

SIL



NAV 29/01/2021: 32.645

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.

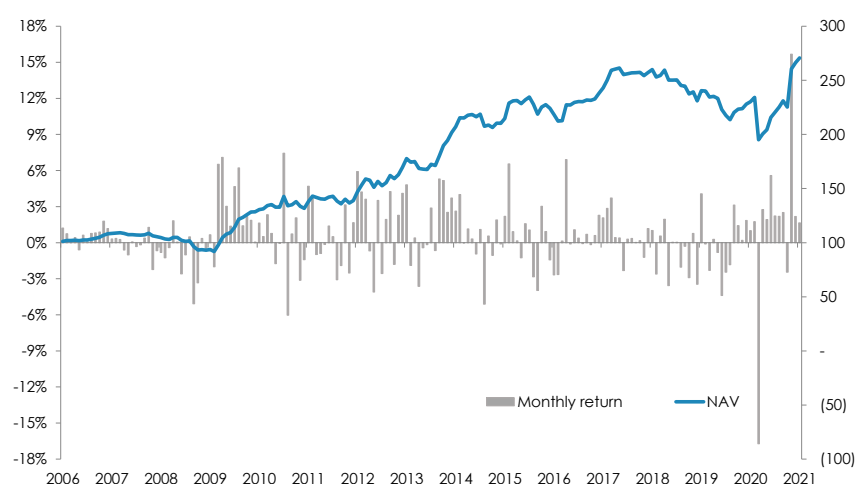
January 2021 Update

Following top percentile returns in 2020 (Bloomberg data places Rho Investments in 96th percentile yet we have always found peer comparison groups as highly arbitrary so we always encourage our investors to define their own relevant universe), the first month of 2021 translated into further outperformance vs the market and most fund peers alike. In January the fund returned +1.64% net of fees which compares strongly vs the negative returns seen in much of European risk as proxied by the Spanish (given the Iberian bias of Rho Investments) Ibx 35 (-3.6% in the month), the Eurostoxx 50 (-1.8%) or the iTraxx Crossover CDS 5-year total return index (-1.3%). The fund also beat the return (in USD terms) of both the S&P 500 and the Nasdaq 100 by +266 and +132bps respectively. From a performance attribution point of view the returns generated within the Deep Value, Special Sits and Active buckets more than offset the negative returns generated within inherently directional strategies such as Micro and Macro. Deep Value returns (+3.5%) were driven by good performance in **Cont**.

Fund Facts

Structure	SIL
Domicile	Spain
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	Novo Banco

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%	2,2%	2,2%	2,5%	-2,5%	15,7%	2,2%	16,8%
2021	1,6%												1,6%

(*) 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	4,39%	1,32%	6,63%	13,07%	15,88%	10,51%
Stoxx 600	4,07%	2,40%	1,83%	14,14%	17,07%	14,93%
Ibex	-1,72%	-7,62%	-2,13%	20,14%	23,16%	20,47%

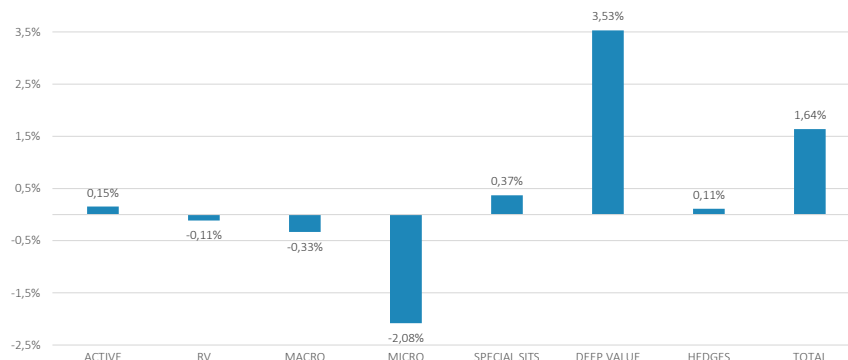
Returns (% Net)

2021	1,64%
CAGR*	6,63%
January 2021	1,64%

Risk / Return

Volatility*	10,51%
Sharpe Ratio*	0,63
Sortino Ratio	0,85
Parametric VaR 1-d	2,17%

Performance attribution across strategies (% Net)*



Top Five Positions

13000 March 21 Dax Puts	-19,72%
12500 March 21 Dax Puts	13,64%
Cash and Liquidity	9,42%
14500 June 21 Dax Calls	8,65%
70 SX7E Calls June 21 and June 22	4,66%

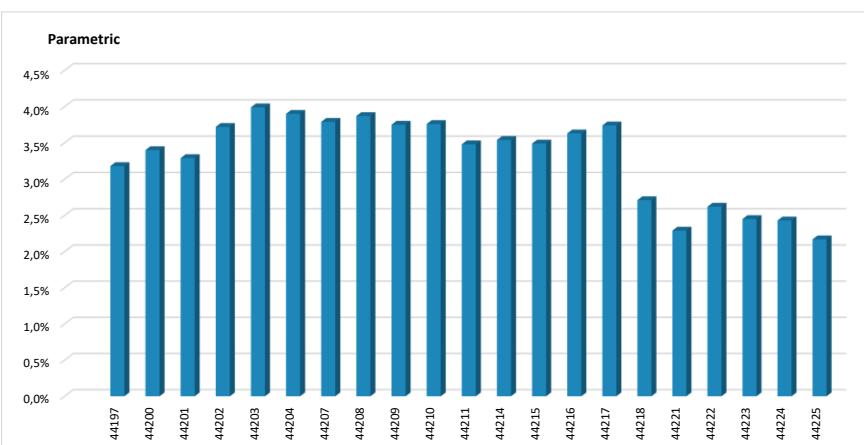
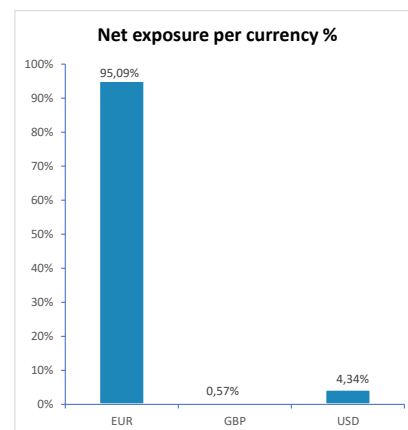
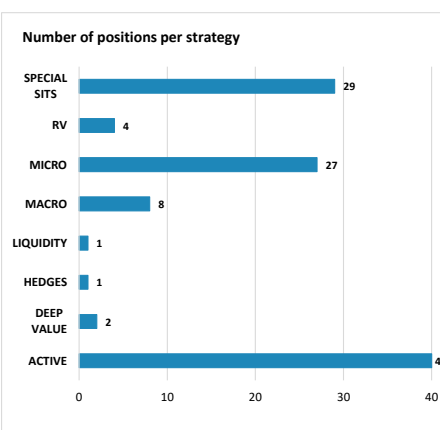
% Exposure

Gross	383,88%
Net	131,33%

% of Gross Exposure per Strategy

Active	10,89%
Relative value	2,23%
Macro	55,07%
Micro	11,52%
Special Situations	3,81%
Deep Value	5,19%
Hedges	1,88%
Liquidity	9,42%

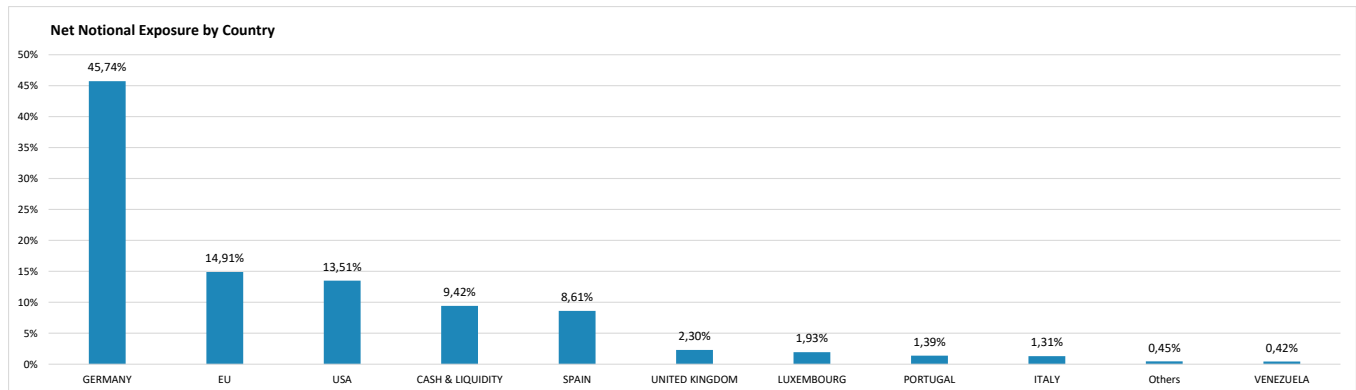
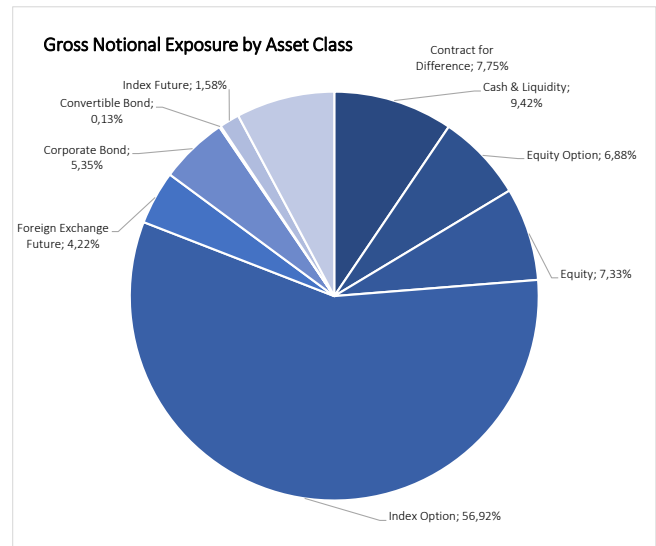
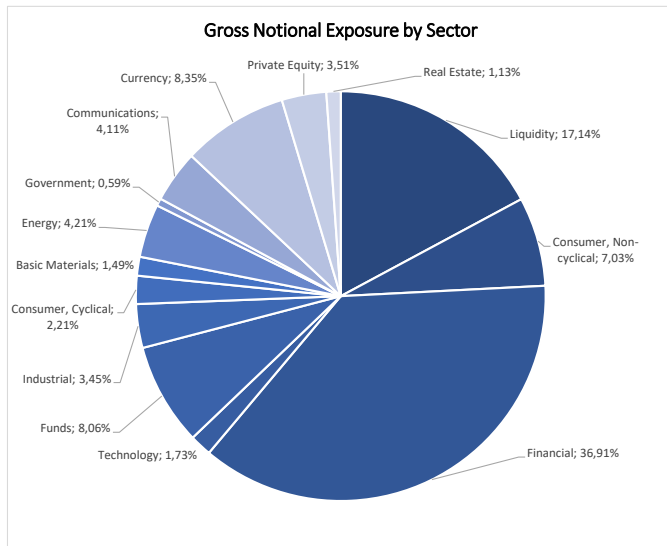
Risk Concentration and Distribution Metrics



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Risk Concentration and Distribution Metrics (2)



January 2021 Update (cont...)

our long-term thematic investment in telemedicine, which does not only constitute a very attractive low correlation (approximately 0.04 vs Eurostoxx 50 and -0.13 vs Ibox 35) play on disruption and digital penetration into a 3.5trn USD revenue pie in the US only, but also a natural portfolio hedge against any market sell-off related to epidemiological fears. As we anticipated in our previous newsletter, we expect a meaningful portfolio contribution from existing corporate restructuring themes within the Special Situations bucket and a growing pipeline of new attractive situations towards the end of this year. The strategy generated +0.4% performance mainly driven by the price increase post tender news in Rallye SA bonds (which we utilized to take profits in our entire holdings) and the closing of OHL debt restructuring, which we used as an opportunity to sell our bonds to the market ahead of the debt exchange employing the proceeds to buy a delta equivalent exposure in the company's stock, which we see as the most attractive point within the firm's (now cleaner) capital structure ahead of the new rights issue. Our short-term Active trading bucket added +0.2% of performance helped by brisk primary credit market activity and long positioning in volatility. Micro strategies were lagged by weak performance in renewable energy stocks (Solarpack in particular) and broad weakness in our cyclical single name stock exposures in banks, airlines, and paper (Liberbank, IAG and Ence in particular). Macro exposures, despite recent tweaks consisting mainly of buying out of the money downside protection against a sharp sell-off, continue positioned for a sharp cyclical rebound in Q2 via long option positions in the DAX and SX7E indices. Elsewhere we added a long Sabadell short BBVA position to Relative Value strategies on both relative asymmetry and M&A optionality grounds in a month in which the bucket did not provide a meaningful contribution to performance (-0.1%). From an overall portfolio strategy point of view, other than a few tweaks to enhance short-term protection against any sharp selloffs amid concerns about the virulence of new Covid strands and possible implications in terms of existing vaccines effectiveness, little has changed in overall composition. From a long-term trend perspective, the fund continues to build optionality around the telemedicine and renewable energy themes. From a macro perspective the fund expects a sharp recovery in stocks around the end of Q1, with good visibility all the way to Q2, from which we expect to adopt a more neutral stance on risk. This short-term optimistic stance is echoed in micro selection where we continue to build exposure to banks, paper companies and energy companies showing a strong "green" shift in both their strategy and revenue base. In Special Situations we continue to look for compelling domestic restructuring stories and adding to European M&A themes but again with a clear Iberian bias. Finally, from a risk point of view, net leverage decreased from 142% at the end of December to 133% at the end of January. However, gross market exposure increased from 1.9 times at the end of December to 3.8 at the end of January, which is more related to short-term market risk and FX macro hedges implemented during the month than to marginal additions to the Relative Value bucket. **Cont.**

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January 2021 Update (cont...)

Statistical risk, expressed as 1-day 99.5% confidence parametric VaR, points to a sharper risk reduction than that implied by market exposure figures alone. VaR usage came down from 3.5% at the end of December to 2.2% at the end of January, although the average daily VaR employed during the month remained fairly stable (2.9% throughout December vs 3.3% during the course of January).

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