

SIL



NAV 02/07/2021: 33,880

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.

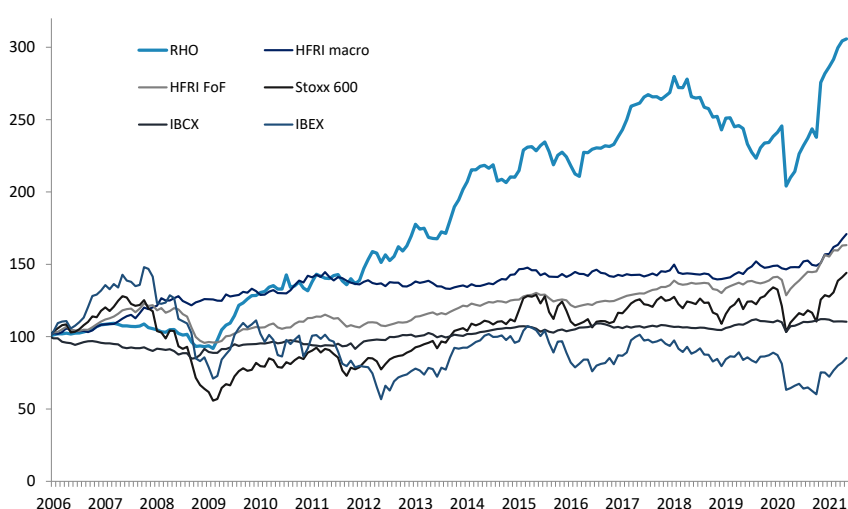
June 2021 Update

June further extended the fund's robust trend as the fund recorded an 8th consecutive month of positive returns. Rho investments generated a +0.7% net gain in June despite a very weak month for its underlying focus market: Iberia (where the Ibex 35 registered a loss of -2.9%). The fund's performance looks however less compelling when compared versus broader European indices (Eurostoxx 50 +0.4%), high-beta European credit (iTraxx 5-year Crossover CDS index returned +1.2%) or US stocks (S&P 500 and Nasdaq 100 returned +3.7% and +7.7% respectively in USD terms), although once again in risk-adjusted terms Rho Investment continues to beat the market and most peers (the fund's 1-year Sharpe ratio standing at 3.2 and absolute performance vs the HFRI Fund-Weighted Composite Index ranking in the 98th percentile). From a performance attribution point of view returns saw Micro strategies as the largest contributor, where despite the heavy bias towards Spanish stocks the fund managed to strongly beat the market generating +1.7% driven by **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%							8,8%

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

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Comparative Risk / Return

	RETURNS (CAGR)			VOLATILITY		
	5 years	3 years	Since inception	5 years	3 years	Since inception
Rho Investments	4,19%	4,26%	6,92%	12,60%	15,69%	10,39%
Stoxx 600	6,54%	6,02%	2,47%	14,10%	17,05%	14,82%
Ibex	1,56%	-2,86%	-1,26%	19,91%	23,29%	20,33%

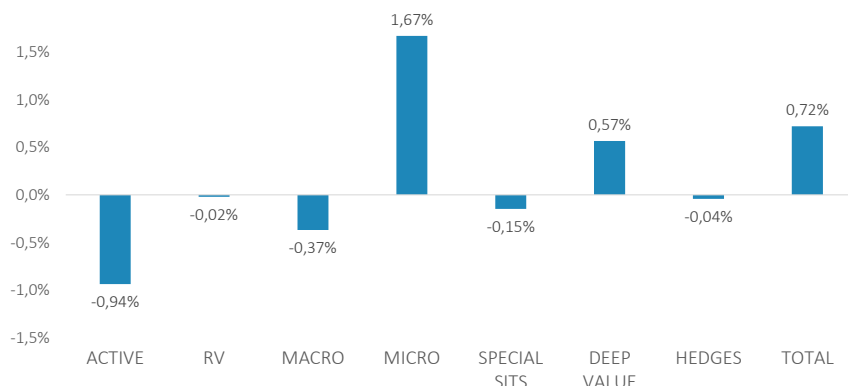
Returns (% Net)

2021	8,82%
CAGR*	6,92%
June 2021	0,72%

Risk / Return

Volatility*	10,39%
Sharpe Ratio*	0,67
Sortino Ratio	0,90
Parametric VaR 1-d	1,82%

Performance attribution across strategies (% Net)*



Top Five Positions

Euro Stoxx 50 Dec 4000 Put	-18,70%
Euro Stoxx 50 Dec 3800 Put	12,52%
SX7E Index December 2021 105 Calls	9,84%
SX7E Index December 2021 115 Cal	-4,32%
Queka R.Partner PE LUX	2,80%

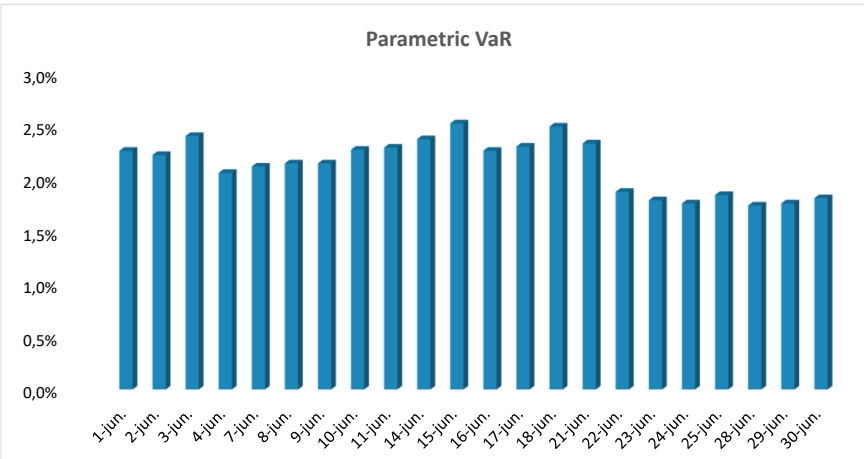
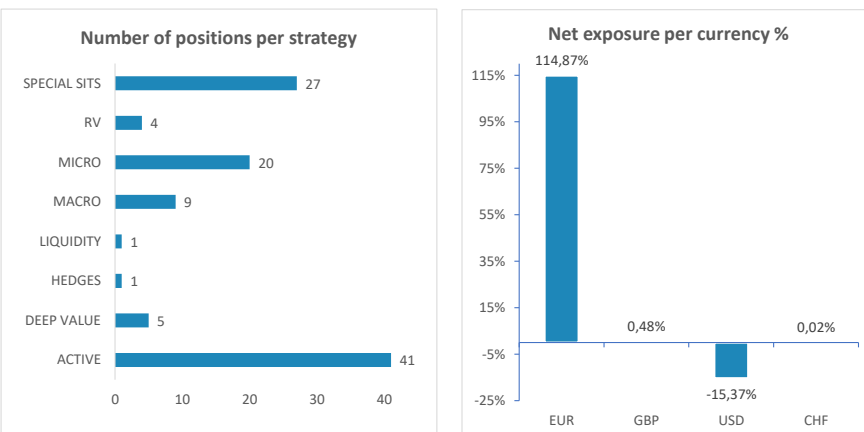
% Exposure

Gross	234,19%
Net	85,79%

% of Gross Exposure per Strategy

Active	14,47%
Relative value	1,70%
Macro	44,09%
Micro	11,58%
Special Situations	5,49%
Deep Value	4,13%
Hedges	5,52%
Liquidity	13,02%

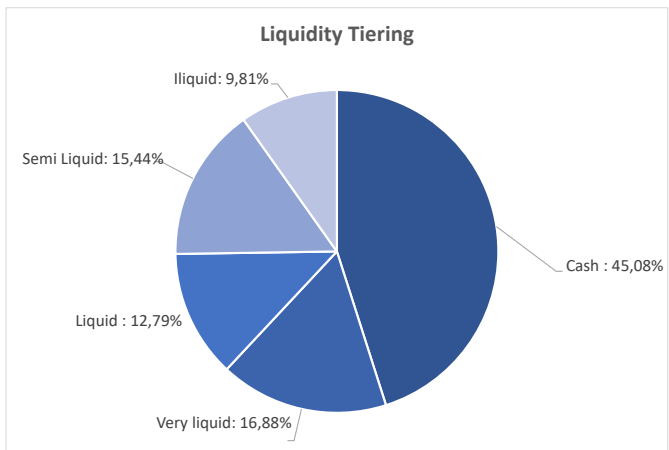
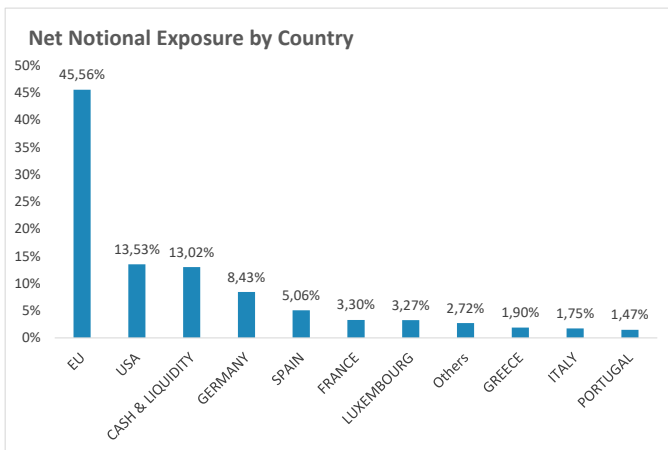
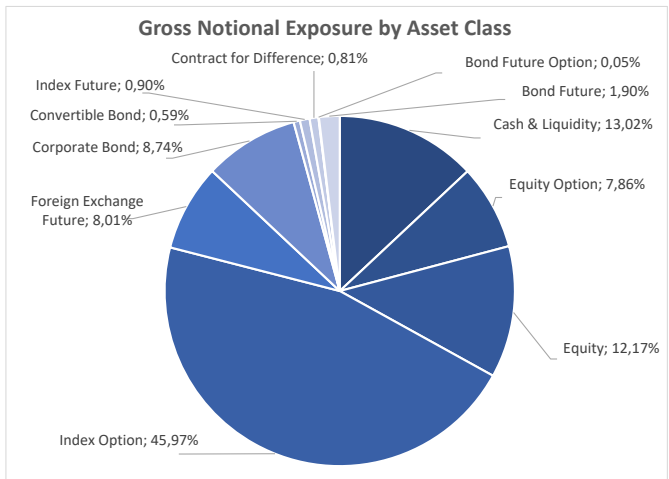
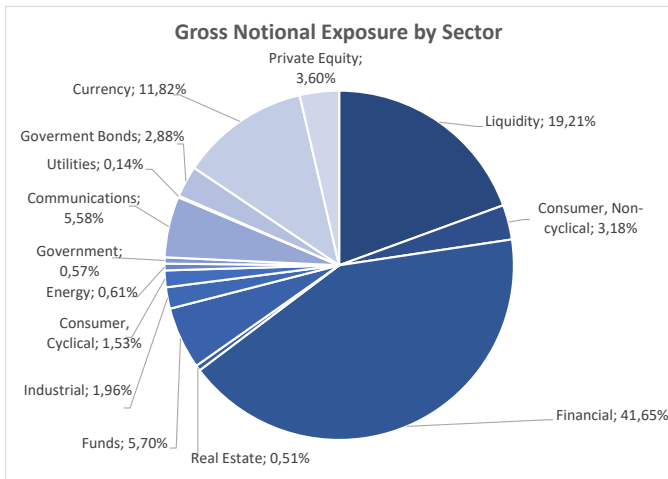
Risk Concentration and Distribution Metrics



(*) Since inception

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Risk Concentration and Distribution Metrics (2)



June 2021 Update (cont...)

substantial gains in renewable energy company Solarpack (as our thesis of a potential takeover bid materialized earlier than expected) and construction company OHL (after a successful rights issue and debt restructuring exercise). We decided to exit all our Solarpack shares following takeover news, but we are still maintaining our exposure to OHL (2.4% of NAV), where we envisage a potential +50% further upside if the company delivers on its post-restructuring business plan. Deep Value strategies also had a positive contribution (+0.6%) to returns on the month due to favourable mark-to-market on Amwell shares. Elsewhere, negative returns across remaining strategies dragged overall performance, with Active strategies (-0.9%) bringing the weakest returns in the month due to very poor performance of several IPOs that the fund participated in, whilst the Macro bucket (-0.4%) suffered mainly from weak performance of European bank stocks which adversely impacted our SX7E 105/115 December call spread (-0.56%) which was only partly offset by gains in a 4000-3800 Dec put spread on the SX5E (+0.22%). Special Situations (-0.1%) and Relative Value (flat) remain in our view the most attractive propositions to generate high-quality returns for the remainder of the year, however there is at the moment a lack of compelling new opportunities in those spaces whilst the ones currently in the portfolio have yet to see the envisaged catalysts emerge in order to unlock value. Our overall strategic stance on risk remains unchanged from the comments we made in our previous newsletter *“our short-term focus remains on risk control and making the portfolio even more robust to tail risk (and to the inflationary grey swans in particular) as we go into the summer period, a time notorious for thin liquidity and weak market seasonality”*. Thus, the emphasis remains on a gradual reduction in portfolio risk during the summer months whilst actively searching for new opportunities with little directionality and low correlation with the broader market (M&A-driven situations in stocks, distressed debt and relative value positioning screen as the most attractive situations to add to the portfolio in the current market context). Finally, from a risk metrics point of view net leverage remained roughly unchanged (a marginal increase from 83% at the end of May to 86% at the end of June) whilst gross market exposure increase significantly from 1.6 times at the end of May to 2.3 times at the end of June, although this increase is largely accounted for by the addition of portfolio downside protection within Macro strategies and additional delta-neutral risk to the Relative Value bucket. Effectively, if we analyze risk from a statistical point of view, expressed as 1-day 99.5% confidence parametric VaR, we see risk did in fact decrease substantially from 2.3% at the end of May to 1.8% at the end of June. Likewise looking at average daily VaR employed during the month also points to a decrease in overall risk (from 2.4% during May to 2.1% in June).

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