

## Aqua UCITS

28th Feb 2025

Protected Rebalanced Equity strategy is a liquid absolute return strategy designed to maximize long term upside participation to US equity markets via enhanced capital preservation and enhanced compounding. Aqua UCITS combines three building blocks: 1) Long-Only US Equities in 100% Notional, 2) Long-Only defensive options program, and 3) Systematic Rebalancing program back to neutral weights. The long only option portfolio is designed and dynamically managed to maximize reliability, reactivity, convexity, and asymmetry and minimize cost and carry. The Rebalancing program follows a disciplined framework of monetization and accumulation designed to maximize the contribution from Upside Alpha, Downside Alpha, and Rebalancing Alpha.



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Class	Currency	ISIN	Fees
A (Clean)	USD	LU1871084460	0,75%/0%
C (Retro)	USD	LU2357187157	2,00%/0%
D (Clean)	EUR	LU2357187231	0,75%/0%

**Liquidity** Daily  
**UCITS** Luxembourg

## Monthly Commentary

What happened during the month? Quadriga Aqua UCITS down -0.7% in February. The first part of February was dominated by ongoing momentum that sent SPX to +4.6% YTD, only to reverse all gains and send into negative territory as the risk of Tariffs started to materialize. Europe continues to outperform strongly, with Eurostoxx +12.6% YTD, an outperformance vs SPX of 14% as of writing. The USD has been under significant pressure across all main pairs, and in particular vs the JPY, EUR, and CNH. Lower yields in the U.S. are supporting fixed income markets for now despite the rise in inflation expectations. Looking forward, we expect both realized and implied volatility to remain high and bid. Watch out for further momentum to the downside triggering a spike in the VIX, which early March has moved into backwardation (front futures contracts trading above deferred contracts) which, as it is the case in commodity markets, is often a signal for escalation in risk-off.

## Positioning Aqua UCITS (% AUM)

Positioning	Curr. Month	Prev. Month	Change
US Equities (% NAV)	102.0%	100.0%	2.0%
Option Premium (% NAV)	10.1%	9.7%	0.4%

## Positioning Options Portfolio (Premium at Risk as % AUM)

Option Premium (% AUM)	2025	2026	2027	>2027	Total
SPX & VIX	4.7%	0.3%	0.0%	0.0%	5.0%
FX & Rates	0.1%	0.0%	0.0%	1.6%	1.7%
Precious Metals & Inflation	0.0%	1.4%	1.6%	0.4%	3.4%
<b>Total</b>	<b>4.8%</b>	<b>1.7%</b>	<b>1.6%</b>	<b>1.9%</b>	<b>10.1%</b>

## Monthly Activity Aqua UCITS

**Closed/Restructured/New positions:** We rolled VIX call spreads expiring in Mar25 into May25. The restructure has better carry, lower reactivity, higher vega, and larger potential pay out. We took profits on SPX resettable ATM puts expiring in May25, and entered new exotic ITM puts with same expiry in twice the size, reducing reactivity but switching from negative to positive carry and increasing potential pay-off during moderately adverse markets.

## 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%	-0.7%	2024	27.6%
2024	1.4%	-0.7%											2025	0.7%

**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.