

SIF



NAV 30/05/2018: 101,72

**INVESTMENT TEAM**

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**QUADRIGA RHO INVESTMENTS**

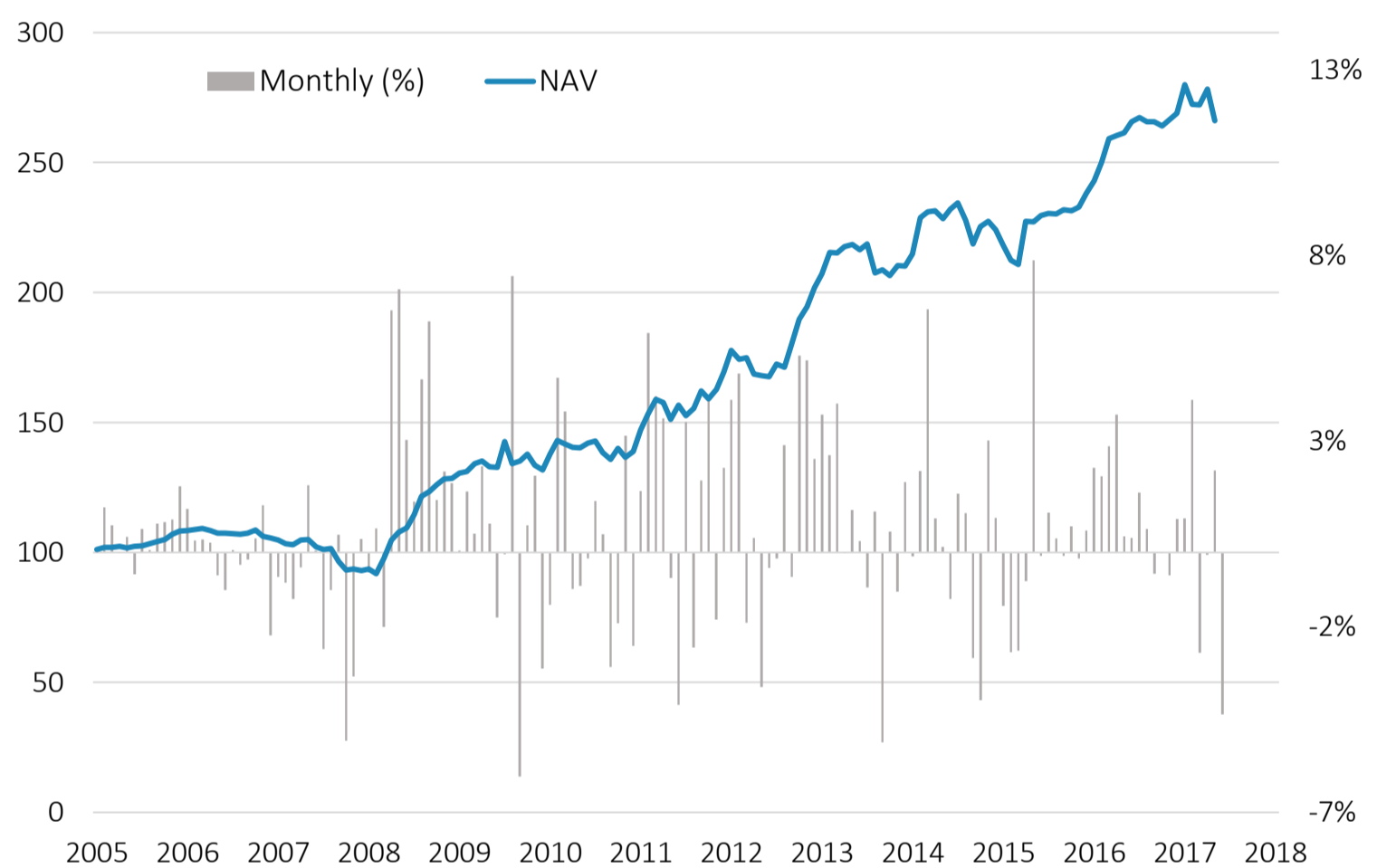
The fund's objective is to return net positive returns every year, regardless the behavior of traditional assets. To achieve it, the fund allocates to six different strategies: Active, Relative Value, Macro Selection, Micro Selection, Special Situations and Deep Value. The strategies are focused on finding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

**May 2018 Update**

May was a tough month in terms of navigating widespread political risk premia across European markets, which ultimately adversely affected the fund's performance. Rho registered a net 4.4% loss in a month which saw substantial tail moves across many risky assets, with many statistically unlikely (under normal distribution assumptions) swings, including a 20-standard deviation move in 2-year Italian government bond yields. Luckily at Rho we take risk very seriously, and the normal distribution with an appropriate pinch of salt, all of which has allowed us to finish the month disappointingly underperforming the Ibex 35 by 1.80%, but with no catastrophic losses. The fund retained a broadly balanced exposure to the market, with net leverage very close to zero (down to 0.03 times vs 0.34 at the end of April) and gross leverage at 3.7 times (slightly up from 3.4x at the end of April). However, on valuation grounds many of the directional long position trades were predicated around...cont

**Fund Facts**

Structure	SIF
Domicile	Luxembourg
Mgmt. Fee	1%
Perf. Fee	20%
Min. Investment	125,000€
NAV Currency	EUR
Liquidity	Weekly
ISIN	LU1610886332
Bloomberg Code	RHOSIFA LX
Custodian	Société Générale SS

**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%	1,6%	0,6%	-0,6%	0,0%	-0,7%	0,9%	0,9%	12,8%
2018	4,1%	-2,7%	-0,1%	2,2%	-4,4%								-1,0%

(\*) Since inception - Rho SIL until June 2017, since June 2017, Rho SIF Multi-strategy

(\*\*) Since inception Rho SIF Multi-strategy

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## Comparative Risk / Return

	RETURNS (CAGR)			VOLATILITY		
	5 years	3 years	Since inception	5 years	3 years	Since inception
Rho Investments	9,67%	4,64%	8,19%	8,52%	8,21%	8,80%
Stoxx 600	6,09%	0,15%	1,72%	11,69%	12,28%	14,33%
Iboxx Eur Corporate	2,92%	1,97%	3,64%	2,72%	2,92%	3,89%

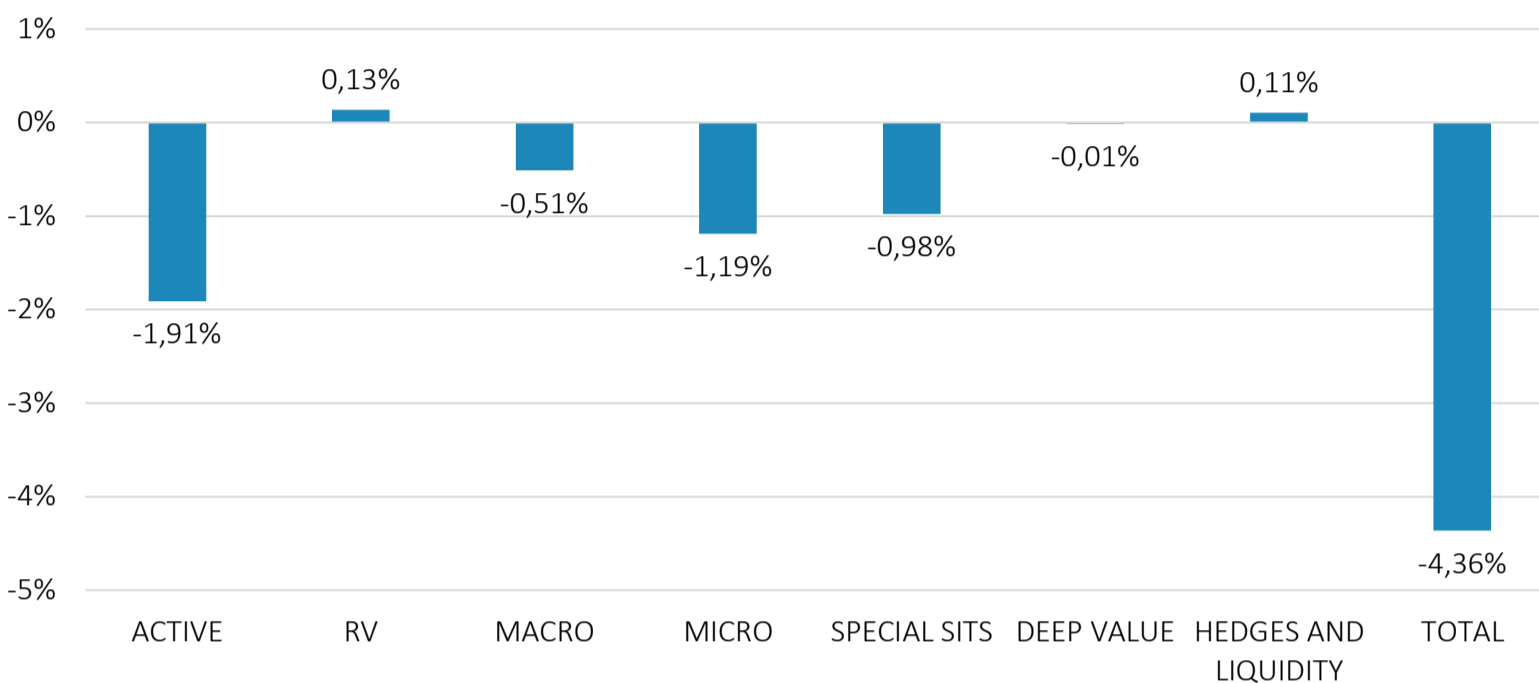
## Returns (% Net)

2018	-1,05%
CAGR*	8,19%
April 2018	-4,36%

## Risk / Return

Volatility*	8,80%
Sharpe Ratio*	0,93
Sortino Ratio	1,32
VaR 99% Daily	2,48%

## Performance attribution across strategies (% Net)



## Top Five Positions (Gross Exposure over Nav)

German Govt. Bond Futures	63,02%
NASDAQ 100 E-mini	59,79%
Spread L/S Banks - Eurostoxx 50	23,77%
Long S&P - Short Nasdaq	12,31%
BFCM CMS T1 FRN	7,30%

## % Exposure

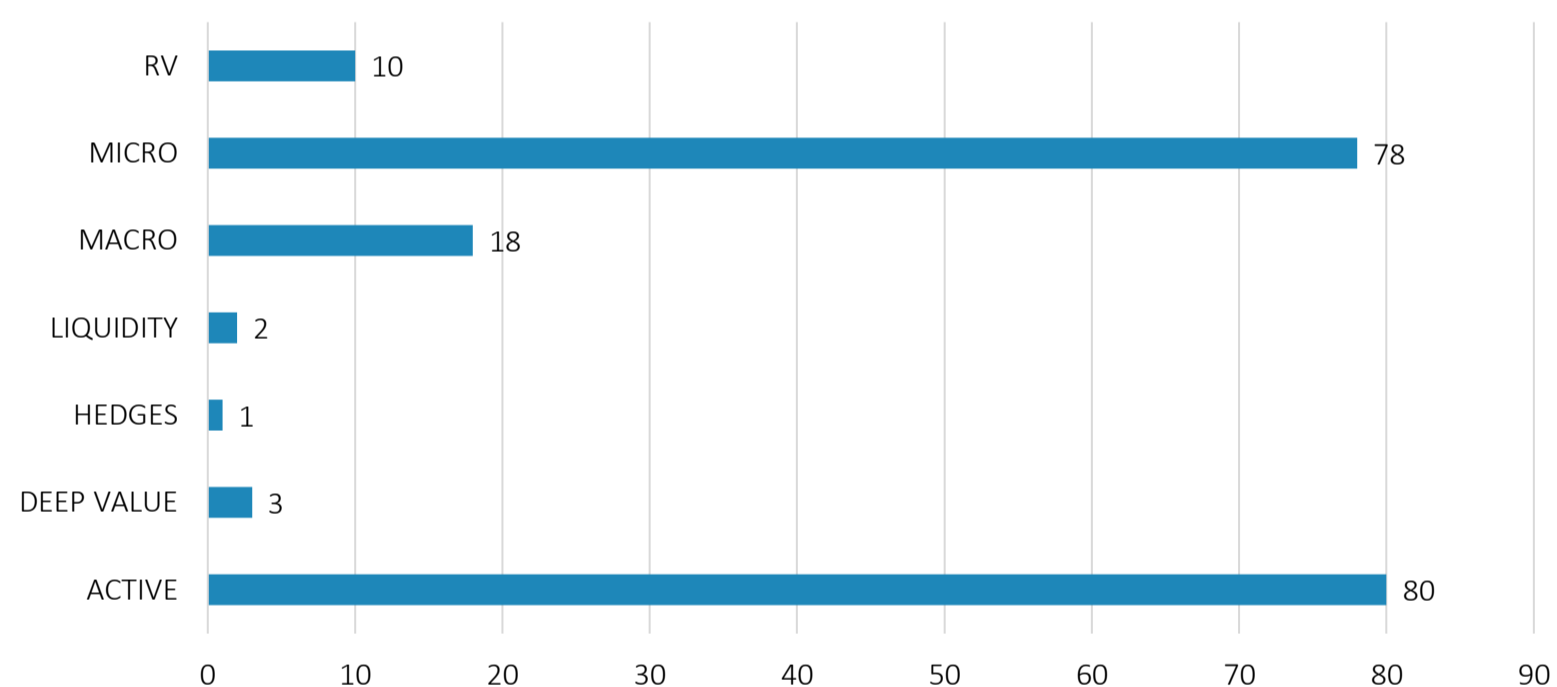
Gross	372,28%
Net	2,85%

## % of Gross Exposure per Strategy

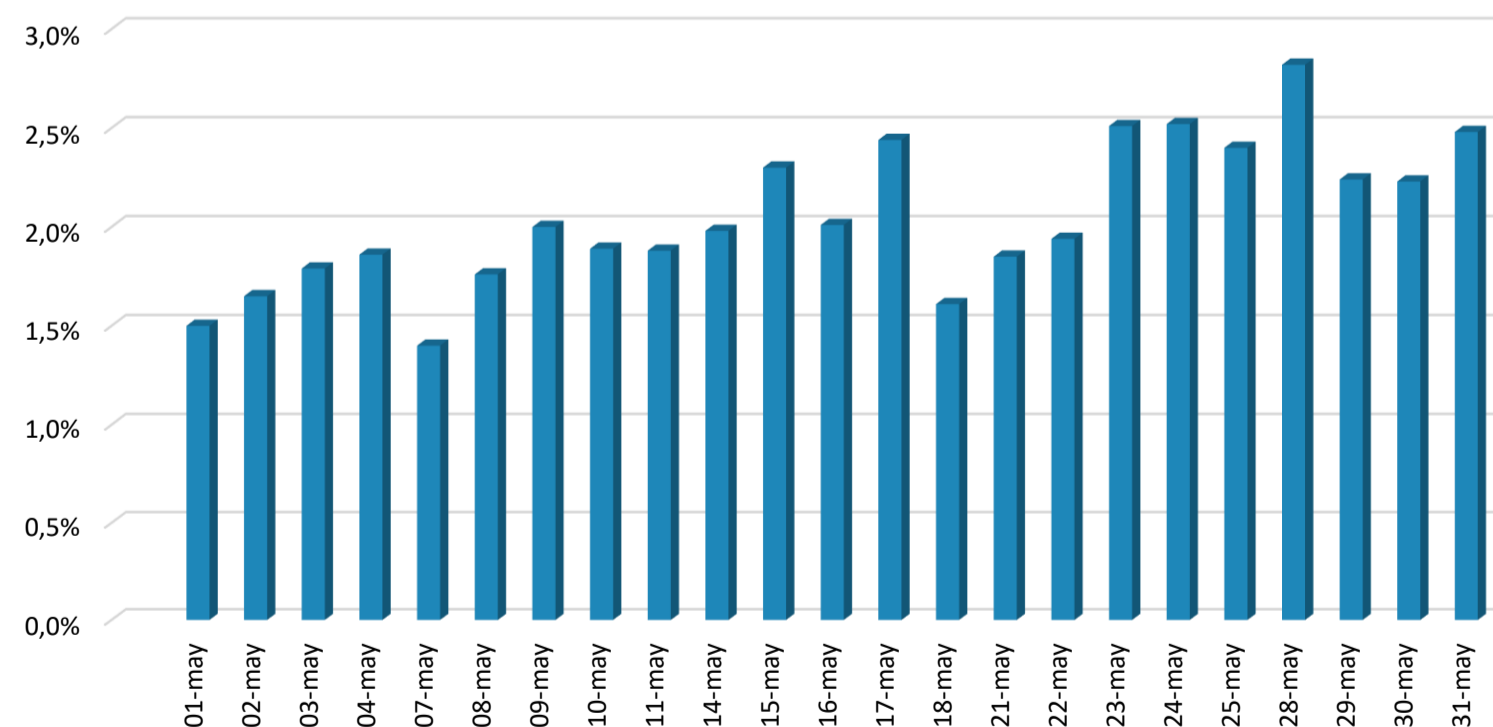
Active	44,50%
Relative value	11,77%
Macro	13,83%
Micro	9,12%
Special Situations	5,83%
Deep Value	0,92%
Hedges	4,07%
Liquidity	9,98%

## Risk Concentration and Distribution Metrics

### Number of positions per strategy



### Var % Contrib Hist 3Y



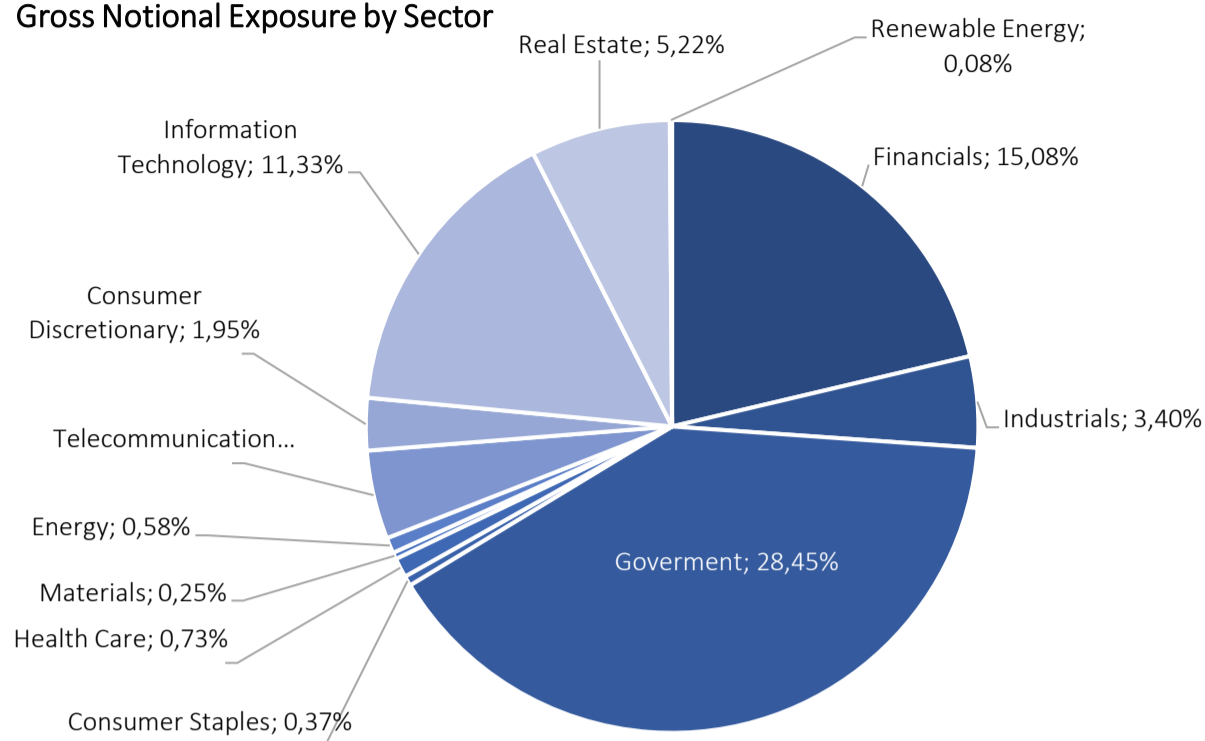
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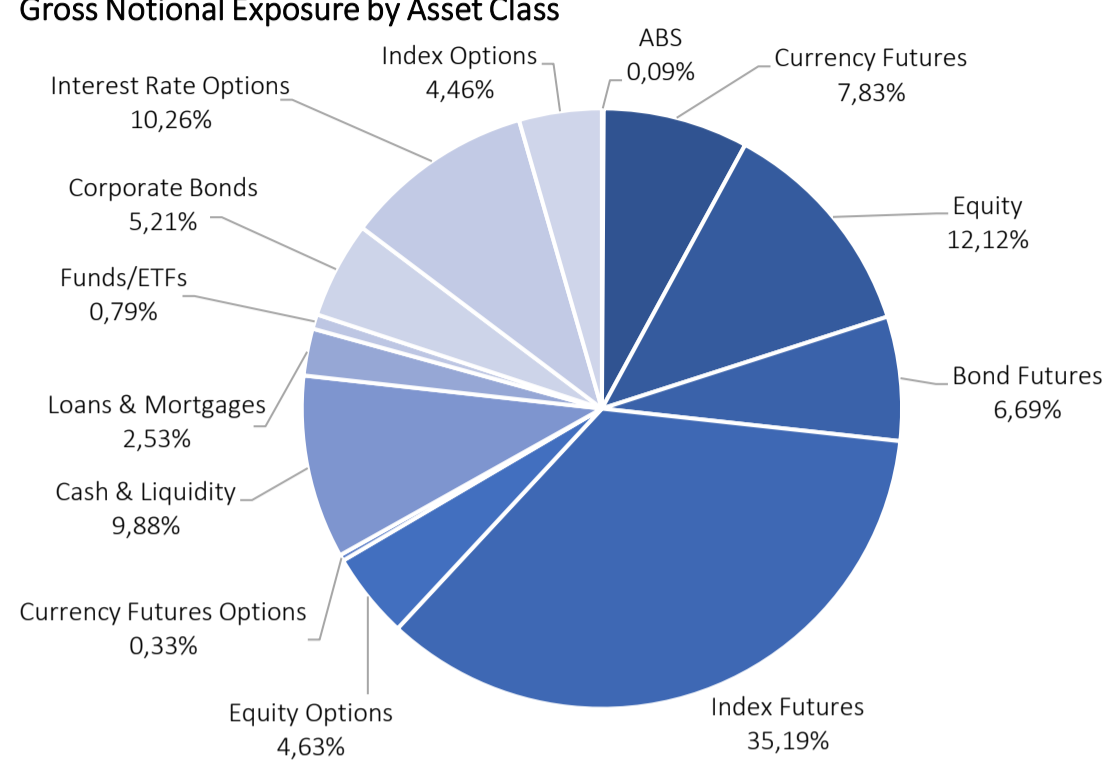
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## Risk Concentration and Distribution Metrics (2)

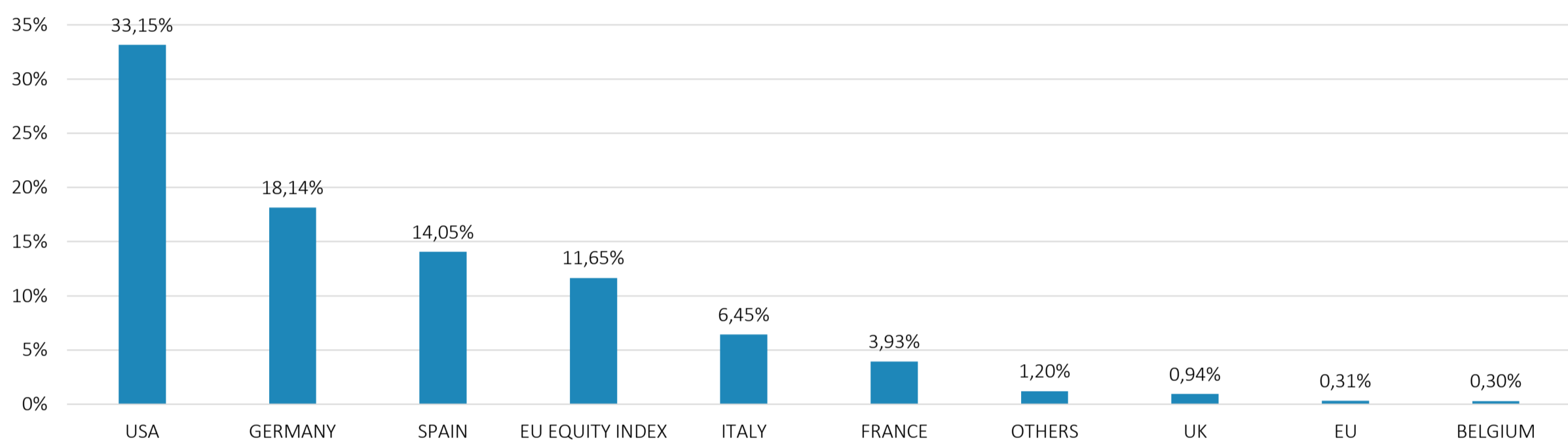
Gross Notional Exposure by Sector



Gross Notional Exposure by Asset Class



Net Notional Exposure by Country



## May 2018 Update (cont...)

cont... Spain and Italy themes, whilst the shorts were broadly in US assets (technology in particular). Furthermore, market timing is always an imperfect science and with hindsight we closed our substantial shorts in BTP futures too early given the severity of the initial correction, not only leaving the rest of the portfolio somewhat more exposed to (attractively valued) peripheral long equity exposures, but also weighed on our short in German government bond futures, which in this climate acted as a safe haven further compounding their over-valuation issues. As we type these lines however, the fund has seen some of its stance validated with a substantial spike in European yields, a repricing of technology vs the broader market and a sharp rebound on event-driven positioning within our Special Situations bucket. We have also pared down the risk usage allocated to short-term trading-oriented strategies (Active bucket) which contributed to the increase seen in VaR over the month of May, when the fund saw an increase in 1-day 99% VaR/NAV from 1.93% at the end of April to 2.48% at the end of May, with average daily VaR usage also going up from 1.98% in April to 2.05% throughout May.

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