

SIF



NAV 25/05/2022: 120.49

**INVESTMENT TEAM**

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**QUADRIGA RHO INVESTMENTS**

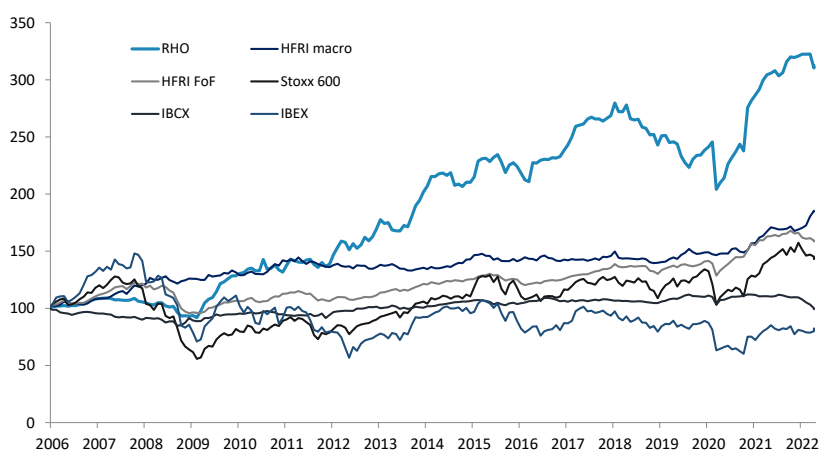
The fund's objective is to return net positive returns every year, regardless the behavior of traditional assets. To achieve it, the fund allocates to six different strategies: Active, Relative Value, Macro Selection, Micro Selection, Special Situations and Deep Value. The strategies are focused on finding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

**May 2022 Update**

Rho investments' May performance validated the fund's cautious stance in terms of risk and overall market exposure. Rho Investments +0.7% return in the month compares very favourably with European stocks (exception made of the Ibox 35 which gained 8.3%) in a month where the Eurostoxx 50 returned +0.2% (-1.5% loss if we exclude dividends) and high-beta European credit (proxied by the 5-year iTraxx Crossover CDS index) which lost -1.9%. The comparison versus (very growth-laden and thus very high duration) US equity indices is even more favourable, in a month where the S&P and Nasdaq 100 USD total returns were -4.8% and -8.0%. Whilst on a year-to-date basis the fund falls short of total returns in the Ibox 35, Rho Investments continues to outperform the total returns of broader European indices (beating the Eurostoxx 50 by +9.33%, the Dax by +9.1% or the CAC 40 by +7.7%), US stocks (beating USD returns for the S&P 500 by +14.3% and the Nasdaq 100 by +24.8%) and European credit (beating the Iboxx Euro Corporates Overall total return by +6.3% or the iTraxx Crossover CDS index by +5.3%). (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%								-2.6%

(\*) 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	7.53%	8.62%	7.23%	11.07%	15.17%	10.21%
Stoxx 600	6.34%	6.31%	2.22%	13.15%	16.46%	14.63%
Ibex	3.81%	-0.57%	-1.17%	19.08%	22.77%	19.95%

### Returns (% Net)

2022YTD	-2.57%
CAGR*	7.23%
May 2022	0.72%

### Risk / Return

Volatility*	10.21%
Sharpe Ratio*	0.71
Sortino Ratio	1.25
Parametric VaR 1-d	1.82%

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

Grifols A shares	-6.8% / -6.8%
Grifols B shares	6.6% / 6.6%
SX7E June 23 call spread 105/120	6.5% / 1.1%
Unicredit shares	3.9% / 3.9%
BBVA shares	-2.1% / -2.1%

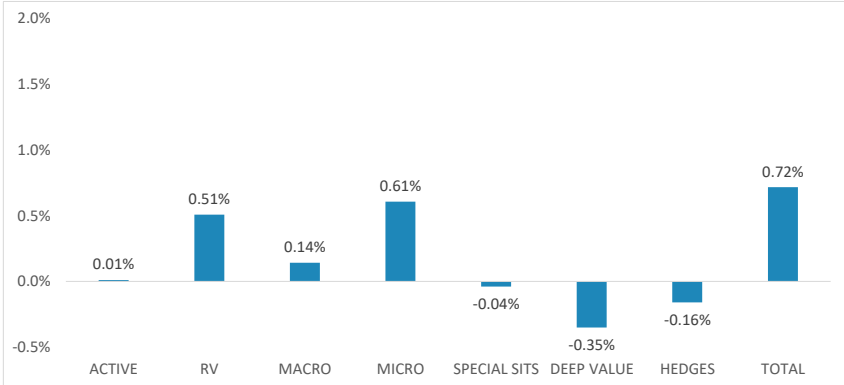
### % Leverage

Gross	129.6%
Net	72.2%

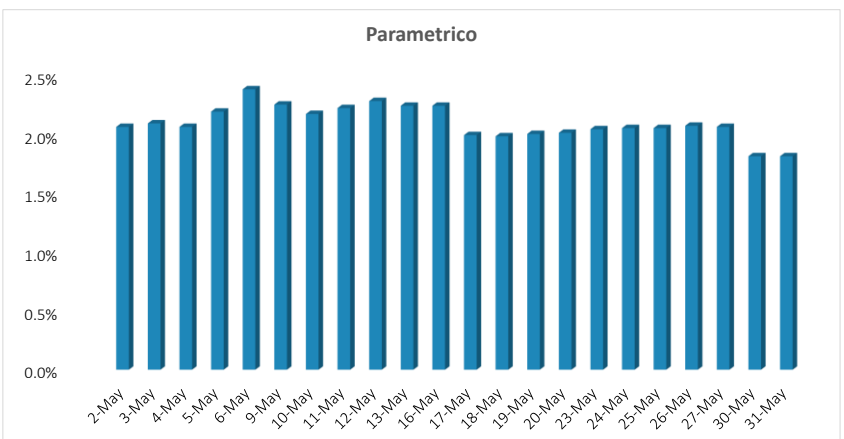
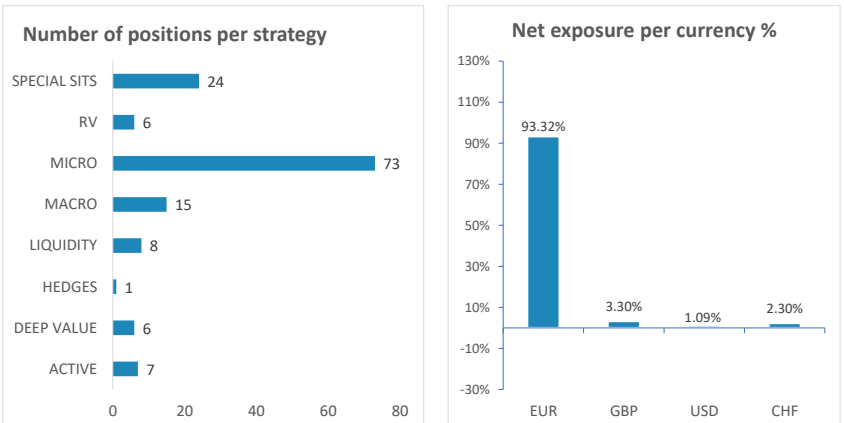
### % of Gross Exposure per Strategy

Active	2.4%
Deep value	4.3%
Hedges	5.5%
Liquidity	21.7%
Macro	13.8%
Micro	36.5%
Relative value	11.9%
Special sits	3.8%

### Performance attribution across strategies (% Gross)



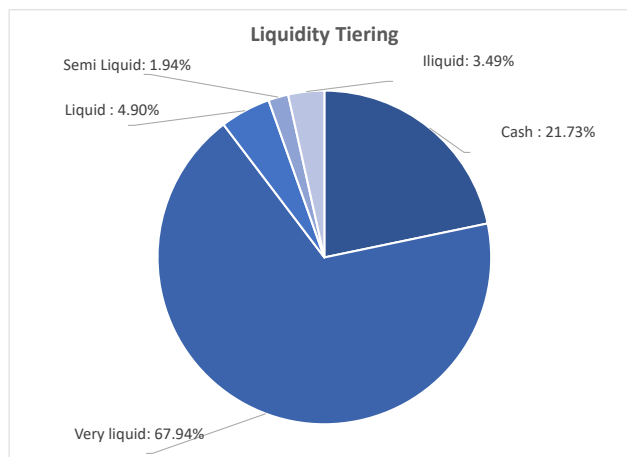
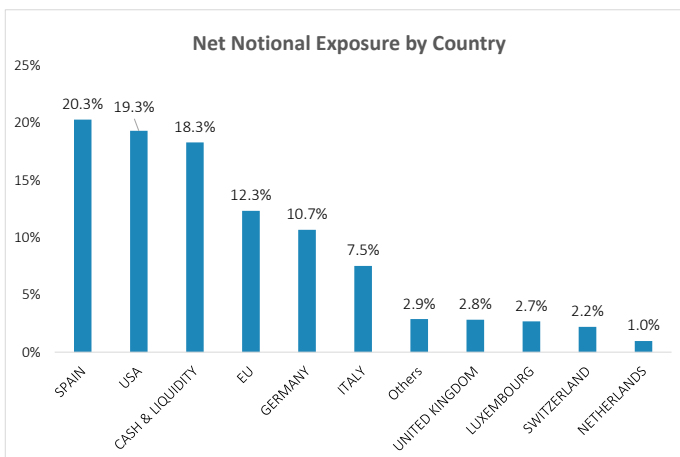
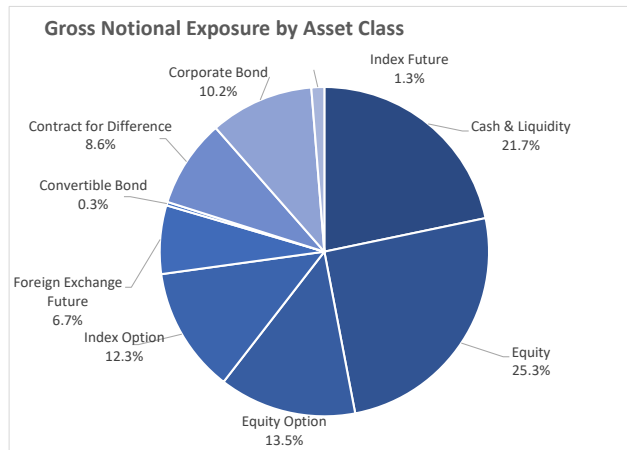
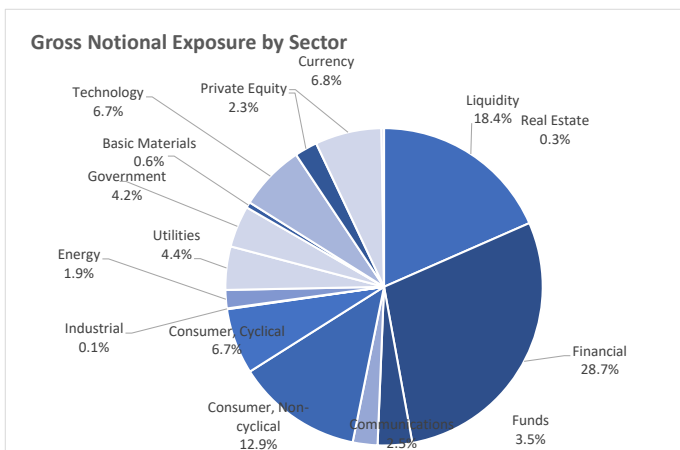
### Risk Concentration and Distribution Metrics



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## Risk Concentration and Distribution Metrics (2)



## May 2022 Update (cont...)

(cont'...) 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 1.13% vs 2.6% in the Eurostoxx 50, 2.4% in the Ibx 35, 2.8% in the Nasdaq or 2.1% in the S&P 500. From a performance attribution point of view, despite difficult market conditions, directional strategies led positive performance. Micro strategies (+0.6%) saw its largest gains generated by shares of Italian bank Unicredit (+0.8%), shares of Portuguese renewable-energy bank company Greenvolt (+0.3%), shares of British oil and gas services company Petrofac (+0.2%), shares of Spanish autoparts company Cie, shares of Coca-Cola Hellenic bottling company (+0.1%) and Iberdrola shares June 22 11 calls. As all those investments (exception made of Unicredit, where we still anticipate significant long-term upside) substantially narrowed the gap vs their targeted potential, amid more volatile market conditions and with our new strategic aim of tighter stop-loss and profit targets on mind, we decided to exit all five positions and leave the last euro for some else to pick. Additionally, despite our originally very bearish view on credit, as yields have substantially backed up driven by rising inflationary expectations and widening credit spreads amid a strong crowding-out effect of widening peripheral government spreads, we have started to add some AT1 exposure to the portfolio (with a particular focus on high resets to mitigate extension risk), where we see increasing value as average yield in the sector approaches 8%. We do however still envisage more pressure on spreads and worsening technicals, so our buying into the sector will be extremely slow and gradual in order to minimize adverse mark-to-market. Macro strategies (+0.14%) was largely bolstered by positive mark-to-market in our SX7E 105-120 June 23 call spread (+0.3%). Relative Value strategies (+0.51%) saw performance largely driven by our SOTP arb-driven equity short in Acciona holdings vs long Acciona energia shares, which we exited after generating a total of 25bps over NAV. Finally, from the point of view of risk metrics, we can see net leverage broadly unchanged month on month at 72%. Gross leverage utilization did however decrease from 1.5x at the end of April to 1.3x at the end of May as the fund took profits across relative value exposures. From a statistical point of view, expressed as 1-day 99.5% confidence parametric VaR, we see risk decrease from 2% at previous month-end to 1.8% at the end of May. Average daily VaR utilization did however increase from 1.7% throughout April to 2.1% throughout May.

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