

## Quadriga Aqua UCITS

31st Jan 2022

Quadriga AQUA UCITS is a liquid absolute return strategy focused on 1) capital preservation, 2) large absolute returns during risk on markets, and 3) flat to low negative returns in hostile markets, which we achieve via a structural allocation to anti-bubbles and anti-crisis strategies via long-only options. Managed on a discretionary basis following a disciplined framework and risk limits which include 1) no leverage, 2) no outright shorts, 3) long only options, combining fundamnetal top-down macro, bottom-up micro, quantitative, technical, and positioning analysis, within a disciplined framework for portfolio construction and risk management.



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## Monthly Commentary

What happened during the month? Quadriga Aqua UCITS is 8,31% in January. This January has recorded one of the best performing starts of the year in decades, with SPX +6,28%, eurostoxx 50 +9,94%, and EM equities +9,13%. Gold rose 5,95%, while silver was flat. Although investors continue transitioning to value, most sectors that underperformed during 2022 are now top performers, like SPX Information/technology (+9,32%) or non profitable tech companies (+12,23%). This seems to be under the premise of a soft landing instead of a hard recession, and the market is betting this will be enough to bring inflation down to target levels. While anything is possible, we see risk assets discounting this "goldilocks" scenario too quickly, and see many potential risks or less favorable outcomes than what the market is currently signaling. Central Banks remain steadfast in fighting inflation, which remains too high. Although inflation has receded from uncomfortable levels, it is still x4 higher than target in Europe and x3 in USA. Multiples remain elevated and margins are at all-time highs, but leading indicators point to a less favorable outlook, which raises the possibility that earnings per share may not meet expectations, and the market will likely correct its overextension when this becomes apparent. We keep protecting our equity longs actively.

Class	Currency	ISIN	Fees
A	USD	LU1844121522	1,5%/0%
B	USD	LU1844121795	0%/20%
C	USD	LU1900071546	2,0%/0%
D	EUR	LU1955045635	1,5%/0%
E	EUR	LU1955045809	0%/20%
F	GBP	LU2008876034	1,5%/0%

## Positioning Aqua UCITS

Positioning	Start Month	End Month	Total %
US EQUITIES	100.0%	102.0%	2.0%
INSURANCE	15.3%	9.1%	-6.1%

Options (% AUM)	2023	2024	2025	>2025	Total
Gold & PM	0.9%	0.3%	0.0%	0.0%	1.2%
SPX & Vix	1.2%	0.8%	0.0%	0.0%	2.0%
FX & Rates	0.1%	1.2%	0.0%	0.0%	1.3%
<b>Total</b>	<b>2.2%</b>	<b>2.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>4.5%</b>

## Performance Attribution Aqua UCITS

Attribution %	Month %	YTD	LTD
US EQUITIES	6.8%	6.8%	70.9%
INSURANCE	1.5%	1.5%	-6.7%
<b>AQUA</b>	<b>8.3%</b>	<b>8.3%</b>	<b>64.2%</b>

**Closed/Restructured positions:** We restructured DD SPX/Gold into SPX put eko and SPX put eki. We rolled our VIX call Spread.

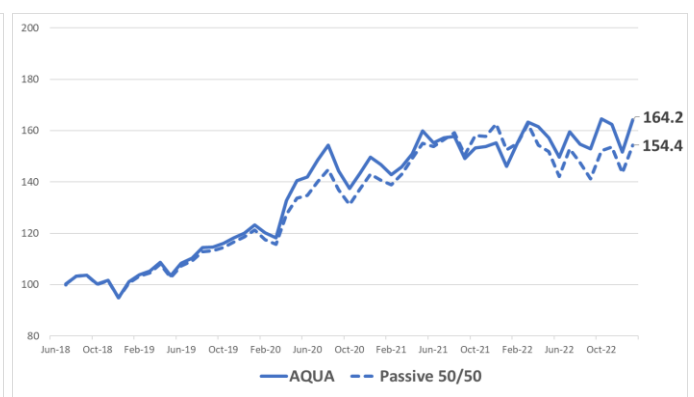
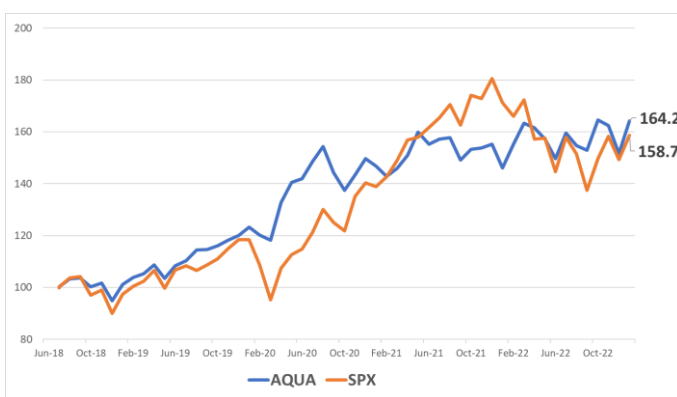
**New Trades:** We entered a USD TWD 1y call.

Rebalancing	LTD Passive	LTD Reb	Reb Effect
US EQUITIES	58.7%	70.9%	12.2%
INSURANCE	-4.3%	-6.7%	-2.4%
	54.4%	64.2%	9.8%

## Absolute and Relative Performance and Risk

	Monthly (%)	YTD (%)	LTD (%)	LTD (% p.a.)	Vol (%)	Sharpe	Sortino	Peak Trough	NAV
SPX	6.3%	6.3%	58.7%	10.6%	19.4%	0.5	0.9	-23.3%	158.7
AQUA	8.3%	8.3%	64.2%	11.4%	14.6%	0.8	1.7	-10.9%	164.2
Difference	2.0%	2.0%	5.5%	0.8%	-4.8%	0.2	0.8	13.0%	5.5

## Historical Performance vs SPX and Impact of Rebalancing



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Total
2018	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	3.1%	0.3%	-3.4%	1.5%	-6.8%	2018	-5.1%
2019	6.7%	2.6%	1.3%	3.3%	-4.8%	4.6%	1.8%	3.8%	0.2%	1.2%	1.8%	1.5%	2019	26.5%
2020	2.7%	-2.5%	-1.6%	12.3%	5.8%	1.1%	4.7%	3.8%	-6.4%	-4.8%	4.3%	4.4%	2020	24.7%
2021	-1.9%	-2.7%	2.1%	3.4%	5.9%	-2.9%	1.3%	0.3%	-5.4%	2.7%	0.4%	0.9%	2021	3.7%
2022	-6.0%	6.4%	5.2%	-1.2%	-2.7%	-4.8%	6.6%	-3.0%	-1.2%	7.6%	-1.3%		2022	4.6%
2023	8.3%												2023	8.3%

**DISCLAIMER.** This fact sheet is not a sales prospectus. The materials are intended solely for general information about the Strategy. Past performance is no guarantee of future results. Realized performance may differ from Target Performance, and can be positive or negative. The NAV of class A displayed in the factsheet is computed net of management and performance fees. The strategy is also available via other share classes in USD, EUR, and GBP with different management and performance fees, adn minimum investment amount. All share classes available with daily liquidity at NAV.