

Aqua UCITS

30th Nov 2024

Aqua UCITS is a liquid Protected Rebalanced Equity strategy designed to maximize the long-term participation to U.S. equity markets whilst minimizing volatility and drawdown risk. To achieve these objectives, Aqua UCITS combines:

1. Long-only S&P Futures in 100% notional ("Upside Alpha")
2. Long-only defensive options program seeking reliable reactive convexity with the lowest cost and carry ("Downside Alpha")
3. Disciplined systematic rebalancing that embraces volatility, monetizes profits, and accumulates opportunities across Upside Alpha and Downside Alpha ("Rebalancing Alpha")

Aqua UCITS is available with daily liquidity at NAV in different currencies.



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Class	Currency	ISIN	Fees
A (Clean)	USD	LU1871084460	0,75%/0%
C (Retro)	USD	LU2357187157	2,0%/0%
D (Clean)	EUR	LU2357187231	0,75%/0%

Liquidity Daily
UCITS Luxembourg

Monthly Commentary

What happened during the month? Quadriga Aqua UCITS gained +3.1% in November. The major market event was the US elections, where Trump's strong win and the Republican majority in both chambers significantly influenced "Trump trades". US equities outperformed across the board with Russell up +11% and SPX up +5.7%, while Eurostocks rose +1.15%, NKY fell -2.2% due to a stronger yen, and Hang Seng dropped -4.2%. The USD had a mixed performance, strengthening against EUR, CHF, and CNH, but weakening against JPY. Yields initially rose on inflation fears but ended the month lower as the new treasury secretary choice calmed markets. We expect the widely anticipated Trump policies to add volatility to the markets, which remain highly complacent for now. The global macro and geopolitical outlook remains fragile and uncertain, with risks from China's credit/housing/infrastructure bubble, Europe's challenges from Ukraine to political instability in France and wider industrial contraction. These factors underscore US exceptionalism that can result in justified excessive optimism among investors regarding US equities. Positioning is at its highest level in decades, with Warren Buffet holding maximum cash, EPS at all-time highs, SPX at all-time highs, valuations near all-time highs, and margins at all-time highs. Any reversal in growth expectations could leave the market vulnerable. We see very attractive value in protection strategies and have added significant amount of protection over the past few weeks with medium term horizon.

Positioning Aqua UCITS (% AUM)

Positioning	Start Month	End Month	Change
US Equities (% NAV)	100.0%	99.8%	-0.2%
Option Premium (% NAV)	6.8%	9.8%	3.0%

Positioning Options Portfolio (Premium at Risk as % AUM)

Option Premium (% AUM)	2024	2025	2026	>2026	Total
Precious Metals & Inflation	0.0%	0.0%	2.2%	1.4%	3.7%
SPX & VIX	0.3%	3.4%	0.0%	0.0%	3.7%
FX & Rates	0.0%	0.1%	0.0%	2.3%	2.4%
Total	0.3%	3.5%	2.2%	3.7%	9.8%

Monthly Activity Aqua UCITS

Closed/Restructured positions: We rolled VIX calls defensive convexity trades.

New Trades: SPX Vanilla Put, SPX Put Lookback VKO, defensive convexity trades that provide reliable reactive convexity for adverse and also benign markets.

Gold calls contingent on USDCHF higher, Gold calls contingent on USDCNH higher, defensive risk premia trades, take advantage of structural opportunities in gold and USD.

Dual Digital Gold higher and USDCHF higher, similar rationale to contingent calls with attractive asymmetry, cost and carry.

Aqua Pro-Forma and Live Absolute and Relative Performance and Risk Metrics vs SPX

	Monthly (%)	YTD (%)	LTD (%)	LTD (% p.a.)	Vol (%)	Sharpe	Sortino	Peak Trough	NAV
SPX	5.7%	27.2%	137.7%	14.4%	17.6%	0.82	1.3	-23.9%	237.7
AQUA	3.1%	28.5%	117.6%	12.9%	13.6%	0.95	1.8	-10.9%	217.6
Difference	-2.5%	1.3%	-20.1%	-1.6%	-4.1%	0.1	0.5	13.0%	-20.1

Aqua LIVE YTD Absolute and Relative Performance vs SPX



PERFORMANCE. Aqua UCITS is LIVE since 27th October 2022. Prior to that, the performance on the table below is Pro-Forma, and has been constructed using three building-blocks: 1) Long 100% US equity implemented via SPX front month rolling futures, 2) Long option premium managed pari-passu to Igneo with neutral target allocation of 10% premium at risk, and 3) monthly rebalancing back to neutral targets. The Pro-forma is subject to a number of limitations, including 1) % premium invested. The back-test assumes that the % premium will be reset each month to the neutral 10% target. In practice, the % premium is expected to average 10% premium and range between the lower and higher boundaries of 5% and 15%. 2) Intra-month rebalancing. Whilst the back-test is accurately taking into consideration the profit taking within the options program managed pari-passu to Igneo, the back-test is assuming that the rebalancing is systematic and based on monthly rebalancing only. The assumption is in our view fair and possibly conservative, as evident by the fact that the live performance in August 2024 generated significant rebalancing alpha that happened intra-month that would have not been captured by the Pro-Forma. Other second and third order limitations and considerations, such as funding considerations, apply but in our view do not materially affect the analysis and conclusions. More details available on demand.

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%	-3.4%	2.4%	3.3%	1.1%	10.0%	1.0%	0.2%	3.1%		2024	28.5%

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.