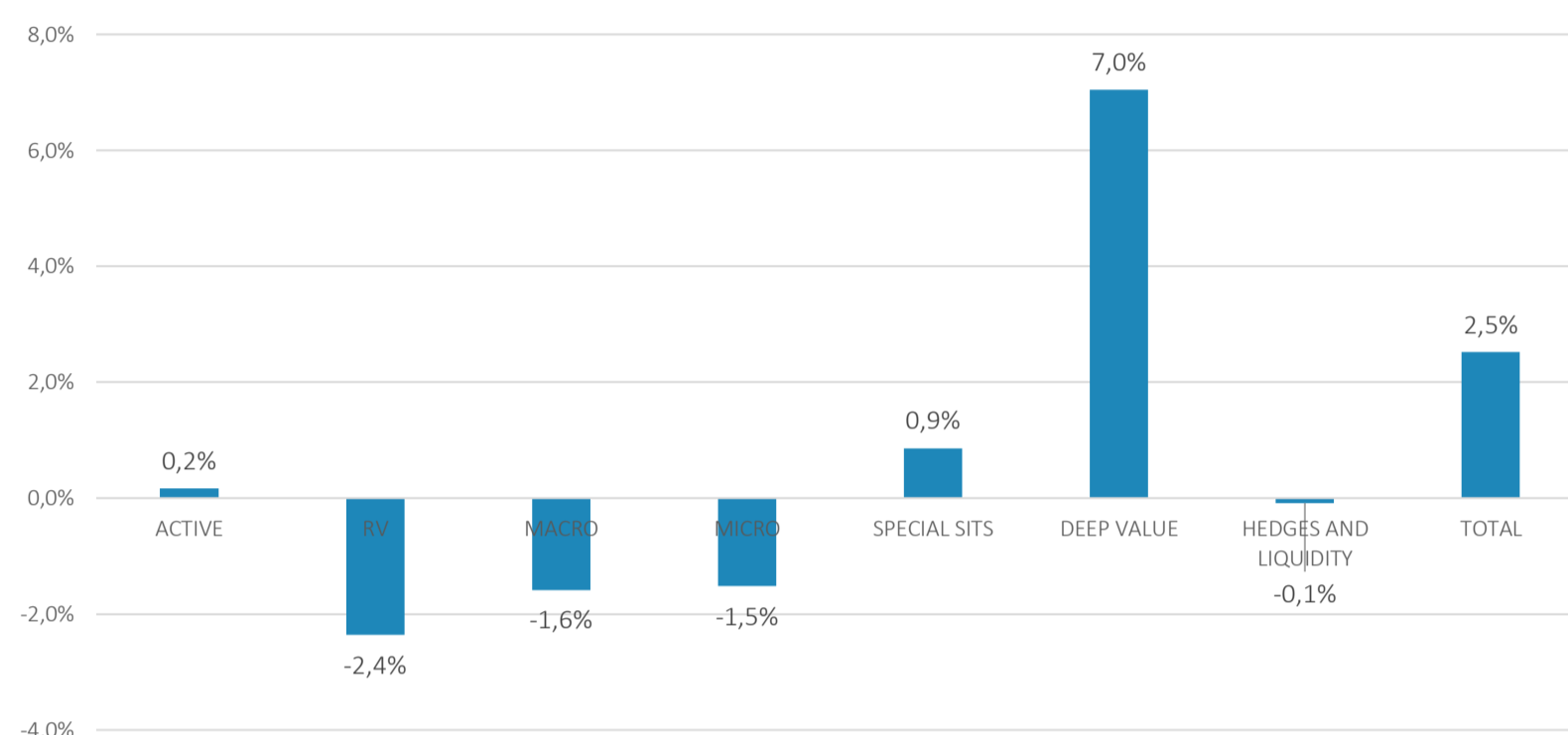
Returns (% Net)

2020	1,31%
CAGR*	5,48%
September 2020	2,52%

Risk / Return

Volatility*	8,72%
Sharpe Ratio*	0,63
Sortino Ratio	0,74
Parametric VaR 1-d	1,75%

Performance attribution across strategies (% Net)*



Top Five Positions

DAX Index Options	10,31%
American Well Corp Equity	9,66%
RABOBK 6 ½ PERP	9,22%
Stoxx Banks Index Options	9,11%
Queka PE	8,02%

% Exposure

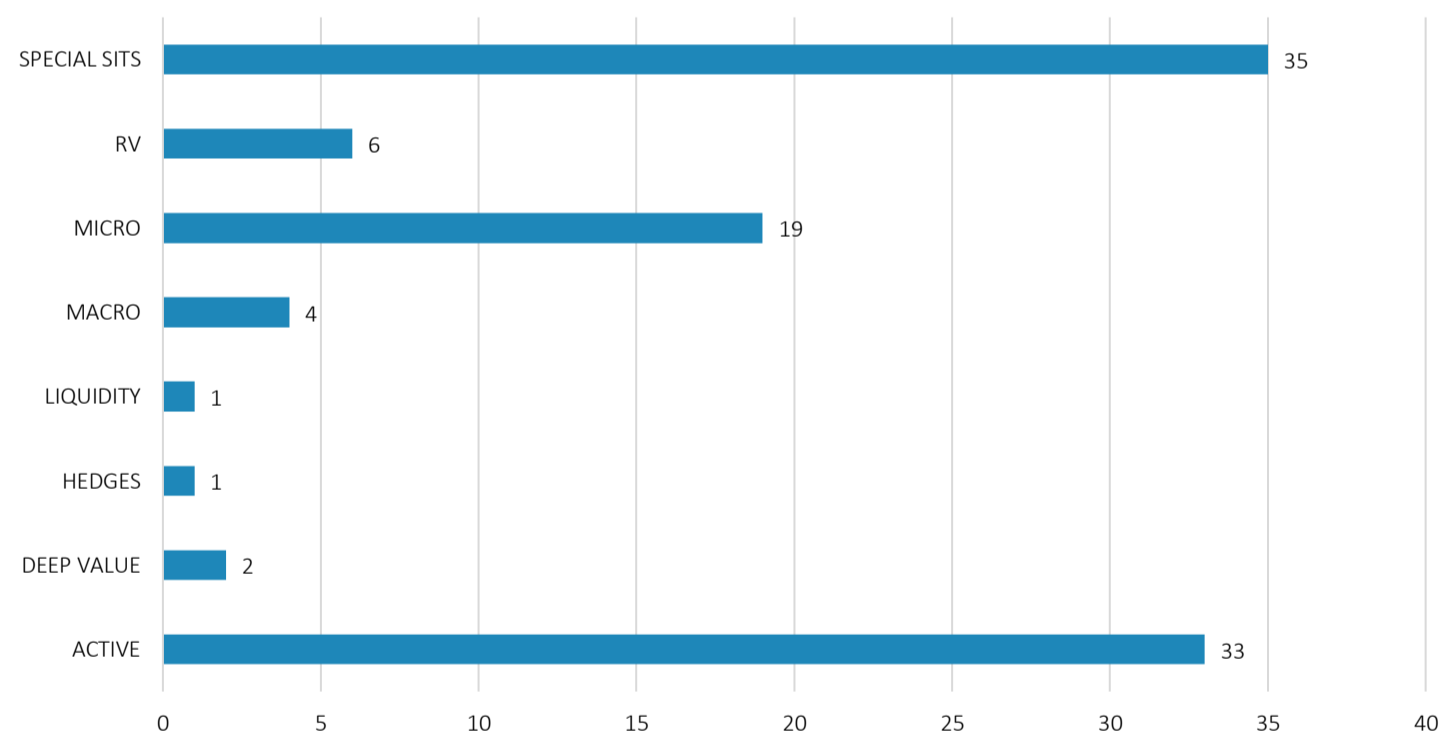
Gross	137,93%
Net	107,13%

% of Gross Exposure per Strategy

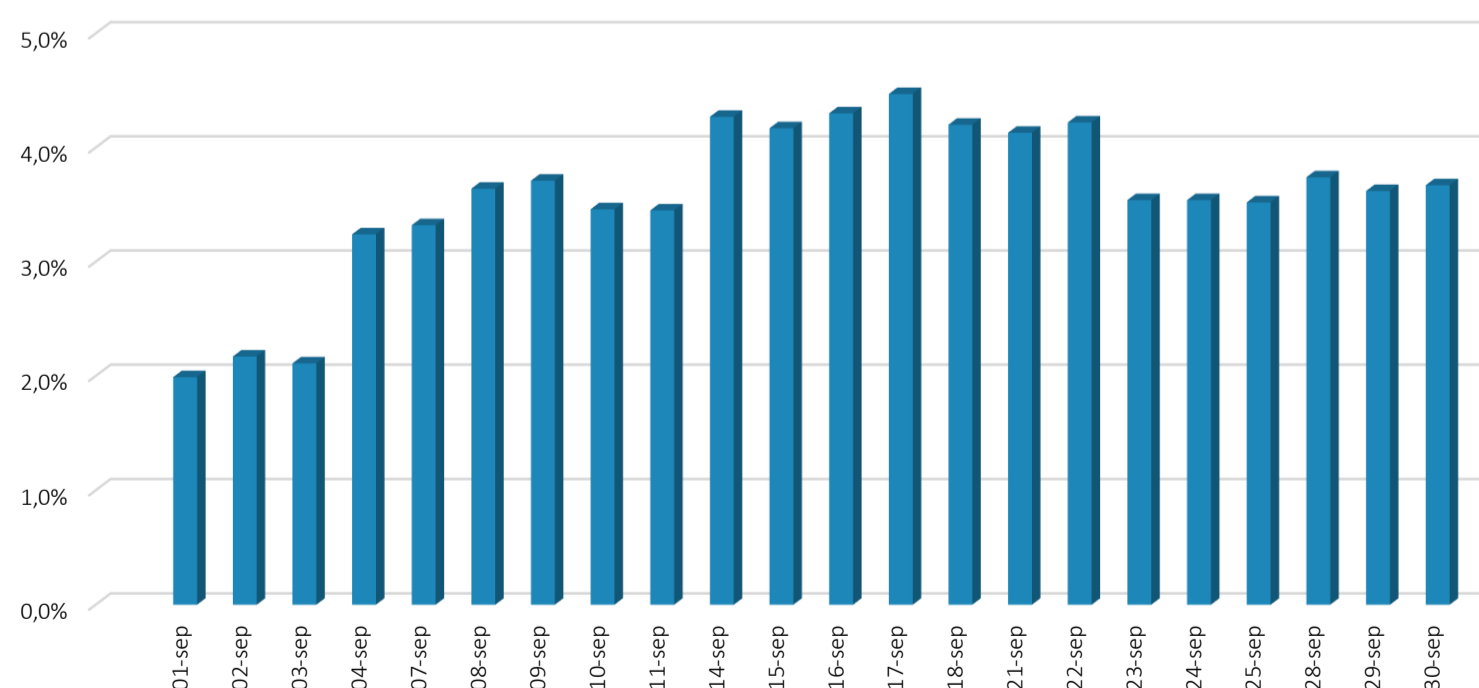
Active	11,40%
Relative value	9,19%
Macro	13,87%
Micro	19,38%
Special Situations	12,98%
Deep Value	10,88%
Hedges	7,17%
Liquidity	15,14%

Risk Concentration and Distribution Metrics

Number of positions per strategy



Parametric VaR 1-day

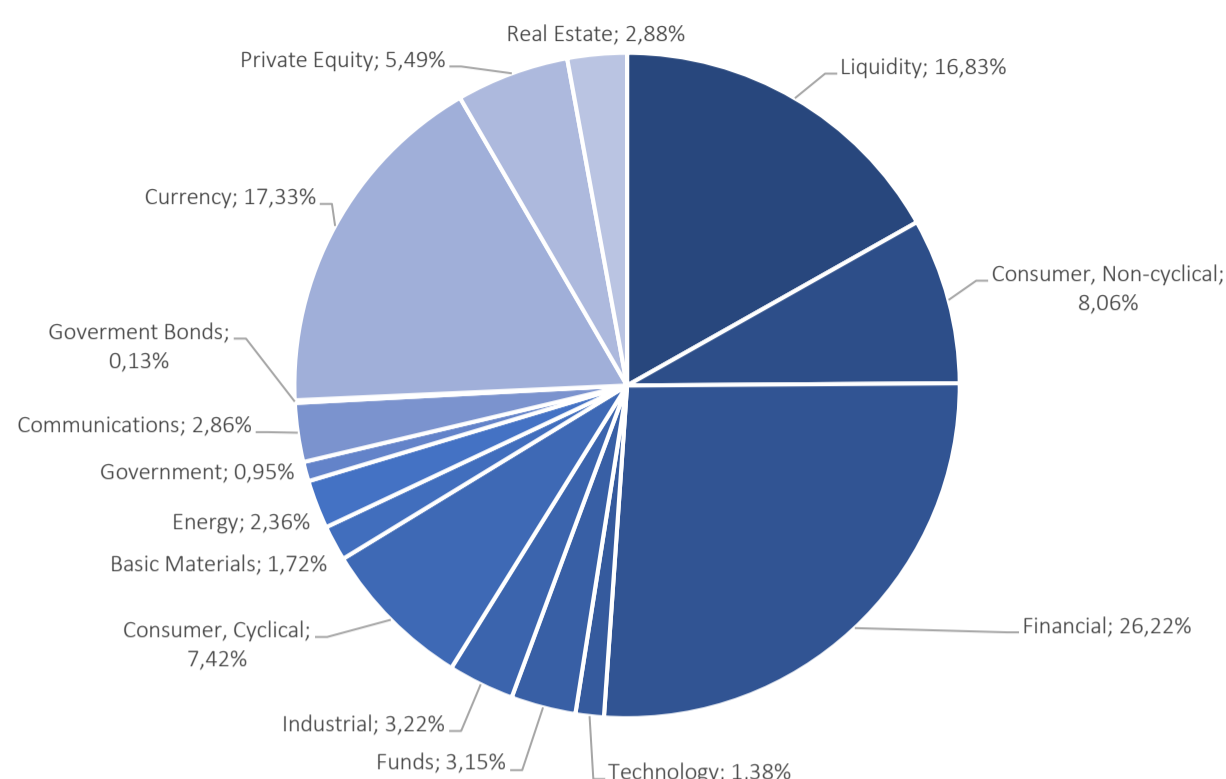


(*) Since inception

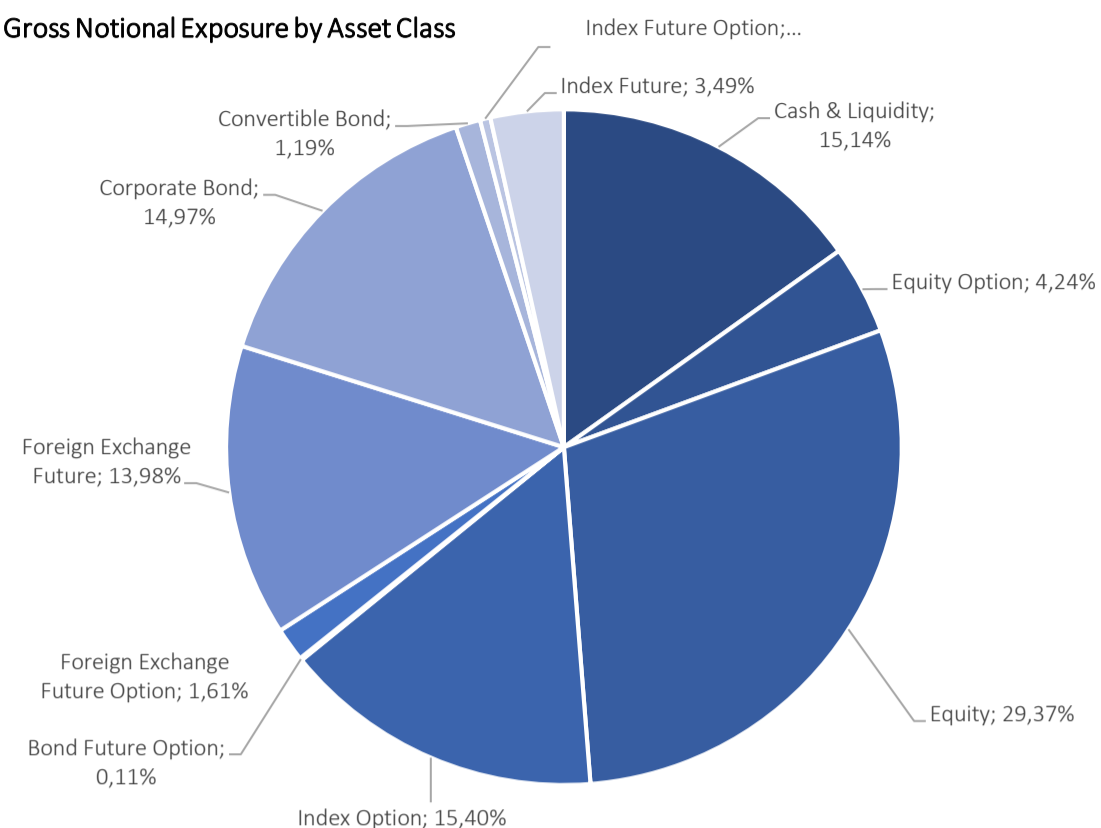
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Risk Concentration and Distribution Metrics (2)

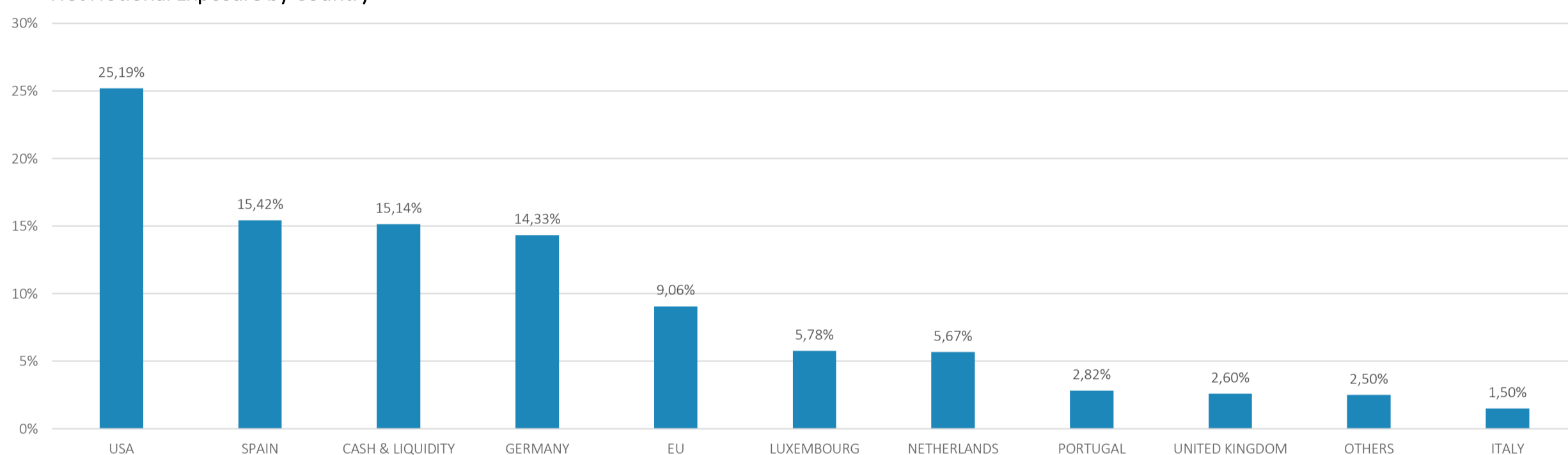
Gross Notional Exposure by Sector



Gross Notional Exposure by Asset Class



Net Notional Exposure by Country



September 2020 Update (cont...)

services. The other long-term value proposition we currently sponsor within the Deep Value bucket is that related to renewable energy where we also see a confluence of a strong European "green drive", long term structural demand for ESG-compliant investments and an oversized oil and gas sector with deep M&A pockets looking to hedge its future by diversifying into clean energy. We are currently studying a number of propositions in terms of debt and equity to add to our current exposures in the Deep Value bucket. Besides unlocking some very long-term value optionality, the fund's performance benefited from short-term trading opportunities related to primary supply in equity and credit markets and higher levels of realized volatility (Active bucket generated 20bps of performance). The Special Situations bucket also decorrelated significantly from the market, contributing positively to overall portfolio returns (+0.9%), yet still failing to deliver on the full potential we expect for the bucket as several catalysts envisaged within the strategy have seen their timeline extended, yet we are still confident that this strategy will deliver much stronger returns, and is set to offer the most attractive ex-ante risk-adjusted potential of all the strategies underlying the fund for 2021. According to this view, we will continue to prioritize allocations to the bucket as the opportunity set grows, and we are very confident that the aftermath of Covid will create a very healthy pipeline in the form of distressed debt opportunities and an increase in event driven situations (as we see an increased consolidation drive and active liability management from many companies). The bucket continues to be informed by a focus on viable corporate restructurings within key sectors such as renewable energy, national champion air carriers or food retailers (e.g. Abengoa, Tap Airlines, Rallye) vs shorts in sectors, which we see as structurally impaired as a result of the Covid crisis, such as presential (as opposed to virtual) gaming or low budget travel (e.g. shorts in Cirsa or TUI bonds). On the negative side Macro (-1.6%), Micro (-1.5%) and RV (-2.4%) acted as a drag on the strong performance recorded in the month. Macro strategies continue positioned for a cyclical rebound in equities (led by an Asian economic recovery) by June 2021 but with a potential correction around US elections in the short term. This view is constructed via equity index options with downside limited to about 0.6% of NAV for a total exposure at expiry equivalent to 45% of NAV. Micro strategies were lagged by mark to market in remaining financial credit positions in the portfolio (which as we type these lines have all recovered strongly) and by value investments in strongly battered Spanish stocks (Repsol, Telefonica, etc) where we expect a slow recovery, but where again over 35% of the exposure is via options premia so the downside is limited in the case of further market decline. The Relative Value bucket was lagged by M&A-driven positioning constructed as long/short (vs. SX7E) exposures in Spanish bank names which are currently in the process of preliminary or fully agreed merger plans (names such as Liberbank and Caixabank in particular) and where consolidation will unlock substantial shareholder value that will warrant outperformance vs the sector. From a risk point of view net leverage increased from 83% at the end of August to 107% at the end of September... **Cont.**

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September 2020 Update (cont...)

Gross leverage exposure also increased from 119% at the end of August to 138% at the end of September as the fund allocated more resources to relative value positioning. Risk utilization from a statistical point of view, also shows the gradual ramp up in risk post the de-risking effort undertaken in the summer months. Risk expressed as 1-day 99.5% confidence parametric VaR, increased from 1.7% at the end of August to 3.7% at the end of September. Likewise average risk utilization in the month increased from 2.2% throughout August to a daily average of 3.6% during the month of September.

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