

SIL



NAV 30/11/2018: 28,0519

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.

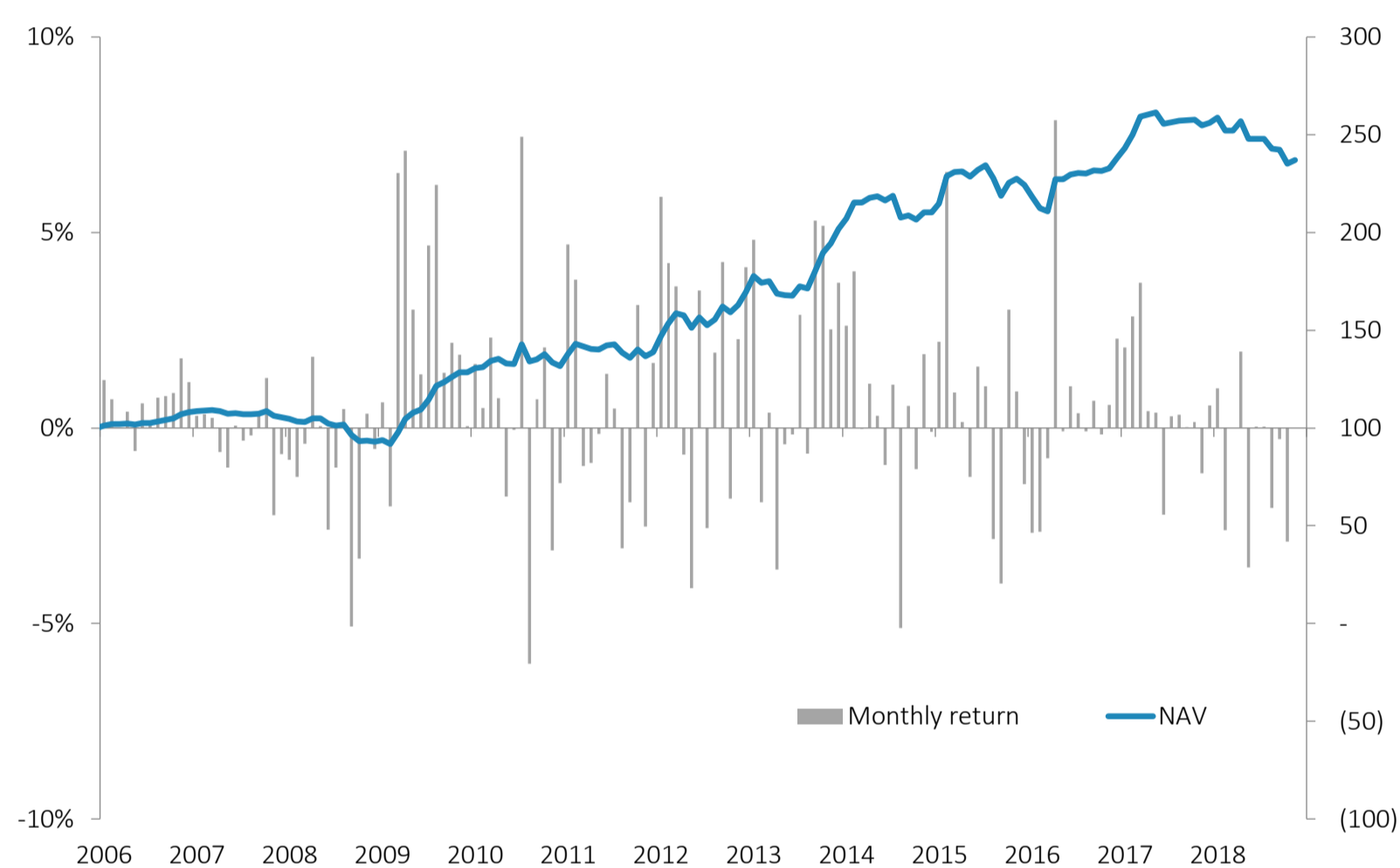
November 2018 Update

The broadly positive performance seen across many risky assets over the month of November masks a difficult investment backdrop for absolute return strategies. Once again, substantial political noise drove sentiment and asset valuations as the market digested the outcome of US mid-term elections, dealt with increasing odds of a more binary Brexit outcome, saw more bickering between the EU and Italian cabinet, and experienced the up and down thrills of the Sino-American trade agreement roller coaster. In this context Rho generated a 0.8% positive return, which compares positively vs credit performance (Itraxx Crossover index -1.74%), although adversely (albeit less so in risk-adjusted terms) vs the Eurostoxx 50 (1.31%), Ibex 35 (+4.33%) or S&P 500 (+4.09% total return in USD terms). In order to generate performance and minimise volatility the fund relied primarily on short-term trading strategies (Active bucket +0.84%), and single name directional exposures (Micro bucket +2.4%) **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%		-7.5%

(*) 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	3.34%	1.98%	6.94%	7.94%	7.36%	8.67%
Stoxx 600	1.88%	-0.50%	1.17%	11.37%	9.89%	14.18%
Iboxx Eur Corporate	2.29%	1.37%	3.43%	2.57%	2.40%	3.83%

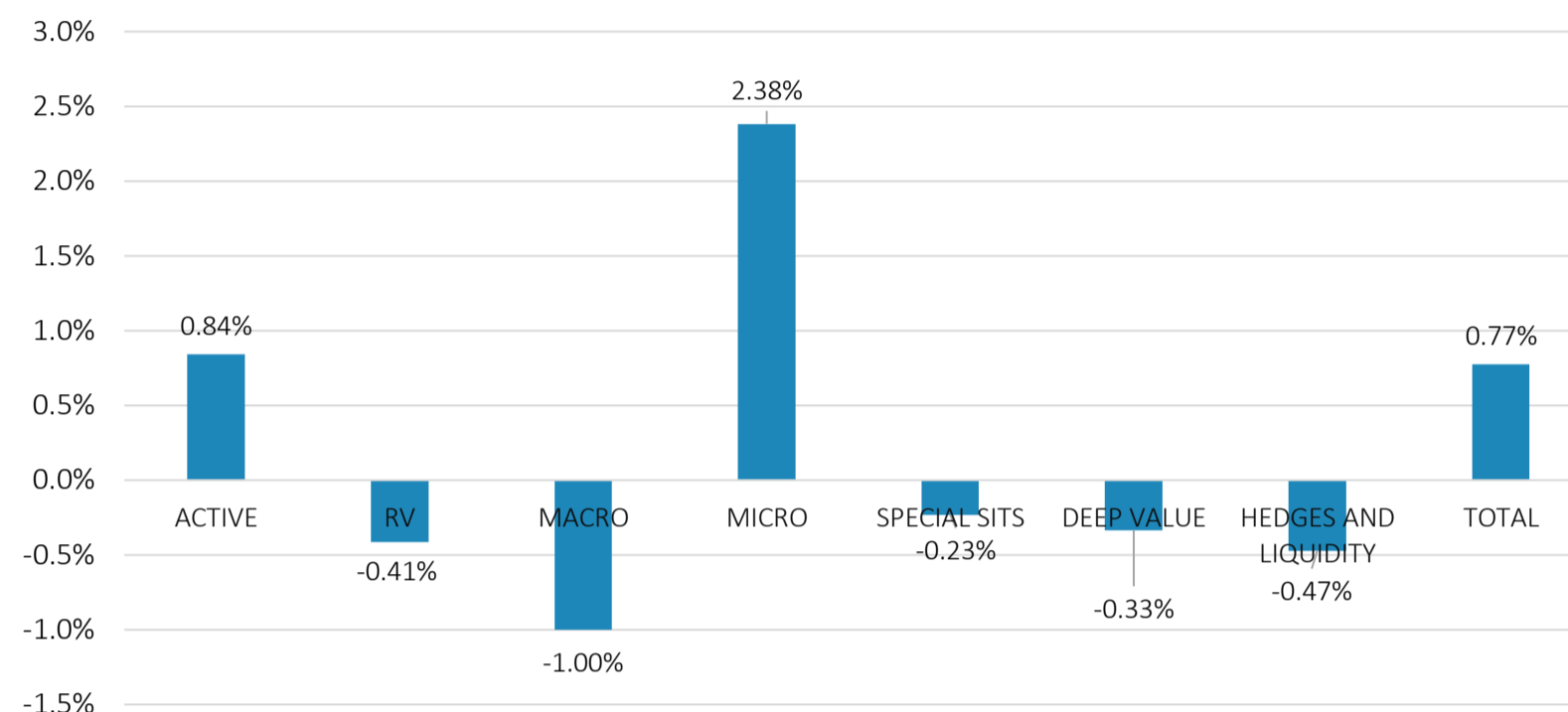
Returns (% Net)

2018	-7.51%
CAGR*	6.94%
November 2018	0.77%

Risk / Return

Volatility*	8.67%
Sharpe Ratio*	0.80
Sortino Ratio	1.09
VaR 99,5% 1-day	2.03%

Performance attribution across strategies (% Net)



Top Five Positions

Spread L/S Banks - Eurostoxx 50	26.86%
Futures Eurostoxx 50	18.88%
Option FTSE MIB	-14.96%
BFCM CMS T1 FRN	6.35%
Long S&P - Short Nasdaq	5.36%

% Exposure

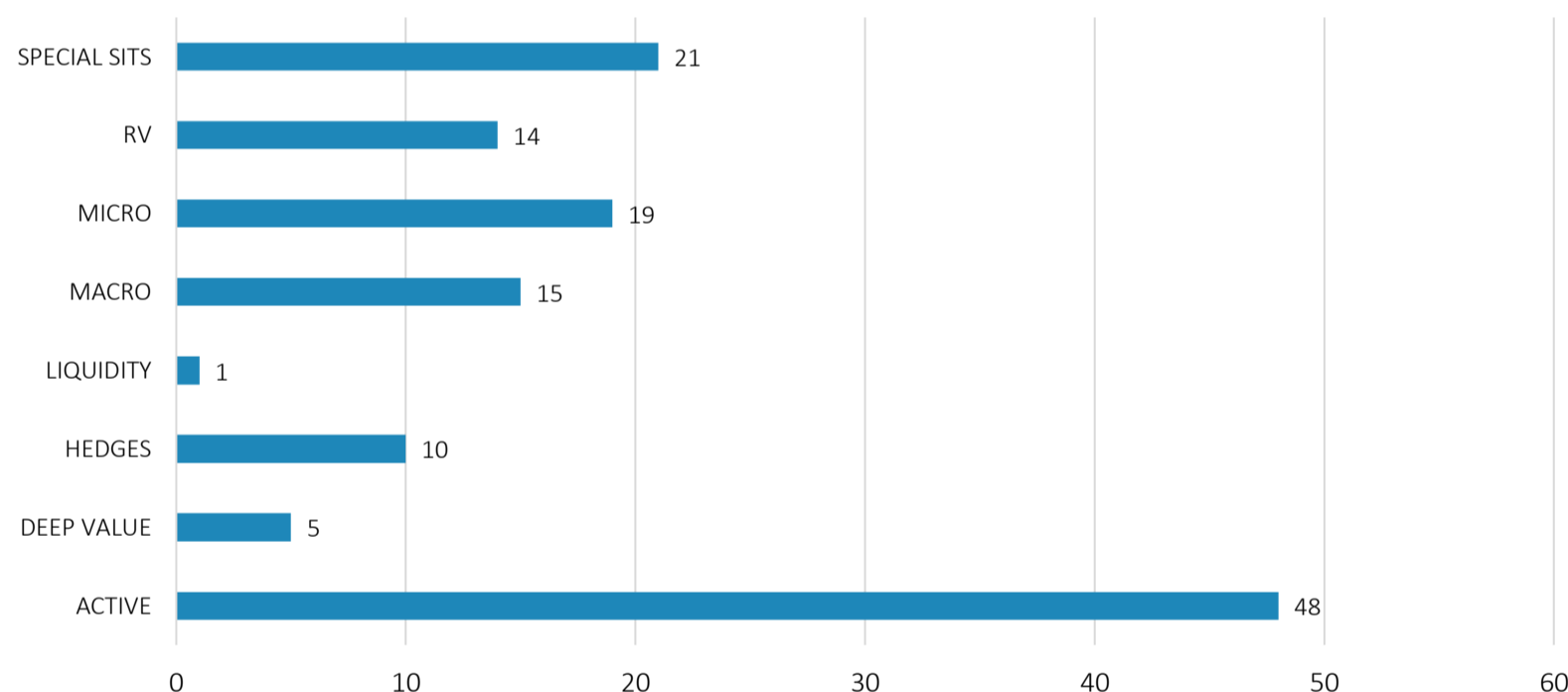
Gross	250.03%
Net	62.57%

% of Gross Exposure per Strategy

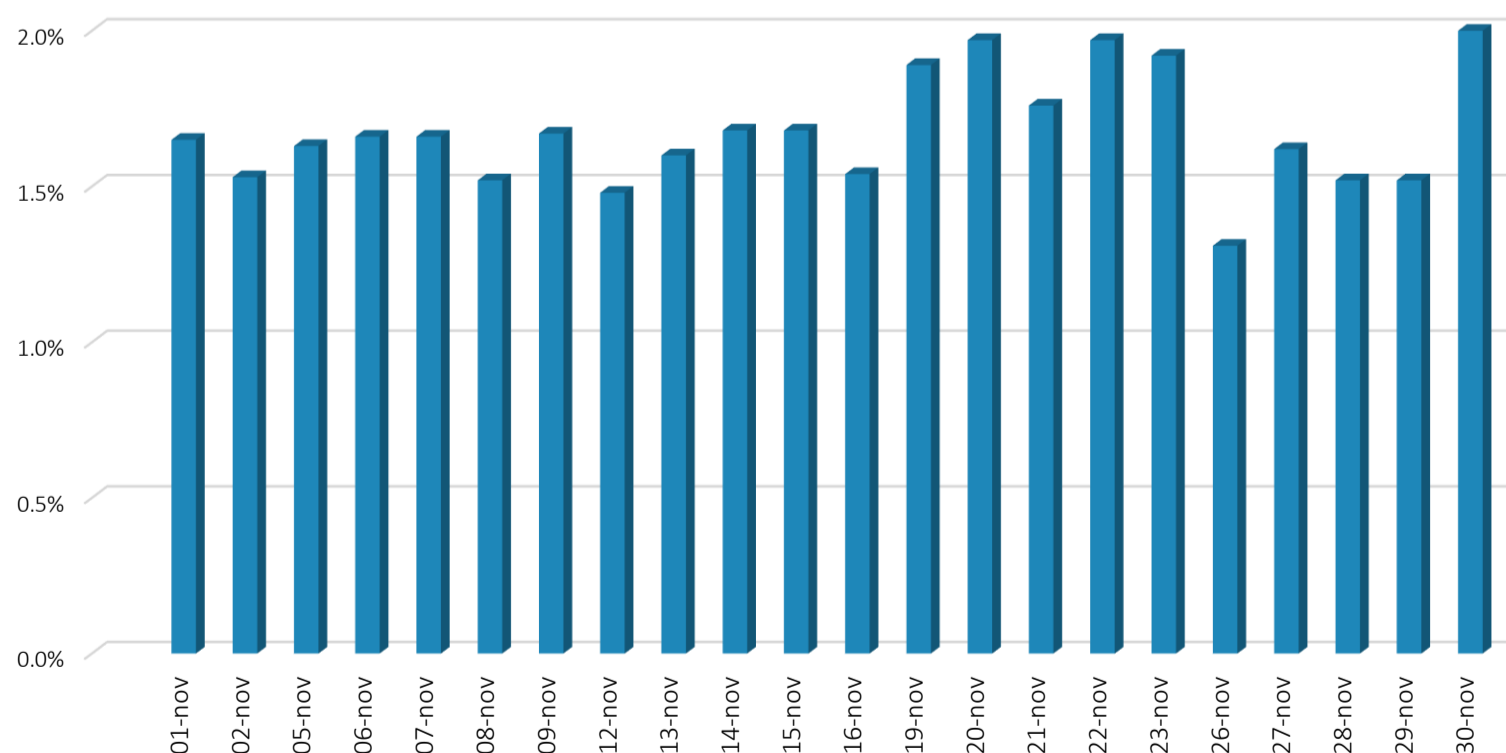
Active	26.76%
Relative value	13.55%
Macro	20.11%
Micro	8.51%
Special Situations	14.44%
Deep Value	3.65%
Hedges	4.54%
Liquidity	6.81%
Value	1.63%

Risk Concentration and Distribution Metrics

Number of positions per strategy



Var % Contrib Hist 3Y

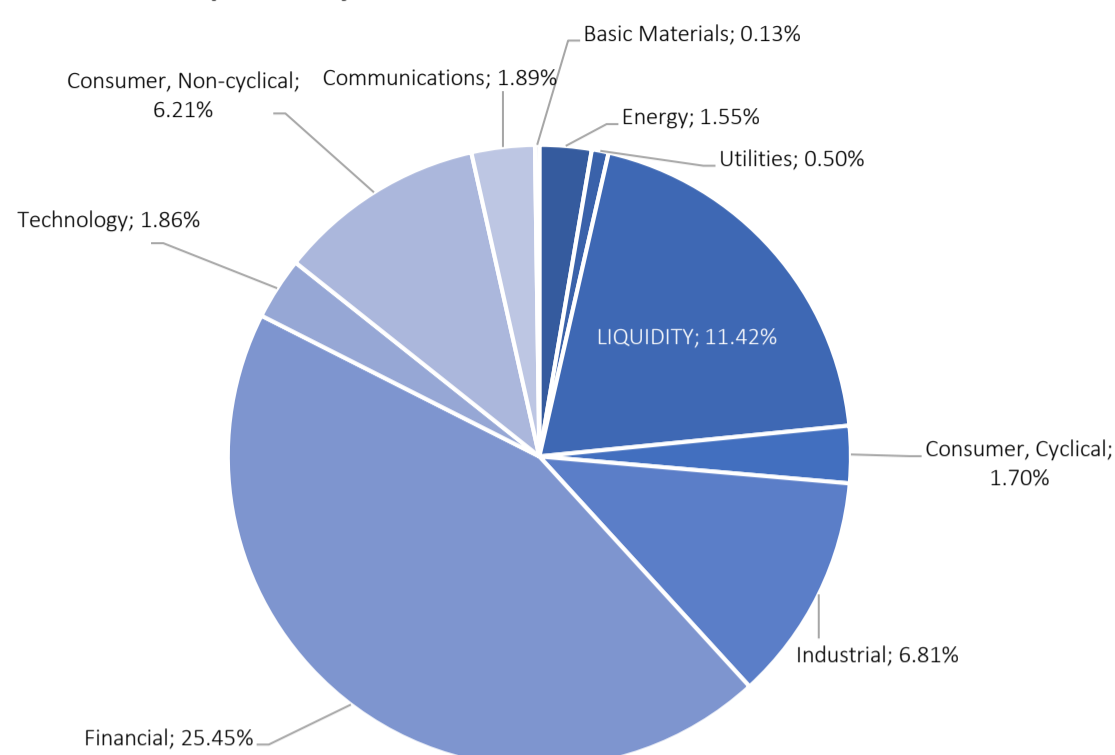


(*) Since inception

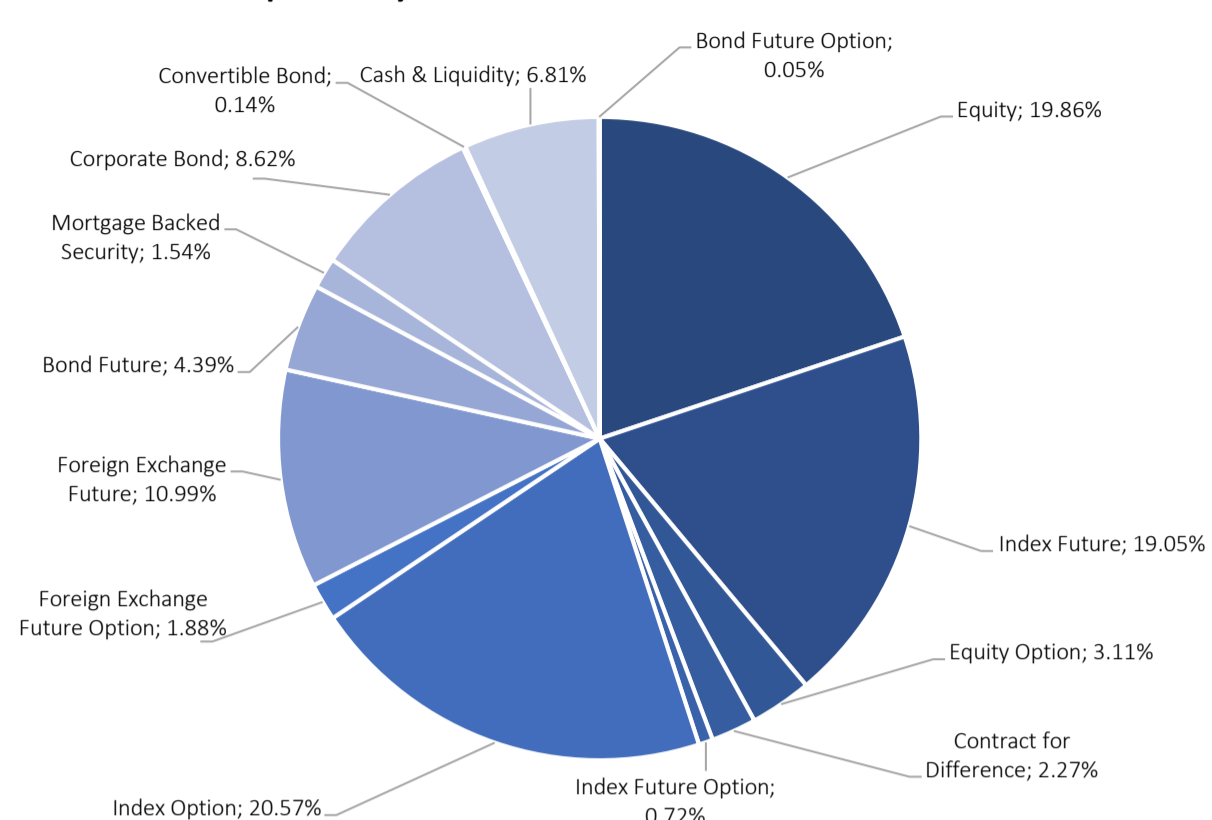
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Risk Concentration and Distribution Metrics (2)

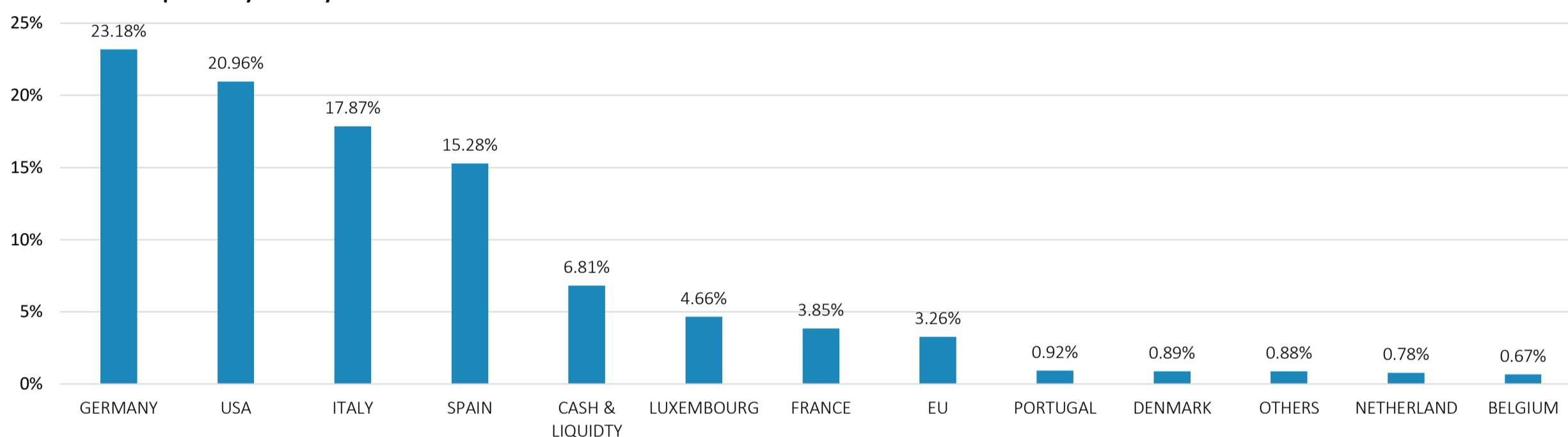
Gross Notional Exposure by Sector



Gross Notional Exposure by Asset Class



Net Notional Exposure by Country



November 2018 Update (cont...)

cont... The Macro bucket (-1%) was the main drag on performance as a result of bearish positioning on Italian BTPs and stocks, whilst Special Situations lost 0.23% as our positioning on legacy capital CMS and USD FRN product continues to suffer adverse mark-to-market. We are however very positive that the loss of regulatory value of these securities creates substantial optionality in terms of a potential liability management exercise or even issuer exercise of the embedded call options. Additionally the CMS/FRN nature of the instruments provide additional positive-carry optionality and broad portfolio insurance in terms of an (at the moment fairly unlikely) inflationary shock. Higher correlation across asset classes and less dispersion across single names, as the market switched on from risk-off to risk-on, adversely affected Relative Value strategies, which lost 0.41% on the month. In terms of risk the fund broadly reduced exposures amid increased political uncertainty, also raising its liquidity profile in order to take advantage of any seasonal bargains as many sell-side institutions face traditional year-end balance sheet pressures. At the end of November gross leverage stood at 2.50 times (vs 3.01 at the end of October), and net market exposure decreased to 63% (vs 78% on the previous month). Overall statistical risk usage, as measured by 1-day 99.5% confidence VaR, did however increase to 2.03% at the end of November (vs 1.35% at the end of October), whilst average daily VaR employed during the month also increased to 1.67% from 1.26%.

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