

Aqua UCITS

29th Feb 2024

AQUA UCITS is a strategy with daily liquidity that combines a long-only exposure to the S&P 500 US Equities with a long-only exposure to options across asset classes, which are rebalanced monthly. The fund designed and managed with the objective to participate in the long term appreciation of US equities with enhanced levels of capital preservation and lower drawdowns during hostile equity markets. The options component of the strategy is designed with a long volatility and tail risk bias, and composed of long-only options across multiple assets (equity, credit, rates, FX, commodities, and inflation) which aim to generate reliable, reactive, convex, and asymmetric protection subject to cost and carry considerations. The systematic monthly rebalancing is designed to maintain balanced levels of investment across equities and options, and has the potential to generate incremental returns, positive or negative, via rebalancing alpha. The Management Company ("ManCo") is Quadriga Asset Managers, who has delegated the management of the strategy to Investment Manager 36 South Capital Advisors.



Investment Manager:
36 South Capital Advisors

Lead Portfolio Managers:

Diego Parrilla
diego.parrilla@36south.com

Alfonso Torres
alfonso.torres@36south.com

Monthly Commentary

What happened during the month? Aqua UCITS is +3,12% in February. During February the risk on sentiment continued unabated, supported by a strong earnings release from Nvidia and the AI frenzy accelerating. SPX +5,3%, SXXP +2%, NKY +8%, EM +4,2% supported by China +9,3%. This move came despite the strong underperformance coming from bonds, with IEF -2,1% and TLT -2,3%. Oil stronger +3,2% and Natural Gas lower (-16% Europe, -11,2% USA) paint a mixed picture for inflation. Higher rates weighed on gold (-1%) and silver (-2%), while USD outperformed JPY (+2,08%) and CHF (+2,68%) and was more stable vs EUR, CNH or GBP. During February we saw stronger than expected inflation numbers, while economy numbers came more mixed, with strong unemployment and weak retail sales. Central banks in general have turned slightly from the great dovish pivot seen in December and continue to be in "data dependent" mode. This is providing much volatility to the short end of rates curves, and probably more to come. Risk assets keep their path higher supported by very high expectations in AI developing much higher productivity and earnings. Everything, from valuations to sentiment, from volatility to momentum looks very overextended. In our view, timing looks great to keep accumulating insurance.

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%	102.5%	2.5%
INSURANCE	9.0%	8.1%	-0.9%

Options (% AUM)	2024	2025	2026	>2026	Total
Gold & PM	1.1%	0.4%	1.3%	0.0%	2.7%
SPX & Vix	2.3%	0.0%	0.0%	0.0%	2.3%
FX & Rates	0.0%	0.0%	1.0%	2.0%	3.0%
Total	3.5%	0.4%	2.2%	2.0%	8.1%

Performance Attribution Aqua UCITS

Attribution %	Month %	YTD	LTD
US EQUITIES	5.1%	6.8%	108.9%
INSURANCE	-2.0%	-2.5%	-33.9%
AQUA	3.1%	4.3%	74.9%

Rebalancing	LTD Passive	LTD Reb	Reb Effect
US EQUITIES	99.5%	108.8%	9.4%
INSURANCE	-19.3%	-33.9%	-14.6%
Total	80.2%	74.9%	-5.3%

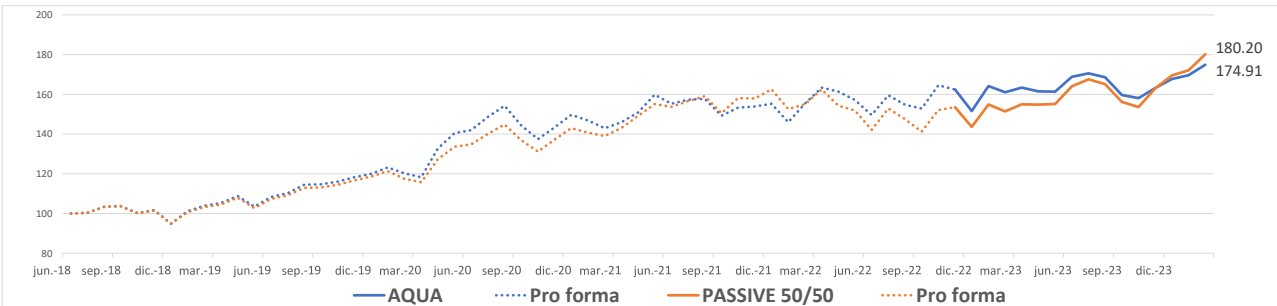
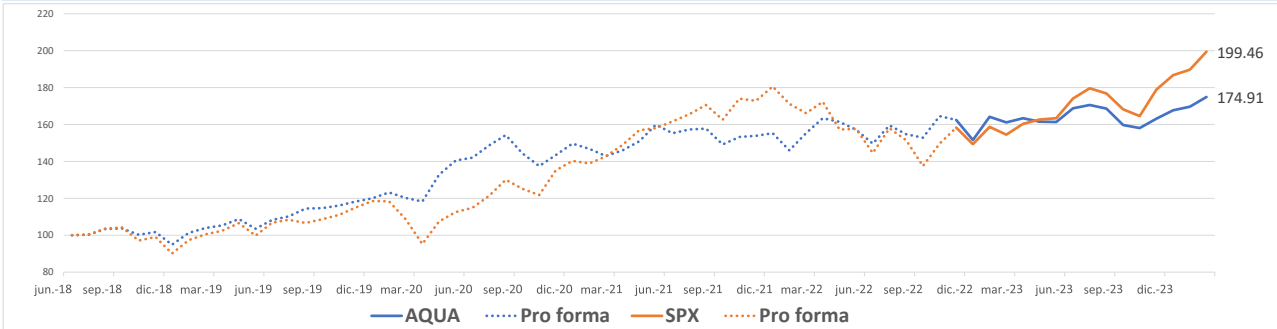
Closed/Restructured positions: We rolled DD Gold/CNH and Worst of Gold/CNH

New Trades: WE entered a new USDTWD call spread

Absolute and Relative Performance and Risk

	Monthly (%)	YTD (%)	LTD (%)	LTD (% p.a.)	Vol (%)	Sharpe	Sortino	Peak Trough	NAV
SPX	5.1%	6.8%	99.5%	13.4%	18.4%	0.7	1.2	-23.9%	199.5
AQUA	3.1%	4.3%	74.9%	10.7%	13.7%	0.8	1.5	-10.9%	174.9
Difference	-2.0%	-2.5%	-24.6%	-2.7%	-4.7%	0.1	0.3	13.0%	-24.5

Historical Performance



using internal calculations with SPX Index + Igneo option program.

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%	-6.7%	2022	-2.4%
2023	8.3%	-1.9%	1.4%	-1.2%	-0.1%	4.6%	1.0%	-1.1%	-5.3%	-1.0%	3.2%	2.8%	2023	10.6%
2024	1.1%	3.1%											2024	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, and minimum investment amount. All share classes available with daily liquidity at NAV.