

**Aqua UCITS**

**31st Mar 2024**

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 fundamental top-down macro, bottom-up micro, quantitative, technical, and positioning analysis, within a disciplined framework for portfolio construction and risk management.



Investment Manager:  
**36 South Capital Advisors**

Lead Portfolio Managers:

**Diego Parrilla**  
diego.parrilla@36south.com

**Alfonso Torres**  
alfonso.torres@36south.com

Class	Currency	ISIN	Fees
A	USD	LU1871084460	1.5%/0%
B	USD	LU1871084544	0%/20%
(Retro)C	USD	LU2357187157	2.0%/0%

**Monthly Commentary**

**What happened during the month?** Quadriga Aqua UCITS is +3,96% in March. During March, we observed a continuation of the risk-on market trend that we've been participating in since November 2023, with SPX +3,2%, SXXP +4,1%, NKY +3,2% and EM +2,8%, despite China lagging again, with the SHSZ300 at +0,14%. Bonds stopped their ytd losses making slight gains, while HY credit performed around 1%, joining the risk assets rally. Gold and silver had a great run, achieving nearly a 10% increase. The markets are debating the timing of the first cut by the FED and ECB (SNB already did in a surprise move), while BOJ ended the negative rate policy but looking at the differential vs other currencies, JPY underperformance following the decision seems to make sense. Markets seem to be moving under the assumption that the FED will cut rates as soon as possible. The mindset is that if the economy and earnings perform well, it is good for equities, and if not, the FED will cut rates to help. FED officials look much more dovish than they should, given the move higher in inflation/inflation expectations, and the strong employment report seen so far this year. We think the market is too confident, volatilities too low, and earnings expectations remain too high. We keep recommending to buy insurance and have the insurance prepared for a convex return should markets correct in order to protect our equity beta.

**Positioning Aqua UCITS**

Positioning	Start Month	End Month	Total %
US EQUITIES	100.0%	101.3%	1.3%
INSURANCE	9.0%	8.7%	-0.3%

Options (% AUM)	2024	2025	2026	>2026	Total
Gold & PM	1.3%	0.6%	1.7%	0.0%	3.7%
SPX & Vix	1.7%	0.0%	0.0%	0.0%	1.7%
FX & Rates	0.3%	0.0%	1.1%	2.0%	3.3%
<b>Total</b>	<b>3.3%</b>	<b>0.6%</b>	<b>2.8%</b>	<b>2.0%</b>	<b>8.7%</b>

**Performance Attribution Aqua UCITS**

Attribution %	Month %	YTD	LTD
US EQUITIES	3.1%	10.1%	114.4%
INSURANCE	0.8%	-1.6%	-32.5%
AQUA	4.0%	8.4%	81.9%

Rebalancing	LTD Passive	LTD Reb	Reb Effect
US EQUITIES	105.7%	114.4%	8.7%
INSURANCE	-18.6%	-32.5%	-13.9%
<b>Total</b>	<b>87.1%</b>	<b>81.9%</b>	<b>-5.2%</b>

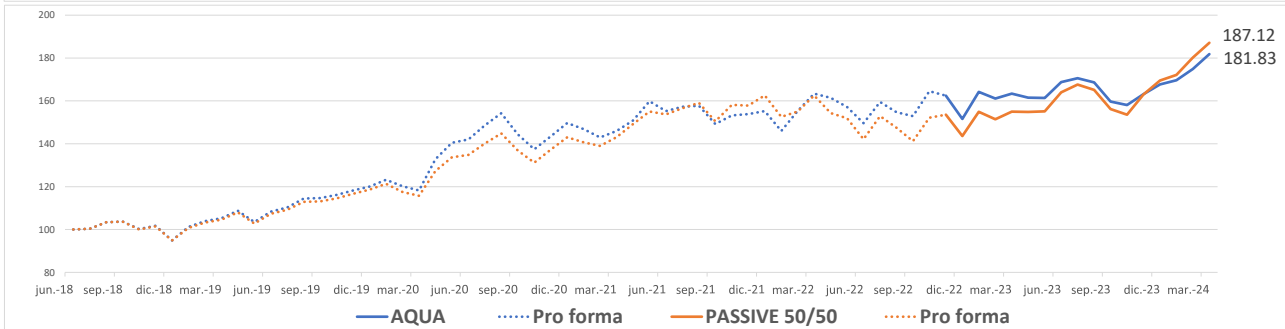
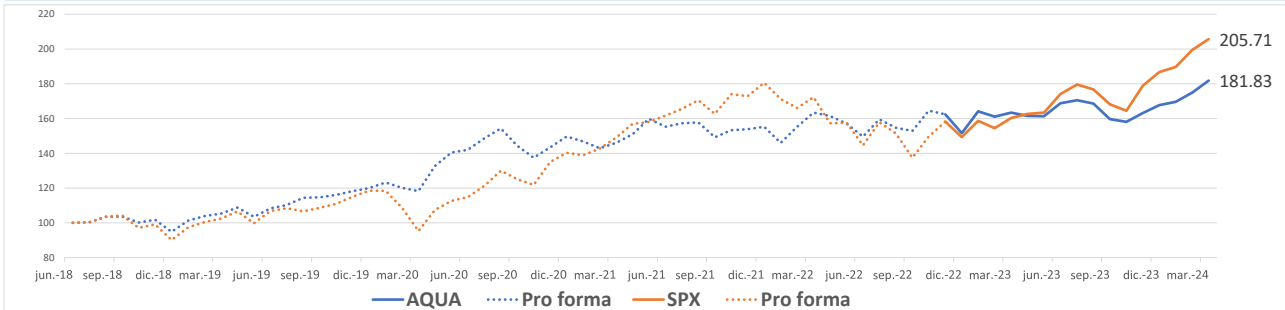
**Closed/Restructured positions:** We rolled VIX call spreads

**New Trades:** WE entered SFR June and Sep call spreads

**Absolute and Relative Performance and Risk**

	Monthly (%)	YTD (%)	LTD (%)	LTD (% p.a.)	Vol (%)	Sharpe	Sortino	Peak Trough	NAV
SPX	3.1%	10.1%	105.7%	14.0%	18.3%	0.77	1.2	-23.9%	205.7
AQUA	4.0%	8.4%	81.8%	11.5%	13.7%	0.84	1.6	-10.9%	181.8
Difference	0.8%	-1.6%	-23.9%	-2.5%	-4.6%	0.1	0.4	13.0%	-23.9

**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%	4.0%										2024	8.4%

**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.