

**Quadriga Aqua UCITS**

28th Feb 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-crises 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 fundamental top-down macro, bottom-up micro, quantitative, technical, and positioning analysis, within a disciplined framework for portfolio construction and risk management.



**Diego Parrilla**

Chief Investment Officer  
diego.parrilla@quadrigafunds.es

**Alfonso Torres**

Senior Portfolio Manager  
alfonso.torres@quadrigafunds.es

**Monthly Commentary**

What happened during the month? Quadriga Aqua UCITS is -1,88% in February. Very mixed month where Equities in US saw a huge rally during first couple of weeks to end -2,4% for the month, while European indexes ended positive with Eurostoxx 600 +1,9%. Emerging market equities underperformed by -7,6% led by the Hang Seng -9,41%. Meanwhile, bonds retreated on new inflation fears by -3,27% in 10y and -4,85% on long end (20+ years). This pushed down precious metals significantly, with gold -5,28% and silver -12,25%. Market is back to higher for longer interest rates after inflation numbers surprised to the upside both in Europe and America, which drove up inflation expectations for the next 2-5y significantly higher. Some macro numbers came better than expected, like PMIs although still in negative territory. We think leading indicators are showing a harder landing than the bond and equity markets are discounting together with highest ever corporate margins, excessively optimistic EPS expectations, the change in the mindset of Central Banks from two decades of "deflation fear" into "inflation fear", and the still high valuation of equities when compared to real interest rates, posing a great risk to equity and credit markets going forward. So we keep actively covering our risk in the long SPX position.

| 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%      | 99.3%     | -0.7%   |
| INSURANCE   | 9.1%        | 7.9%      | -1.2%   |

| Options (% AUM) | 2023        | 2024        | 2025        | >2025       | Total       |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| Gold & PM       | 0.5%        | 0.2%        | 0.3%        | 0.3%        | 1.3%        |
| SPX & Vix       | 2.5%        | 0.0%        | 0.0%        | 0.0%        | 2.5%        |
| FX & Rates      | 0.6%        | 1.3%        | 0.0%        | 2.1%        | 4.0%        |
| <b>Total</b>    | <b>3.6%</b> | <b>1.5%</b> | <b>0.3%</b> | <b>2.4%</b> | <b>7.9%</b> |

**Performance Attribution Aqua UCITS**

| Attribution % | Month % | YTD  | LTD   |
|---------------|---------|------|-------|
| US EQUITIES   | -2.7%   | 3.9% | 66.6% |
| INSURANCE     | 0.8%    | 2.4% | -5.5% |
| AQUA          | -1.9%   | 6.3% | 61.1% |

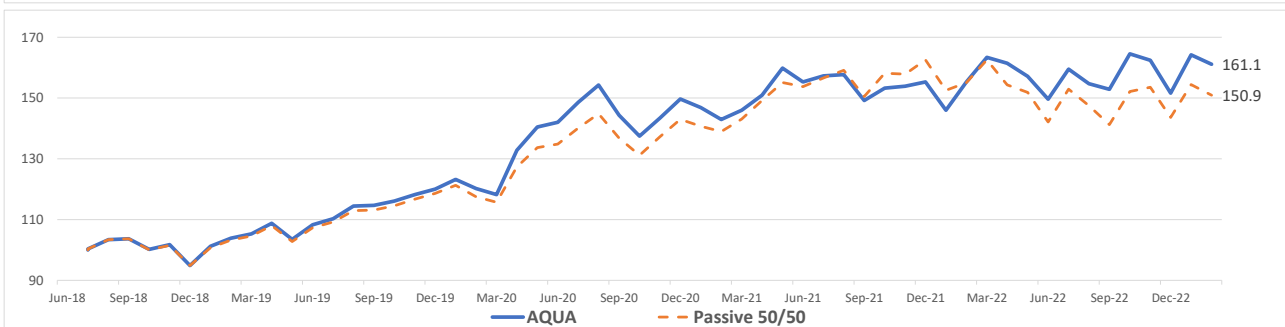
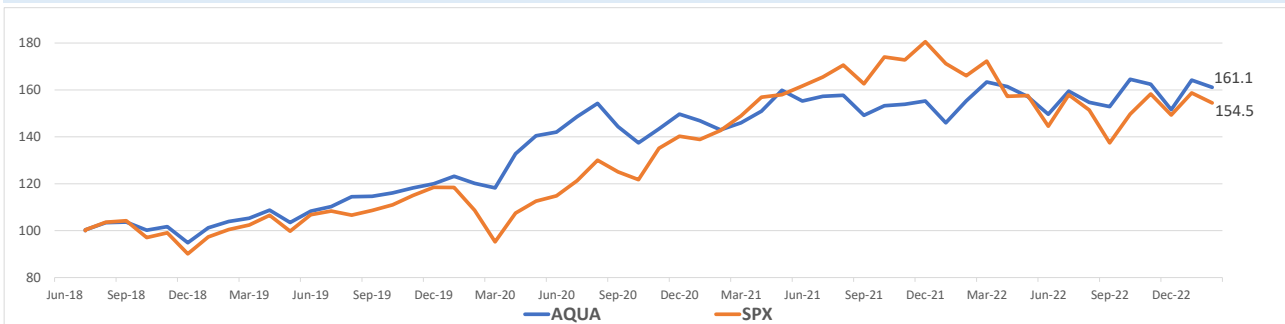
| Rebalancing | LTD Passive | LTD Reb | Reb Effect |
|-------------|-------------|---------|------------|
| US EQUITIES | 54.5%       | 66.6%   | 12.1%      |
| INSURANCE   | -3.5%       | -5.5%   | -1.9%      |
|             | 50.9%       | 61.2%   | 10.2%      |

**Closed/Restructured positions:** We rolled our VIX call Spread. **New Trades:** New USDJPY digi calls, USDJPY long term Vanilla call, DD Gold/USDJPY and Worst of Gold/USDCNH calls.

**Absolute and Relative Performance and Risk**

|            | Monthly (%) | YTD (%) | LTD (%) | LTD (% p.a.) | Vol (%) | Sharpe | Sortino | Peak Trough | NAV   |
|------------|-------------|---------|---------|--------------|---------|--------|---------|-------------|-------|
| SPX        | -2.7%       | 3.9%    | 54.5%   | 9.8%         | 19.3%   | 0.5    | 0.8     | -23.8%      | 154.5 |
| AQUA       | -1.9%       | 6.3%    | 61.1%   | 10.8%        | 14.5%   | 0.7    | 1.6     | -10.9%      | 161.1 |
| Difference | 0.8%        | 2.4%    | 6.6%    | 1.0%         | -4.8%   | 0.2    | 0.8     | 13.0%       | 6.6   |

**Historical Performance**



| 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%  | -1.9% |       |       |       |       |      |       |       |       |       |       | 2023 | 6.3%  |

**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, and minimum investment amount. All share classes available with daily liquidity at NAV.