

SIL



NAV 28/12/2018: 27,0022

INVESTMENT TEAM

Rodrigo Hernando, CEO

José Mosquera, CIO

Imanol Urquizu, PM

José Martín-Vivas, Sr. Analyst

Jorge Peñalba, Analyst

QUADRIGA RHO INVESTMENTS

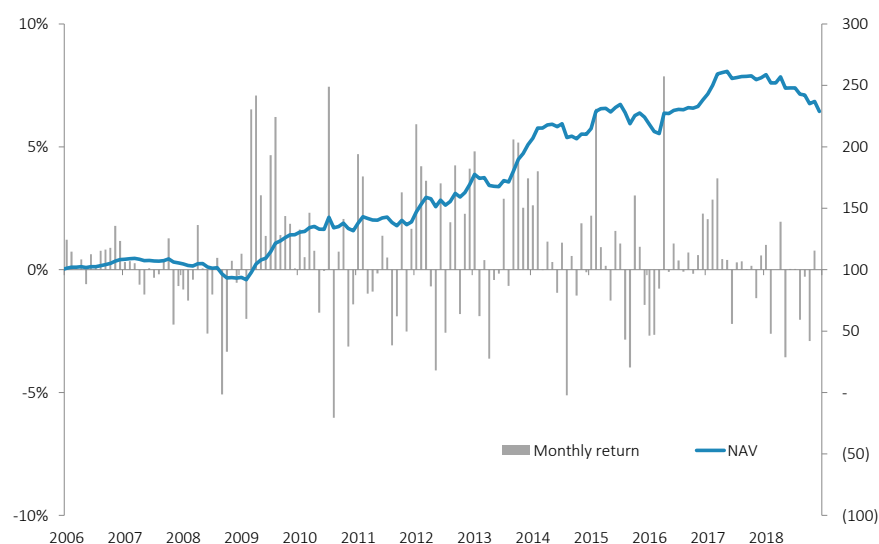
The fund's objective is to return net positive returns every year, regardless the behavior of traditional assets. To achieve it, the fund allocates to six different strategies: Active, Relative Value, Macro Selection, Micro Selection, Special Situations and Deep Value. The strategies are focused on finding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

December 2018 Update

Most of the concerns experienced by the markets throughout the first eleven months of 2018 resurfaced in the last month of the year, creating an explosive cocktail-mix exacerbated by seasonal year-end market illiquidity. Amid renewed worries encompassing a US recession, US-China trade wars, Chinese economic slowdown and Brexit, risky assets experienced a substantial sell-off way beyond the premia required for those otherwise well-flagged risks. In this context of irrational fear and illiquidity, the S&P 500 registered its worse one-month drawdown (-9.18%) since February 2009 (-10.99% return). In this context Rho fared reasonably well, outperforming total returns in the Eurostoxx 50 by 1.85% and the Ibx 35 by 1.98%. Even though disappointingly generating a negative absolute return on the month (-3.5%), we consider the drawdown as the price paid to take advantage from a short-term overshoot in valuations as the fund utilised the sell-off to position itself tactically long risk with a very short-term horizon. **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%	0.6%	-1.2%	1.1%	5.3%
2018	1.0%	-2.6%	0.0%	2.0%	-3.6%	0.0%	0.0%	-2.0%	-0.3%	-2.9%	0.8%	-3.5%	-10.7%

(*) Since inception

-3.46% December end return as of 31/12/18 calculated for Audit purposes

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Comparative Risk / Return

	RETURNS (CAGR)			VOLATILITY		
	5 years	3 years	Since inception	5 years	3 years	Since inception
Rho Investments	2.60%	2.57%	6.81%	7.82%	7.33%	8.65%
Stoxx 600	1.06%	-0.23%	0.71%	11.66%	10.00%	14.22%
Iboxx Eur Corporate	2.05%	1.26%	3.42%	2.55%	2.34%	3.82%

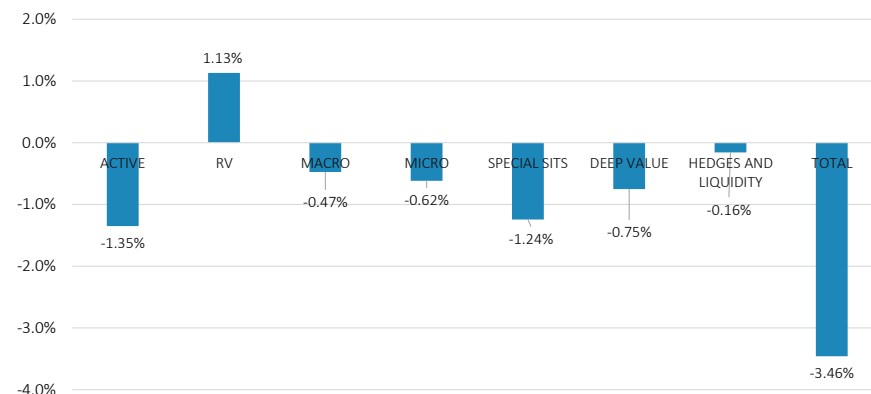
Returns (% Net)

2018	-10.71%
CAGR*	6.81%
December 2018	-3.46%*

Risk / Return

Volatility*	8.65%
Sharpe Ratio*	0.79
Sortino Ratio	1.01
VaR 99,5% 1-day	1.85%

Performance attribution across strategies (% Net)*



Top Five Positions

Itraxx Xover CDS Index Swaps	22.43%
Futures Eurostoxx 50	19.36%
Spread L/S Banks - Eurostoxx 50	14.21%
Long S&P - Short Nasdaq	6.74%
BFCM CMS T1 FRN	6.17%

% Exposure

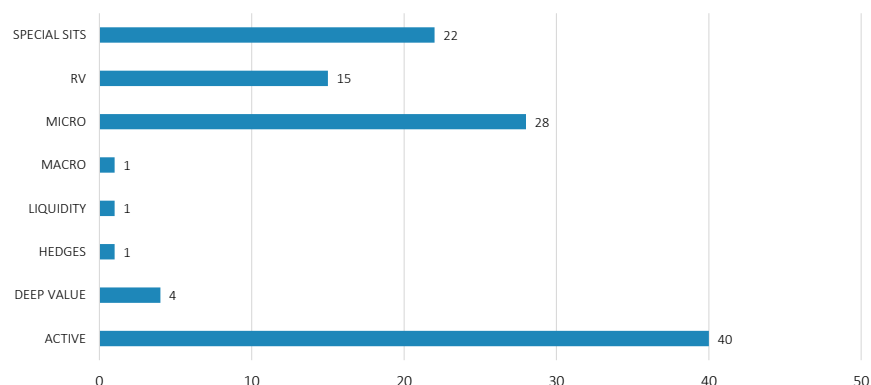
Gross	212.30%
Net	124.70%

% of Gross Exposure per Strategy

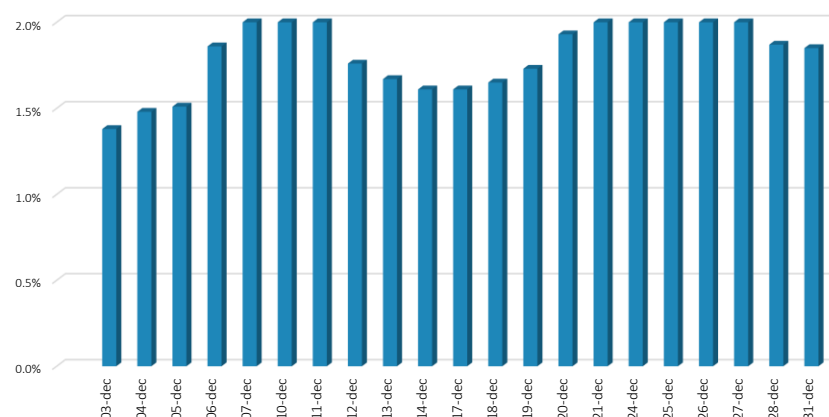
Active	37.63%
Relative value	17.35%
Macro	1.42%
Micro	11.81%
Special Situations	16.05%
Deep Value	3.71%
Hedges	3.60%
Liquidity	8.44%

Risk Concentration and Distribution Metrics

Number of positions per strategy



Var % Contrib Hist 3Y



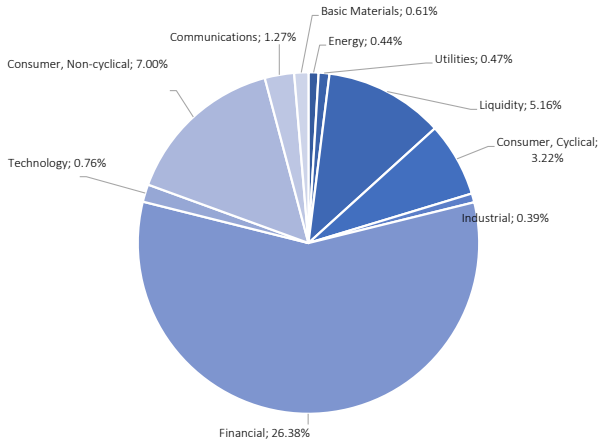
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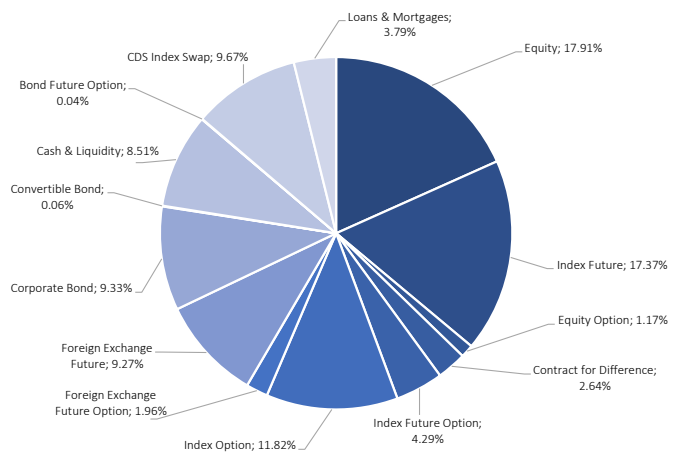
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Risk Concentration and Distribution Metrics (2)

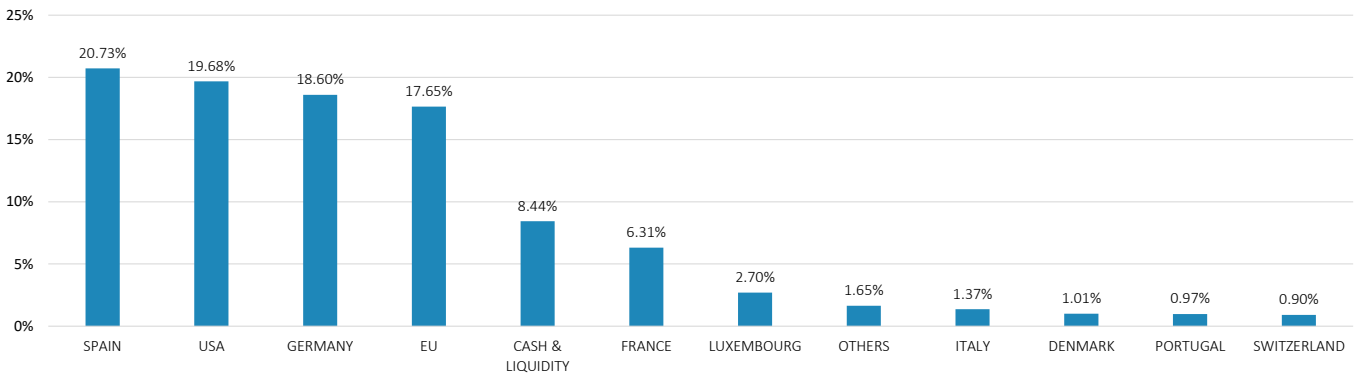
Gross Notional Exposure by Sector



Gross Notional Exposure by Asset Class



Net Notional Exposure by Country



December 2018 Update (cont...)

Cont... In fact, as we type these lines the fund has already very profitably unwound all the risk acquired in December 2018. As a result, the majority of the December drawdown was concentrated in the Active bucket (short-term trading-oriented strategies) with a 1.3% loss and Special Situations, which suffered a 1.2% drawdown related to adverse mark to market in event-driven plays in both mid-cap Iberian stocks and European high-beta credit. The bearish themes played across long-short trades within Relative Value strategies (+1.13%) partially offset the drawdowns in all directional positioning aimed at taking advantage of the market over-correction. In terms of risk, the end of December gross leverage stood at 2.12 times (vs 3.01 at the end of November). However, net market exposure increased significantly to 125% (vs 78% on the previous month) due to the short-term directional positioning across the Active bucket. Overall statistical risk usage, as measured by 1-day 99.5% confidence VaR, did however decrease to 1.85% at the end of December (vs 2.03% at the end of November), whilst average daily VaR employed during the month also increased to 1.86% from 1.67%.

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