

SIL



NAV 26/10/2018: 27,837

## 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.

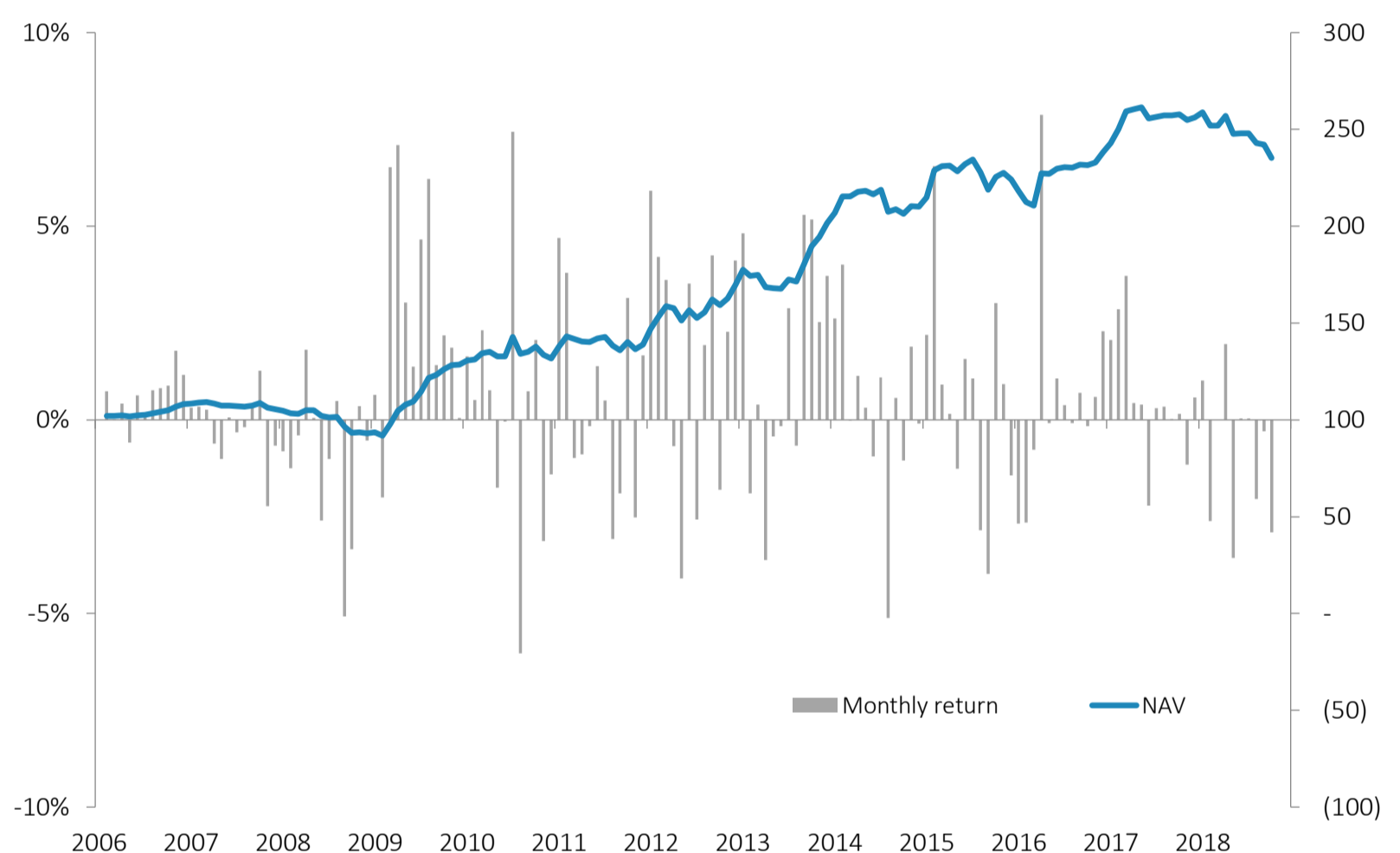
## October 2018 Update

Amid substantial political uncertainty, and with a belated correction in US tech stocks as a catalyst, October saw the weakest performance in European stocks since June 2016 and the worst October on record since 2008. Against this difficult backdrop Rho's active management of risk exposures and volatility translated into a relatively modest loss of only 2.9%, which was related to some short-term risk added into the Active, Micro and Special Sits buckets vs our overall bearish positioning within Macro strategies. As we type these comments many of the value positions acquired during the October dip have already manifested their optionality and have subsequently been exited thus recovering all the negative performance in October. The substantial outperformance vs European Indices (+3.5% vs Ibex, 3.8% vs Eurostoxx 50) and hedge fund peers (the average HF lost in excess of 3% in October) was predicated on Rho's bearish stance on the Italian economy, optionality themes around US dollar 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%			-8.2%

(\*) 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	3.94%	1.23%	6.92%	8.00%	7.37%	8.70%
Stoxx 600	2.31%	-1.85%	1.27%	11.35%	10.01%	14.22%
Iboxx Eur Corporate	2.34%	1.31%	3.51%	2.54%	2.39%	3.83%

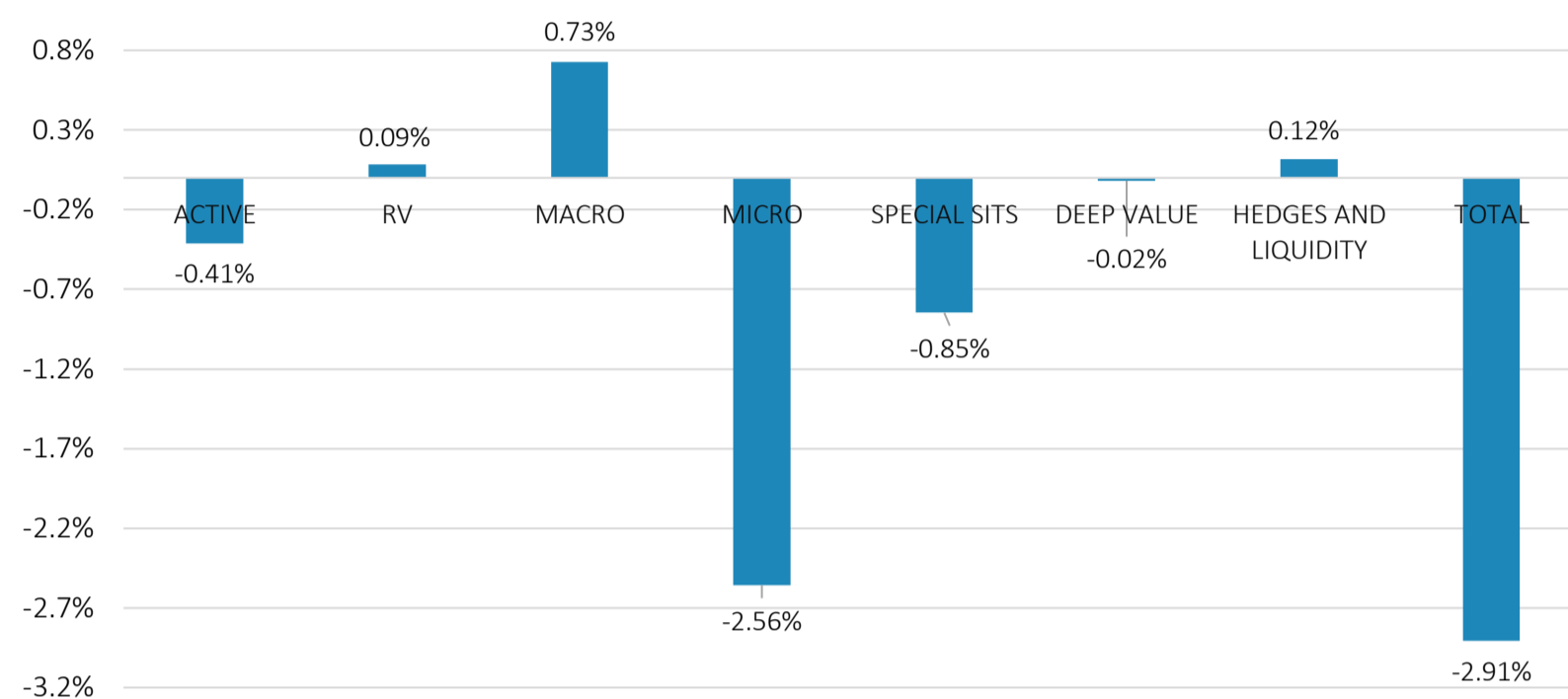
## Returns (% Net)

2018	-8.22%
CAGR*	6.92%
October 2018	-2.91%

## Risk / Return

Volatility*	8.70%
Sharpe Ratio*	0.80
Sortino Ratio	1.20
VaR 99,5% 1-day	1.35%

## Performance attribution across strategies (% Net)



## Top Five Positions

Spread L/S Banks - Eurostoxx 50	22.93%
Futures Eurostoxx 50	19.16%
Long S&P - Short Nasdaq	9.59%
BFCM CMS T1 FRN	6.92%
Index Future - Option FTSE MIB	-5.95%

## % Exposure

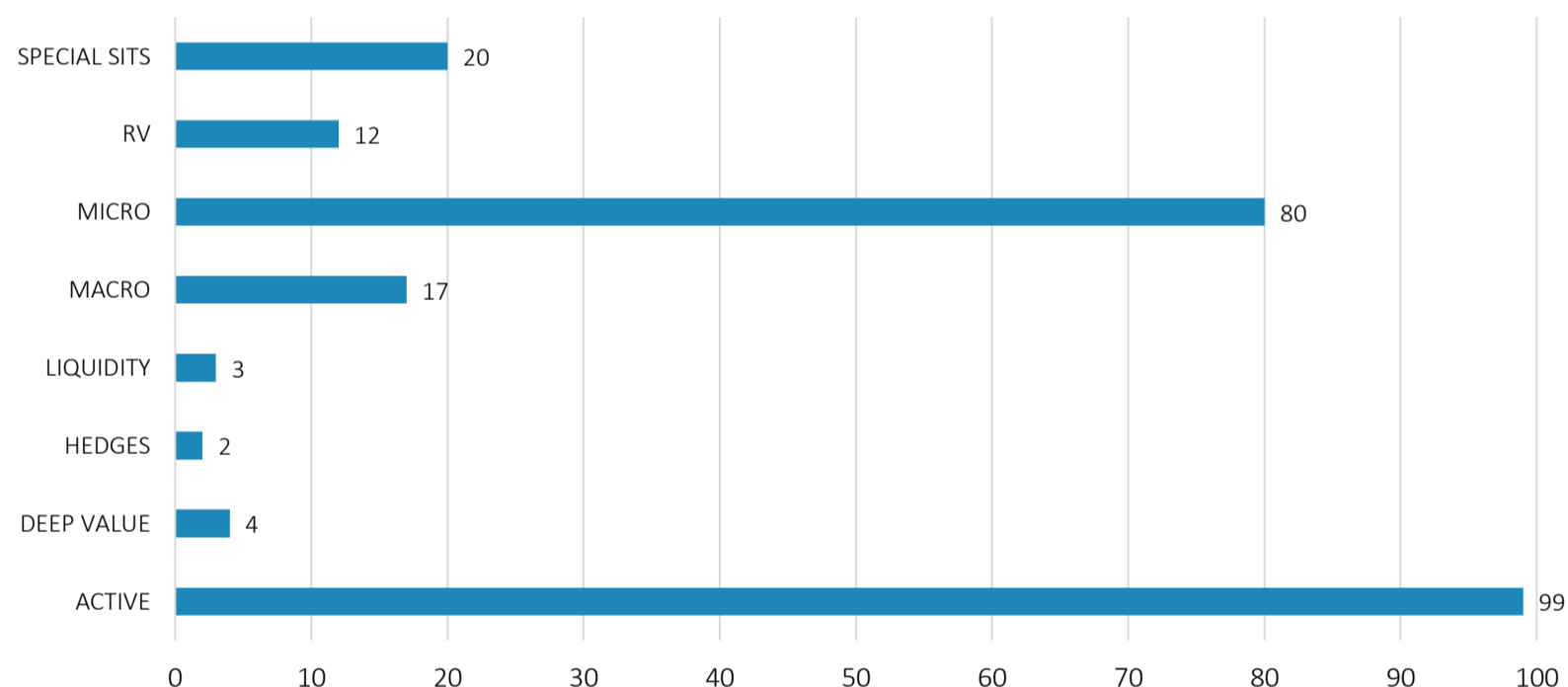
Gross	301.47%
Net	78.32%

## % of Gross Exposure per Strategy

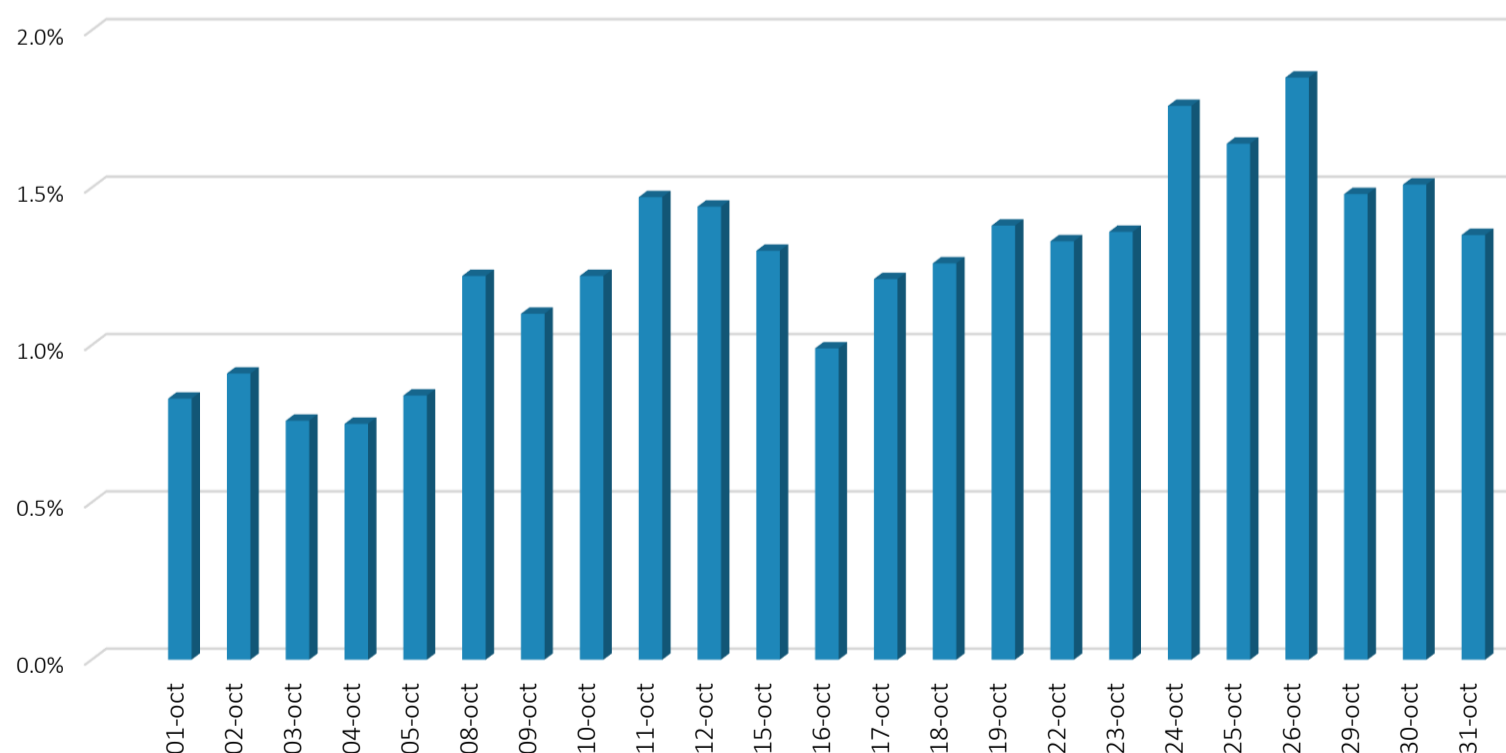
Active	32.24%
Relative value	11.66%
Macro	19.35%
Micro	14.18%
Special Situations	11.28%
Deep Value	1.57%
Hedges	3.95%
Liquidity	5.77%

## Risk Concentration and Distribution Metrics

### Number of positions per strategy



### Var % Contrib Hist 3Y

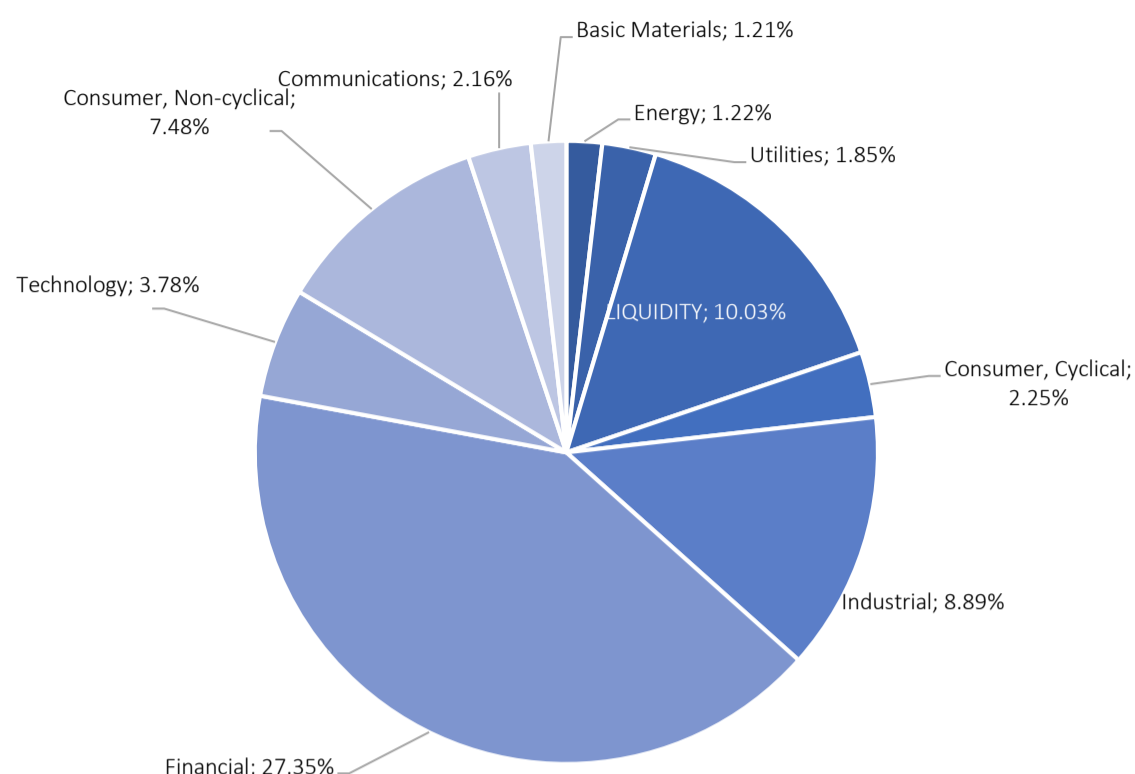


(\*) Since inception

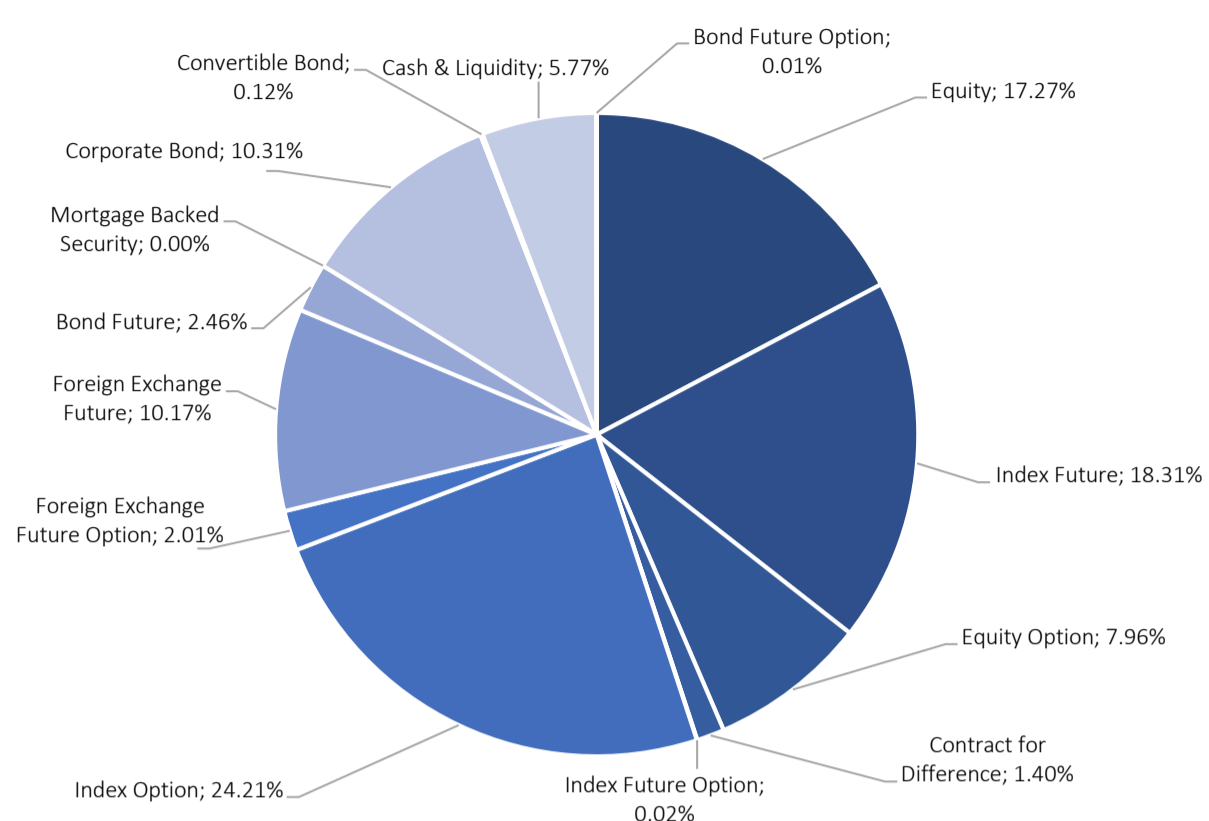
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## Risk Concentration and Distribution Metrics (2)

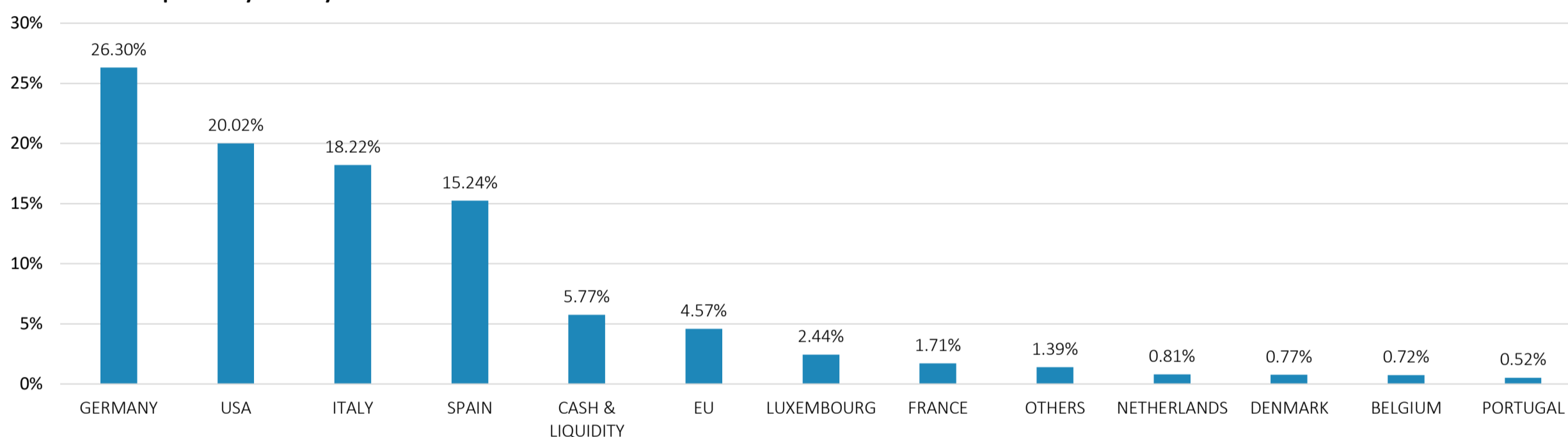
### Gross Notional Exposure by Sector



### Gross Notional Exposure by Asset Class



### Net Notional Exposure by Country



## October 2018 Update (cont...)

cont... strength and idiosyncratic relative value plays around Spanish banks expressed both through common stock and AT1 securities. Directional single name exposures predicated on value considerations and on event-driven catalysts were the main drivers of performance (Micro -2.56% and special Situations -0.85%) which was partially offset by bearish optionality exposures around Italian debt and stocks (Macro +0.73% and Relative Value +0.09%). Our substantial concerns about the dynamics inherent to late bull market cycles (even more so in an atypical one predicated on unorthodox monetary policies), and the potential tail-risk emanating from a fragile global political climate continue to inform our risk stance. At the end of October gross leverage stood at 3.01 times (vs 2.82 at the end of September), and net market exposure increased slightly to 78% (vs 71% on the previous month). The majority of this increase pertains to outright and relative value idiosyncratic positioning in Spanish banks related to our expectations regarding the AJD tax ruling by the Spanish supreme court, and which we have already exited profitably after the event. Overall statistical risk usage, as measured by 1-day 99.5% confidence VaR, remains at relatively modest levels and stood at 1.35% at the end of October (vs 1.27% at the end of September), whilst average daily VaR employed during the month stood at 1.26%.

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