

SIF



NAV 27/04/2022: 119.63

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**QUADRIGA RHO INVESTMENTS**

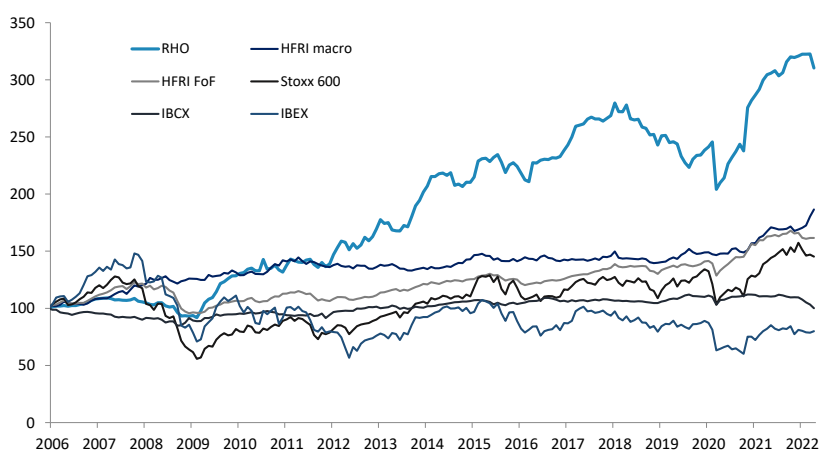
The fund's objective is to return net positive returns every year, regardless the behavior of traditional assets. To achieve it, the fund allocates to six different strategies: Active, Relative Value, Macro Selection, Micro Selection, Special Situations and Deep Value. The strategies are focused on finding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

**April 2022 Update**

April was a very difficult month across financial markets, where the deluge of political and economic ramifications from the Ukraine invasion and a seismic monetary shift across major central banks amid rapidly rising inflation figures, made valuations crack across the market, with a particular focus on rate-sensitive and high duration assets such as tech stocks. Whilst significantly disappointing, given our all-weather focus on positive performance, Rho Investments -3.8% return in the month compares very favourably with European stocks (exception made of the Ibex 35 which only lost -0.3%) in a month where the Eurostoxx 50 and Dax both lost over 5.5% and high-beta European credit (proxied by the 5-year iTraxx Crossover CDS index) which lost 3.3%. The comparison versus (very growth-laden) US indices is even more favourable, in a month where the S&P and Nasdaq 100 USD total returns were -9% and -13.7%. (cont...)

**Fund Facts**

Structure	SIF
Domicile	Luxembourg
Class	A / B
Mgmt. Fee	1% / 2%
Perf. Fee	20% / 20%
Min. Investment	500,000€ / 125,000€
NAV Currency	EUR
Liquidity	Weekly
ISIN	LU1610886332 / LU2403116234
Bloomberg Code	RHOSIFA LX / RHOSIFB LX
Custodian	Société Générale SS

**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%	0.6%	-0.2%	0.6%	2.3%	6.2%
2017	2.1%	2.9%	3.7%	0.4%	0.4%	1.6%	0.6%	-0.6%	0.0%	-0.7%	0.9%	0.9%	12.8%
2018	4.1%	-2.7%	-0.1%	2.2%	-4.4%	-0.4%	0.2%	-2.6%	-0.4%	-2.3%	0.2%	-4.0%	-9.9%
2019	4.5%	0.1%	-2.5%	0.3%	-0.8%	-4.4%	-2.5%	-1.8%	3.2%	1.5%	0.1%	1.8%	-0.7%
2020	1.2%	1.8%	-16.9%	2.9%	2.0%	5.7%	2.5%	2.2%	2.7%	-2.4%	16.0%	2.3%	18.3%
2021	1.6%	1.8%	2.7%	1.6%	0.4%	0.7%	-1.5%	0.9%	3.1%	1.4%	-0.2%	0.4%	13.8%
2022	0.5%	0.0%	0.0%	-3.8%									-3.3%

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

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## Comparative Risk / Return

	RETURNS (CAGR)			VOLATILITY		
	10 years	3 years	Since inception	10 years	3 years	Since inception
Rho Investments	7.00%	8.07%	7.18%	11.08%	15.17%	10.24%
Stoxx 600	5.76%	4.80%	2.32%	13.16%	16.50%	14.66%
Ibex	2.05%	-3.56%	-1.36%	19.48%	22.79%	19.98%

### Returns (% Net)

2022YTD	-3.27%
CAGR*	7.18%
April 2022	-3.80%

### Risk / Return

Volatility*	10.24%
Sharpe Ratio*	0.70
Sortino Ratio	1.24
Parametric VaR 1-d	2.07%

### Top Five Positions (Delta exposure as % of NAV / Market value at risk as % of NAV)

Grifols B shares	5.6% / 5.6%
Grifols A shares	-5.6% / -5.6%
Iberdrola June 22 call 11	4.9% / 0.3%
SX7E June 23 call spread 105/120	4.1% / 0.2%
Acciona shares	-3.3% / -3.3%

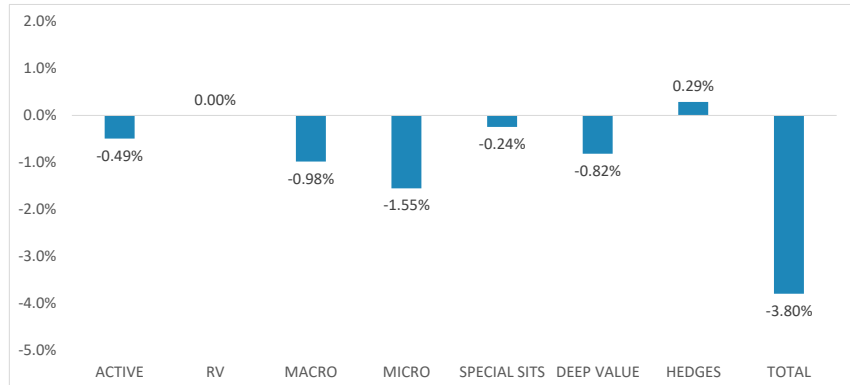
### % Leverage

Gross	151.1%
Net	71.9%

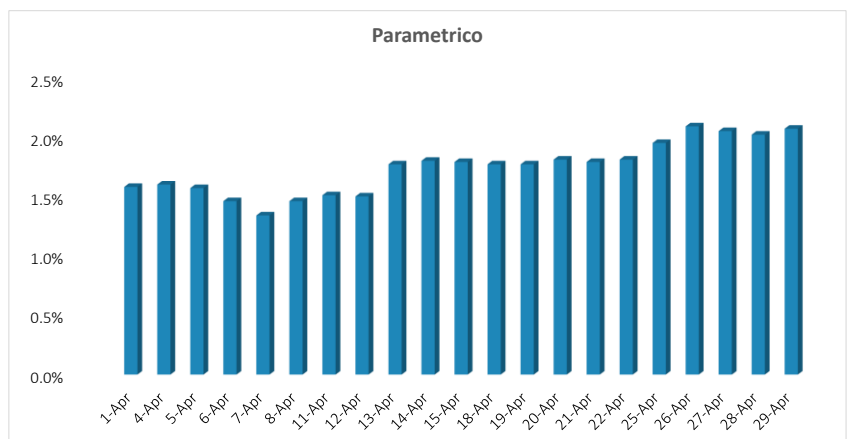
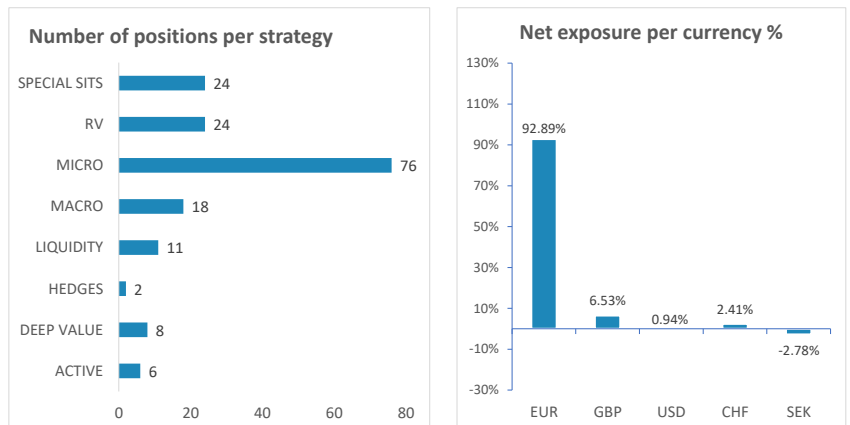
### % of Gross Exposure per Strategy

Active	4.2%
Deep value	4.1%
Hedges	6.0%
Liquidity	16.7%
Macro	9.8%
Micro	32.8%
Relative value	22.8%
Special sits	3.6%

### Performance attribution across strategies (% Gross)



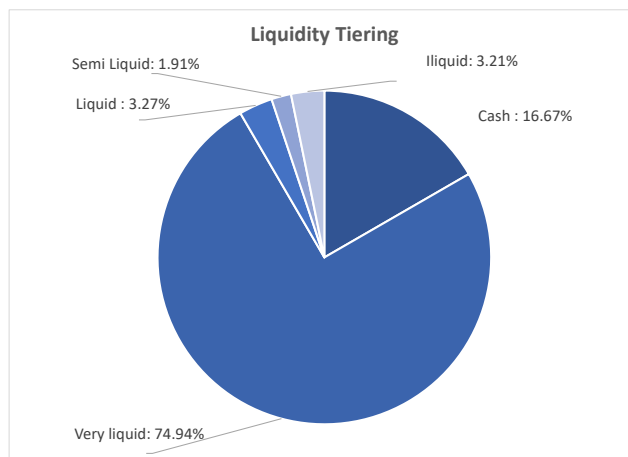
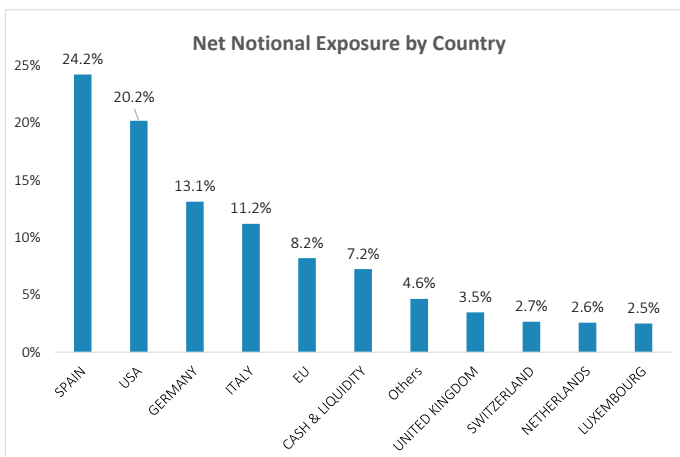
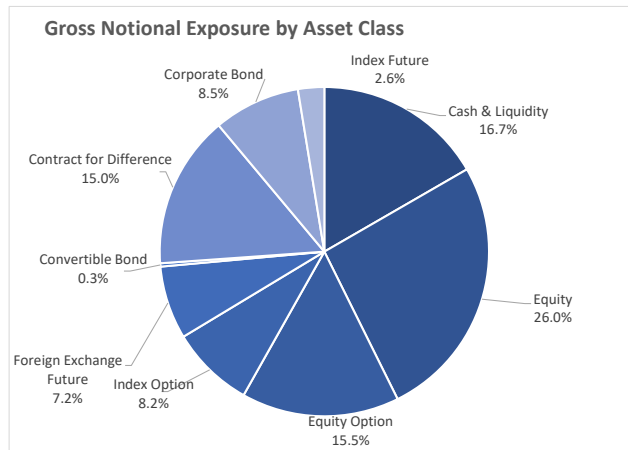
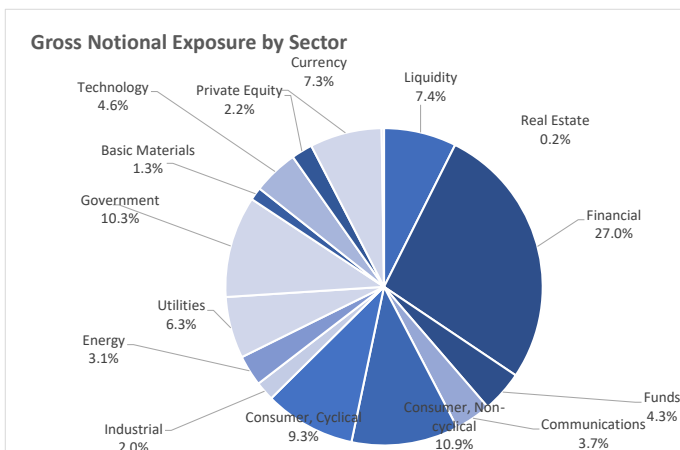
### Risk Concentration and Distribution Metrics



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## Risk Concentration and Distribution Metrics (2)



## April 2022 Update (cont...)

(...cont) Whilst on a year-to-date basis the fund falls slightly short of total returns in the Ibx 35, Rho Investments continues to outperform the total returns of broader European indices (beating the Eurostoxx 50 by 8.8%, the Dax by 9.7% or the CAC 40 by 6%), US stocks (beating USD returns for the S&P 500 by 9% and the Nasdaq 100 by 18%) and European credit (beating the Iboxx Euro Corporates Overall total return by 4.2% or the iTraxx Crossover CDS index by 2.9%). Still more significantly, amid substantial increases in market volatility Rho Investments continues to exhibit much lower relative levels of vol vs the broad market, with a 1-sigma of 1-year weekly returns for Rho Investments standing at 0.96% vs 2.4% in the Eurostoxx 50, 2.3% in the Ibx 35, 2.5% in the Nasdaq or 1.76% in the S&P 500.

From a performance attribution point of view, a month of substantial market drawdowns weighed heavily in a portfolio where we had started a gradual shift towards more directional exposures as we had anticipated in our previous newsletter:

"...we continue to allow for increases in directional value opportunities (within Micro strategies in particular), which will result, ceteris paribus, in an uptick in fund volatility. We have already allocated some risk to "European services reopening trades" in European equities as we described above, and despite having been so bearish in credit all year, at current levels of yields we are starting to see attractive opportunities with positive real yield within the space (in particular AT1s with high reset coupons) ..."

It was thus Micro strategies (-1.5%) the biggest drag on overall performance. Within the strategy, Italian bank Unicredit shares (-0.38% total return over NAV) and shares of French used cars online platform Aramis (-0.2%) were the largest drivers of negative returns in a weak month, where gains in positions predicated on rising energy prices (Petrofac shares contributing +0.25%, Repsol 13-14 June 22 call spread contributing +0.15% or Iberdrola 11 June 22 call adding +0.20%) were not enough to offset negative price momentum elsewhere within the bucket. Macro strategies (-1%) were driven by adverse mark to market on bullish long-term exposure to the European bank sector (105-120 June 23 call spread on SX7E dragged NAV by -0.44%). Deep Value strategies (-0.8%) performance was marred by poor mark to market on long-term tele health investments (mainly in US stock Amwell), which were only partially offset by active covered call writing at very attractive implied vol levels (+69% annualized vol). Short-term trading Active strategies (-0.5%) remain predicated on risk-premia harvesting (via systematic rolling covered call sales on beaten up sectors with very high vols and an inverted term structure of vol such as those seen in tech stocks). Special Sits (-0.2%) continues to experience a very thin pipeline of opportunities (we expect those to increase substantially towards Q3) and lack of catalysts. Finally Relative Value (flat on the month) themes continue to revolve around delta neutral positioning in European stocks. So far this year positioning (exception made of Grifols prefs vs common) has been generally focused on valuation divergences within European financial stocks (Credit Suisse vs UBS, Santander vs BBVA, Petershill vs EQT, etc.). This month we have added a long Inditex vs short H&M position predicated on different sensitivities of the stocks to inputs costs and retail inflation and a (SOTP arb-driven) position long Acciona Energia shares vs short Acciona holdings.

In our previous newsletter we had stated: "From current levels of net exposure, we expect a meaningful increase over the next few months, as the fund deploys capital to Micro directional strategies to capitalize on opportunities created by the market sell-off". Indeed, from the point of view of risk metrics, we can see net leverage increase from +53% at the end of March to +72% at the end of April. Gross leverage utilization remained however roughly unchanged at 1.5x. Finally, from a statistical point of view, expressed as 1-day 99.5% confidence parametric VaR, we see risk increase to 2% from 1.5% at previous month-end. Average daily VaR utilization throughout the month did however remain unchanged at 1.7%.

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