

### RETURNS

2017	+7,93%
CAGR *	8,36%
September 2017	+0,02%

### RISK/ RETURN

Volatility*	8,82%
Sharpe Ratio*	0,95
Sortino Ratio	1,29
VaR 99% daily	1,91%

### TOP FIVE POSITIONS

Germany 10Y, 5Y bonds	-37,18%
Aernova	7,16%
Bund-10Y Spain Widener	6,58%
ACAFP 0 PERP	6,06%
BFCM 0 PERP	6,00%

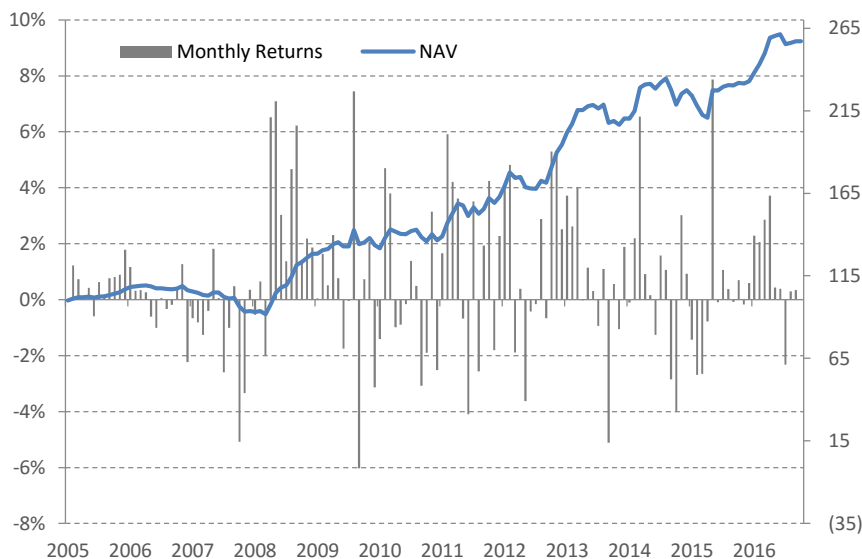
### % EXPOSURE

Gross	210,94%
Net	41,17%

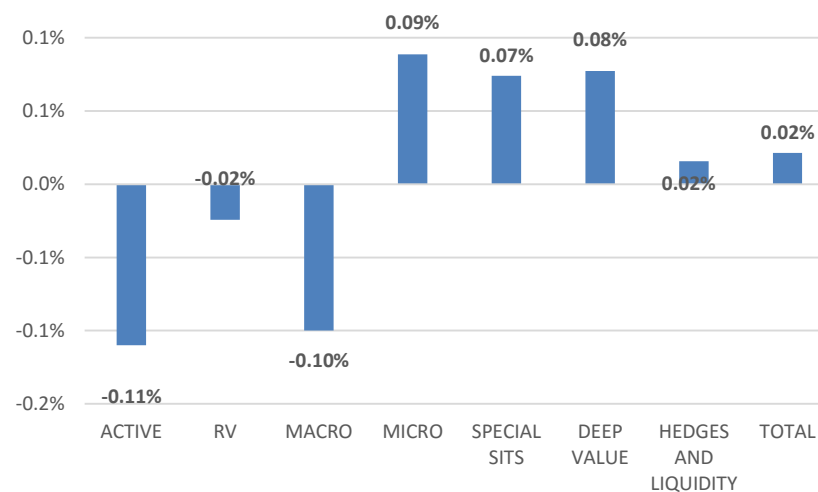
### % of GROSS EXPOSURE per STRATEGY

Active	26,73%
Relative value	13,22%
Macro	17,87%
Micro	3,69%
Special Situations	11,40%
Deep Value	6,84%
Hedges	2,11%
Liquidity	18,15%

### CUMULATIVE RETURN



### PERFORMANCE ATTRIBUTION ACROSS STRATEGIES



### Fund's objective

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.

### FUND FACTS

Managers	Rodrigo Hernando José Mosquera Christoph Fischer-Antze Imanol Urquizu José Martín-Vivas Apostolos Saflekos
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Fund's Structure	SIL
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Domicile	Spain
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Launch Date	December 2005
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Strategy AUM	80m €
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Currency	EUR
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Liquidity	Weekly
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Management Fee	1,00%
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Performance Fee	20,00%
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Minimum Investment	€50,000
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ISIN	N/A
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Bloomberg Code	S1412 SM
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### CONTACT DETAILS

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## MONTHLY RETURNS

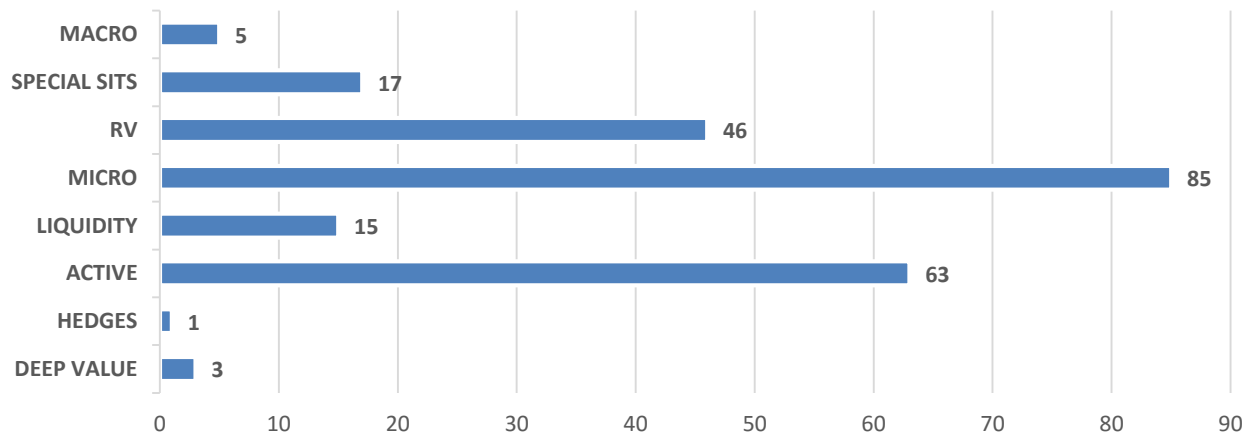
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Volatility	Sharpe
2006	1,22%	0,73%	0,00%	0,42%	-0,59%	0,63%	0,07%	0,77%	0,82%	0,89%	1,78%	1,17%	<b>8,17%</b>	<b>2,17%</b>	<b>2,03</b>
2007	0,31%	0,35%	0,27%	-0,61%	-1,01%	0,06%	-0,33%	-0,18%	0,38%	1,27%	-2,23%	-0,66%	<b>-2,41%</b>	<b>3,05%</b>	-
2008	-0,81%	-1,25%	-0,41%	1,82%	0,05%	-2,60%	-1,01%	0,48%	-5,08%	-3,34%	0,36%	-0,53%	<b>-11,82%</b>	<b>6,47%</b>	-
2009	0,65%	-2,00%	6,52%	7,09%	3,03%	1,38%	4,66%	6,22%	1,41%	2,18%	1,87%	0,05%	<b>37,98%</b>	<b>9,79%</b>	<b>3,88</b>
2010	1,63%	0,51%	2,32%	0,77%	-1,75%	-0,05%	7,45%	-6,03%	0,73%	2,06%	-3,13%	-1,41%	<b>2,52%</b>	<b>11,42%</b>	<b>0,22</b>
2011	4,70%	3,80%	-0,98%	-0,89%	-0,16%	1,38%	0,50%	-3,08%	-1,90%	3,15%	-2,52%	1,66%	<b>5,44%</b>	<b>8,73%</b>	<b>0,62</b>
2012	5,92%	4,21%	3,62%	-0,68%	-4,10%	3,51%	-2,57%	1,93%	4,24%	-1,80%	2,28%	4,11%	<b>22,07%</b>	<b>11,13%</b>	<b>1,98</b>
2013	4,81%	-1,89%	0,39%	-3,62%	-0,42%	-0,16%	2,89%	-0,66%	5,30%	5,17%	2,52%	3,72%	<b>19,05%</b>	<b>10,28%</b>	<b>1,85</b>
2014	2,62%	4,00%	-0,02%	1,14%	0,31%	-0,94%	1,10%	-5,12%	0,56%	-1,06%	1,89%	-0,10%	<b>4,19%</b>	<b>7,81%</b>	<b>0,54</b>
2015	2,20%	6,55%	0,91%	0,16%	-1,26%	1,58%	1,06%	-2,85%	-3,98%	3,02%	0,93%	-1,43%	<b>6,66%</b>	<b>9,67%</b>	<b>0,69</b>
2016	-2,68%	-2,63%	-0,79%	7,87%	-0,09%	1,07%	0,37%	-0,09%	0,70%	-0,18%	0,59%	2,28%	<b>6,22%</b>	<b>9,37%</b>	<b>0,66</b>
2017	2,06%	2,85%	3,71%	0,43%	0,38%	-2,32%	0,30%	0,34%	0,02%				<b>7,93%</b>		

## COMPARATIVE RISK/RETURN

	RETURNS (CAGR)			VOLATILITY		
	5 years	3 year	Since Inception	5 years	3 year	Since Inception
RHO Investments	9,66%	7,19%	8,36%	8,72%	8,23%	8,82%
Stoxx 600	7,65%	4,20%	1,93%	11,32%	13,11%	14,59%
Iboxx EUR Corporate	3,82%	2,37%	3,97%	2,79%	2,83%	3,95%

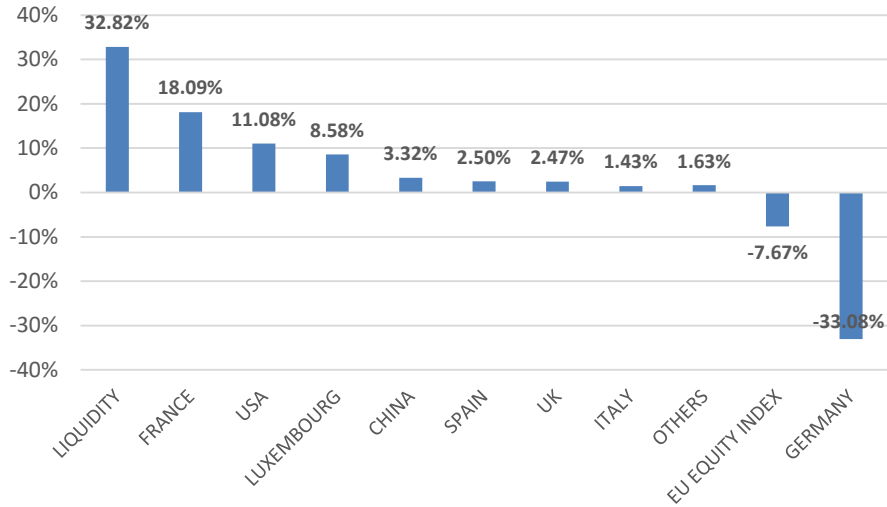
## RISK CONCENTRATION AND DISTRIBUTION METRICS

### Number of Positions per Strategy

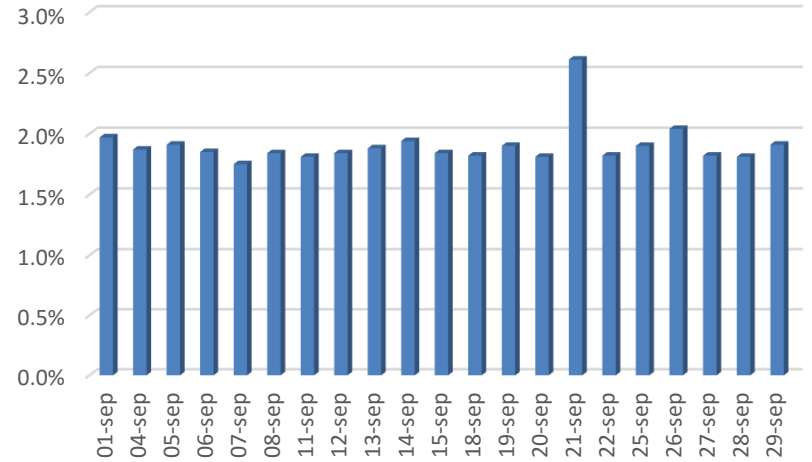


## RISK CONCENTRATION AND DISTRIBUTION METRICS (2)

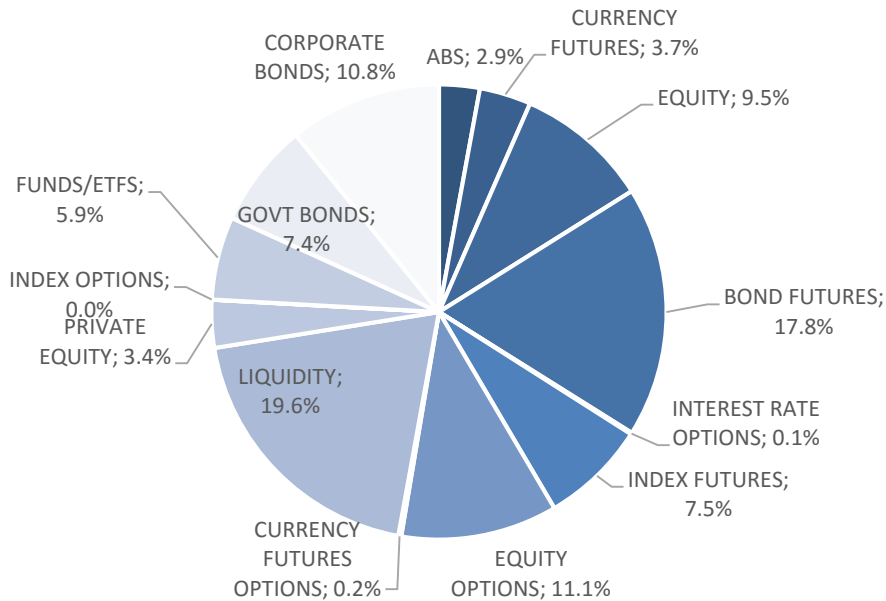
### Net Notional Exposure By Country



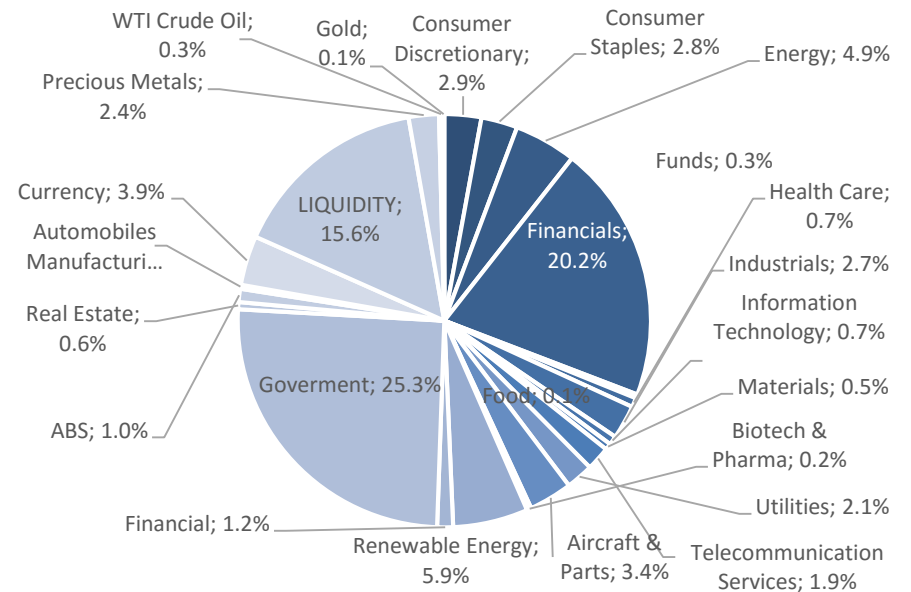
### Daily VaR



### Gross Notional Exposure By Asset Class



### Gross Notional Exposure by Sector



Dear investors, we are currently transitioning to a new model of quarterly reports that will offer a more in-depth insight into our pipeline of new ideas, as well as a closer look into our decision-making and investment process. We are aiming for a more dynamic, interactive and thought-provoking and interactive format including videos and conference calls. As we put the finishing touches to the new format we will aim to keep any interim newsletters more factual and remove the usual extensive commentary. The team remains however, as always, available to any investors who might want a more detailed commentary on the monthly data.

- A flat month in terms of performance but which continues the theme of robust risk/reward metrics at both portfolio and strategy level.
- We are currently very focused on the denominator part of the Sharpe ratio. This does not translate into risk aversion, quite the contrary, we are after all in the business of risk. However, some particular periods in the recent history of investment have required enhanced levels of diligence and alertness in terms of portfolio risk and liquidity management. We believe we are in one of those periods. Given our perception of generalised overvaluation of financial assets and artificially low levels of volatility, we still remain wary of too much directional positioning and are prioritising allocation into the Active (very short-term trading oriented), Relative Value and Special Situations (where in particular distressed investing offers the best risk-reward profile within the credit universe).
- Main optionality themes we have in our portfolio are related to ECB's belated tapering decision, Brexit, legacy bank capital to be phased out under Basel 3, Catalonia's bid for independence, and a recovery play in the Greek and Italian banking sectors.