

SIF



NAV 30/03/2022: 124.36

INVESTMENT TEAM

Rodrigo Hernando, CEO

José Mosquera, CIO

Imanol Urquizu, PM

José Martín-Vivas, Sr. Analyst

Jorge Peñalba, Sr. Analyst

QUADRIGA RHO INVESTMENTS

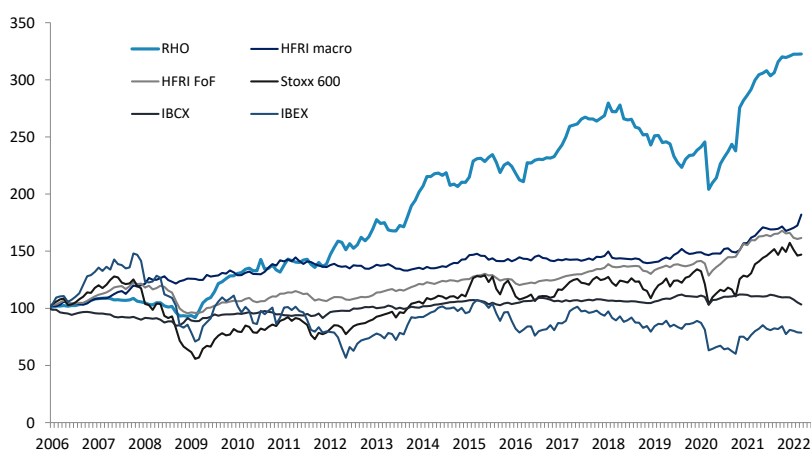
The fund's objective is to return net positive returns every year, regardless the behavior of traditional assets. To achieve it, the fund allocates to six different strategies: Active, Relative Value, Macro Selection, Micro Selection, Special Situations and Deep Value. The strategies are focused on finding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

March 2022 Update

After a strong outperformance of the broader market thus far in 2022, in particularly difficult and volatile conditions, Rho Investments' prudent stance (on volatility-adjusted grounds) in terms of limiting directional exposures translated into very modest (yet positive) returns, at a time when many risk assets saw a substantial bounce from the post Ukraine invasion lows. Rho generated a mere +4bps in the month which compares very favorably with the -0.2% total return of the Eurostoxx 50, although admittedly not so well vs the Ibcx 35 (+1.4%), US stocks (S&P 500 and Nasdaq 100 +9.1 and +11.6% respectively in USD terms) or vs high beta European credit (as proxied by the +1.8% total return on the 5-year iTraxx Crossover CDS index). However, on a year-to-date basis, Rho Investments' total return outperforms the aforementioned indices by anywhere between 1.5% and 7.5%. More significantly, Rho Investments continues to operate at relatively low volatility levels (between 35% to 50% of equity indices) despite the turbulent market backdrop. (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%										0.6%

(*) 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	7.34%	9.60%	7.47%	11.03%	15.06%	10.21%
Stoxx 600	5.64%	6.35%	2.36%	13.15%	16.47%	14.69%
Ibex	0.53%	-2.95%	-1.44%	19.56%	22.78%	20.03%

Returns (% Net)

2022YTD	0.55%
CAGR*	7.47%
March 2022	0.04%

Risk / Return

Volatility*	10.21%
Sharpe Ratio*	0.73
Sortino Ratio	1.30
Parametric VaR 1-d	1.54%

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

SX7E June 23 call spread 105/120	6.4% / 1.4%
Grifols B shares	6.0% / 6.0%
Grifols A shares	-5.6% / -5.6%
SX5E April 22 put spread 3800/3500	-4.4% / -0.2%
ING shares	-3.4% / -3.4%

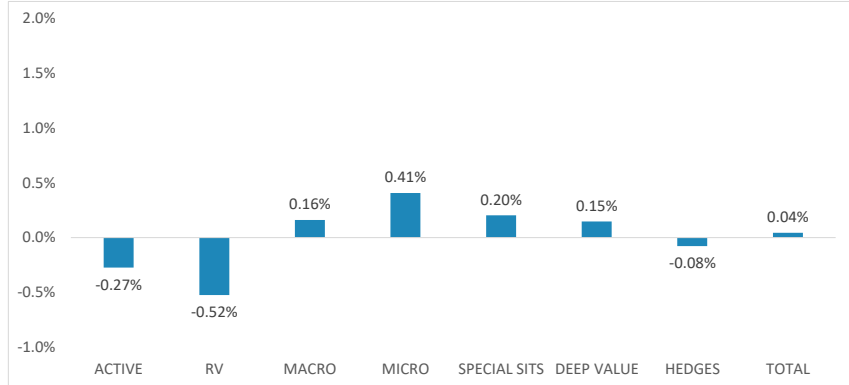
% Leverage

Gross	150.3%
Net	52.7%

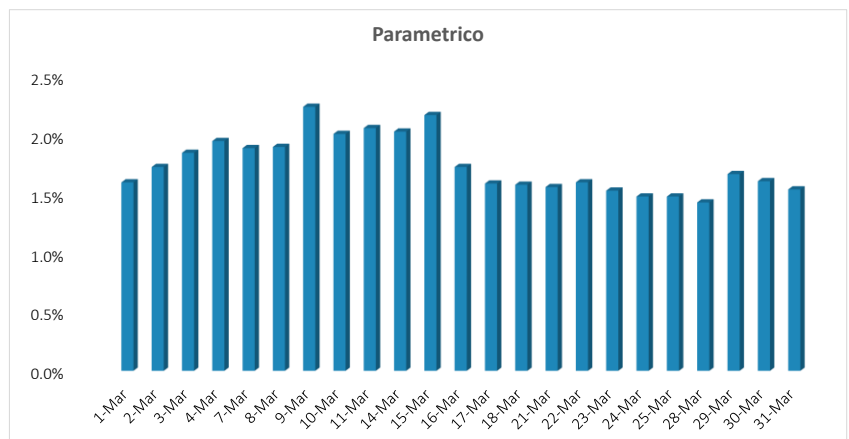
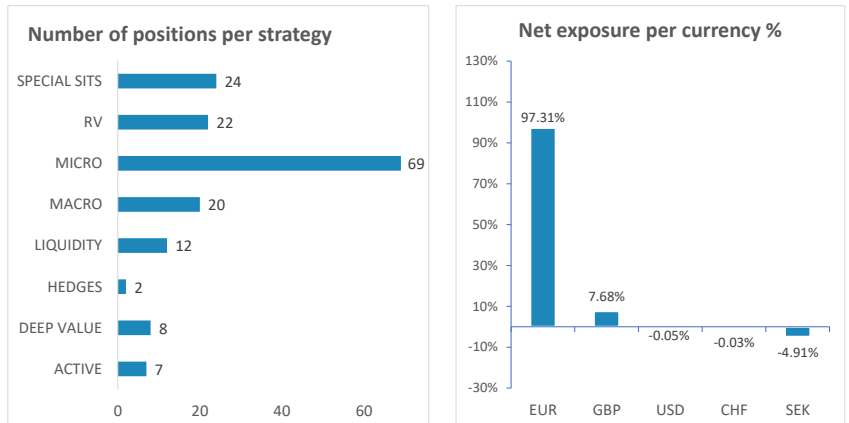
% of Gross Exposure per Strategy

Active	2.5%
Deep value	4.1%
Hedges	4.0%
Liquidity	23.3%
Macro	17.7%
Micro	24.0%
Relative value	21.1%
Special sits	3.3%

Performance attribution across strategies (% Gross)



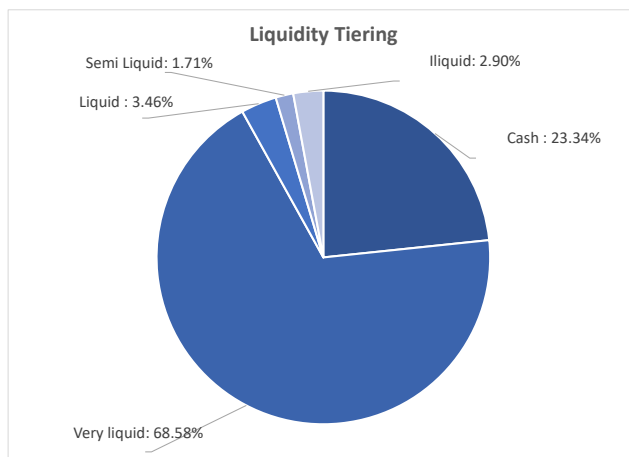
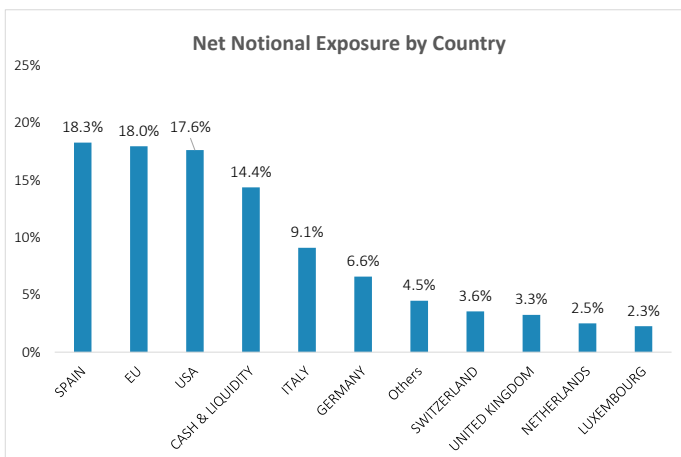
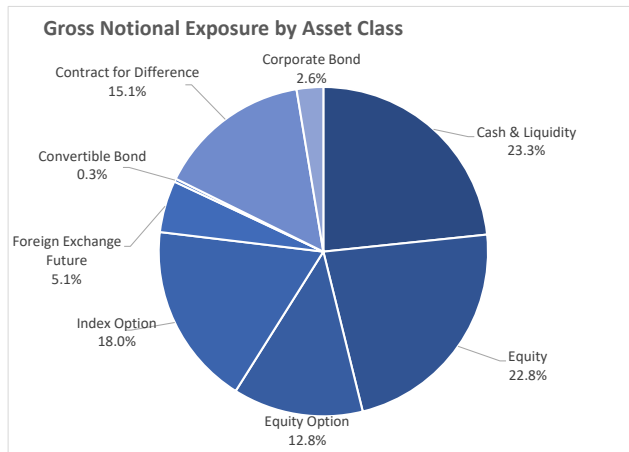
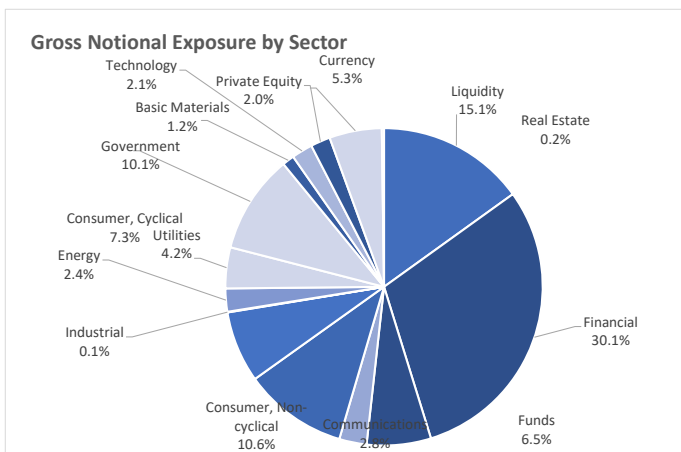
Risk Concentration and Distribution Metrics



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Risk Concentration and Distribution Metrics (2)



March 2022 Update (cont...)

(...cont) From a performance attribution point of view, positive returns were largely driven by directional strategies. Micro strategies (+0.4%) saw long equity exposures in Iberian renewable companies Acciona Energia (+0.3% towards total net portfolio returns) and Solaria (+0.3%) as major contributors to performance. Within the strategy we have added new short-term exposures predicated on a full reopening of European services. As we approach the key summer season, we believe that a worst medium-term scenario in terms of geopolitical risk and energy prices is already fully priced into sectors like airlines or hospitality. We have thus slowly and selectively started to buy equity exposures to the airline sector (IAG, Easyjet and Wizzair), where we already have seen indications from US counterparts of substantial pent-up demand and pricing power at times of rapidly rising costs, which we think bode well for a sector where valuations discount an extremely bearish macro-outlook (in terms of jet fuel prices and of European demand). Within the Macro bucket (+0.2%), after exiting our SX7E 110-120 June 2022 call spread last month, we opened a new longer-dated SX7E 105-120 June 2023 predicated on longer-term views of rising interest rates in an environment where aggregate demand in Europe would remain reasonably resilient to current macro headwinds. We also took profits on a SX5E 4150/3900/3650 put fly ahead of its March expiry. Special Situations (+0.2%) was largely driven by positive mark-to-market in defaulted Venezuela and PDVSA bonds, where the fund retains substantial optionality on rising crude prices and Biden's administration's will to lure Maduro's regime closer to US interests via removal of international sanctions in order to help secure alternatives to Russian crude and gas for its European allies. On the negative side of returns, Relative Value lost -0.5% dragged by poor performance of long Unicredit stock vs short SX7E (total return in the month of -16%, and a -0.2% contribution towards net fund performance) as well as long Petershill vs short EQT (-5% on the pair at trade level), and long Credit Suisse vs short UBS (-6% on the pair). Tactical trading "Active" strategies (-0.3%) suffered from poor performance of risk premia harvesting strategies (rolling call writing in the KWEB index), but which should see improved performance within the next few months at higher levels of implied vol. Within the new enhanced volatility management approach (see previous newsletters for more details of the strategic shift) of tighter stops, more frequent profit-taking ahead of envisaged catalysts for investments when in the presence of statistically significant moves and more theme diversification underlying each one of the sub-strategies, 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).

Finally, from the point of view of risk metrics, net leverage continues at very low levels, exhibiting just a small uptick from 47% at the end of February to +53% at the end of March. 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. Gross leverage utilization decreased from 2x at the end of February to 1.5x at the end of March. Whilst from a statistical point of view, expressed as 1-day 99.5% confidence parametric VaR, we see that risk was unchanged at 1.5% vs the previous month-end. Average daily VaR utilization throughout the month did however rise slightly from 1.5% during February to 1.7% during March.

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