

SIL



NAV 28/02/2019: 28,11193

INVESTMENT TEAM

Rodrigo Hernando, CEO

José Mosquera, CIO

Imanol Urquizu, PM

José Martín-Vivas, Sr. Analyst

Jorge Peñalba, Analyst

QUADRIGA RHO INVESTMENTS

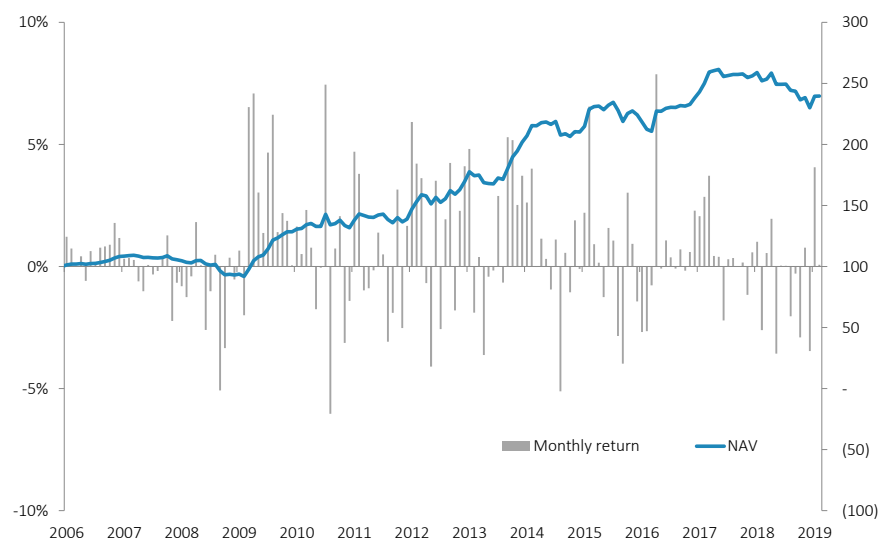
The fund's objective is to return net positive returns every year, regardless the behavior of traditional assets. To achieve it, the fund allocates to six different strategies: Active, Relative Value, Macro Selection, Micro Selection, Special Situations and Deep Value. The strategies are focused on finding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

February 2019 Update

The fund generated a positive +0.1% return in February. This return compares unfavourably vs broad market risk as measured by Eurostoxx 50 (+4.5%), Ibex 35 (+1.2%), S&P 500 (+4.8%) or iTraxx Crossover Index (+2.4%). This relative underperformance stems from the defensive approach adopted by the fund in the wake of the overly aggressive bounce in risk from the December lows. In light of the strong rally and concomitant soft macroeconomic data, risk premia built into risky assets appears way too thin despite a globally dovish monetary stance, particularly when significant issues like Brexit or the Sino-American trade war still need to be convincingly resolved. As we outlined in our previous newsletter the fund crystallised all profits arising from its short-term directional risk exposure entered in throughout December and relied primordially on relative value positioning and (to a lesser extent) on highly idiosyncratic special situations for revenue generation. Unfortunately the market context proved relatively hostile to our strategic positioning due to fairly high **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%	0.5%	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%											4.1%

(*) 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	1.86%	3.58%	6.75%	8.14%	7.85%	8.74%
Stoxx 600	1.34%	2.66%	1.47%	12.03%	10.12%	14.30%
Iboxx Eur Corporate	2.17%	2.29%	3.52%	2.53%	2.39%	3.80%

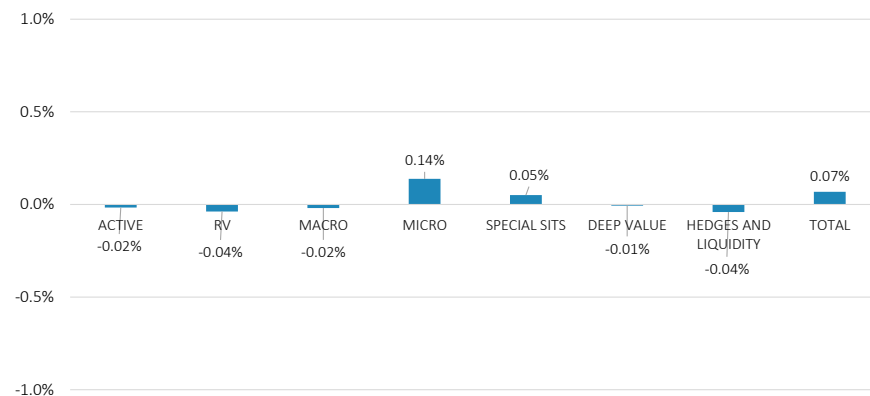
Returns (% Net)

2019	4.14%
CAGR*	6.75%
February 2019	0.07%

Risk / Return

Volatility*	8.74%
Sharpe Ratio*	0.77
Sortino Ratio	1.07
VaR 99,5% 1-day	0.97%

Performance attribution across strategies (% Net)*



Top Five Positions

German Govt. Bond Future	-59.81%
Futures Eurostoxx 50	10.78%
BFCM CMS T1 FRN	5.50%
BCPPL Corp. Bond	4.64%
Long S&P - Short Nasdaq	3.72%

% Exposure

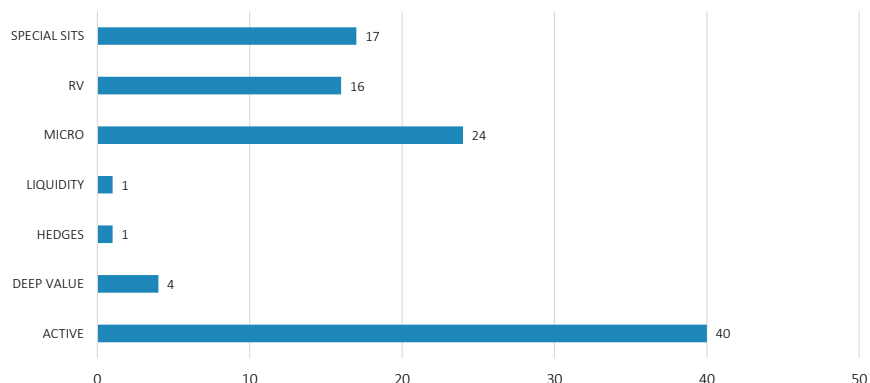
Gross	224.28%
Net	26.34%

% of Gross Exposure per Strategy

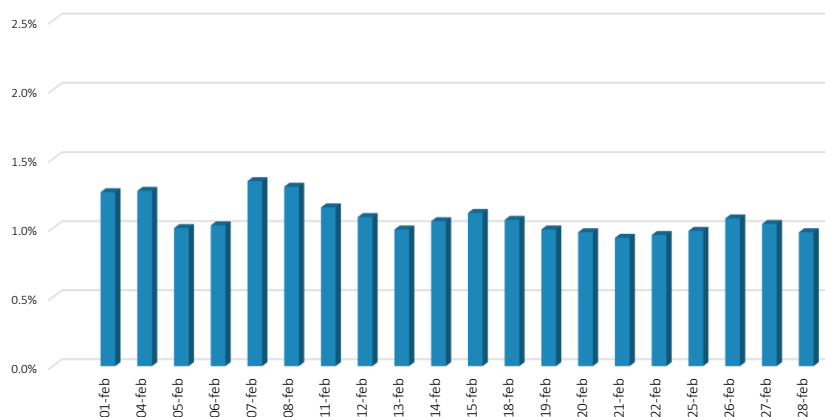
Active	38.70%
Relative value	16.55%
Macro	0.00%
Micro	12.65%
Special Situations	14.93%
Deep Value	3.51%
Hedges	7.57%
Liquidity	6.09%

Risk Concentration and Distribution Metrics

Number of positions per strategy



Var % Contrib Hist 3Y

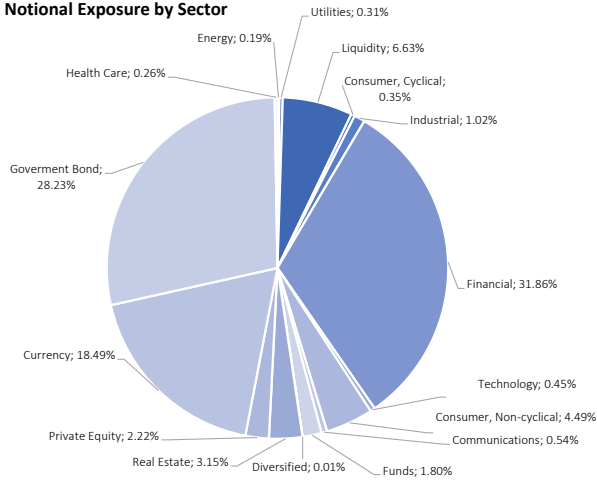


(*) Since inception

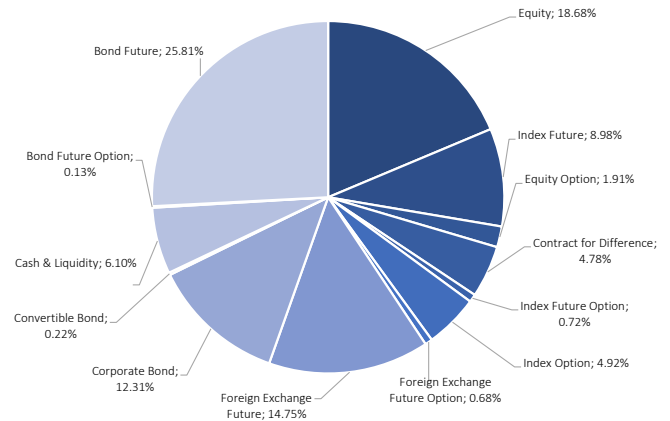
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Risk Concentration and Distribution Metrics (2)

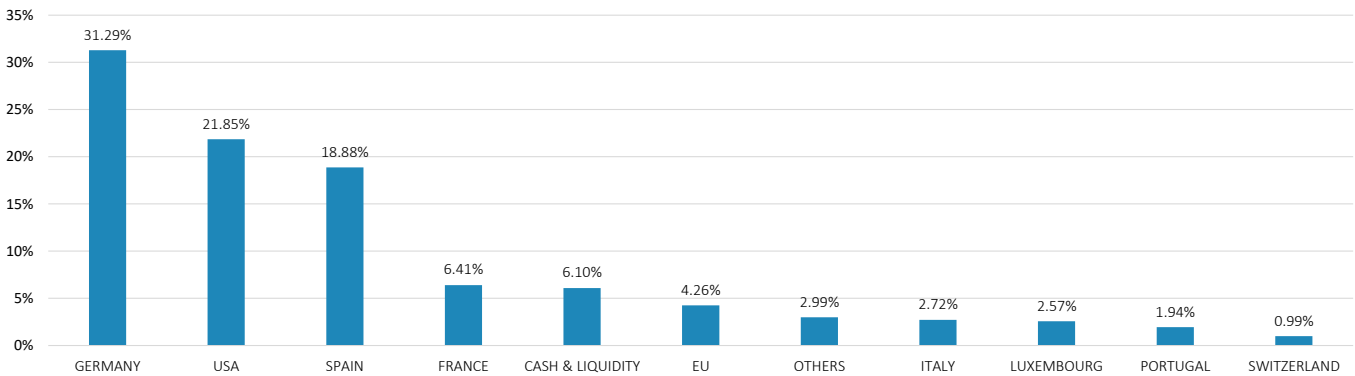
Gross Notional Exposure by Sector



Gross Notional Exposure by Asset Class



Net Notional Exposure by Country



February 2019 Update (cont...)

Cont... correlation across risky assets and adverse developments in some event-driven exposures predicated on M&A arbitrage. In terms of risk, at the end of February gross leverage stood at 2.2 times (vs 2.5 at the end of January). Net market exposure also decreased marginally to 26% (vs 32% on the previous month). Overall statistical risk usage, as measured by 1-day 99.5% confidence VaR, saw a more significant reduction, decreasing to 0.97% by the end of February (vs 1.25% at the end of January). Average daily VaR utilisation also came down very significantly to 1.08% (vs 1.64% throughout the month of January).

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