

Quadriga Aqua UCITS

31st Oct 2023

Quadriga AQUA UCITS is a liquid absolute return strategy focused on 1) capital preservation, 2) large absolute returns during risk on markets, and 3) flat to low negative returns in hostile markets, which we achieve via a structural allocation to anti-bubbles and anti-crisis strategies via long-only options. Managed on a discretionary basis following a disciplined framework and risk limits which include 1) no leverage, 2) no outright shorts, 3) long only options, combining fundamnetal top-down macro, bottom-up micro, quantitative, technical, and positioning analysis, within a disciplined framework for portfolio construction and risk management.



Diego Parrilla
diego.parrilla@quadrigafunds.es

Alfonso Torres
alfonso.torres@quadrigafunds.es

Monthly Commentary

What happened during the month? Quadriga Aqua UCITS is -1.0% in October. During October we saw a mayor market event, with long end risk free yields in USA continuing their path higher and TLT ETF losing -5,5%, while the short end, ended almost unchanged. This curve steepening has been joined by EUR, GBP and JPY curves since July. The movement in yields has put some pressure on risk assets , with equity indexes falling across the board (SPX -2,2%, SXXP -3,6%, NKY -3,15%, EM -3,29%). The terrorist attack from Hamas in Israel brought some volatility into the markets that has been quickly erased, with CL1 falling -9,29% during October, and CO1 -5,20%. We see the possible spillovers of the conflict as very disruptive, but so far it has been ring fenced with the diplomatic and deterrence front. On the macro side, we have seen better than expected numbers in USA, especially in consumer demand and employment, while Europe and China are clearly faltering. In general, we see the level of interest rates and the willingness of central banks to keep them at current levels for a while as a potential risk for corporates and households. Going forward, the combination of lower demand and higher financial costs should dampen overly optimistic expectations for earnings, in our view. We continue to accumulate insurance into markets that we view as excessively complacent compared to the current macro and geopolitical environment.

Class	Currency	ISIN	Fees
A	USD	LU1871084460	1,5%/0%
B	USD	LU1871084544	0%/20%
(Retro)C	USD	LU2357187157	2.0%/0%

Positioning Aqua UCITS

Positioning	Start Month	End Month	Total %
US EQUITIES	100.0%	99.9%	-0.1%
INSURANCE	8.8%	10.8%	2.0%

Options (% AUM)	2023	2024	2025	>2025	Total
Gold & PM	0.0%	1.0%	0.5%	1.1%	2.7%
SPX & Vix	0.2%	4.6%	0.0%	0.0%	4.8%
FX & Rates	0.0%	0.1%	0.0%	3.2%	3.3%
Total	0.2%	5.6%	0.5%	4.4%	10.8%

Performance Attribution Aqua UCITS

Attribution %	Month %	YTD	LTD
US EQUITIES	-2.2%	10.5%	76.5%
INSURANCE	1.2%	-6.2%	-18.4%
AQUA	-1.0%	4.3%	58.1%

Rebalancing	LTD Passive	LTD Reb	Reb Effect
US EQUITIES	64.5%	76.5%	12.0%
INSURANCE	-11.0%	-18.4%	-7.5%
	53.6%	58.1%	4.5%

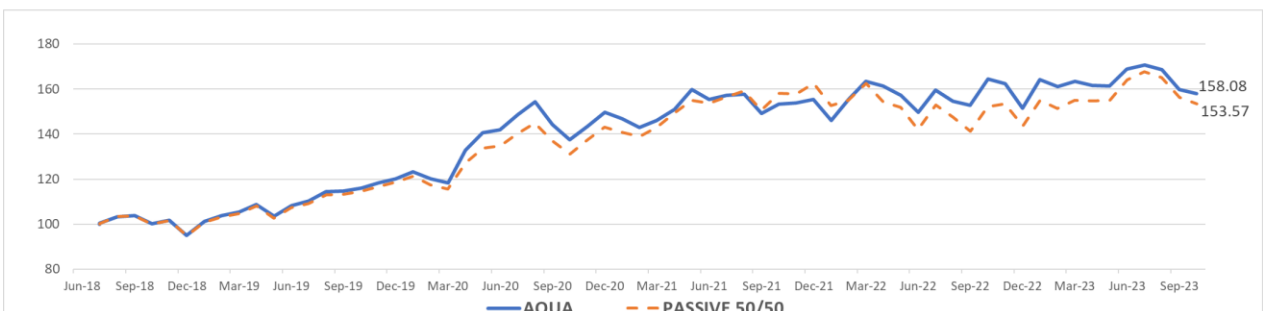
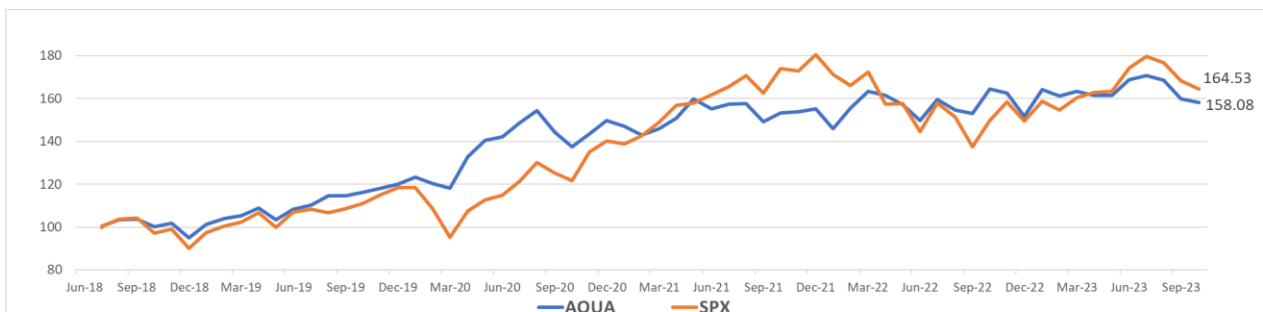
Closed/Restructured positions: We rolled our VIX call Spread.

New Trades: Entered a new DAX put spread for June 2024.

Absolute and Relative Performance and Risk

	Monthly (%)	YTD (%)	LTD (%)	LTD (% p.a.)	Vol (%)	Sharpe	Sortino	Peak Trough	NAV
SPX	-2.2%	10.5%	64.5%	9.8%	18.5%	0.5	0.8	-23.9%	164.5
AQUA	-1.0%	4.3%	58.1%	9.0%	14.0%	0.6	1.3	-10.9%	158.1
Difference	1.2%	-6.2%	-6.5%	-0.8%	-4.5%	0.1	0.4	13.0%	-6.4

Historical Performance



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Total
2018	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	3.1%	0.3%	-3.4%	1.5%	-6.8%	2018	-5.1%
2019	6.7%	2.6%	1.3%	3.3%	-4.8%	4.6%	1.8%	3.8%	0.2%	1.2%	1.8%	1.5%	2019	26.5%
2020	2.7%	-2.5%	-1.6%	12.3%	5.8%	1.1%	4.7%	3.8%	-6.4%	-4.8%	4.3%	4.4%	2020	24.7%
2021	-1.9%	-2.7%	2.1%	3.4%	5.9%	-2.9%	1.3%	0.3%	-5.4%	2.7%	0.4%	0.9%	2021	3.7%
2022	-6.0%	6.4%	5.2%	-1.2%	-2.7%	-4.8%	6.6%	-3.0%	-1.2%	7.6%	-1.3%		2022	4.6%
2023	8.3%	-1.9%	1.4%	-1.2%	-0.1%	4.6%	1.0%	-1.1%	-5.3%	-1.0%			2023	4.3%

DISCLAIMER. This fact sheet is not a sales prospectus. The materials are intended solely for general information about the Strategy. Past performance is no guarantee of future results. Realized performance may differ from Target Performance, and can be positive or negative. The NAV of class A displayed in the factsheet is computed net of management and performance fees. The strategy is also available via other share classes in USD, EUR, and GBP with different management and performance fees, adn minimum investment amount. All share classes available with daily liquidity at NAV.