

QUADRIGA EUROPEAN CREDIT OPPORTUNITIES - QAMECO

January 2025

Quadriga European Credit Opportunities is a fixed income fund focused on investing across European corporate bonds and credit derivatives through a strategy that combines:

- (1) carry:** recurrent income via credits where we expect a sustained improvement of credit fundamentals.
- (2) events:** investment in credits where we envisage a substantial capital appreciation due to clearly identifiable event-driven catalysts.
- (3) macro overlay:** tactical trading aimed at reducing volatility associated with both interest rates and default risk.

Fund exposures will be diversified across 40/50 different issuers selected through a rigorous fundamental analysis of each company's capital structure and repayment capacity vs its sectoral and rating peers and a careful assessment of risk-reward attractiveness.

Management Team

Rodrigo Hernando	Co-PM
José Mosquera	Co-PM
José Martín-Vivas	Co-PM
Jorge Peñalba	Co-PM
Catalina Augustin	IR

Structure

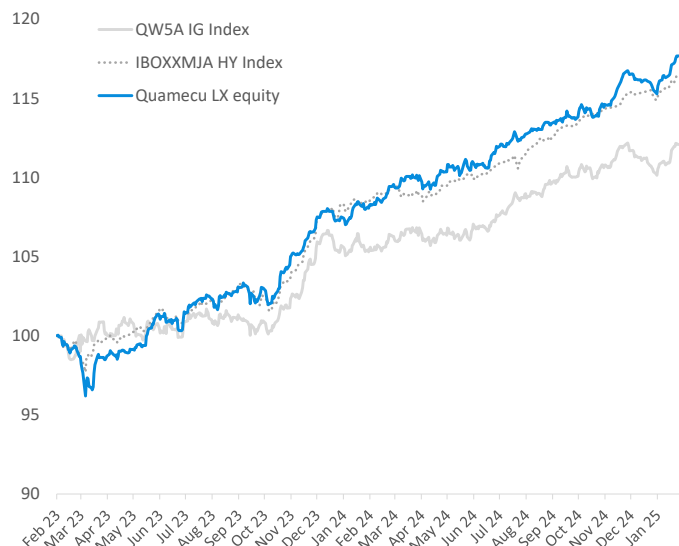
UCITS
Domicile Luxembourg
NAV Currency EUR
Custodian Société Générale SS
Auditor KPMG
Liquidity Daily

Class

A - L
Management Fee 0.4 - 0.9%
Performance Fee 0 - 9% (max.)
Min. Investment 10€ - 10,000,000€
ISIN / BBG Ticker Refer to Page 3
NAV Refer to Page 3

NAV Evolution

January 2025 (*)



Quadriga European Credit Opportunities started 2025 by generating a net return of +0.82% for our investors, which compares very favorably with both the +0.60% return of the European High Yield index (IBOXXMJA) and the +0.47% return of the Investment Grade index (QW5A), as well as with the majority of comparable High Yield and Investment Grade funds in Europe.

As we anticipated at the end of 2024, **January was expected to be a very special and volatile month**, both on a personal level and in financial markets. On the personal side, a team member—who (although correlation does not imply causation) canceled his Netflix subscription last year—welcomed his seventh child this January. This led to high volatility in sleep hours, a widening of dopamine spreads, and a tightening of patience and availability levels. Meanwhile, as our great hero embarked on his mission to reverse the demographic pyramid, markets experienced significant interest rate volatility and further credit spread compression. The BUND saw a 30bps sell-off in the first 15 days of the month, before closing January just 6bps wider than the previous month's close. At the same time, IG and HY spreads, as measured by the ITRAXX MAIN and XOVER indices, tightened by 6bps and 32bps, respectively, closing at 52 and 280 points.

Doubts regarding rate cuts, introduced by central banks in their December meetings, along with strong economic and, most notably, employment data from the U.S. at the beginning of the month—combined with expectations of numerous tariff announcements during Trump's January 20 inauguration—led to a continued widening trend in rates that had begun in December. **(Cont page 3)**

Monthly Returns (%Net) (*)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2023		-0.87%	-0.98%	0.88%	1.08%	0.85%	1.37%	0.42%	-0.06%	0.28%	2.66%	2.01%	7.85%
2024	0.57%	0.06%	1.42%	-0.51%	0.71%	0.30%	1.86%	0.32%	0.67%	0.01%	1.59%	0.48%	7.71%
2025	0.82%												0.82%

Top 5 Positions by Strategy (%NAV)

Carry	Events	Macro Overlay
CAIXABANK 6 ¼ AT1 3.60%	AUDAX 4.2 12/18/27 EMTN 0.98%	BUND FUTURES MARCH 2025 4.64%
ACCOR 5 ½ 11/15/31 REGS 2.92%	UBISOFT 2 ½ 12/05/31 0.56%	BTPS 4.3 10/01/54 30Y 1.81%
BELFIUS 6 ½ PERP 2.89%	CASHES (UNICREDIT) FRN 12/15/50 0.41%	FINLAND GVT BND 3.2 04/15/45 20Y 1.59%
SWISSLIFE 4.241 10/01/44 2.56%		
PORSCHE 4 ½ 09/27/32 EMTN 2.53%		

(*)Class B data. For other Class details refer to Page 3.

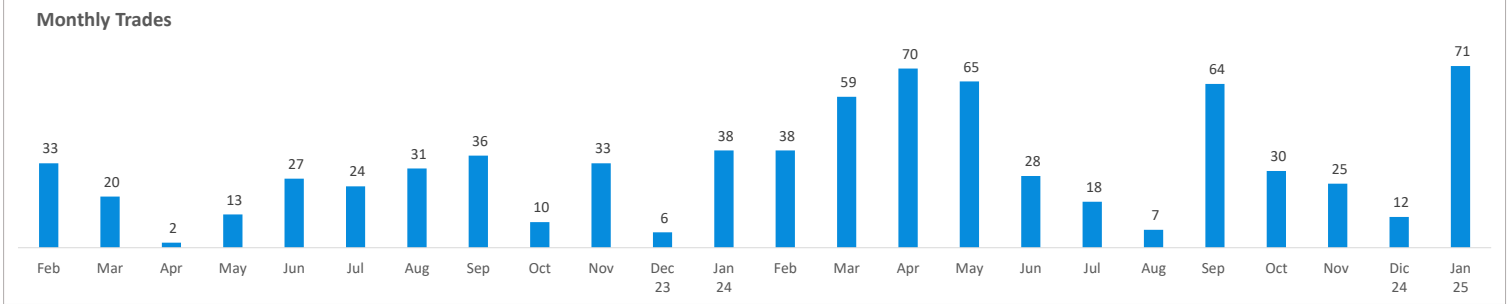
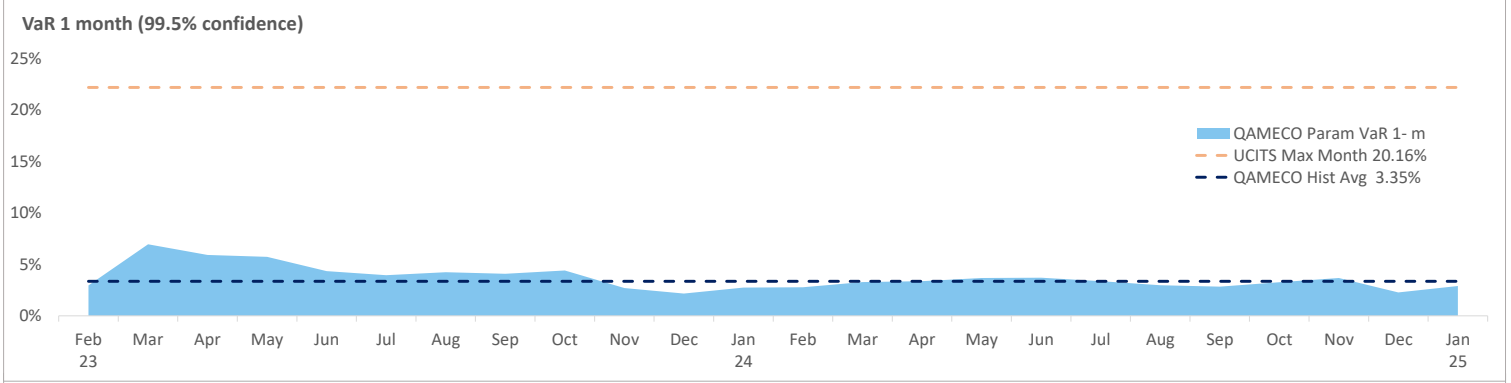
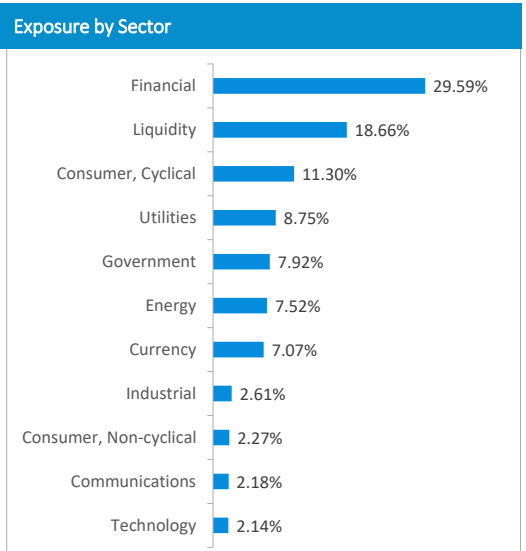
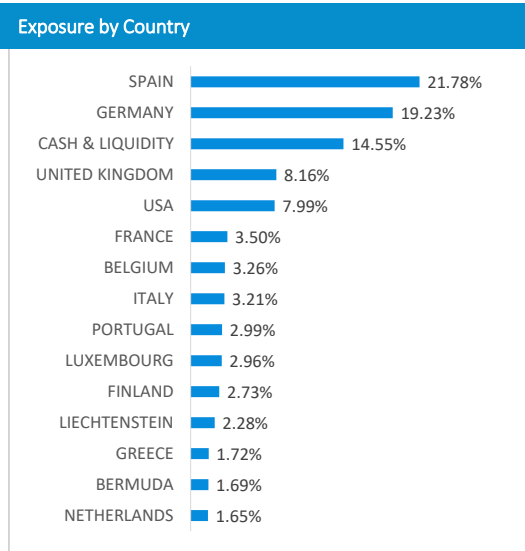
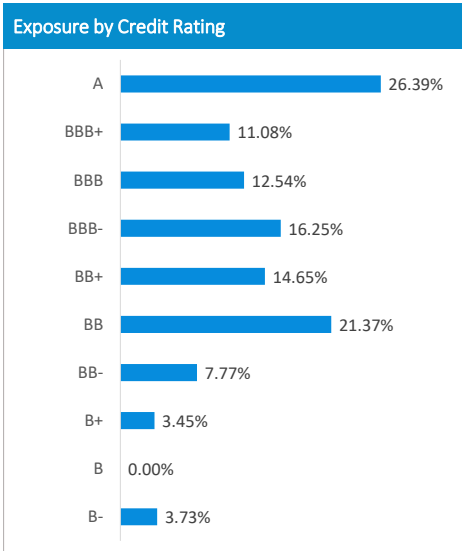
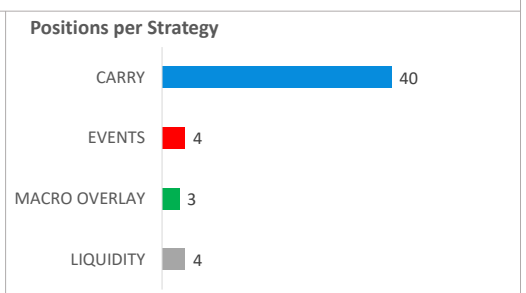
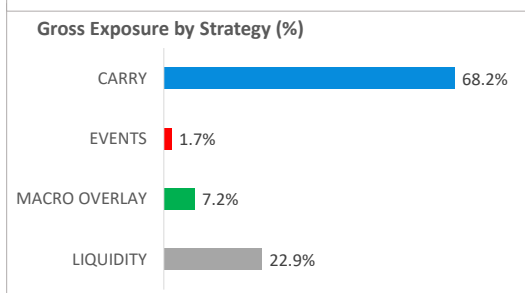
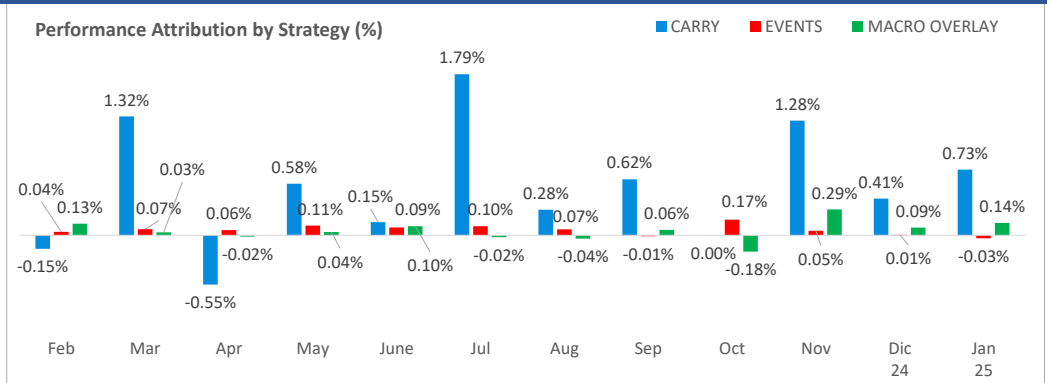
DISCLAIMER. Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. The investment return and principal value of an investments in the product will fluctuate so that an Investor's shares, when redeemed, may be worth more or less 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.

For inquiries or additional information, please contact catalina@rho-investments.com

Risk Concentration and Exposure

Returns / Volatility(*)	
Return YTD	0.82%
Annualized Return YTD	10.07%
Annualized Daily Volatility YTD	2.35%

Yield / Duration	
Portfolio Average Yield	4.71%
Portfolio Duration	3.65
Portfolio Spread Duration	1.47



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This market behavior put us in a highly advantageous position to deploy the 25% cash buffer accumulated at the end of the year, which we have successfully done. January was an especially active month in rates and Investment Grade credit trading, with over 70 buy and sell transactions executed. Activity spanned both the primary market, where we capitalized on new issuance premiums, and the secondary market, where increased return dispersion created relative value opportunities.

So far in 2025, with credit spreads in Europe remaining extremely tight, we believe that the most compelling opportunities lie in exploiting market inefficiencies in interest rates on both sides of the Atlantic. Passive investment flows are causing U.S. sell-offs to spill over into Europe, despite significantly lower growth expectations in the region. Additionally, the impact of the new U.S. administration's energy policies and tariffs is proving deflationary and detrimental to economic growth in Europe.

This divergence was clearly reflected in the January central bank meetings:

- The FED decided to pause rate cuts, waiting to assess the impact of Trump's new economic policies on key macro variables.
- Meanwhile, the ECB signaled a strong inclination to continue cutting rates in Europe, as the Q4 2024 economy remained stagnant, and the disinflation process showed further progress.

Finally, in terms of economic and fiscal matters, there is significant anticipation in Europe regarding a potential Russia-Ukraine agreement, which could drive higher growth in the region. Additionally, the upcoming German elections on February 23, 2025, are being closely watched, as they could lead to increased fiscal spending in Germany and, consequently, higher debt issuance needs.

In this scenario, Quadriga European Credit Opportunities maintains a portfolio of 44 bonds, with an average yield of 4.35% and an interest rate duration of 4.38 years (1.58 years in terms of credit spread duration). Moreover, for the first time since the fund's inception, our average credit rating has reached Investment Grade, driven by the increased activity in interest rates mentioned earlier. As a result, 55% of the fund is now invested in Investment Grade assets, 45% in High Yield, with an average rating of BBB-.

By sub-strategies, the fund's performance for the month was as follows:

CARRY generated a +0.73% return, driven by a portfolio duration of 6 years, an average Z-spread of 206bps, and the strong performance of the 25% allocation to subordinated financial sector bonds in our portfolio.

EVENTS had a flat performance for the month. The negative valuation impact of Ubisoft's new profit guidance on its 2031 bonds, where we hold 0.56% of the fund, offset the strong performance of Audax 2027 bonds and Unicrédito's "Cashes". However, in the event of an M&A deal involving the founding family and Tencent, the Ubisoft bonds could see a revaluation of more than 20 points.

Lastly, the **MACRO OVERLAY** portfolio delivered a +0.14% return, benefiting from our active management of interest rates and credit spreads.

Active Classes

Name	Inception Date	BBG Ticker	NAV (Jan 1st, 25)	NAV (Jan 31st, 25)	Monthly Return	Return YTD
Capitalization Classes						
Class A	07-Feb-23	QUAMECO LX	107.13	116.46	0.83%	0.83%
Class B	15-Feb-23	QUAMECU LX	107.85	117.11	0.82%	0.82%
Class C	-	-	-	-	-	-
Class D	25-Aug-23	QAMECOD LX	105.09	117.89	0.82%	0.82%
Class E	03-Aug-23	QAMECOE LX	107.69	113.81	0.81%	0.81%
Class F	-	-	-	-	-	-
Distribution Classes						
Class G	-	-	-	-	-	-
Class H	08-Mar-23	QAMECOH LX	108.56	115.61	0.71%	0.71%
Class I	-	-	-	-	-	-
Class J	-	-	-	-	-	-
Class K	-	-	-	-	-	-
Class L	-	-	-	-	-	-

All Classes

Name	ISIN	Min ticket (€)	Investor	Inducements	Management	Performance
Capitalization Classes						
Class A	LU2577365393	10,000,000	Seeder	0%	0.40%	0%
Class B	LU2577365476	5,000,000	Seeder	0%	0.50%	0%
Class C	LU2577365559	10,000,000	Inst/Retail	0%	0.60%	0%
Class D	LU2577365633	1,000,000	Inst/Retail	0%	0.75%	0%
Class E	LU2577365716	10	Inst/Retail	0.60%	0.90%	9%
Class F	LU2577365807	10	Retail	0%	0.90%	9%
Distribution Classes						
Class G	LU2577365989	10,000,000	Seeder	0%	0.40%	0%
Class H	LU2577366011	5,000,000	Seeder	0%	0.50%	0%
Class I	LU2577366102	10,000,000	Inst/Retail	0%	0.60%	0%
Class J	LU2577366284	1,000,000	Inst/Retail	0%	0.75%	0%
Class K	LU2577366367	10	Inst/Retail	0.60%	0.90%	9%
Class L	LU2577366441	10	Retail	0%	0.90%	9%

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