

SIL



NAV 27/08/2021: 33,70

INVESTMENT TEAM

Rodrigo Hernando, CEO

José Mosquera, CIO

Imanol Urquizu, PM

José Martín-Vivas, Sr. Analyst

Jorge Peñalba, Sr. Analyst

QUADRIGA RHO INVESTMENTS

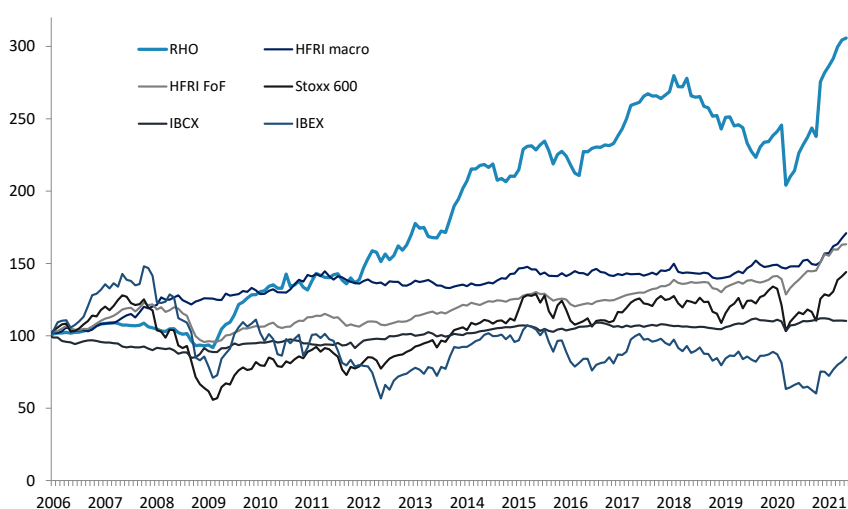
The fund's objective is to return net positive returns every year, regardless the behavior of traditional assets. To achieve it, the fund allocates to six different strategies: Active, Relative Value, Macro Selection, Micro Selection, Special Situations and Deep Value. The strategies are focused on finding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

August 2021 Update

Hope all of you have enjoyed a good summer break. After the well-deserved holidays our team is fully invigorated and very excited about the prospects for further performance upside that the end of the year will bring for our investors, with several long-awaited optionality catalysts expected to come to fruition in the next few months. Despite the bright outlook for significant alpha generation, the summer hiatus brought however a relatively disappointing period in terms of relative performance. Rho Investments' net return over July and August amounted to -0.5% (-1.5% for July and +1.0% in August) which compares relatively poorly vs the broader market, although in risk-adjusted terms Rho Investments profile remains extremely compelling, exhibiting a diminishing fraction of European equity risk (just 52% and 64% of the 1-year rolling weekly vol of the Ibcx 35 and Eurostoxx 50 respectively), whilst still providing equity-like returns four our investors across short, medium, and long-term investment horizons. The drivers of this relative underperformance are deeply anchored in our strategic pre-summer thesis. (cont...)

Fund Facts

Structure	SIL
Domicile	Spain
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	Novo Banco

Historical Evolution vs Indexes (% 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%	0.0%	-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%	0.2%	-1.2%	1.2%	-5.6%
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%	-2.3%	0.3%	-0.8%	-4.4%	-2.4%	-1.8%	3.1%	1.4%	0.2%	1.8%	-1.3%
2020	1.0%	1.7%	-16.7%	2.8%	1.9%	5.6%	2.2%	2.2%	2.5%	-2.5%	15.7%	2.2%	16.8%
2021	1.6%	1.7%	2.6%	1.5%	0.4%	0.7%	-1.5%	1.0%					8.2%

(*) Since inception - Rho SIL until June 2017, since June 2017, Rho SIF Multi-strategy

DISCLAIMER. Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. The investment return and principal value of an investments in the product will fluctuate so that an Investor's shares, when redeemed, may be worth more or less than the original cost. Current performance and expense ratios may be lower or higher than the data quoted. For performance data current to the most recent month-end, visit www.quadrigafunds.com.

Comparative Risk / Return

	RETURNS (CAGR)			VOLATILITY		
	5 years	3 years	Since inception	5 years	3 years	Since inception
Rho Investments	4.27%	5.20%	7.00%	12.59%	15.61%	10.33%
Stoxx 600	6.51%	7.20%	2.47%	14.06%	16.93%	14.76%
Ibex	0.30%	-2.00%	-1.26%	19.81%	23.12%	20.23%

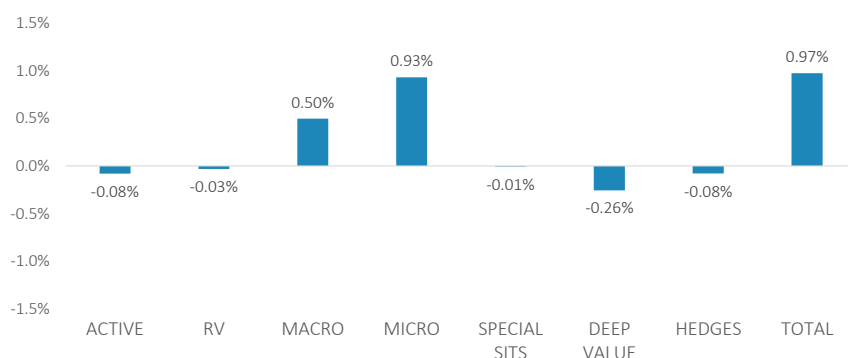
Returns (% Net)

2021	8.20%
CAGR*	7.00%
Aug 2021	0.97%

Risk / Return

Volatility*	10.33%
Sharpe Ratio*	0.68
Sortino Ratio	0.90
Parametric VaR 1-d	1.57%

Performance attribution across strategies (% Net)*



Top Five Positions

SX7E 105/115 Dec21 call spread	27.00%
Queka PE	10.60%
MONTE 1 1/2 01/09/26 Senior Preferred	7.80%
GSG US	5.70%
UNI SM	5.60%

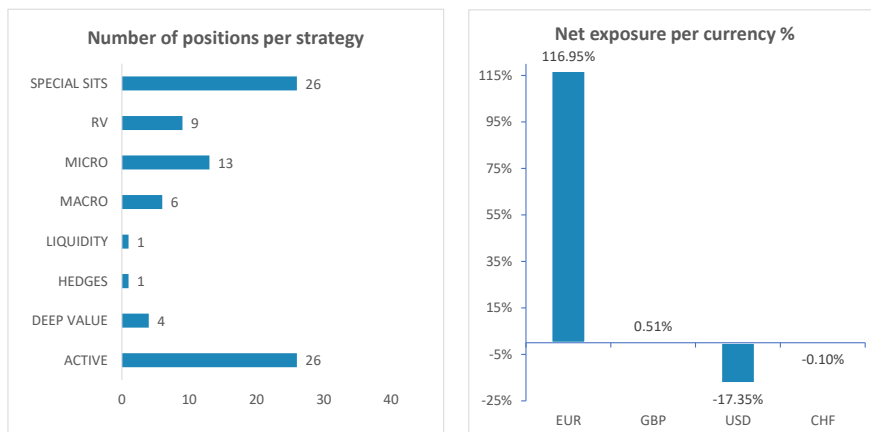
% Exposure

Gross	152.92%
Net	63.52%

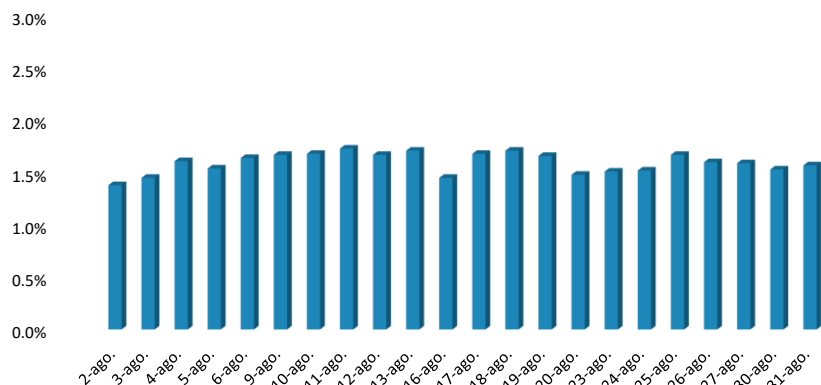
% of Gross Exposure per Strategy

Active	20.94%
Relative value	7.02%
Macro	21.80%
Micro	9.13%
Special Situations	4.89%
Deep Value	5.31%
Hedges	7.61%
Liquidity	23.29%

Risk Concentration and Distribution Metrics



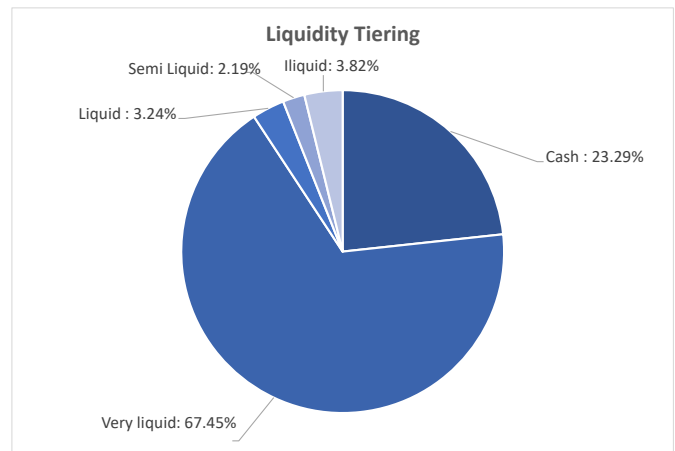
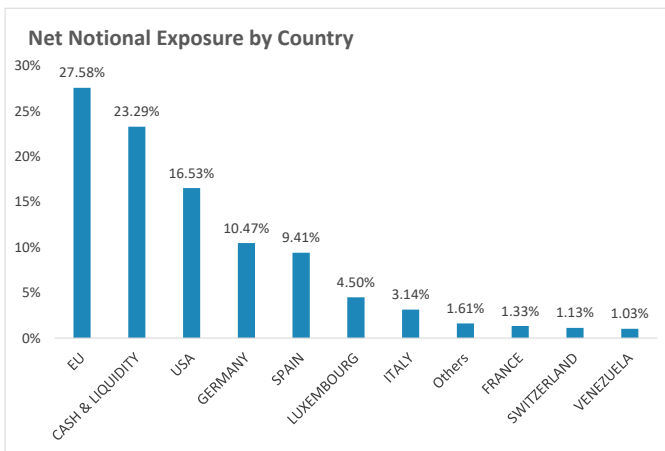
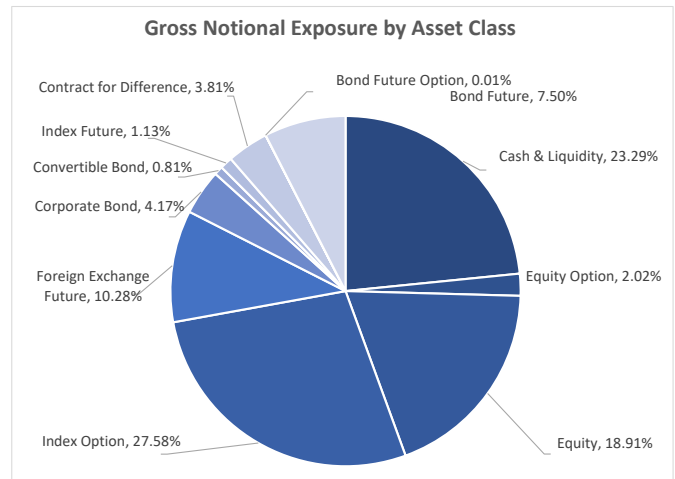
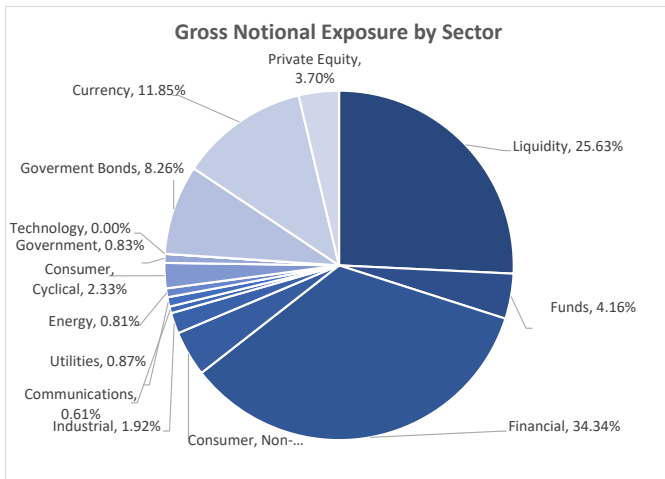
Parametric VaR



(*) Since inception

DISCLAIMER. Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. The investment return and principal value of an investments in the product will fluctuate so that an Investor's shares, when redeemed, may be worth more or less than the original cost. Current performance and expense ratios may be lower or higher than the data quoted. For performance data current to the most recent month-end, visit www.quadrifund.com.

Risk Concentration and Distribution Metrics (2)



August 2021 Update (cont...)

As we elaborated in our May newsletter, the fund changed its strategic stance to adopt a relatively cautious view going into the summer months, given our substantial concerns around overstretched asset valuations and very thin seasonal liquidity. Furthermore, any bullish directional trades remaining in the portfolio were generally predicated around inflation optionality, which we continue to see as a relatively underpriced, yet highly crowded and volatile view on market macro risk. Our Macro bucket (+3bps across July and August) lagged broader market performance due to time decay across option exposures, negative mark-to-market in the 4000-3800 long put spread on the Eurostoxx 50 as the market bounced sharply in August, as well as the net positive delta to interest rates across the strategy. Whilst the fund relied heavily on highly idiosyncratic (Special Situations and Deep Value) risk, relative value, and very short-term term trading (Active bucket) exposures to deliver performance, all these failed to provide meaningful returns. Special Situations saw adverse mark-to-market in our post-recap investment in Spanish retailer Dia as the main driver of a -0.4% return over the last two months. Deep Value (-0.5% over the period) suffered from a -18% negative performance in our US telehealth investment (Amwell), whilst Relative Value (-0.2%) was adversely impacted by the performance of a few long-short pairs across European bank stocks (and the long Commerzbank vs short Deutsche Bank theme in particular). Micro directional strategies (+0.8% across July and August) provided a natural positive contribution against the backdrop of rising risky asset prices. The main contributors to performance were Liberbank and Greenvolt shares, as well as the remaining exposures to credit (such as Monte dei Paschi 2026 senior preferred bonds) in the bucket, all of which we proceeded to actively unwind given the unattractive risk-reward of credit spreads at current levels. Finally, from a risk metrics point of view, net leverage clearly illustrates the substantial risk reduction undertaken by the fund, with exposure coming down from 86% at the end of June to 63% at the end of August. Likewise, gross market exposure decreased significantly from 2.3 times at the end of June to 1.5 times at the end of August as the fund simplified the portfolio and raised substantial liquidity. From a statistical point of view, expressed as 1-day 99.5% confidence parametric VaR, we also see risk drop from 1.8% at the end of June to 1.6% at the end of August. Likewise looking at average daily VaR employed during the July-August period (1.6% utilization on average vs 2.1% throughout June) further emphasizes the portfolio de-risking effort.

DISCLAIMER. Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. The investment return and principal value of an investments in the product will fluctuate so that an Investor's shares, when redeemed, may be worth more or less than the original cost. Current performance and expense ratios may be lower or higher than the data quoted. For performance data current to the most recent month-end, visit www.quadrigafunds.com.