

SIF



NAV 30/11/2022: 123.51

INVESTMENT TEAM

Rodrigo Hernando, CEO

José Mosquera, CIO

Imanol Urquizu, PM

José Martín-Vivas, Sr. Analyst

Jorge Peñalba, Sr. Analyst

QUADRIGA RHO INVESTMENTS

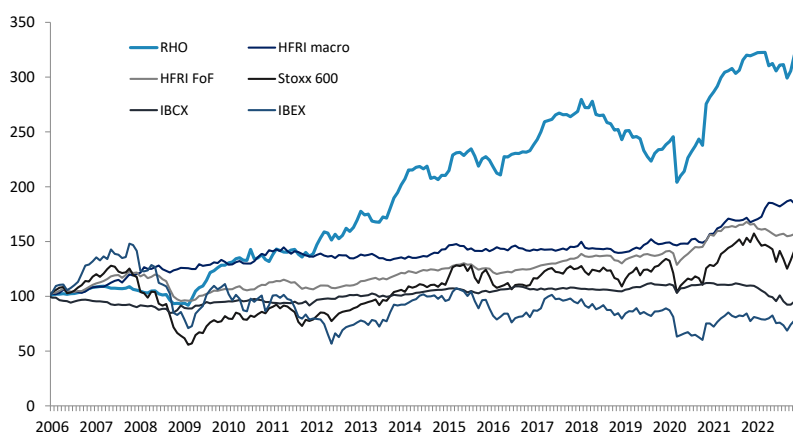
The fund's objective is to return net positive returns every year, regardless the behavior of traditional assets. To achieve it, the fund allocates to six different strategies: Active, Relative Value, Macro Selection, Micro Selection, Special Situations and Deep Value. The strategies are focused on finding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

Nov 2022 Update

November was a very strong month in terms of absolute performance, with the fund generating a +4.8% net return to investors. However, like in the previous month, Rho Investments unfortunately only managed to capture a fraction of the, once again surprisingly (given the relative lack of fundamental or macro developments), strong performance across all asset classes due to the fund's prudent stance on risk going into the end of 2022. We continue to view this price action as a prototypical bear market squeeze/FOMO rally rather than a fundamental change in a market, where the substantial uncertainties regarding the magnitude of the recession to come, the persistence of inflationary pressures or the uncertainty inherent in medium-term geopolitical shifts do not appear fully priced into risk assets. The fund thus underperformed the strong returns seen across most equity markets (the Eurostoxx 50 gained 10.2%, the Ibx 35 6.8% and the S&P 500 and Nasdaq 100 6.7% and 5.6% respectively (in USD terms), although outperformed high-beta European credit, as proxied by the iTraxx Crossover 5-year CDS index, which returned 4.5% in the month. (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%	1.7%	0.1%	-4.0%	2.2%	4.8%		-0.1%

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

DISCLAIMER. Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. The investment return and principal value of an investments in the product will fluctuate so that an Investor's shares, when redeemed, may be worth more or less than the original cost. Current performance and expense ratios may be lower or higher than the data quoted. For performance data current to the most recent month-end, visit www.quadrigafunds.com.

Comparative Risk / Return

	RETURNS (CAGR)			VOLATILITY		
	10 years	3 years	Since inception	10 years	3 years	Since inception
Rho Investments	7.01%	11.02%	6.83%	11.02%	15.14%	10.21%
Stoxx 600	4.79%	2.61%	1.70%	13.87%	18.51%	14.98%
Ibex	0.53%	-3.66%	-1.75%	18.09%	23.80%	19.97%

Returns (% Net)

2022YTD	-0.13%
CAGR*	6.83%
Nov 2022	4.82%

Risk / Return

Volatility*	10.21%
Sharpe Ratio*	0.67
Sortino Ratio	1.19
Parametric VaR 1-d	1.65%

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

Crossover CDS ITRX 500 12/20/27	27.2% / na
SX5E 3800/3100 Dec-22 collar	-9.4% / -0.5%
SX5E 3700 Jan-23 put	-8.4% / -0.4%
Grifols B shares	5.4% / 5.4%
Grifols A shares	-5.3% / -5.3%

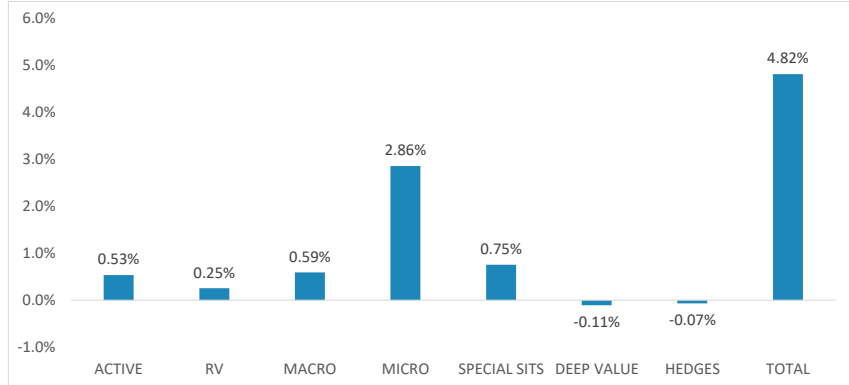
% Leverage

Gross	167.0%
Net	91.0%

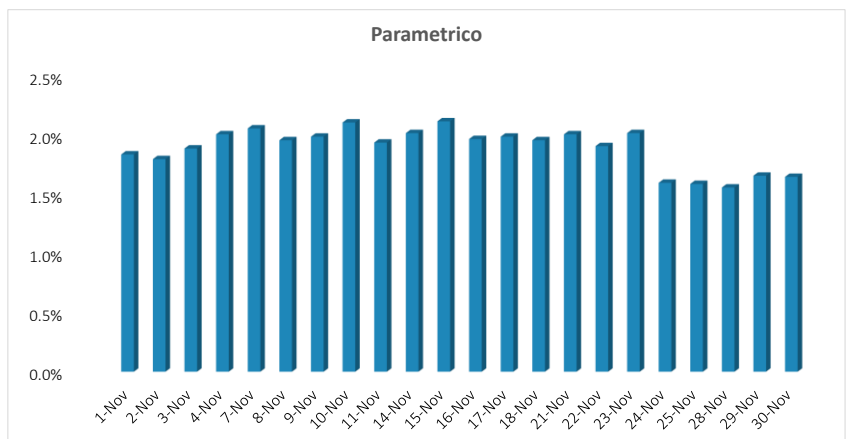
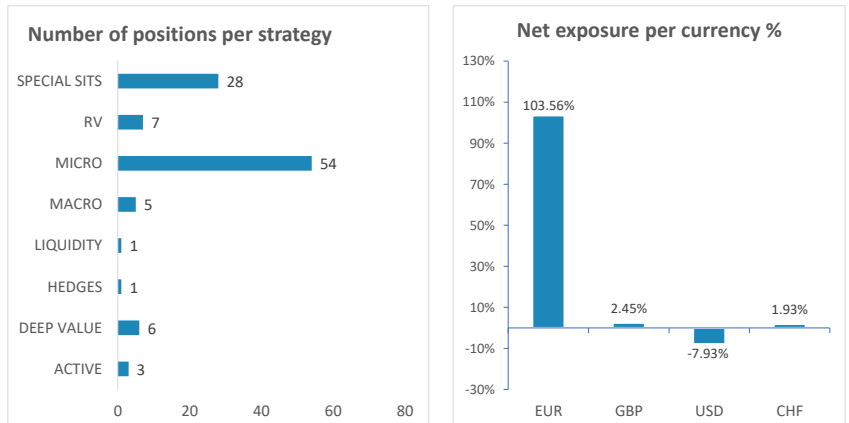
% of Gross Exposure per Strategy

Active	3.2%
Deep value	3.9%
Hedges	6.3%
Liquidity	4.0%
Macro	26.2%
Micro	36.8%
Relative value	13.6%
Special sits	6.0%

Performance attribution across strategies (% Gross)



Risk Concentration and Distribution Metrics

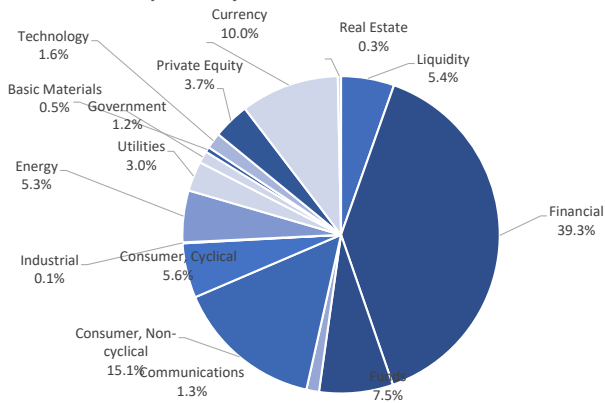


(*) Since inception - Rho SIL until June 2017 , since June 2017, Rho SIF Multi-strategy

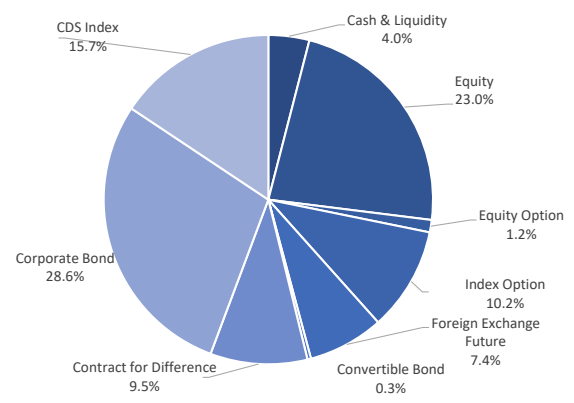
DISCLAIMER. Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. The investment return and principal value of an investments in the product will fluctuate so that an Investor's shares, when redeemed, may be worth more or less than the original cost. Current performance and expense ratios may be lower or higher than the data quoted. For performance data current to the most recent month-end, visit www.quadrigafunds.com.

Risk Concentration and Distribution Metrics (2)

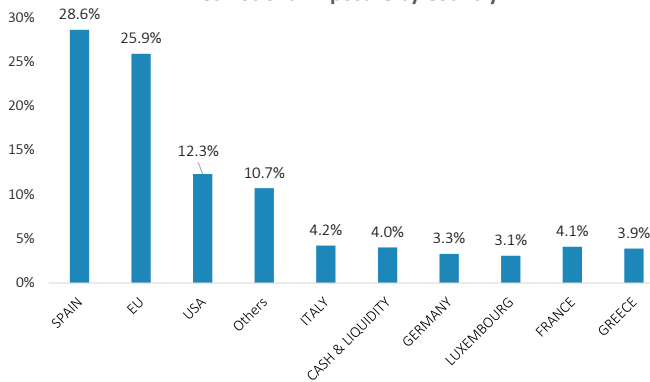
Gross Notional Exposure by Sector



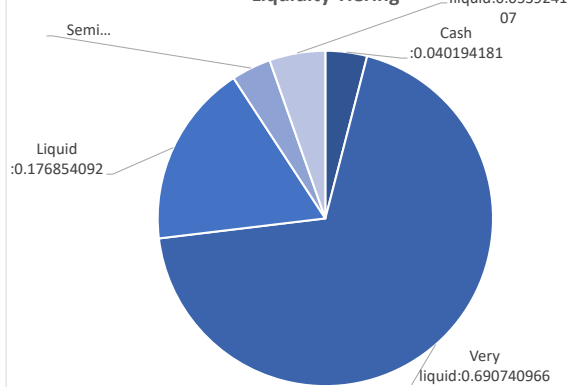
Gross Notional Exposure by Asset Class



Net Notional Exposure by Country



Liquidity Tiering



Nov 2022 Update (cont...)

(...cont) From a performance attribution point of view, all strategies bar Deep Value generated positive returns. Micro strategies (+2.9%) was the largest contributor to overall performance with shares in Eastern European airline Wizz Air (+0.5% return over NAV) and shares in recently recapitalized Italian bank BMPS (+0.3%), EDF 3.375% hybrid perps (+0.3%) and shares in Spanish renewable energy company Soltec (+0.2%) as largest contributors within the strategy, and where our contrarian stance in Credit Suisse stock (-1.2%) was the only negatively performing investment in the month within the bucket. Macro strategies (+0.6%) was once again largely driven by the fundamental long risk (short protection) on the iTraxx Crossover 5-year CDS index, which we initiated at +650 given fundamental cheapness of credit vs stocks, and with a very attractive valuation both in terms of historical defaults in Crossover series and in terms of basis vs intrinsic value (given the large amount of panic hedging seen by credit funds during the sharp September sell-off). After having taken profits last month in half of the position, the remaining 25mm of protection left in the portfolio added a total of +1.23% return over NAV in November and has seen further positive performance into December, which has led us to recently cash in on the remaining exposure. Also within the bucket we exited the 105 strike June 23 call on the SX7E (+0.3% positive mark-to-market in the month) given our view change in European banks valuation as the credit cycle unfolds and the curve flattens. On the negative side within the bucket, we held several bearish exposures (the largest being a November 22 3600 SX5E put) financed with the sale of a Dec 22 3800 call, had an adverse mark-to-market in excess of 50bps, which has now been fully recovered in the December sell-off as the short position has expired out of the money. Special Situations (+0.8%) saw performance driven by positive mark-to-market in shares of Spanish retailer Dia (+0.2%) and our holdings of senior unsecured debt of French care homes company Orpea (+0.2%) where our thesis of a speedy and bond holder friendly restructuring, at the expense of massive existing shareholder dilution remains largely intact and we still envisage 4x money potential in our investment. Active strategies (+0.5%) saw good performance derived from active covered-call writing in the Chinese tech stocks KraneShares ETF, capitalizing on very attractive levels of implied vol. Relative Value strategies (+0.2%) performance was solely derived from positive mark-to-market in our long Grifols pref shares vs short Grifols common stock which yielded 19bps of total performance over NAV. Finally Deep Value strategies (-0.1%) was a small, yet disappointingly, negative contributor to performance as the bucket continues to focus on long-term investments in the beleaguered US telehealth sector, to which we have added an element of rolling covered call writing to benefit from very high levels of implied vol in the sector, at a time when we expect valuations to remain depressed and do not foresee any clear catalyst for stock rerating. (cont...)

DISCLAIMER. Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. The investment return and principal value of an investments in the product will fluctuate so that an Investor's shares, when redeemed, may be worth more or less than the original cost. Current performance and expense ratios may be lower or higher than the data quoted. For performance data current to the most recent month-end, visit www.quadrigafunds.com.

(...cont) Once again from a strategic point of view the fund's stance remains unchanged and is clearly summarized in the bullet points reflected in our previous newsletters:

- Whilst the severity of potential tail events going into the European winter has increased, all these "grey swans" are very well flagged and known, and much doom and gloom has been hedged for and incorporated into asset prices
- We will see an increase in severe bear market squeezes in the next few months fueled by negative gamma and plain old FOMO across fund managers on any move higher
- Feels like the "pain trade" is a move higher in risky asset prices
- Once again, like we saw in 08, credit markets are clearly leading the way in terms of pricing recession and broader risks (including systemic and sovereign ones)
- Credit looks too cheap to stocks
- European stocks are starting to be attractively priced in terms of many metrics but crucially we have yet to see significant EPS downgrades across sectors and we believe this to be a potential catalyst to finally buy stocks on weakness with a meaningful level of conviction

Finally, and from the point of view of risk metrics, the fund actively trimmed its market exposure as the market rallied to very rich levels given the backdrop of high uncertainty surrounding the credit cycle and persistence of inflationary pressures. As a result, we see net leverage dropping from 126% at the end of October to 91% at the end of November. Likewise gross leverage came down from 1.9x at the end of October to 1.7x at the end of November. The picture from a statistical point of view, expressed as 1-day 99.5% confidence parametric VaR, also echoes the reduction in levels of market exposure yet dropping more significantly (from 2.5% at the end of October to 1.6% at the end of November) than would have been predicted by the overall reduction in market exposure, as this reduction in risk has been coupled with a transition from equity into credit within the long exposures across strategies, to the point that as we type these lines the overall portfolio has a net negative equity delta vs long credit. Average daily VaR utilization also dropped from 2.3% throughout the month of October to 1.9% average daily utilization during November.

DISCLAIMER. Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. The investment return and principal value of an investments in the product will fluctuate so that an Investor's shares, when redeemed, may be worth more or less than the original cost. Current performance and expense ratios may be lower or higher than the data quoted. For performance data current to the most recent month-end, visit www.quadrigafunds.com.
