

SIF



NAV 29/06/2022: 117.86

INVESTMENT TEAM

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QUADRIGA RHO INVESTMENTS

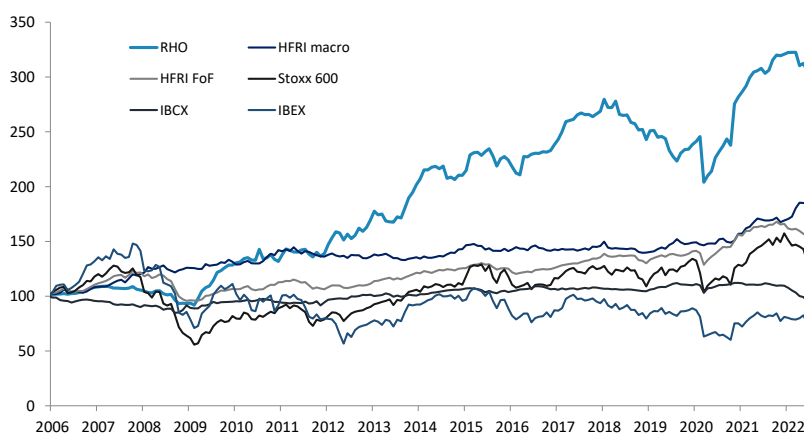
The fund's objective is to return net positive returns every year, regardless the behavior of traditional assets. To achieve it, the fund allocates to six different strategies: Active, Relative Value, Macro Selection, Micro Selection, Special Situations and Deep Value. The strategies are focused on finding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

June 2022 Update

Rho Investments once again amply beat overall market performance in a challenging June characterized by widespread "stagflationary" fears and growing concerns across Europe regarding gas supply which echoed the bleak "winter is coming" house of Stark mantra. Rho Investments' -2.2% return compares very favourably with European stocks, in a month where the Eurostoxx 50 returned -4.3%, the Ibex 35 -6.2% and the Dax -7.2%. The comparison is also flattering vs high-beta European credit (proxied by the 5-year iTraxx Crossover CDS index which lost -4.1%) and US equity indices (where the S&P and Nasdaq 100 USD total returns were -3.9% and -2.3% respectively). Whilst disappointingly the fund is in negative territory by the end of the first half of the year, this performance must be put in context of both the medium-term horizon for the fund's targeted risk-reward and of the market performance in H1 2022. Regarding the former, on a 3-year basis the fund has generated +9% annual net returns to investors (which puts it in 95th percentile within the Bloomberg comparison universe). (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%	0.7%	-2.2%							-4.7%

(*) 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	6.92%	9.46%	7.01%	11.01%	15.24%	10.21%
Stoxx 600	4.95%	1.91%	1.67%	13.23%	16.83%	14.74%
Ibex	1.32%	-4.15%	-1.69%	18.81%	23.04%	20.01%

Returns (% Net)

2022YTD	-4.70%
CAGR*	7.01%
June 2022	-2.19%

Risk / Return

Volatility*	10.21%
Sharpe Ratio*	0.69
Sortino Ratio	1.22
Parametric VaR 1-d	2.48%

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

SX5E futures	7.9% / 7.9%
Grifols A shares	-6.0% / -6.0%
Grifols B shares	5.9% / 5.9%
SX7E futures	5.6% / 5.6%
SX7E June 23 call spread 105/120	3.7% / 0.5%

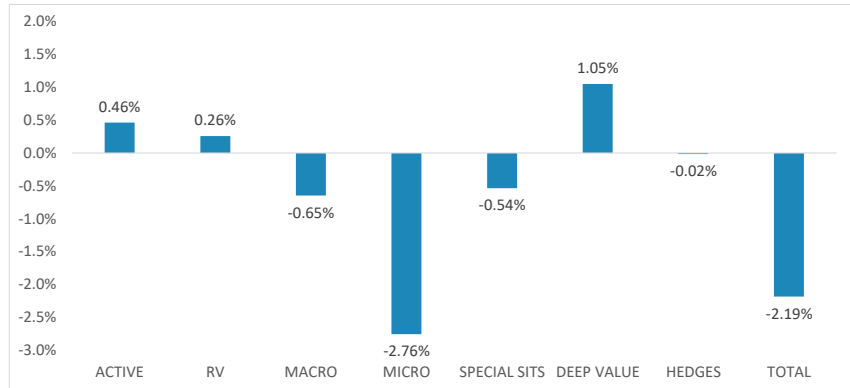
% Leverage

Gross	115.2%
Net	78.8%

% of Gross Exposure per Strategy

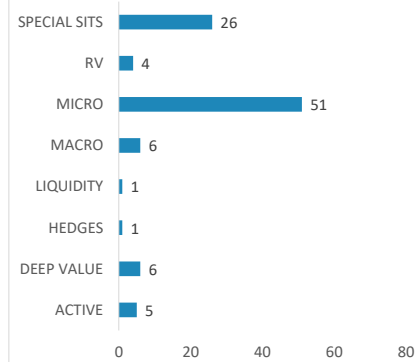
Active	9.0%
Deep value	4.5%
Hedges	6.1%
Liquidity	24.1%
Macro	10.9%
Micro	30.9%
Relative value	9.3%
Special sits	5.3%

Performance attribution across strategies (% Gross)

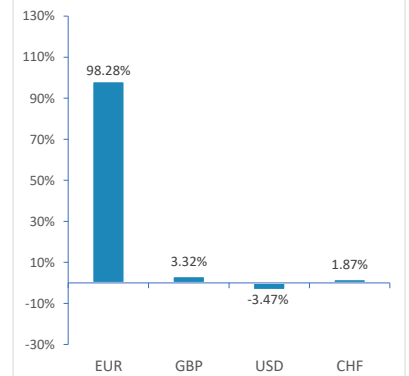


Risk Concentration and Distribution Metrics

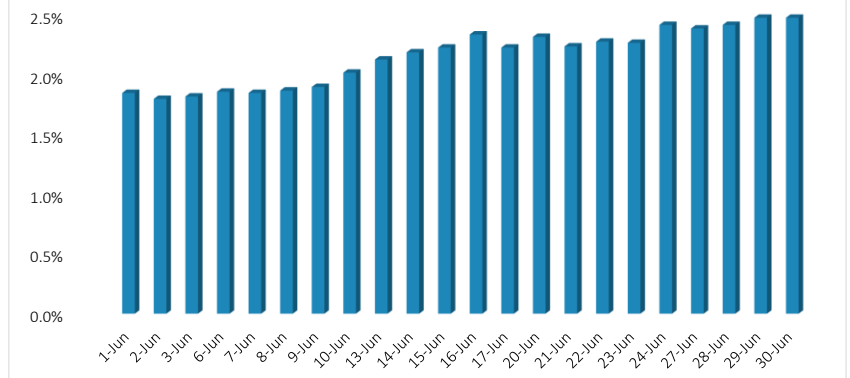
Number of positions per strategy



Net exposure per currency %



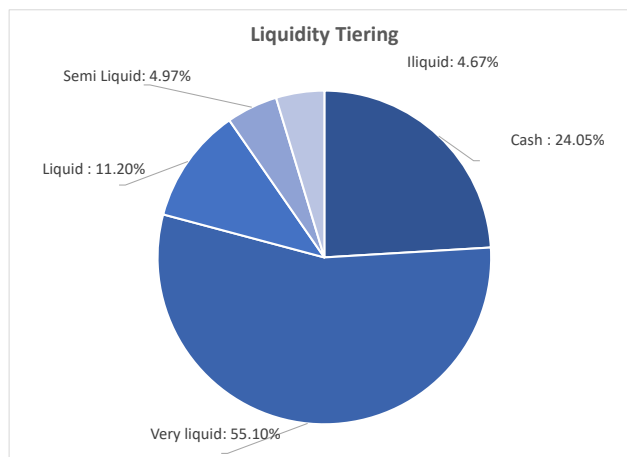
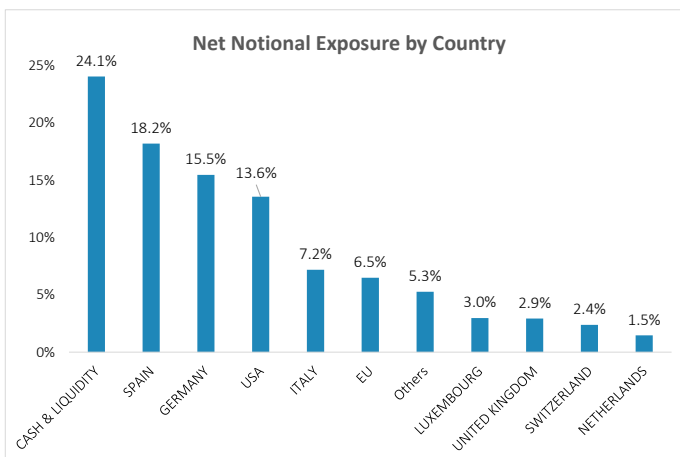
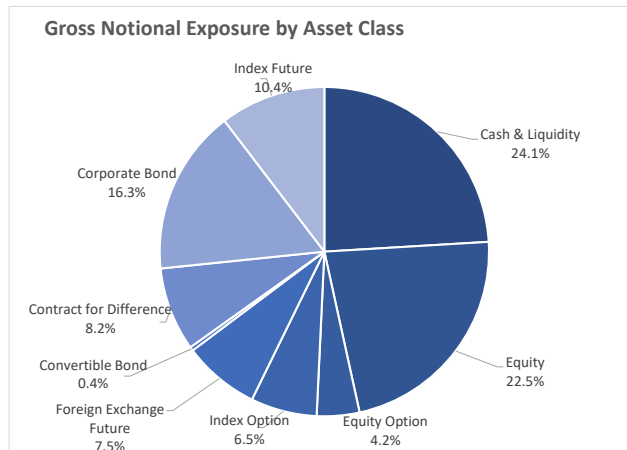
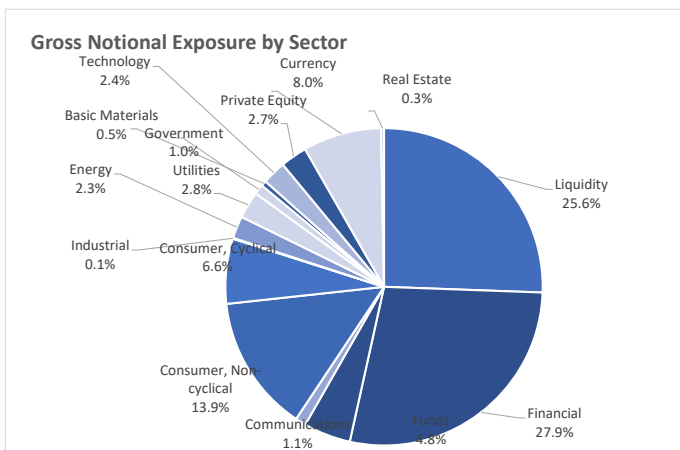
Parametrico



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Risk Concentration and Distribution Metrics (2)



June 2022 Update (cont...)

(...cont) Regarding the latter, on a year-to-date basis the fund beats the total return (including dividends) of the Eurostoxx 50 by 11.0%, the Dax by 13.3%, the S&P 500 by 15.0%, the Nasdaq 100 by 24.3% USD and within European credit beats both the Iboxx Euro Corporates Overall total return and the iTraxx Crossover CDS index by 8.1% and 7.0% respectively whilst roughly matches the total returns in the Iboxx 35. 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 1.3% vs 2.7% in the Eurostoxx 50, 2.5% in the Iboxx 35, 3.1% in the Nasdaq or 2.4% in the S&P 500.

From a performance attribution point of view, the fund managed to extract positive returns from tactical trading (Active), Relative Value and Deep Value strategies despite difficult market conditions, but those gains did not offset losses within the Micro, Macro and Special Situations strategies. Micro strategies (-2.8%) was the largest loser dragged by our exposures to the beaten-up air travel equity sector, where the market is discounting a far more severe scenario than that at the peak of Covid fears. Our exposures to IAG (-0.2% total contribution to fund performance), Easyjet (-0.3%) and Wizzair (-0.6%) and Unicredit and Credit Suisse shares (-0.4% each) account for the bulk of the mark-to-market within the strategy. Macro strategies (-0.65%) performance was driven by adverse mark-to-market in our 105-120 June 2023 SX7E index call spread, as European bank stocks sold off substantially despite very cheap valuations which already discount a recessionary environment, yet one in which banks will potentially go into with much higher levels of capital and higher capacity to offset NPLs formation than in any previous economic downturns. Special Situations (-0.5%) continue to lack deal flow as many companies are still enjoying the last of post Covid fiscal stimuli (and in cases like Spain suspension of bankruptcy laws) but we expect significant opportunities to materialize towards the end of Q4 2022 in corporate restructurings. Performance within the bucket was almost exclusively driven by writing down to zero our exposure to Abengoa SOM debt amid news of the Spanish government (via its industrial investment arm SEPI) decision to not rescue the beleaguered renewable energy-focused engineering company. Deep Value (+1%) gains were driven by positive mark-to-market in our US tele-health equity exposures (+0.7%) and Queka Real Partners investment (+0.5%). Relative Value strategies (+0.3%) performance was driven by our Grifols pref vs ordinary shares (+0.2%) and Santander vs BBVA (+0.1%) positions. Active tactical trading strategies (+0.5%) benefited from higher levels of vol across European equity indices which allowed for profitable ranges in which to trade liquid futures instruments (European equity indices in particular). Finally, from the point of view of risk metrics, we can see net leverage increase slightly month on month from 72% at the end of May to 78% at the end of June. Gross leverage did however decrease marginally from 1.3x at the end of May to 1.15x at the end of June as the fund took profits within the relative value bucket. From a statistical point of view, expressed as 1-day 99.5% confidence parametric VaR, we see risk increase more meaningfully from 1.8% at the end of May to 2.5% at the end of June. This is explained by on the one hand the fact that VaR calculations take into account higher levels of market volatility inputs, and on the other hand by the fact that the gradual increase in the fund's net exposure has been concentrated in more beaten-up and procyclical sectors with higher market betas (like airline stocks), where the fund has not only identified very attractive risk-adjusted valuations but also sees market positioning as already reflecting fairly bearish views. Average daily VaR utilization remained largely unchanged at 2.1% on average in both May and June.

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